

People's Democratic Republic of Algeria  
Ministry of Higher Education and Scientific Research  
Superior school of management  
Tlemcen



Department of management and  
enterprise's strategies



## THESIS OF END STUDIES THEME

**The Implementation Of Customer  
Relationship Management Approaches In  
Service Companies :  
Case Study Of Algeria Telecom**

**Framed by:**  
Kerfah Islam

### Comity of debate:

<b>Mr Mohamed Amine METAICHE</b>	<b>grade</b>	<b>MCA</b>	<b>President</b>
<b>Mr Ahmed SMAHI</b>	<b>grade</b>	<b>Professor</b>	<b>Supervisor</b>
<b>Mr Mohamed BENBOUZIAN</b>	<b>grade</b>	<b>MCA</b>	<b>Examiner</b>

**Academic year: 2020/2021**

## ABSTRACT

This study aims to identify the reality of managing the relationship with customers in the service institution, where the current reality imposes on institutions to go towards the customer to establish a long-term interactive relationship, as it is the backbone of it and the most important pillars of its success. In contrast, this relationship is a comprehensive and practical integrated strategy between the institution and the beneficiaries. In general and customers in particular, it is based on dialogue, consultation, and mutual trust to retain customers by creating value for them and gaining their satisfaction and loyalty using a set of customer relationship management tools.

In order to value the theoretical study, we dropped it on the field of communications, where was our field study in the Algeria Telecom Public Corporation, using the questionnaire, where we saw the application of this method in the institution under study.

**Keywords:** Customer Relationship Management, Satisfaction, Value. Trust

## الملخص

تهدف هذه الدراسة إلى التعرف على واقع إدارة العلاقة مع الزبائن في المؤسسة الخدمية ، حيث يفرض الواقع الحالي على المؤسسات التوجه نحو الزبون لإقامة علاقة تفاعلية طويلة الأجل ، كونه العمود الفقري لها وأهم أركان نجاحها ، في حين تعتبر هذه العلاقة استراتيجية شاملة وعملية متكاملة بين المؤسسة والمستفيدين بوجه عام والزبائن بوجه الخصوص ، تقوم على أساس التفاوض والتشاور والثقة المتبادلة من أجل الإحتفاظ بالزبائن وذلك بخلق القيمة لهم وكسب رضاهم وولائهم باستعمال مجموعة من أدوات إدارة العلاقة مع الزبائن .

ولتثمين الدراسة النظرية قمنا بإسقاطها على مجال الإتصالات ، أين كانت دراستنا الميدانية في المؤسسة العامة لإتصالات الجزائر ، باستعمال الإستبيان ، حيث لمسنا تطبيق هذا الأسلوب في المؤسسة محل الدراسة

**الكلمات المفتاحية :** إدارة علاقات العملاء ، الرضا ، القيمة. ثقة.

## DEDICATION

*This thesis is wholeheartedly dedicated to my beloved parents, who have been my biggest supporters and gave me strength when I thought of giving up, who continually provide their moral, spiritual, emotional, and financial support. To our brothers, sisters, relatives, mentor, friends, and classmates who shared their words of advice and encouragement to finish this thesis.*

## **Acknowledgement**

*First of all, I would thank Allah for giving me the strength to finish this work.*

*Foremost, I would like to express my sincere gratitude to my advisor Prof. Ahmed SMAHI for the continuous support of my master thesis, for his patience, motivation, pieces of advice, and immense knowledge. His guidance helped me in all the time of research and writing of this thesis. I could not have imagined having a better advisor and mentor for this study.*

*Besides my advisor, I would like to thank all the teachers that help me reach this far for their encouragement. And the precious information and comments they help me with.*

*My sincere thanks also go to my colleagues for the help they offered to me during this work.*

*To the staff of Algeria Telecom for the time and the opportunities they gave me.*

**Table of figures:**

Figure 1: Explanatory figure for the components of CRM.....	22
Figure 2: The American Customer Satisfaction Index (ACSI) Model .....	38
Figure 3: The Key components of ECRM.....	39
Figure 4: The loyalty effect by Frederick Reichheld.....	56
Figure 5: The stages of the customer loyalty loop.....	57
Figure 6: The American Customer Satisfaction Index (ACSI) model .....	63
Figure 7: When do consumers stop interacting with a brand they love.....	64
Figure 8: Non-linear Relationship between customer satisfaction and repeat purchase rates.....	66
Figure 9 Customer Satisfaction Score example.....	68
Figure 10 The CRM value chain .....	76
Figure 11 A model of customer-centric culture (© courtesy of Frost Rowley) .....	79
Figure 12: A single view of the customer for front-office applications .....	81
Figure 13: How CRM capabilities map onto the CRM value chain.....	82
Figure 14: Campaign Management process for high-interest savings account .....	84
Figure 15: The Organizational Structure Of Algeria Telecom.....	89
Figure 16: Algeria telecom main office.....	96
Figure 17: Explanatory pie chart of our sample by sex.....	101
Figure 18: Explanatory bar diagram of the age groups of the individuals in the sample ....	102
Figure 19: An explanatory diagram in a pie chart of the professional statuses of our sample .....	103
.....	
Figure 20: the contact mode .....	104
Figure 21: an explanatory diagram rating the statements.....	105
Figure 22, an explanatory diagram, shows the negativity test.....	106
Figure 23: an explanatory chart shows the positivity test.....	107
Figure 24 employees complaint handling question .....	108
Figure 25: explanatory chart of satisfaction .....	111
Figure 26: the correlation between internet service quality and rating .....	111
Figure 27: positivity test chart .....	113
Figure 28: positivity test chart .....	114

Figure 29: customer rating chart.....	115
Figure 30: SPSS coding.....	116
Figure 31: the correlation test in density between Male and Female .....	116
Figure 32: explanatory pie chart of the expectations of the customers .....	118
Figure 32: explanatory pie chart of the re-activation of the customers .....	120
Figure 33: positivity test chart .....	121
Figure 34: the correlation between profession and alternative choice .....	122

## Contents

<b>General introduction: .....</b>	<b>12</b>
The importance of the topic: .....	12
Objectives of the topic:.....	12
Reasons for choosing the topic:.....	13
Research methodology : .....	13
Search difficulties:.....	14
Literature reviews :.....	14
<b>CHAPTER ONE: THE BASICS OF CUSTOMER RELATIONSHIP</b>	
<b>MANAGEMENT .....</b>	<b>17</b>
Section 01: General concepts in customer relationship management: .....	<b>18</b>
1.1. Historical evolution of customer relationship management : .....	18
1.2. Definition Customer Relationship Management :.....	19
1.3. Levels and components of customer relationship management :.....	20
1.4. The importance of Customer Relationship Management :.....	26
1.5. The Four Steps To Customer Relationship Management : .....	27
Section 2: Customer relationship management between the reasons for adoption and the foundations of success.....	<b>28</b>
2.1. Reasons for adopting a customer relationship management system : .....	28
2.2. Benefits of customer relationship management : .....	28
2.3. Customer relationship management objectives.....	30
2.4. Requirements for successful CRM.....	31
2.5. Obstacles to implementing customer relationship management .....	32

<b>Section 03: Customer relationship management tools.....</b>	<b>33</b>
3.1. Automated applications of salesforce.....	33
3.2. Using ECRM to maximize/minimize customer satisfaction / dissatisfaction .....	36
3.3. Model of customer satisfaction/dissatisfaction : .....	37
3.4. Critical Components of ECRM :.....	39
<b>Conclusion: .....</b>	<b>43</b>

CHAPTER TWO: THE DIFFERENT APPROACHES OF CUSTOMER RELATIONSHIP MANAGEMENT .....	44
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**Section 1: The Approach of Customer loyalty in Customer Relationship Management .....**

4.1. Definition Of customer Loyalty : .....	45
4.2. Types and tools of customer loyalty.....	46
4.3. The Benefits Of Customer Loyalty: .....	50
4.4. The Measurement Of Customer Loyalty :.....	51
4.5. The Aspects Of Customer Loyalty Strategy : .....	52
4.6. Four Ways of Developing Customer Loyalty Strategy .....	53
4.7. The Loyalty Effect : .....	56
4.8. The Importance of Customer Loyalty .....	60

**Section 2: The Approach of Customer Satisfaction and Customer Relationship Management .....**

5.1. Definition of Customer Satisfaction : .....	62
5.2. Benefits of Customer Satisfaction:.....	63
5.3. The Relationship Between Customer Satisfaction And Repeat Purchase.....	65
5.4. The Measurement of Customer Satisfaction Experience: .....	66
5.5. Advantages of measuring customer satisfaction: .....	70
5.6. The Role Of CRM To Increase Customer Satisfaction .....	72

<b>Section 3: the approach of Customer value in the customer relationship management.....</b>	<b>75</b>
6.1. Definition of CRM value chain .....	75
6.2. The primary stages of the CRM value chain .....	77
6.3. The supporting conditions of the CRM value chain .....	78
<b>Conclusion: .....</b>	<b>85</b>

**CHAPTER THREE: A FIELD STUDY AT ALGERIA TELECOM. ....86**

<b>Section 1: Presentation of the company: .....</b>	<b>87</b>
7.1. The foundation of Algeria Telecom : .....	87
7.2. The missions and objectives of Algeria Telecom: .....	88
7.3. The Organizational Structure Of Algeria Telecom : .....	88

**Section 2: Customer Relationship Management In Algeria Telecom ....93**

8.1. The strategy adopted by Algeria Telecom in order to achieve customer value :	93
8.2. tools used by Algeria Telecom : .....	94

**Section 3: Survey results and analysis:.....98**

9.1. Method used in the study: .....	98
9.2. Population and samples : .....	99
9.3. Data collection tool : .....	99
9.4. Statistical analysis tools: .....	99
9.5. Survey results and analysis: .....	101
9.6. Hypothesis testing : .....	123

**Conclusion: .....**

**124**

**General conclusion: .....125**

Suggestions and recommendations : .....	125
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**Bibliography .....127**

**ANNEXES .....129**

.....	129
-------	-----



## **General introduction:**

The environment in which business organizations are active has become characterized by dynamism and rapid changes due to technological development in the economic and social spheres. This development and change in the markets in which the institution operates have made obtaining the Loyalty of customers difficult due to a large number of options in front of them and the ease of supplying various information related to the products, which has led to an increase in their preferences.

The survival of the institution has become linked to the extent of its ability to adapt and distinguish itself from the rest of the competitors and to achieve a competitive advantage in the market by directing products of Quality equal to or exceeding the expectations of customers in a way that is better than competitors in the market. After it was believed that the organization should attract more customers to make a profit, this view changed to that it had to attract, get and retain customers, and here the concept of relationship marketing appeared, and the organization had to adopt customer relationship management.

### **The importance of the topic:**

- The importance of satisfaction and Loyalty for the organization to maintain existing customers and win new customers.
- The functional role of customer relationship management in strengthening the relationship between the customer and the service institution.

### **Objectives of the topic:**

- Studying the reality of customer relationship management in service institutions
- Knowing the impact of customer relationship management tools on creating value, achieving satisfaction, and increasing customer loyalty,

In this context, it is interesting to understand the client relationship management vis-à-vis the service institution, so we formulated the problem as follows:

***"How effective are CRM tools in creating value for the Algerian customer?"***

In order to give a clearer picture of this problem, the following sub-questions were extracted:

- S / Q 1: What is meant by customer relationship management?
- S / Q 2: What are the CRM tools used in a service organization?
- S / Q 3: What is the role of CRM tools in creating customer value?
- S / Q 4: What is the role of perceived value in achieving customer satisfaction and Loyalty?

For this, we have made the following Hypothesis :

**Hypothesis 1:** « There is a positive relationship between CRM tools and customer value.»

**Hypothesis 2:** « There is a positive relationship between CRM tools and customer satisfaction.»

**Hypothesis 3:** « There is a positive relationship between CRM tools and customer loyalty.»

### **Reasons for choosing the topic:**

Several reasons prompted us to choose and research this topic, which lie in the following:

- The increasing interest of the service organization in understanding how to achieve customer satisfaction, increase and activate Loyalty and create customer value,
- The necessity of using customer relationship management within service institutions,

### **Research methodology :**

In order to ascertain the hypotheses and answer the problematic questions posed, the descriptive method was relied on for the theoretical side, which is consistent with the nature of the subject, finally, an analytical method and a case study.

The study was divided into three chapters, two theoretical chapters, and the last chapter is a case study.

The first chapter was divided into two sections, where the first topic was devoted to the concept of customer relationship management, the second chapter was to customer value, satisfaction, and Loyalty creation within customer relationship management

The third chapter was devoted to the case study, as it included three sections. The first topic included the introduction of Algeria Telecom Corporation. The second section was devoted to managing the relationship with customers in Algiers Telecom. The third topic came to test the effectiveness of the tools of customer relationship management in creating value and gaining customer satisfaction and Loyalty in Algeria Telecom Corporation

#### **Search difficulties:**

- Difficulties in finding information about customer relationship management in the practical aspect.

#### **Literature reviews :**

Numerous studies have addressed the subject of the tools of customer relationship management and how it applies in the professional world from several aspects, the most important of which are:

- 1) **Thomas K. Obeing, Karla Loria, (2005),** *"Customer Relationship Management Implementation, A Case Of Two Service Companies.* "MCs thesis, Lulea University of Technology, Department of Business administration and social Science. Lulea Sweden.

The goal of this master's thesis, which was motivated primarily by the widely publicized criticism of most Customer Relationship Management (CRM) initiatives, was to gain a better understanding of CRM implementation in service companies. CRM has been approached from various perspectives by academics and practitioners, and the literature appears to be inconsistent and highly fragmented. The goal is to elucidate the primary reasons, benefits, components, and critical factors of CRM implementation.

A case study involving two Swedish service firms that have been implementing CRM was studied to achieve the goal of this thesis. According to the study's findings, service companies and those in the process of implementing a full CRM initiative benefit from CRM implementation.

When firms show a different mix of CRM components, the theory is contradicted because they unconsciously see CRM as a technology solution. Another finding is that service firms are radically reengineering their business processes and strategically deploying CRM technology to gain a comprehensive view of the customer.

Finally, findings indicate that CRM implementation must be successful in order to achieve corporate objectives. Service providers must pay close attention to the right mix of CRM components and essential factors such as strategy, leadership, and integration.

**2) Torres, Antonio, Jr.(2004), "Factors influencing customer relationship management (CRM) performance in agribusiness firms" PhD thesis, Purdue University, Department of Philosophy. Purdue USA.**

The goal of this study was to identify the activities/behaviours/outcomes that comprise and impact agribusiness Customer Relationship Management programs, as well as to identify critical differences across the core set of activities/behaviours/outcomes and firm demographic variables by firm size (Small, Medium, and Large), broad market segments served (Crop, Livestock, Services, and Diversified), and by firm demographic variables. The ultimate goal was to create a taxonomy of agricultural firms based on the perceived performance of their CRM programs.

The study identified three distinct groups: Leaders, Emerging Leaders, and Underachievers. A narrative profile was created for each group that described their activities/behaviours/outcomes and highlighted differences in these core elements across firms. A self-administered mail questionnaire was used to collect data for this study from middle and upper-level agribusiness managers. The study had an 11.7 per cent response rate, resulting in 233 usable questionnaires. Agribusiness managers were asked to respond to the following core set of activities/behaviours/outcomes identified for this research: CRM performance, CRM objectives, customer data collected or accessed, uses of customer data, approach to the market, tactics used to develop and maintain customer relationships, assessment of information technology infrastructure, and challenges to making the best decisions. Overall, the findings indicate that large firms have a resource advantage. That they use to achieve their high level of performance compared to Medium and Small businesses In terms of broad market segments served, the Crop segment outperformed the Livestock, Services, and Diversified segments.

In contrast, operating units that sold directly to customers (Direct) or had one level between themselves and end-users (One-level) had the most effective CRM programs compared to operating units that used a complex distribution channel. According to the narrative profiles developed for Leaders, Emerging Leaders, and Underachievers, the best performing agribusiness firms had loftier goals. Collected more sophisticated customer data, used various tactics to develop and maintain customer relationships, and faced fewer challenges when making the best use of customer data in an information system/database.

**CHAPTER ONE: THE BASICS OF  
CUSTOMER RELATIONSHIP  
MANAGEMENT**

## **Section 01: General concepts in customer relationship management:**

In light of the market's intense competition, the institution has to find modern ways to maintain its current customers and gain new customers. The institution has reached customer relationship management, a modern marketing concept, which is an orientation towards the customer and making the institution's activity based on it by building a long interactive relationship with him. This has become possible thanks to information and communication technology, and this can only be achieved by putting in place the correct mechanisms to embody its strategy on the ground.

### **1.1. Historical evolution of customer relationship management :**

The history of the inception of customer relationship management goes back to the pre-industrial era due to the interaction between farmers and their customers. Reaching these products at the lowest cost, all of this was due to the focus of the organization's vision on the operating system and giving it the highest priority in its work, and this is what was called the technology push strategy; at the end of the twentieth century, the seventies stage, which was called the years of rationalization, as institutions began to reduce production costs to the minimum possible while working to improve the sales process and reach new markets. Years of Quality With the increasing demands of customers and the increasing competition, the obsession of institutions has become to improve the Quality of products and services to satisfy customers. The previous stages collectively can be called the product orientation stage, where the organization focused on the product as an axis for its development and maintaining the relationship with its customers. (Roberts-Phelpsn, 2008)

In the nineties, the institution moved from the product orientation to the customer orientation, where the institution formed a database about its customers and expanded direct communication channels with the customer and focus on direct marketing, And what has accelerated the efforts to adopt the approach to managing the relationship with the customer, is the recognition today that the solid and long-term relationship with customers represents one of the most critical assets of the institution. (Roberts-Phelpsn, 2008)

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With the advent of the 21st century, this customer orientation has been embodied in practice, which focused on providing a special offer to each customer, which became available thanks to the expansion of the uses of the Internet and the development of information and communication technology, which allowed reducing intermediaries between the institution and the customer and even direct contact, allowing the customer to manufacture the product he wants and services Attached to it and quality assurance by himself (Roberts-Phelpsn, 2008)

### **1.2. Definition Customer Relationship Management :**

Customer Relationship Management (CRM) is a comprehensive approach for establishing, maintaining, and growing customer relationships. Let us look at this definition in more detail implies First, the word "comprehensive." CRM is not just for sales and marketing anymore. Nor the customer service group's primary responsibility. It is also not the work of the information technology department. While one of these areas may be the internal champion for CRM in the company, CRM must be a way of doing business that encompasses all of them. Customer relationships suffer when CRM is delegated to a single department, such as IT.

Similarly, if a component of CRM planning is overlooked, the organization risks jeopardizing the very customer relationships it seeks to maintain, "Approach" is the second keyword in our definition. Webster defines an approach as "a method of treating or dealing with something." Customer relationship management (CRM) is a way of thinking about and managing customer relationships. We could also use the term strategy here because CRM requires a well-thought-out strategy. We believe that a CRM strategy can serve as a benchmark for all of the company's other strategies. Any organizational strategy that does not help build, maintain, or expand relationships with the target customers is not helping. (Roberts-Phelps, 2008)

CRM is also a profit-generating business strategy that integrates internal processes and functions with external networks to create and deliver value to targeted customers. It is based on high-quality customer data and is supported by technology. (Buttle, 2004)

### **1.3.Levels and components of customer relationship management :**

Customer relationship management has several levels and components, as follows:

#### **1.3.1. Levels of CRM:**

Customer relationship management is carried out at three different levels, but in an integrated manner, as each level is essential to the success of the application of a concept in the other two levels, and the levels are (Buttle, 2004)

##### **1.3.1.1.First Level :**

Strategic management of the relationship with customers, at this level, the focus is on developing the culture of the organization to become customer-oriented and seeks to acquire and maintain profitable customers by creating and delivering value in a way that is better than competitors, this culture is directly reflected in the leadership behaviour of the organization so that all official programs become The strategies are built and designed towards satisfying customers and building long-term relationships with them in order to gain their Loyalty (Buttle, 2004)

##### **1.3.1.2.Second Level :**

Operations management with customers and is known as the front end of the organization where the points of contact are face to face with customers, and this communication may be directed inward, such as hotlines to support the enterprise's customer, or it may be directed outward, such as contact with sales assistants. At this level, direct meeting points with

customers are made, such as The use of computer software in the functions of marketing, selling, customer care, and service support, and electronically communicating with customers through web pages, emails, and short messages, as technological applications enable its users to investigate and explore customer information in order to develop appropriate communication offers for each target group. Also, successful sales operations are built based on correct information about customers provided to the right sales representative at the right time, and computer programs help in developing and improving the performance of customer services as they provide essential information about the customer, which facilitates the process of communication between the employee and the customer, which leads to reducing expenses Increasing customer satisfaction (Buttle, 2004)

### **1.3.1.3.Third Level**

Analytical management of the relationship with customers, including understanding the activities of the customer that occurred in the front offices, at this level customer relationship management is concerned with collecting information about customers in order to enhance value for both the customer and the organization, information about customers can be obtained from several sources, the internal sources of the organization Through the customer's purchasing history, financial data, marketing data, and his services data (Buttle, 2004)

External sources of information such as demographic information and lifestyle analysis can also be used. Some information can be obtained from competitors.

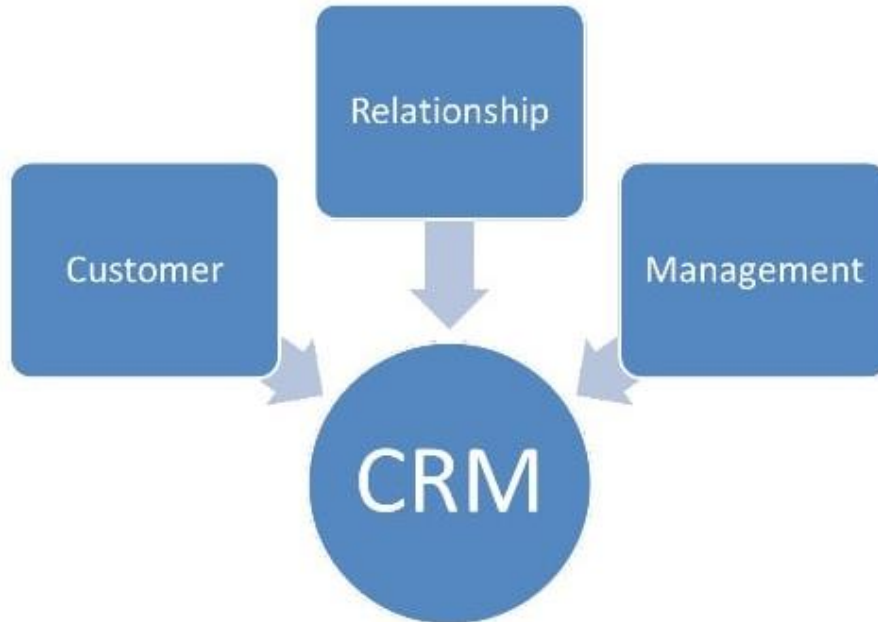
From the customer's point of view, analytical relationship management provides better delivery services and a personal relationship, practical solutions to the problems faced by these matters enhance customer satisfaction. (Buttle, 2004)

From the organization's point of view, the analytical management of customer relations strengthens the design of its sales programs, increases the effectiveness of its customer acquisition and retention programs. (Buttle, 2004)

### 1.3.2. Components of Customer Relationship Management :

CRM consists of three main components, as shown in the Figure below:

*Figure 1: Explanatory figure for the components of CRM*



**Source:** Dorman Suleiman 2012

#### 1.3.2.1. Customer:

The customer is the regular or legal person who purchases products or services for personal consumption or others. However, it is often difficult to know who the real customer is because the purchase decision is often a cooperative decision among a group of participants in the decision-making process, according to the Department of Customer Relationships The enterprise's customer can be distinguished by collecting information to build a long-term relationship, as it is the source of profit for the enterprise in the present and the future.

According to customer relationship management, the customer goes through a life cycle, so that each customer passes through several stages until he becomes either a partner customer or abandons the company's product. To the stage of Loyalty or final abandonment of the products of the institution (Adebanjo, 2003)

The customer's stages in his relationship with the institution start with the potential customer and represent every individual who can buy the institution's product, and the institution seeks to transform it to become an interested client. By purchasing the institution's

product for the first time, he becomes a new customer, and then he is motivated to repurchase. Until he becomes a loyal customer, then he becomes a customer adapted to the institution. The loyal customer is not satisfied with buying the products of the institution but pushes others to buy, which means he becomes an ambassador for the institution, and in the end, he becomes a partner in the institution so that a feeling of great attachment to its products and brands is generated in him. (Adebanjo, 2003)

It should be noted that the customer can become ineffective at any stage and must be reactivated and activated by all means. (Adebanjo, 2003)

#### **1.3.2.2.Relationship :**

The CRM strategy is based on the relationship built between the customer and the organization. It is a bilateral relationship that results in a set of mutual interactions between the two parties. (Adebanjo, 2003)

Relationships change permanently in several stages to become more vital and more profound. The scientist Dwyer explained that the relationship passes through five stages as follows: (Adebanjo, 2003)

#### **1.3.2.2.1. Awareness ;**

This starts from the relationship when one party views the other as a potential partner with whom to exchange

#### **1.3.2.2.2. Exploration :**

The period of investigation and examination during which both parties explore the capabilities and performance of the other party through some buying experiences. If the experiment is unsuccessful, the cost of ending the relationship will be below. The exploration stage consists of five partial processes: attraction, communication, bargaining, developing some power methods, developing habits, and developing some expectations.

#### **1.3.2.2.3. Expansion:**

At this stage, the agreement between the two parties increases, and several commercial transactions take place, and trust begins to develop

#### **1.3.2.2.4. Commitment :**

This stage is characterized by increased adaptation and mutual understanding of the roles of both parties. Reaching this stage of the relationship is an indication of customer satisfaction. Indicators of Loyalty to the institution appear in his behaviour.

#### **1.3.2.2.5. Termination ;**

Not all relationships reach the commitment stage, the relationship may be terminated at any previous stage, and the termination of the relationship may be bilateral or unilateral. According to his views, the customer terminates the relationship in the event of repeated failure to deliver services or change his needs.

Some customers are not satisfied with owning and consuming goods and services but are looking for :

- ✓ **Excellence:** The customer feels more valued when they are dealt with and identified by their name
- ✓ **Personal relationship:** With the passage of time and the continuation of the relationship, the organization becomes more aware of the customer's preferences and also his expectations
- ✓ **Searching for strength:** Sometimes, the customer seeks a relationship in which the power is asymmetric. He was looking to build a relationship with someone responsible or high influence in a particular organization
- ✓ **Reduce risk:** When customers realize that the risk is high in purchasing a good or service, they strengthen the relationship with the institution to reduce or eliminate these risks.
- ✓ **Raise status:** Some customers feel that their status has increased due to their dealings with a particular institution
- ✓ **Joining clubs:** Customers may build a relationship with a particular institution in order to join a club or association

Also, some customers may not want to build a relationship with any institution for fear of dependency, which leads to their exploitation or lack of credibility, which generates mistrust among customers. Customers may not resort to building a relationship with any institution to benefit from the advantages of the technology it provides competitors. (Adebanjo, 2003)

It should be noted that there are several forms of interactions between institutions and their customers through which the nature of the relationship between them is determined, namely:

- Many institutions interact with the customer directly, such as banks and telecommunications companies, and therefore it is relatively easy for them to build a database
- Organizations that have difficulty direct interaction with the customer due to the nature of their work, such as car and furniture manufacturers
- Institutions that represent the state of the middle and must move and act by increasing direct contact with the customer, for example, setting incentives that push customers to enter the Internet and register their personal information

### **1.3.2.3.Management :**

The activity of CRM is not determined within the framework of the marketing department only but also includes the continuous change in the culture and operations of institutions, and CRM works to transform the information collected by the customer about the enterprise into knowledge for the benefit of the whole enterprise, and CRM also requires a complete change in the enterprise. and its members (Aaker, 1990)

### **1.4.The importance of Customer Relationship Management :**

The main question remains as to how the significant effort required to create the CRM pays off. To put it another way, how does CRM add value to an organization? In fact, "CRM is more than a technology; it is a survival philosophy." (Aaker, 1990)

The economy centred on the customer" (Helm, 2002). CRM implementation that is successful influences how much money customers spend and how long they stay loyal; as stated by Freeland is an abbreviation for Freeland (2003), "CRM is still one of the most effective strategies for increasing revenue and profits. increasing market share and that CRM provides more opportunities for development Customer franchise and increasing brand value is more important than most businesses realize. (Freeland, 2003)

Acquiring the right mix of CRM processes, workforce management approaches, and technologies are critical for companies to maintain solid and profitable customer relationships. (Freeland, 2003)

According to Xu and Walton (2005), "the motivating factors for companies moving toward CRM technology are to improve customer satisfaction level, retain existing customers, improve customer lifetime value, provide strategic information from the CRM system, and attract new customers." Zavareh (2008)

The value is found in the value it creates for its customers and the value the customers deliver back to the company. As a result, it is critical to emphasize that the value does not lie in more information or advanced technology. The value is found in customer knowledge and how businesses use that knowledge to manage their relationships. According to Newell 2000, knowledge is the sole source of CRM. Unfortunately, few businesses convert information into customer knowledge, and as a result, they miss out on opportunities to provide value to their customers. However, when used correctly, CRM is a tool that helps businesses make money. Companies that transform customer data into knowledge and then use that knowledge to build relationships will increase customer satisfaction, acquisition, retention, and loyalty and reduce customer loss. (Peppard, 2000)

**1.5.The Four Steps To Customer Relationship Management :**

The four steps to moving the organization closer to a relationship-based management program are :

1. Segmentation
2. Analysing current behaviour
3. Developing strategy to achieve target behaviours
4. Behaviour maintenance.

By behaviour, we mean a customer's purchasing or other actions concerning the company and its products and services; it is probably worth spending some time at the start of the process auditing all of the organization's systems, information, research, marketing knowledge, attractiveness, historical promotion results, and any other additional data sources, Customer relationship management necessitates a holistic approach in which all customer information held across the organization is gathered in a single central source or at the very least cross-accessed so that it can be compiled and collated. For example, information about customer transactions is likely held at an accounting level, and a payment record may be appended to that. The results of marketing activity for different customers or customer groups may be stored on a different computer system. Another database may contain information on customer service questions or inquiries times when they may have been called or contacted for some reason. (Roberts-Phelpsn, 2008)

## **Section 2: Customer relationship management between the reasons for adoption and the foundations of success**

This requirement includes the reasons that prompted institutions to adopt CRM, its benefits, and the desired objectives of its application as follows

### **2.1. Reasons for adopting a customer relationship management system :**

Imposing instability in the reality of business, mainly caused by globalization coming strongly to saturated markets, to have a competitive advantage and create a state of distinction from others is very difficult, especially within markets where products and prices are semi-typical, which led to: (Brunett, 2001)

- Changing the structure and organization of institutions
- Striving to reduce costs in order to keep pace with the increasing competition
- Continuous quest to increase the number of customers by using more extensive offers and focusing on advertising and promotional means
- Act according to the customer life cycle to raise loyalty rates

The most crucial reason behind adopting CRM as its main principle is to maintain existing customers because it allows achieving the following:

- According to the Pareto principle, it is assumed that 20% of an organization's current customers generate 80% of its profits
- In industrial sales, it takes, on average, 0 to 10 physical effort required to sell to a new customer and 2 to 3 required to sell to an existing customer.
- The cost of getting a new customer is 2 to 10 times more than getting repeat purchases from existing customers
- The current customer plays a positive role in the process of acquiring new customers at very little or no cost
- Retaining 2% of customers leads to 22% or more profitability
- Retaining 2% of customers saves costs estimated at 18%.

### **2.2. Benefits of customer relationship management :**

The advantages of CRM were categorized into advantages related to the organization and others related to customers as follows : (Brunett, 2001)

**2.2.1. Enterprise benefits :**

It has tactical and strategic benefits as follows

**2.2.1.1. Tactical benefits:**

- Giving the best customer service
- Customer call centres become more efficient
- Simplify marketing and sales processes
- Discover new clients

**2.2.1.2. Strategic benefits :**

- Understand and anticipate customer needs
- Building a long-term relationship with customers
- Improve the company's brand name and customer loyalty
- Increase customer retention and Loyalty to the organization
- Focus on the most profitable customers, because 20% of customers can achieve 100% of the profits
- It reduces marketing costs to the minimum possible through marketing campaigns, reduces potential errors in the institution's relationship with its customers, and defines their exact needs through their preferred communication channels.
- The relationship with marketing with the customer represents essential management for future planning about forecasting sales and activities of various marketing services, based on the analysis of the marketing performance achieved for the previous period through the database available in the knowledge of the customer.
- Finding higher and larger services and facilitating the flow of internal business processes to support customer interaction all channels such as sales and service channels, repeat selling, customer service, and support, direct mail, email, fax, Internet, internal selling

### **2.2.2. Customer benefits:**

Among the essential benefits that the customer obtains as a result of the organization's application of customer relationship management are the following:

#### **2.2.2.1. Trust :**

One of the human qualities of most customers is not to change the business establishment they deal with, but this desire results from business establishments building a trusting relationship with their customers, resulting from providing services that exceed the cost provided by the customer.

#### **2.2.2.2. Social benefits :**

These social advantages are through the relationships that the institution has with customers, as this institution often becomes one of the tissues that make up the social fabric of the customer, and in most cases, solid social friendships are established between the institution and the customer.

#### **2.2.2.3. Special treatment**

Customers benefit from building a relationship with business establishments that deal with them from other customers, such as prices, preferential services, special offers.

### **2.3. Customer relationship management objectives**

Customer Relationship Management works to achieve the following objectives:

- Consolidation of a long-term relationship with profitable customers.
- Reducing customer dropout rates and increasing the retention rate of profitable customers.
- Increasing the profit margin generated by each customer by selling other goods to the same customer,
- Giving an integrated picture of customers and their needs, to determine the most appropriate means and times of contact with them, and to determine the mix of products and services they desire
- Develop innovative capabilities in how to maintain and attract customers, manage the relationship efficiently and achieve a balance between their desires and the benefit of the institution, and build the culture of the institution to make customers the primary focus for upgrading and winning the customer (Brunett, 2001)

- Functional empowerment means that attention to customers and their desires, on the part of the organization's employees, cannot be achieved as long as they are far from realizing their role and participation. It provides its employees with wider avenues of action and trains them to be partners in the responsibility of customer service (Brunett, 2001)

#### **2.4. Requirements for successful CRM**

There are several factors whose availability in the organization's environment is one of the most critical factors that contribute to the success of CRM in performing its tasks, and among these factors are the following:

The success of CRM requires a philosophical and strategic change in the organization. CRM is a business strategy for the organization and should not be linked to the marketing department. Instead, every person in the organization must realize the importance of the customer, so a change must be made in the patterns of thinking and the method of implementation for all employees from The top of the pyramid is to the bottom, i.e., building a customer-oriented culture at the level of each worker in the organization (Wilson H. a., 2002)

The application of customer relationship management requires restructuring the institution and completing its operations, which necessitates the workers to deal with new methods of work, and therefore it is necessary to develop their skills to use technology by subjecting them to training courses that help them deal with new systems, and it is worth mentioning that the misuse of technology Partial or perhaps total failure may occur in the activities of this department in particular and the activities of the various institutions in general

To achieve the success of CRM, all efforts of the organization's members must be coordinated. Therefore, CRM programs and the team based on their application must be carefully selected and ensure that individuals have sufficient skills to communicate with other parties and have the desire to develop this department continuously; (Wilson H. a., 2002)

In order to ensure the success of the CRM strategy and programs, it must be evaluated by diagnosing the problems and failures encountered and trying to address them to reduce their adverse effects.

## **2.5. Obstacles to implementing customer relationship management**

The process of managing the relationship with the customer faces several obstacles, which are represented in the following (Wilson H. a., 2002)

### **2.5.1. Customer privacy :**

Customer privacy is one of the critical issues that should be taken into account when implementing a customer relationship management strategy because it is based on a broad base of data about customers, whether demographic or behavioural, through various points and channels of communication, and this data is personal from the point of view of most customers. There is an imperative necessity to collect such data about customers in order to implement the CRM strategy. It was necessary to protect the privacy of customers through legal regulations and public policies around the world. There is still confusion and lack of clarity in determining the extent of the privacy of customer data, is protected and should It should not be used for specific purposes, but there are four main rules that should be followed in order to protect the privacy of customers, which are:

- informing customers that their information is personal and is collected for specific purposes;
- that the customer be able to track them;
- to allow the customer to obtain and correct his information;
- Protect customer data from unauthorized use

### **2.5.2. Technical immaturity**

The CRM strategy and technologies are still in their infancy, as most of its software and technologies are modular and not integrated, in addition to the high cost of implementation, in addition to that, there is a difference in the software and technology used by the institutions that adopt it, which leads to the demoralization of its adopters, but despite There is a range of solutions including, the process of integration between institutions and also there is little progress in trying to develop a standard technology and protocols for implementing CRM

### **Section 03: Customer relationship management tools**

The concept of CRM application is based on a set of tools mainly represented in information and communication technology, as it is one of the main factors that help develop institutional performance. CRM uses technology to collect and analyze data about customers, interpret customer behaviour, and develop prediction and response models to communicate effectively. Effective and within the specified time, delivering the product and service to the customer immediately, and helping to create an integrated picture of customers in order to learn from previous interactions to prepare for future interactions.

Using technology helps make relationships with customers more precise and more decisive. A technology-based customer relationship management strategy develops individual customer profitability and turns it into long-term investments.

The new technology, especially the Internet, in addition to the accompanying programs, constitute a real revolution within the relationship with the customer by providing a set of advantages for institutions, the most important of which are:

- Enhance the customer experience;
- Creates several channels for the customer to contact the organization;
- Contribute to providing better services to the customer;
- Helps clarity and transparency of information;
- Reduce service time;
- Improve decisions

Among the tools used in CRM are the following:

#### **3.1. Automated applications of salesforce**

It is automated information software that helps give the sales process an automated character to shorten the sales cycle and increase it. The automated applications of the sales force allow the following (Fayerman, 2002):

- Building customer records.
- Managing sales and customer accounts.
- Managing client programs.
- Are sending the results and reports of activities to the information store so that this information is used at the level of all marketing and sales departments.

- They provide updated records about the current and potential customer, which helps service providers activate the relationship with the customer.

### **3.1.2. Call centres:**

It is the integration between the computer and the phone, so that the automated distributor, whether it is voice, postal, or web, collects data about customers, as it shows the information about each customer automatically as soon as he contacts him, and this allows the service to be provided according to the characteristics of each customer (Fayerman, 2002)

### **3.1.3. Electronic methods of cash transactions :**

Like cards that use the money for purchases and sales (Fayerman, 2002)

### **3.1.4. CDs:**

CDs have replaced high-priced catalogues, and they are used in direct marketing for being more visible than high-quality paper. (Fayerman, 2002)

### **3.1.5. Websites and email marketing:**

Online websites contribute to communicating with customers wherever they are, thanks to the provision of the Internet. email marketing (Fayerman, 2002)

### **3.1.6. Database :**

It is a tool for collecting data from different sources to be converted into homogeneous data that helps make marketing decisions, promptly provide the most considerable amount of information, monitor customer behaviour, and forecast purchases. (Fayerman, 2002)

### **3.1.7. Data mining:**

After attracting customers through promotional campaigns, information about them is collected, and a database is created; then, these data are explored, and the target customers are selected to be contacted. Data mining also helps to correct errors that may occur during the creation of the database. (Fayerman, 2002)

### **3.1.8. Internet:**

The Internet is an essential means of managing customer relations because it is characterized by the speed and ease of data collection, which helps build a solid and transparent relationship with customers. Information about customers and technology forms the basis of

customer relationship management, as the rapid development of the Internet and technology has become an essential part of the relationship between institutions and their customers.

The Internet today constitutes a new, meaningful, and different marketing channel. The culture of the Internet and marketing through it has challenges and has unique characteristics that must be paid attention to (Fayerman, 2002) :

**3.1.8.1. Easily collect information :**

Collecting personal information that the customer submits on the organization's website, where it becomes stored within a data store or database, where the organization can return to it and supplement it with additional data, extract it and use it in a certain way to provide personalized offers that meet the requirements of customers (Fayerman, 2002)

**3.1.8.2. The emergence of more effective marketing:**

Sharing all the information collected within a central database allows the organization to be more flexible and effective as long as it has the necessary means to maximize the interaction between its various departments by directing customers towards the offers most appropriate to their desires and requirements and providing better opportunities to interact with them and respond to their inquiries, thus saving time For the customer to direct him towards what he wants directly, and complete his search with additional information on everything that intersects with his request through the information collected about him. (Fayerman, 2002)

**3.1.8.3. Relationship Contributions :**

The Internet and the technology associated with it play an essential role in improving the relationship with customers and providing all possible opportunities to benefit from them in improving his satisfaction and degree of Loyalty to the institution and convincing them that they are right in their choice of the institution and its products and services provided by it. Considering the high level of customer demand and sometimes reaching the point of exaggeration. This technology, including the Internet, also allows communication with various groups of customers (obtained through segmentation) interactively and dynamically. The customer can find information that suits his search via the Internet, In addition to the possibility of requesting to provide him with all the necessary additional information, especially concerning the institution's current and future products and services, changes to the catalogue

of offers, and the technical and technical specifications for each offer. Which contributes to creating and doubling trust within the relationship. (Fayerman, 2002)

Indeed, the preferred channels of communication are still telephone and direct communication. However, communication via the Internet and email more often than not allows the customer to obtain a quick and detailed answer, especially about sending documents or obtaining an expert answer accompanied by drawings, audio clips, and illustrations.

In addition, the Internet ensures an important interactive space between the institution and its customers by accessing the results of investigations and satisfaction surveys via the Internet, and institutions often create sites to allow the customer to get better to know the institution, its activities, and the offers offered, but through the opinions of other experienced customers and those who deal with it. This increases the document of this information for the new customer, who is still exploring the institution and its offers. (Fayerman, 2002)

The Internet and technology allow for updating customers' information continuously and effectively, especially when they move, change their residence, change their employment status, or the like, which allows sales and marketing elements to access this information and discover new opportunities resulting from these changes and to think of the most relevant offers in the light of the new information so that all of the above contribute to the formation of a relationship with a high degree of distinction and privacy with customers. Since entering the Internet within the management of customer relations, The traditional means are rapidly fading away, giving way to new means of marketing via the Internet and through the new information and communication technology that has allowed the automation of a large number of procedures, accelerating the spread of information and reducing the time required to respond to customers in order to improve dialogue and interaction within the relationship with them.

### **3.2. Using ECRM to maximize/minimize customer satisfaction / dissatisfaction**

Managers and academic researchers have been interested in electronic customer relationship management (eCRM) for several years. The topics covered by eCRM range from marketing to information technology. While there are numerous concerns and efforts aimed at achieving success, This section asserts that the major challenge in managing customer relationships in the online environment is eCRM features that increase customer satisfaction and loyalty and reduce costs. Customer dissatisfaction, customer complaint resolution, and product/service quality improvement. It implies that a hybrid approach from the marketing and information systems perspectives leads to successful eCRM for researchers and businesses. (Electronic Customer Relationship Management, 2006)

### 3.3. Model of customer satisfaction/dissatisfaction :

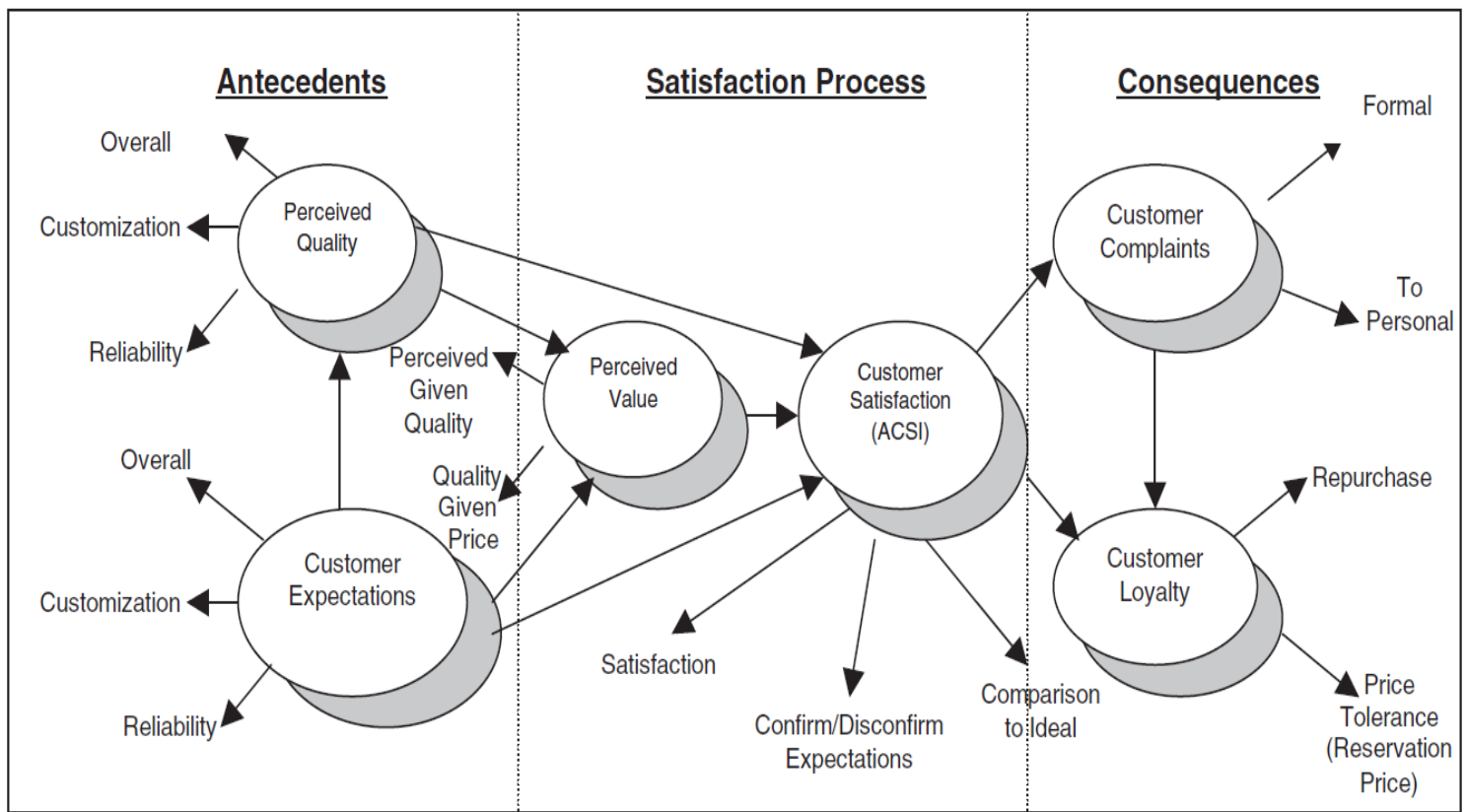
Traditional marketing researchers have proposed various models for customer satisfaction/dissatisfaction. Traditional customer satisfaction/dissatisfaction models have recently been developed into eCRM models. These models looked into how different variables influence customer satisfaction and dissatisfaction. The expectation-disconfirmation model, perceived-performance model, norms-based model, multiple-process models, attribution models, affective model, equity model, the American Customer Satisfaction Index model (ACSI), and complaint behaviour model are all examples of traditional customer satisfaction/dissatisfaction models. (Electronic Customer Relationship Management, 2006)

Various researchers have used the difference between expectations and disconfirmation to determine the level of satisfaction/dissatisfaction and complaints. The expectancy disconfirmation (ED) paradigm, according to Erevelles and Leavitt (1992), has dominated consumer satisfaction/dissatisfaction research since its inception as a legitimate field of inquiry in the early 1970s. According to this paradigm, consumers form expectations about a product before buying it (Oliver 1980). The ED paradigm can be traced back to (Tolman's 1932) expectancy theory and, in particular, Expectations are defined as a consumer's belief that a product has specific desirable characteristics (Erevelles and Leavitt 1992). In order to investigate the antecedents and consequences of customer satisfaction/dissatisfaction, Bearden and Teel (1983) included expectations disconfirmation in their model. In this expectation-disconfirmation framework, Oliver (1980) established a process to describe how satisfaction is produced. Buyers form expectations of products or services before making a purchase. Consumption of the product or service reveals the degree to which it is regarded as high Quality (which can be influenced by expectations). Either positively or negatively, the perceived Quality confirms or disproves expectations. In Oliver's model, expectations serve as an anchor or baseline for customer satisfaction, with positive confirmation or negative disconfirmation increasing or decreasing the customer's overall satisfaction (Sharp, 2003)

Oliver's traditional satisfaction model is based on Fornell's (1992) The American Customer Satisfaction Index (ACSI), closely resembling a national survey conducted in Sweden, the Swedish Customer Satisfaction Barometer. According to Fornell's model, satisfaction results from three factors: perceived Quality, expectations, and perceived value. The antecedents (pre-purchase), the satisfaction process, and the consequences were all considered in customer satisfaction models (see the following Figure) (post-purchase). The

most crucial antecedent of satisfaction is prior experience. The model explains how demographics, word of mouth, personal expertise, technological evolution, competitive nature, advertising, and public relations affect customer expectations and performance. Furthermore, the model investigates how satisfaction influences customer loyalty and complaints (or complementing) behaviour (Fornell 1992). Models are also embedded in a system of cause-and-effect relationships, making the model the hub of a chain of relationships that starts with the antecedents of overall customer satisfaction, voice, and Loyalty (Wilson A. , 2002)

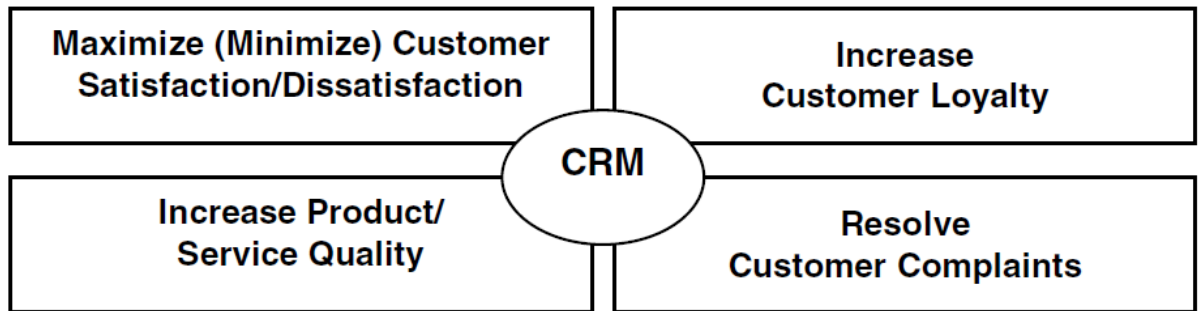
Figure 2: The American Customer Satisfaction Index (ACSI) Model



Source: American Society for Quality Research.

**3.4.Critical Components of ECRM :**

*Figure 3: The Key components of ECRM*



Source: Cho et al. 2002.

**3.4.1. Consequences Of Customer Satisfaction/Dissatisfaction :**

Traditional marketers (e.g., Oliver 1980; Fornell 1992) believe that customer satisfaction influences both complaining (or complementing) behaviour and Loyalty. In a study, Cho, Im, Hiltz, and Fjermestad (2002) introduced components for the eCRM framework, including maximizing customer satisfaction, minimizing customer dissatisfaction, resolving customer complaints, and improving product quality/customer service. According to this study, increasing customer loyalty and reducing customer complaints are two of the most effective ways to increase or decrease customer satisfaction. (Electronic Customer Relationship Management, 2006)

**3.4.1.1.Customer Loyalty as a Consequence of Customer Satisfaction**

Traditional researchers (e.g., Clark, Kaminski, and Rink 1992) have addressed the issue of buying decisions as a result of dissatisfaction resulting in lost future sales to the customer, with losses potentially significant if the dissatisfaction is widespread, the product tends to buy, or it is a large-ticket item. Customer loyalty can also be thought of as a proxy for customer satisfaction. It is defined as a combination of relationship commitment and other overt loyalty behaviours. (Philip Kotler, 2001)

With the rise of e-businesses, the concept of "e-loyalty" has gotten much attention recently. According to Reichheld and Schefer (2000), the Internet has the potential to strengthen relationships between businesses and their customers. Various studies have

discovered that the Web is a sticky space in consumer and business-to-business spheres (Reichheld and Schefer 2000). Researchers also claim that the Web is the most interactive medium (Hoffman, Novak, and Chatterjee 1995). Reichheld and Schefer (2000) argued that today's online customers have a strong desire for Loyalty, which the proper application of Web technology can bolster. According to a traditional marketing study by Gardial, Clemons, Woodruff, Schumann, and Burns (1994), building effective relationships leads to increased customer loyalty and better data on customer usage. (Philip Kotler, 2001)

Several studies have proposed factors that influence online customer loyalty. According to eCRM researchers (e.g., Lee, Kim, and Moon 2000), communication between buyers and sellers is a way to maintain customer loyalty and increase retention rate. Cho, Im, Hiltz, and Fjermestad (2001) and Levesque and McDougall (1996) advocate using complaints to improve buyer-seller communication in general. As well as a specific method of converting disgruntled customers into loyal repeat customers. According to a study by Figuirodo (2000), creating virtual communities is a strategy that attracts repeat customers and encourages them to return. Customer loyalty programs, such as frequent-flyer miles, are also sufficient to foster consumer loyalty in the online environment, according to Figuirodo (2000). Schafer, Konstan, and Riedl (1999) addressed the role of a recommender system in stating the importance of customization. According to Schafer, Konstan, and Riedl (1999), it is crucial to automate mass customization for e-commerce sites and maintain the long-term value of Web site customers. According to Reichheld and Schefer (2000), the Internet provides businesses with unprecedented opportunities to learn more about their customers and tailor their offerings to their preferences. (Philip Kotler, 2001)

#### **3.4.1.2. Managing Customer Complaints As A Consequence Of Customer Dissatisfaction**

Customer complaints are a valuable source of information in traditional markets (Tse and Wilton 1988). Given the importance of complaint management in achieving customer satisfaction, any measure of complaint behaviour should consider the degree and quality of the underlying customer satisfaction (Cho, Im, Hiltz, and Fjermestad 2001 and 2003). According to Singh and Wilkes (1996), handling customer complaints effectively has a significant impact on customer retention and Loyalty. Even though e-marketers and e-researchers have discussed the importance of customer satisfaction and retention, customer dissatisfaction and complaints in the Web environment have received little attention. Few studies have looked into the factors that influence online customer complaints. According to Clark, Kaminski, and Rink (1992),

defensive marketing is a strategy for retaining dissatisfied customers, and it has been understudied in marketing research. (Philip Kotler, 2001)

Customers' complaints have been studied in both traditional and eCRM studies. Previous research into customer complaint behaviour has given businesses insight into what changes should be made to solve customer issues or make restitution for purchase- or usage-related issues (Yi 1990).

Customer characteristics, customers' perceptions of the sources of their dissatisfaction, outcome expectancies, product type, and the costs associated with complaining have all been studied in depth by researchers (Yi 1990; Singh and Howell 1985). Pricing, inconvenience, core service failures, service encounter failures, employee responses to a service failure, and ethical problems were all identified as causal factors in a study by Keaveney (1995).

According to Kelly and Davis (1994), effective complaint management has a significant impact on customer retention, deflects potential negative word-of-mouth damage, and improves profitability. Complaint management is critical for eCRM, according to several researchers. Barbara (1985) proposed looking at \$ complaint management as an essential aspect of online strategic marketing in the early days of e-commerce, with potential benefits such as increasing customer satisfaction and Loyalty, creating positive publicity, and reducing the overall number of complaints. [www.burke.com](http://www.burke.com) is an example of an online business that is considered a leader in e-CRM and improved relationships with online customers, according to Sterne (1996). Complaint management is recognized as being central to customer satisfaction, according to Cho, Im, Hiltz, and Fjermestad (2001), and any measure of complaint behaviour should consider the degree and quality of the underlying customer satisfaction. According to Cho, Im, Hiltz, and Fjermestad (2001), online customer complaints show how e-businesses handle customer complaints, reflecting how much they value their customers. According to Edvardsson and Roos (2004), customers' complaints and switching behaviour impact building long-term and profitable relationships.

This section addressed customer satisfaction and dissatisfaction at the heart of successful e-business exchanges to provide a positive contrast of the new against the old. Furthermore, as a result of customer satisfaction and dissatisfaction, it emphasized the importance of customer loyalty and complaints. It looked at the theories and models used in e-commerce customer relationship management. Traditional marketers proposed

satisfaction/dissatisfaction theories and theories for customer complaining behaviour, applied to eCRM. (Philip Kotler, 2001)

**Conclusion:**

This chapter focused on the theoretical aspect of the research. In the first topic, we touched on the concept of customer relationship management, while the second topic Customer relationship management between the reasons for adoption and the foundations of success for the customer as an end that the institution seeks to maintain its customers, and finally, the third topic, where tools are were manifested within the management relationship with customers and the necessity of achieving them by the institution

**CHAPTER TWO: THE DIFFERENT  
APPROACHES OF CUSTOMER  
RELATIONSHIP MANAGEMENT**

## **Section 1: The Approach of Customer loyalty in Customer Relationship Management**

Despite all the positive results that satisfaction achieves for the institution, it is no longer a sufficient guarantor for the institution's continuation but rather a necessary means to reach a higher goal of creating customer loyalty and maintaining this Loyalty as long as possible.

### **4.1. Definition Of customer Loyalty :**

Loyalty is defined as "repeated purchase by the customer for the same brand and several consecutive times." (Kotler, 1991)

This definition is flawed because it evaluates customer loyalty based on one factor, the number of consecutive times to purchase the same brand. The problem here is that the customer may repeat the purchase due to the lack of many convincing alternatives to him, and therefore Loyalty here does not have a logical existence. Customer loyalty is characterized by repeated purchases of products or services from the same brand or company. It reflects the buyer's conscious or unconscious preference for an offer over those of the competition and their attachment to the brand that offers it. Customer loyalty is also defined as the strength of the link between a person's attitude and their willingness to return to a business. Social norms and situational factors are thought to moderate the relationship. In addition to motivational, perceptual, and behavioural consequences, cognitive, affective, and conative antecedents of relative attitude contribute to Loyalty. The study's findings have implications for loyalty research and management. (Kotler, 1991)

Building customer loyalty involves creating a lasting relationship with them through multiple systems and not just a loyalty program. A successful loyalty process generates many positive effects.

## **4.2. Types and tools of customer loyalty**

Given the importance of customer loyalty in the survival and distinction of the institution, this requirement came to clarify the types and means of customer loyalty in the following elements: (Kotler, 1991)

### **4.2.1. Types of customer loyalty:**

Customer loyalty means that he either buys the same product or goes to the same store to get his needs. Therefore, customer loyalty can be divided into two parts:

#### **4.2.1.1. Brand loyalty :**

The customer's Loyalty to the brand means that it fulfils his expectations and makes him feel comfortable and reassured when acquiring it, which leads him to his intention to continue buying it in the future. The image of this brand is firm in his mind and represents excellent value to him. The customer's stay on the same brand is usually related to avoiding the risks that may result from consumption. Many customers always demand the intervention of the institution to reassure them, which explains that Loyalty to the brand represents a fundamental guarantee for the customer.

#### **4.2.1.2. Shop Loyalty:**

The customer's Loyalty to a particular shop is his tendency to frequent one of the shops on an ongoing basis. It was previously mentioned that the customer who is loyal to a particular brand often leads to Loyalty to the shop that he used to buy this brand. Loyalty to the shop may remain for a long time because of the mental image that it reflects, Which is consistent with the image formed in the mind of the customer, and the mental image of the store arises due to its material properties and the treatment of its owner and his appearance.

However, the diversity of distribution channels and their largeness, especially when it comes to consumer goods, makes Loyalty to the store a complex matter. Therefore, the distribution channels in the market require a division of tasks and their management among the dealers. The institution must count in a good and effective way the distributors of its products, intermediaries, and points of sale in order to be able to monitor them, and It uses promotional campaigns at points of sale, such as offering additional offers, gifts, all of this to increase customer loyalty to the store in which the institution displays its products or brands.

In addition to this classification, there are other varieties such as :

**4.2.1.3. Loyalty to tradition :**

which is linked to some well-known and old brands have a role in linking the customer for a long time, and this link can be transmitted from one generation to another as a family loyalty to a particular coffee brand that the mother family used;

**4.2.1.4. Loyalty by usually**

It arises from the customer's habit of acquiring a specific brand, and this kind of Loyalty is found in the idle customer who does not look for other offers.

**4.2.1.5. Loyalty as a cultural reaction**

A brand influences a customer because of cultural factors, such as religion, customs, and traditions, the history to which that customer belongs

**4.2.1.6. Loyalty with passion**

It arises from the customer's association with a specific brand that reminds him of an accident or an important person in his life, and like music, a specific smell of a specific brand such as soap, chocolate

**4.2.1.7. Loyalty resulting from the high cost of change**

So that the customer remains loyal to a particular product and prolongs it as long as the cost of moving to another product is not commensurate with his capabilities

**4.2.1.8. Loyalty to avoid the risk**

In many cases, customers stay on the same brand to avoid the risks of acquiring a new brand. Most customers who stick to the old product are less tolerant of risks.

It should be noted that there are products with a high degree of Loyalty that are difficult for the customer to turn away from because he believes that they differ from other products that cannot be matched, such as beauty and health products, coffee, and products with a low degree of Loyalty quickly turn away from the customer because of his belief There are no significant differences between it and other products

## **4.2.2. Tools of building customer loyalty**

The institution relies on a set of means that it deems most effective in building high customer loyalty, among which are the following:

### **4.2.2.1. Customer clubs:**

A customer club is an association created by the organization, consisting of several important, influential, and high-expensive customers, registration in it is not free but is paid to obtain benefits from customers who are not registered in the club, such as welcome gifts, free magazines, emails containing valuable information about The products available in the institution's offer, and the establishment of the club aims to:

- Building the Loyalty of the best customers after distinguishing them;
- Strengthening the image of the brand and the organization;
- Strengthening the marketing database;
- Increasing the chances of getting to know customers and increasing the number of subscribers in the club;
- Work on a specific target and sector;
- Experience concepts for new goods or services before the launch.

The measure of the club's success is not estimated by the number of people organizing it but by strengthening the relationship between the institution and its customers. Therefore, the institution must monitor the process of this club carefully, and the profitability of each customer belonging to it, and the level of sales achieved, not just satisfaction to bring in new customers whom They may delude their numbers that the institution is fine, but the opposite is what happens (Kotler, 1991)

### **4.2.2.2.Loyalty cards:**

It is a card used by the customer when purchasing in order to identify the degree of his Loyalty to a particular commodity or service, and this is after making repeated purchases through which he obtains advantages from the shop from which he purchased or from the seller of this product, that is, the loyalty card is nothing but a means of counting the places of purchase-related to that card that the customer usually frequents to be converted into features, gifts, and services provided by the institution. The customer can identify the number of points he has collected through the loyalty card and thus choose the gift or feature Provided by the institution, and some of the most advanced institutions provide their customers with information and automatically alert them to new offers. (Kotler, 1991)

The loyalty card has several advantages, including:

- The cards have a positive and effective impact on the level of customers, on the profit margin, as well as the frequency of customers to the store and the lack of sensitivity to prices;
- Raising the level of repeat purchase by the customer and creating a fast-renewing database.

#### **4.2.2.3. After-sales service:**

After-sales services relate to all aspects of the product, whether those related to maintenance, installation, operation, warranty. The institutions that perform after-sales services have great chances of obtaining customer loyalty. For example, the success of the Renault loyalty strategy is based on Quality of service and respect for procedures for collecting information from repair workshops that are transferred to centres for processing forms containing information about the customer) date of repair, various repair operations (Kotler, 1991)

#### **4.2.2.4. The green number:**

It can be presented as the free telephone number assigned to customers to enter into permanent contact with a cell that provides information about the institution that proposed this green number. The process of displaying this number and delivering it to the customer is through advertising campaigns or at the level of the goods package, and so that the institution can: To reach positive results, it should carefully choose call recipients and train them on how to deal with customers and attract them while providing multi-line reception to enable callers to get an answer at the same time. (Kotler, 1991)

With the tremendous technological development, institutions have become dependent on call centres with an intelligent distributor for internal communications that allows the customer's card to be displayed automatically on the future screen, in addition to setting up a website that allows the customer to communicate directly with the future with audio and video to answer his questions. These capabilities allow an appropriate organization to manage the relationship with The customer and regularly receive customers and manage the database in his relations. (Kotler, 1991)

In addition to these methods, there are coupons and gifts, seasonal offers, and discounts

### **4.3. The Benefits Of Customer Loyalty:**

Companies often aim to win new customers instead of building a lasting relationship with existing customers. However, there are many positive consequences of pursuing a consumer loyalty strategy.

#### **4.3.1. Build loyalty to improve profitability:**

The implementation of loyalty tools represents a significant cost (loyalty programs, economic advantages, discounts, discounts.). However, these tools are a sustainable investment, and their cost is much lower than that of acquiring new customers. Indeed, the return on investment and the economic benefits of prospecting actions are pretty uncertain. According to this study, by increasing its loyalty rate by 5%, a company can see its profits increase between 25 to 95%. In a society where consumers are increasingly volatile, successfully creating a community of loyal buyers is an undeniable competitive advantage (Lin & Chia-Chi, 2009)

#### **4.3.2. Build loyalty to improve brand image and notoriety**

Loyalty can be seen as an indirect means of communication. Therefore, a loyal customer, who has had a good experience with the brand and appreciated its product or service, will tend to recommend it to those close to them. It should be noted that 60% of people look to their loved ones before making a purchase decision. Developing customer satisfaction then comes down to developing customer engagement through positive word of mouth.

To further cultivate the relationship with the customer, the company can ask them for their critical opinion on their offer following a sale or an interaction with the sales department, for example. Beyond the fact that the results of the questionnaires will make it possible to improve the product or service, this type of survey strengthens the emotional bond between the consumer and the brand. He is then valued, and his satisfaction is likely to increase further. The more satisfied a customer is, the more likely they will become a real brand ambassador and convey a brand's positive image to those around them. (Lin & Chia-Chi, 2009)

Encouraging consumers to become loyal makes it possible to propagate its values and image subtly while increasing its notoriety. This viral marketing phenomenon, which is even more impactful today with social networks, will help win new customers through recommendations and increase profitability. (Lin & Chia-Chi, 2009)

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more impactful today with social networks, will help win new customers through recommendations and therefore further increase profitability (Lin & Chia-Chi, 2009)

#### **4.3.3. Build loyalty to improve the social climate of companies**

Building customer loyalty and improving customer satisfaction does not just impact the outside players in the business. This marketing strategy also impacts employees.

Encouraging consumers to become loyal makes it possible to propagate its values and image subtly while increasing its notoriety. This viral marketing phenomenon, which is even more impactful today with social networks, will help win new customers through recommendations and therefore further increase profitability (Jacoby, 1978)

#### **4.4. The Measurement Of Customer Loyalty :**

Marketers can use customers' behaviour to gauge loyalty. Customers who return make more purchases, stay with it for a more extended period, and refer others. All of these things are easily quantifiable. Here are the criteria for determining loyalty. (Jacoby, 1978)

##### **4.4.1. Lifetime Value (LTV) :**

The total amount of money customers spend on a brand from their first to last purchase is lifetime value. Marketers can obtain this metric from a variety of subscription payment systems. Loyalty is measured by increasing Lifetime Value. Brands must build relationships with customers, cross-sell, and upsell in order to increase lifetime value. LTV is viewed as a critical concept by 76% of businesses. (Jacoby, 1978)

##### **4.4.2. Churn Rate:**

It is all about customers who drop out or cancel their subscriptions. Marketers calculate this metric by dividing the number of customers at the start by the number at the end of a specific timeline. Divide the total number of customers churned by the total number of customers at the start to get the user churn rate. The percentage can help marketers figure out how many customers they have lost monthly or quarterly. Revenue churn is a more critical churn metric. It enables businesses to calculate churn in terms of revenue lost as customers cancel. Revenue churn provides a more accurate picture of how things are going in the business. (Jacoby, 1978)

#### **4.4.3. Referrals:**

A company that runs a referral program can track how many new customers sign up due to referrals. A brand can track new conversions and satisfied customers to tell others about it by measuring referrals. (Jacoby, 1978)

#### **4.4.4. Net Promoter Score:**

NPS calculates a customer's likelihood of telling others about a brand. Though this metric does not indicate whether a customer would recommend a product or brand, it does assist the company in determining the overall loyalty rate of its users. (Jacoby, 1978)

#### **4.4.5. Increase Customer Loyalty In A Service Company :**

- ✓ Make the loyalty program visible on the website: the more visible and accessible it is, the more likely customers are to participate in and value it.
- ✓ To make a brand more relatable, speaking to customers' language: using words and emojis that they can understand.
- ✓ Offer flexible payment plans: customers can, for example, pay for a product in instalments through flexible monthly plans.
- ✓ Create new ways to communicate with customers regularly, such as sending warm birthday and anniversary email wishes, reminders, recommendations, or monthly newsletters.
- ✓ Build emotional connections with customers to foster long-term loyalty: show each customer how important they are to the brand by tailoring an experience to their specific requirements. (Jacoby, 1978)

#### **4.5. The Aspects Of Customer Loyalty Strategy :**

A strategy aimed at building customer loyalty does not only lie in the implementation of tools such as loyalty cards but encompasses many techniques and strategic actions that must be carried out in the long term. It can be conducted in several areas such as communication, product development, company services, or even marketing. (Lin & Chia-Chi, 2009)

##### **4.5.1. In Terms Of Communication :**

- Highlighting its values through storytelling (on its site or its publications on social networks) helps strengthen consumers' attachment to a brand.
- Respond to opinions and comments, especially on social networks, to maintain the relationship with the customer

- Create brand content to develop emotional ties without talking about the products

#### **4.5.2. In Terms Of Product or Service:**

- Pay attention to the quality of its products to promote a good experience and maximize the satisfaction associated with the use of the product or service
- Surprise the consumer by giving them bonuses they did not expect, such as additional features or the ability to personalize their purchase.

#### **4.5.3. In Terms Of Company Services:**

- Establish quality customer service to maximize good experiences, even if they are initially the consequence of dissatisfaction
- adapt to market developments to guarantee an offer that meets expectations and to ensure consumer satisfaction
- Have a sales force that will know how to inform and advise buyers to establish a relationship of trust with them

#### **4.5.4. In Terms Of Marketing and Commercial:**

- Monitor customer satisfaction through NPS or CSAT surveys to identify positive points (to be consolidated) and negative points (to be corrected)
- Maintain its customer file by informing the purchasing habits and behaviour of each consumer in order to offer relevant offers to each
- Implement loyalty tools such as loyalty programs (card, points, pot), sponsorship, or personalized promotional offers

Building customer loyalty is a major strategic issue. In a society where many brands constantly approach consumers, it is essential to do everything possible to maintain customer engagement. This strategy is only effective in the long term, but its results are incredibly positive and allow companies to ensure recurring profitability.

### **4.6. Four Ways of Developing Customer Loyalty Strategy**

#### **4.6.1. Loyalty and Enchantment:**

Given the transient nature of the situation, this first moment wishes to confirm and bring to fruition the previously described efforts to make the customer loyal, given the fickleness of the competition's offers and the consumers' proclivity for disloyalty.

Enchantment is defined as a process that increases the loyalty of an already loyal and active customer who is confirmed as such, such as in consulting activities with ongoing or occasional project-related dealings that are undertaken based on the value of the new offer and the ability to highlight new partnership opportunities. (Mauro, 2017)

The enchantment in question could be interpreted as confirmation of previous purchase and the company's purchase of a new product or service, using the same logic as before. The information–relationship matrix, which is described in the third part of the operative model “C–Beyond,” is the first lever to be used in this regard. It is critical to maintaining a vibrant and active relationship during this stage by utilizing the most appropriate vectors identified beforehand. There are costs associated with this activity, including those associated with database management. (Mauro, 2017)

for the study and implementation of communication, as well as contact with the enchanted customer To these must be added the costs of customizing the offer in the event of demands that are different from the company's standard ones, as well as the costs of modifying the company's offers and conditions based on the "fluctuating" ones of the competition, who sees the company's customers as his prospects. On the other hand, maintaining these costs is the most appropriate and cost-effective strategy: “acquiring a new customer costs five times more than keeping an existing one loyal,” as Whiteley (1992) put it.

The online underwriting of civil liability insurance policies via the internet is an example of loyalty and enchantment in the service sector. To keep its customers, the company must send out messages regularly, reminding them of the policies' expiration dates, updating its offer with new quotations for the vehicle insured, taking into account devaluations or legislative changes, and demonstrating the value (financial or otherwise) of continuing the business relationship. (Mauro, 2017)

#### **4.6.2. Customer Penetration :**

According to a standard definition in distribution, client penetration refers to increasing the amount of money a customer spends. It also refers to a cross-selling action to increase its presence in the customer's shopping basket. The goal is to increase the share of products purchased once the customer has confirmed his or her new choice for the product–service combination offered. This is not to be confused with simple customer loyalty building.

Three intelligence activities relating to the clientele must be implemented during the second phase of the process:

1. double-checking the accuracy of the mix offered;
2. identifying new needs that the competition does not address;

3. defining and proposing the new delivered mix

This approach can be seen in the banking sector, for example, when a credit institution upgrades a customer's current account by providing a more extensive delivered mix that can be grafted onto the primary service provided.

This can be accomplished by adding to the standard operations (e.g., cheques, direct debit bill payment, cash card, credit cards) other accessories that add value to the delivered mix, such as a "revolving" credit card that provides greater availability of funds by automatically "topping up" the money available over time, or a direct debit card or an App to use the card. (Mauro, 2017)

#### **4.6.3. Clusterization and Customization**

The business's oft-mentioned development takes centre stage in the third moment. Once the customer (or the first type of customer) has approved the delivered mix, it becomes a priority for the company to replicate its success by identifying one or more clusters to which it can be offered. This phase aims to find other prospects who might be interested in the same delivered mix. Mattiacci (2000),

According to the writer's intent on niche marketing, such an offer is directed "blatantly at fragmented preferences and requirements" that, once identified, should be satisfied with the same commercial offer. (Mauro, 2017)

It is a type of "industrialization of the product/service" that is offered strictly as-is to customers who are similar or comparable in terms of their needs and requirements (e.g., the desirability of the "military" sector for an insurance company: army, finance police, carabinieri corps, police force.), and customization entails fine-tuning the previous offer. (Mauro, 2017)

#### **4.6.4. Target Cluster Penetration**

The fourth stage activity is a repeat of the second stage: once the cluster that appreciated the product–service combination identified in the third stage has been pinpointed, it is possible and desirable to extend the new product-service offer by engaging in cross-selling activities, which are not performed on individual custodians in this phase. (Mauro, 2017)

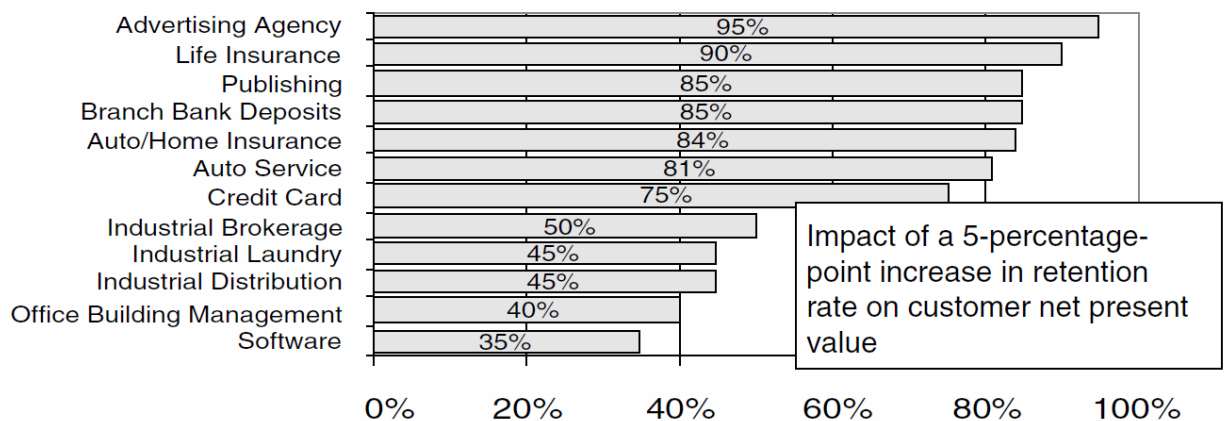
The effectiveness of the previously mentioned idea of repeating the success model is confirmed here: the business's growth is organized uniformly, as the type of customer who appreciated the first offer is easier to reach during the expansion phase with targeted communication. As the 2.4 Four Ways of Developing Customer Loyalty, a reference to tribal

marketing (Cova 2003; Cova and White 2010; Canniford 2011) is appropriate. 55 The logic that underpins this type of development is inextricably linked to the fundamental elements that underpin its theories: The mix offered is confirmed, and the status of witness as an active reference is acquired. (Cavallone et al., 2000)

#### 4.7. The Loyalty Effect :

CRM is frequently justified by citing reports such as those published by Bain & Company, which claim that companies can increase customer net present value by as much as 95 per cent by retaining just 5% more customers. These figures are frequently used to persuade management that a CRM package will pay for itself quickly. The assertion that increased retention leads to increased net present value is at the heart of Frederick Reichheld's excellent book *The Loyalty Effect*. Reichheld's increases in customer net present value in various industries due to a 5% increase in retention rate are shown in the following graph. (Mauro, 2017)

Figure 4: The loyalty effect by Frederick Reichheld



Source: Frederick Reichheld, *The Loyalty Effect* (Boston: Harvard Business School Press, 1996), p. 36.

##### 4.7.1. Introducing the Customer Loyalty Loop

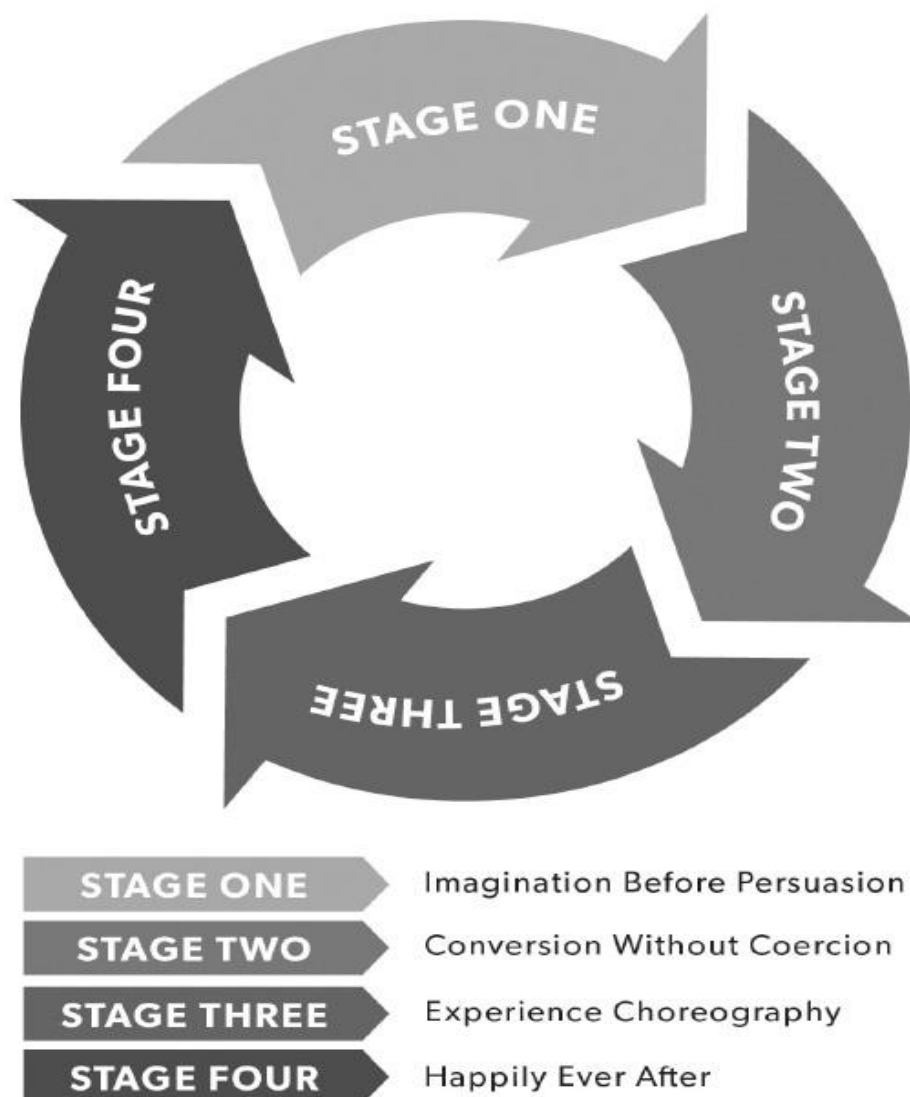
Now that we have covered some popular science about how memories are formed and experiences are remembered, we can delve deeper. Let us get right to the point and talk about each stage of the Customer Loyalty Loop. More importantly, let us talk about how to start implementing these principles in companies.

### 4.7.2. The Stages of the Customer Loyalty Loop

There are four critical and straightforward stages of the Customer Loyalty Loop that we will cover in this entitle

1. Imagination Before Persuasion
2. Conversion Without Coercion
3. Experience Choreography
4. Happily Ever After

*Figure 5: The stages of the customer loyalty loop*



**Source:** (Jacoby, 1978)

#### **4.7.2.1.Stage One: Imagination Before Persuasion**

The beginning of the customer's experience must be carefully considered. This could be the first time a customer sees a commercial when a customer walks into a store for the first time. When a customer Googles a company's phone number to call and finds six customer reviews, or when a customer gets their first impression of a company from an advertisement or a word-of-mouth comment from a friend. Marketing to a potential customer should be done to imagine all of the beautiful experiences and memories that await them; From the beginning, they must pay close attention to the message sent out into the marketplace. Rather than focusing on positioning, we will focus on disrupting our potential customer's minds to make an impression and increase our chances of making the first sale as simple as possible. This section is all about creativity and sending out the right message to attract the ideal customers. (noah, 2017)

#### **4.7.2.2.Stage Two: Conversion Without Coercion**

In the second stage, we concentrate on closing the deal. The second stage involves persuading someone to be willing to pull out their credit card or sign a contract and do business with companies.

It does not always take much effort. The customer may have just walked into stores and is looking for something the company already has. Other times, we have only gotten to this point because of our efforts to attract customers through sales and marketing. This section contains the following information; We will talk about how to convert a prospect into a customer using traditional persuasion techniques and a far more powerful tool to increase the chances of creating a more valuable customer. (noah, 2017)

#### **4.7.2.3.Stage Three: Experience Choreography**

This could be the most crucial stage of all, and it will undoubtedly receive the most attention in this book. We start delivering our core product or service at this point. This will vary from person to person. For example, suppose you are passing through a town and decide to stop for lunch. Stages 1 and 2 in this example happen extremely quickly, or perhaps not at all. The potential customer sees a restaurant that looks good, and her spouse agrees, so they stop for lunch. Assume the following scenario; customers are immediately thrown into the loop's third stage when they walk in. For others, such as a traditional B2B firm selling high-priced manufacturing equipment or an enterprise software firm, the customer experience begins when they first hear about your product from outside sales or see the first software demo or

presentation. It is safe to say that stages 1 and 2 are far more critical in that scenario. Others, such as a hotel in New York City, may allow customers to move quickly through stages 1 and 2 by conducting their research. It is critical to understand that in some cases.

We can still do things to give our customers the best possible experience. But, as we have discussed, it is no longer enough to say and provide a "wow" experience because your competitors do, too! Throughout the experience, the company should be aware of the few major areas that people will remember (both good and bad) and create a customer experience that ensures they remember the best version of their experience. First impressions, for example, have never been more critical.

What about happy endings? Understanding the value of how a customer's experience ends is critical to that customer's lifecycle and profit potential. (This is also critical for the repeat customer, as well as the lost customer).

We are also starting to deal with the expectations gap at this point. Overzealous sales and marketing approaches can sometimes create a gap by promising something above and beyond what we can deliver. Much of the work I have done with organizations over the last six years has been focused on the expectations gap and how we can close (or at least minimize) it. (noah, 2017)

#### **4.7.2.4.Stage Four: Happily Ever After**

There is not a closed-loop in this loop. It resembles a spiral. Remember, our goal is to keep customers buying, buying more, and buying again. We will look at things like follow-up marketing and encouraging word of mouth in this section and some of the earlier science we have discussed.

We will look at why post-service surveys are frequently a bad idea and why most businesses conduct them incorrectly. This section will learn how to focus all marketing to existing customers on reminding them of the best parts of their experience to massage those memories into the most favourable versions.

Getting a customer is the single most expensive thing most clients will ever do. There is a lot of time, effort, and money to attract and persuade new customers to buy. Unfortunately, most businesses overlook all of the important events that occur after the sale. The job is finished once they have closed the sale. However, the work is never completed. If all sales and marketing people ever talk about is "how to get a customer," they are only doing half their job. Inquire if they would be willing to work for half their average pay.

### 4.7.3. The Loyalty Loop Diagnostic :

Customer service and customer satisfaction are overused terms that refer to something other than what we are trying to achieve with the Customer Loyalty Loop. Remember that the entire loop is predicated on the customer's developing perceptions of the company long before they arrive to complete the transaction. From the first time they hear about the company in marketing campaigns, the customer is experiencing long after-sales efforts have ended, and the work has been completed. Here is an example of a small list of all the times a customer has interacted with companies (noah, 2017)

#### 4.7.3.1.Reduced sales and marketing costs:

When the company embraces the loyalty loop, it increases the number of customers interested in doing business with other companies. Because their customers cannot stop talking about other companies, spending as much money to attract new customers will not be necessary. This improves the cash flow, revenue, and profit margins.

#### 4.7.3.2.Increased customer value :

The better the experience, the more consistent the follow-up, and the more work to add value to its customers, the more they will trust the company. They will spend more money, and they will do so more frequently. They are also more likely to recommend the company to their friends.

## 4.8. The Importance of Customer Loyalty

Customer loyalty is critical for any business, regardless of its size. Because they are unfamiliar with the services or goods, first-time customers are more challenging to persuade. As a result, the company requires a comprehensive marketing funnel to entice them to buy. Customers who have previously purchased from a particular store, on the other hand, are easier to sell to because they know what to expect.

here are some reasons why customer loyalty is essential:

- ✓ **Repeat customers spend more than first-time customers:** They have a significantly higher average order value, which rises when they do business with a company.
- ✓ **Loyal customers produce higher conversion rates:** Existing customers convert at a much higher rate than new ones. A loyal customer's conversion rate ranges from 60% to 70%, while a new customer's conversion rate ranges from 5% to 20%.

- ✓ **It boosts profits:** Brands must foster customer loyalty in order to increase profits. When customer retention rates are increased by just 5%, profits increase by 25 per cent to 95 per cent.
- ✓ **Retaining an existing customer is cheaper than acquiring a new one:** Keeping an existing customer is less expensive than acquiring a new one. According to studies, acquiring a new customer is 5X more expensive than keeping an existing one.
- ✓ **Customer loyalty helps in effective planning:** Customer loyalty allows businesses to predict better growth, which aids in financial planning. Marketing teams can identify loyal customers who can be counted on, making it easier to make budget-based decisions in advance.
- ✓ **Loyal customers shop regularly:** Repeat customers are more likely to return after a positive experience with a brand. Furthermore, as they complete more transactions, their likelihood of making future purchases increases.
- ✓ **Repeat customers spend more during the holidays:** While customers spend more during the busy holiday season.

## **Section 2: The Approach of Customer Satisfaction and Customer Relationship Management**

Businesses should never overlook customer satisfaction. Customer satisfaction is one of the many factors contributing to a company's success (or failure). It is critical to keep track of this factor and improve it to increase customer loyalty and eventually become brand ambassadors.

### **5.1. Definition of Customer Satisfaction :**

Customer satisfaction is a metric that determines how satisfied customers are with a business's products, services, and capabilities. Information on customer satisfaction, such as surveys and ratings, can aid a company in determining how to improve or change its products and services. (Farris, Bendle, Pfeifer, & Reibstein, 2010)

Customer satisfaction measures as a product or service provider meet the customers' needs and expectations. This rule applies to all interactions before, during, and after the sale. The following is a definition of customer satisfaction from Cambridge Dictionary:

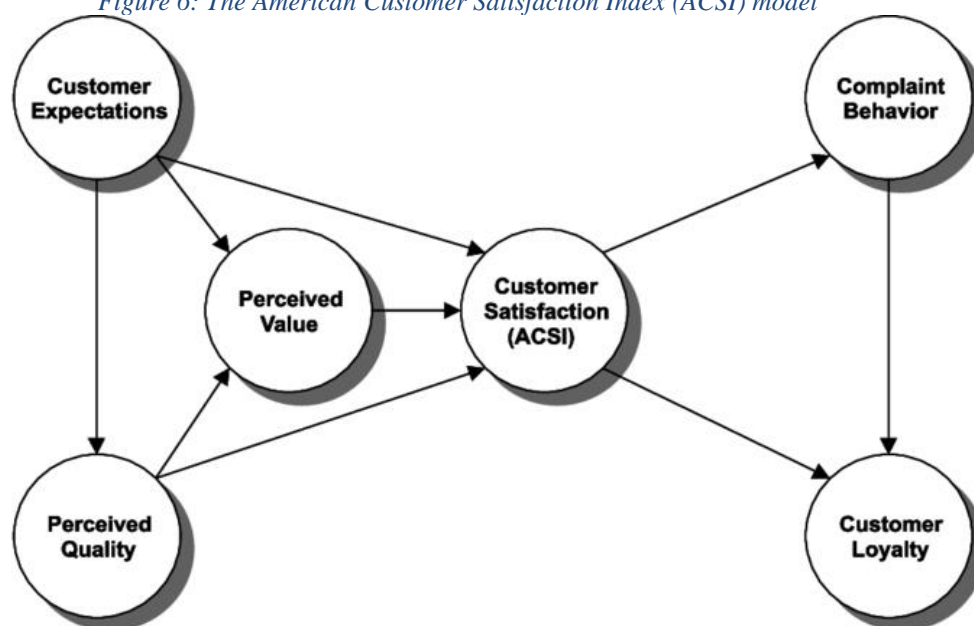
*“A measure of how happy customers feel when they do business with a company.”*

The primary goal of any business should be to satisfy its customers. This holds for manufacturing companies, retail and wholesale businesses, government agencies, service businesses, nonprofit organizations, and every subgroup within a company.

Customer satisfaction is a metric that measures how people feel about the company when they interact with it. It is influenced by a variety of factors, including:

- perceived product quality
- perceived product value
- Customer Expectations
- Complaint Handling
- Customer Loyalty

Figure 6: The American Customer Satisfaction Index (ACSI) model



Source : (Buttle, 2004)

## 5.2. Benefits of Customer Satisfaction:

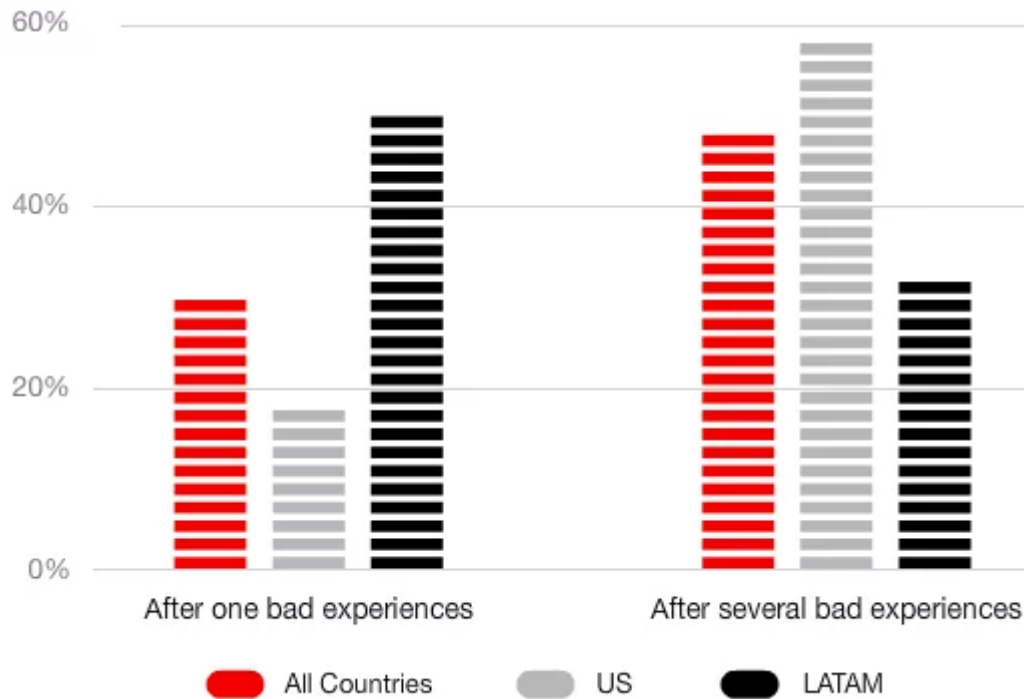
Customer satisfaction is not just a nice to have; it is a necessity. Getting it right has specific, measurable advantages:

### 5.2.1. Increase Brand Loyalty and Exposure:

According to PwC, 59 per cent of consumers in the United States who love a product or brand would abandon it after a series of bad experiences. Worse, nearly one-fifth of them would do so after just one bad experience.

On the other hand, if the company keeps customers happy, it stands to reason that they will be more likely to stay with it in the long run. Any business relies heavily on word of mouth. Customers dissatisfied with the business or its products will complain online, write negative reviews, and recommend competitors. Not only will we avoid this, but we will also benefit from positive word of mouth if we improve customer satisfaction. Happy customers will tell their friends and family about it, talk about it online, and, hopefully, leave positive reviews on sites like Google, Facebook, and Yelp. (Farris, Bendle, Pfeifer, & Reibstein, 2010)

Figure 7: When do consumers stop interacting with a brand they love



Source: (Pwc future of the customer experience survey)

### 5.2.2. Maximise customer lifetime value :

Businesses often underestimate the cost of acquiring a new customer. Investing in existing customers rather than constantly pursuing new ones is far more cost-effective. Customers who buy from a company are much more likely to buy from them again if the focus is on customer satisfaction.

This raises the customer's lifetime value or the total amount they spend over their lifetime. Return on investment from customer acquisition costs rises when customers keep coming back to buy. Simply put, happy customers are more loyal, and loyal customers are more profitable for businesses. (Farris, Bendle, Pfeifer, & Reibstein, 2010)

### 5.2.3. Boost Trust

According to Edelman, 81% of consumers consider brand trust a deal-breaker or deciding factor in their purchasing decisions.

However, only 34% of consumers say they trust most of the brands they use or buy from.

#### **5.2.4. Attract Positive Word of Mouth**

In 2020, 87 per cent of consumers will read online reviews for local businesses, compared to 81 per cent in 2019. Unfortunately, customers are far more likely to share negative reviews than positive reviews. According to American Express, consumers in the United States tell an average of 15 people about bad experiences, but only 11 people about good ones.

To put it another way, it is a numbers game. We already know that customers are less likely to brag about the good things to do, but if customer satisfaction is high, we are in good shape to benefit from word-of-mouth marketing. (Westbrook, 1991)

#### **5.2.5. Grow The Audience and Increase revenue**

We already know those happy customers are more likely to tell their friends and family about a brand, exposing it to a larger audience.

According to the same American Express survey mentioned above, consumers in the United States are willing to spend 17% more if a brand provides excellent service. Furthermore, 84 per cent of businesses that improve their customer experience see an increase in revenue.

All businesses want to increase their revenue and expand their operations, but they may not always have the resources. When the customer satisfaction strategy is perfected, it becomes a passive way to grow its revenue. While the focus is on other aspects of the businesses, happy customers continue to buy from the company, recommending it to their friends and leaving positive reviews online. This ensures a consistent and, hopefully, growing revenue stream without constantly working on it. Of course, it should review customer satisfaction regularly to ensure that it is still hitting the nail on the head. (Westbrook, 1991)

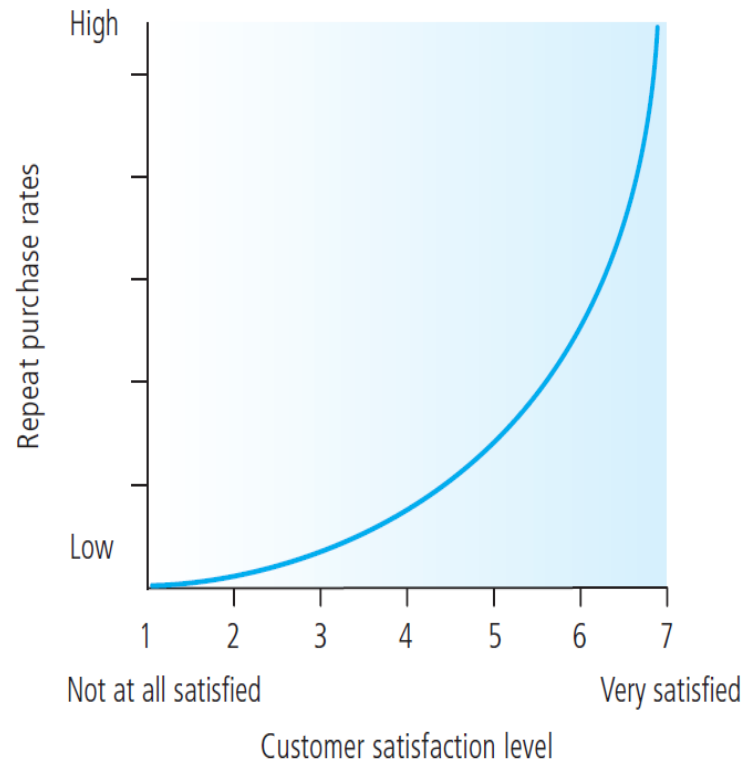
### **5.3. The Relationship Between Customer Satisfaction And Repeat Purchase**

According to one study, "growing evidence that the links in the satisfaction–profit chain are solid" The relationships, on the other hand, can be both asymmetrical and non-linear. By comparing the impact of an increase in one variable with an equivalent decrease, the asymmetric nature of the relationships can be discovered. A one-scale point increase in customer satisfaction (say, from three to four on a five-point scale) may not have the same effect on customer retention rates as a one-scale point decrease (say, from three to two on the same five-point scale). Second, nonlinear links are possible.

Nonlinearity manifests itself in decreasing returns at times and increasing returns at other times. As customers progress up the customer satisfaction scale, increasing returns on repeat

purchases may be obtained, as shown in the following Figure. If customers' expectations have been largely met, diminishing returns may occur. Increases in customer satisfaction at high-performance levels have a different impact than investments at lower levels of performance. (Westbrook, 1991)

Figure 8: Non-linear Relationship between customer satisfaction and repeat purchase rates



Source : (Buttle, 2004)

#### 5.4. The Measurement of Customer Satisfaction Experience:

Customer satisfaction is a critical metric for determining how customers feel about a company's products or services. The only accurate way to measure customer satisfaction is to connect with them. Choosing a course of action and measuring customer satisfaction can be difficult for strategists and marketers at times. Each organization's strategy for increasing happiness and retention will be different. Regardless of the industry or the products and services offered, the elements of a satisfying experience can be measured using similar strategies. Here are the most used metrics when it comes to measuring customer satisfaction: (Coelho & Esteves, May 2007)

### **5.4.1. Customer Satisfaction Score:**

Customer satisfaction, or CSAT, is a customer satisfaction survey in which the customer is asked a series of questions, the most basic of which is "how would you rate your experience interacting with our sales/customer service/support department?" (Coelho & Esteves, May 2007)

Typically, the options range from one extreme to the other in terms of satisfaction.

- Very unsatisfactory
- Unsatisfactory
- Neutral
- Satisfactory
- Very satisfactory.

The higher the score, the more positive responses there are. The higher the number of 'Satisfied' and 'Very satisfied' responses, the higher the score. It denotes that customers are satisfied with the products and services provided. They are more likely to remain loyal, resulting in steady business growth.

CSAT is a metric that measures how satisfied or dissatisfied customers are with our product or service. Customers usually rate their happiness on a scale of 1-3, 1-5, or 1-7, 1-10. The CSAT score is the percentage of customers who are happy with our products and services. They are likely to continue purchasing our products in the future. The CSAT score can be a valuable tool for forecasting sales and making informed decisions. (Coelho & Esteves, May 2007)

Although customer satisfaction surveys are typical, there is no one-size-fits-all approach. Because the scales and questions used differ from one brand to the next, a score may not be comparable; the question, however, will not cover a customer's overall impression of the company. Similarly, the results are skewed because mildly satisfied or dissatisfied customers are more likely to ignore the question entirely. Finally, it will not be a predictor of customer behaviour or consider the company's growth potential. The CSAT is an unavoidable metric, but it is far from comprehensive. (Coelho & Esteves, May 2007)

According to McKinsey, the benefits of measuring CSAT to assess the buyer's journey are undeniable.

### 5.4.2. Net Promoter Score

This Customer experience marketing indicator is used to determine the proportion of customers ready to recommend a product, service, or brand. It measures customer loyalty by collecting customer data from an NPS questionnaire; the simplicity of just one question hides the power of the Net Promoter Score (NPS) solution: *On a scale of 0-10, how likely are you to recommend our company to a friend or colleague?*

NPS can be used as part of a customer satisfaction strategy once it has been calculated. Include it as part of a more extensive satisfaction survey, a website banner, or an email link. The options are limitless.

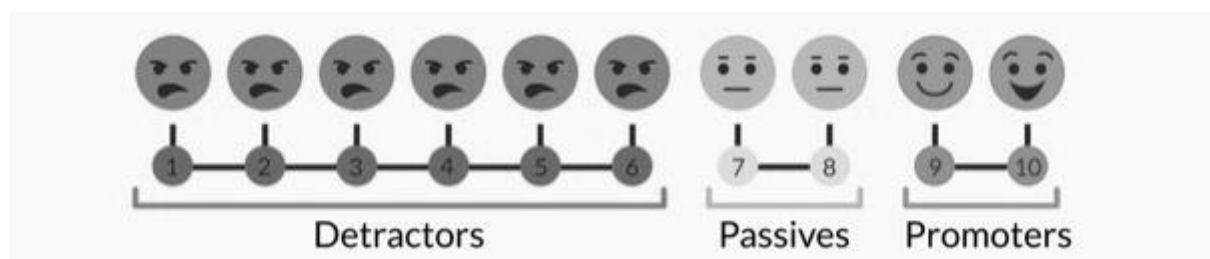
The Net Promoter Score is a metric that is calculated using a single question.

In a survey, this useful metric is used to assess customer satisfaction in a variety of industries.

The guest is classified as a promoter, passive, or detractor based on their response to the recommendation question in our guest survey. (Coelho & Esteves, May 2007)

- ✓ **Promoters** are guests who give a 9 or 10 on a scale of 1 to 10. They are ecstatic guests who are pleased with their accommodations.
- ✓ **Passives** are those who give a rating of 7 to 8. These customers are happy, but they may choose to stay at one of the competitors.
- ✓ **Detractors** give a 0 to 6 rating, indicating that they were dissatisfied with their stay and would not book again.

Figure 9 Customer Satisfaction Score example



### Customer Effort Score

*“Customer effort is 40% more accurate at predicting customer loyalty as opposed to customer satisfaction.” Gartner Blog*

Compared to the previous two methods, the Customer Effort Score takes a different approach to measuring customer satisfaction. “How hard did you have to work to get a problem fixed/query answered/service rendered?” it asks the customer. (Coelho & Esteves, May 2007)

The scale usually ranges from 1 (very easy and straightforward to resolve my issue) to 5 (extremely difficult) (it was a monster headache). The better the score, the lower it is.

It was demonstrated in a now-famous article that is going above and beyond in terms of customer satisfaction did not always lead to increased loyalty. After a certain point, the energy spent delighting a customer is better spent attempting to save time and effort. By saving customers time and effort, the CES is a good indicator of increasing customer loyalty.

Because the scale is closed-ended, an honest answer box could be added for the customer to vent. For example, a response like "the support team was beneficial, but I would not have had to call in the first place if the FAQs had been easier to navigate" is priceless. CES allows us to identify areas of our service that need improvement to serve our customers better.

The CES's utility as a stand-alone metric is limited, as with the other metrics. It considers a critical factor in customer loyalty, but it falls short of capturing the entire picture. (Coelho & Esteves, May 2007)

### **5.4.3. Surveys :**

Customer surveys are used to calculate many customer satisfaction metrics, such as CSAT, NPS, and CES. It can also use a survey tool to create custom surveys that ask respondents questions about customer satisfaction to develop these indicators.

It may, for example, want to follow up on an NPS survey to find out which aspects of the brand a customer enjoys the most. As a result, we might ask open-ended questions about it, such as asking customers to describe their level of satisfaction with a new feature that we recently launched. Any medium can be used to ask survey questions. (Coelho & Esteves, May 2007)

### **5.4.4. Other sources of customer feedback and insight**

Some customers may be reluctant to participate in surveys and withhold information. Furthermore, some people may be hesitant to participate in a formal survey, resulting in low response rates. That is why it is necessary to investigate other sources of customer feedback. Most businesses already receive a significant amount of feedback through existing channels. This feedback can come from a variety of sources, including: (Coelho & Esteves, May 2007)

**5.4.4.1. Email:** While interacting with the customer support team via email, customers may express dissatisfaction or praise.

**5.4.4.2. Social media:** Customers may be talking about the brand even if they do not tag or comment on posts. Many businesses have a large pool of untapped social media feedback waiting to be analyzed.

**5.4.4.3. Online reviews:** Customer feedback on a product can be found on websites like G2 or Capterra. A lot of this feedback can be automatically gathered and analyzed using feedback analytics platforms like Thematic.

**5.4.4.4. Phone:** Customers may not be willing to stay on the phone for a formal survey if they call in for technical support. However, they may still make comments that give away information verbally.

**5.4.4.5. In-person:** Although in-person feedback is more anecdotal, it can still help gauge customer satisfaction. For instance, if the company notices specific complaints from retail customers in a store, that might be something worth looking into. That could even be a predictor of future complaints, as evidenced by survey responses.

To make sense of all this customer feedback, the company can use a platform like Thematic. Thematic employs natural language processing (NLP) to structure and analyze text to extract meaning and insights from feedback data. The platform's most remarkable feature is its ability to integrate, analyze, and measure dormant feedback. Social comments, reviews, help tickets, surveys, metadata, and more are just a few examples. Analyzing feedback by source better understands the context, urgency, and level of effort required to improve customer satisfaction. (Coelho & Esteves, May 2007)

## **5.5. Advantages of measuring customer satisfaction:**

More sales are directly proportional to increased customer satisfaction. Humans tend to repeat positive experiences. As a result, if they had a positive experience with products, they are more likely to do so again. Customers are willing to spend more as their faith grows. It gradually transforms them into loyal customers who spend 67% more than new customers.

Customer satisfaction can be tracked, and efforts to improve it can yield tangible results. The following are some of the reasons to collect and analyze CSAT data: (Wirtz, 1995)

**5.5.1. Identity trends:**

Customers can be surveyed to learn more about their choices and preferences, as well as the patterns that emerge from those choices. To get relevant information and avoid survey fatigue, use a variety of question types. (Wirtz, 1995)

**5.5.2. Gain valuable feedback:**

Interacting directly with customers provides honest feedback. Communicating with them fosters trust because they see that their opinions are valued.

**5.5.3. Boost customer retention:**

Bridging the gaps and improving customer retention can be accomplished by focusing on improvement areas.

**5.5.4. Reduce acquisition cost:**

Brands spend more money on acquiring new customers than they do on keeping old ones. Use the CSAT surveys to develop new ways to keep and earn the loyalty of our existing customers. Upselling and cross-selling products to repeat customers is simple.

**5.5.5. Understand customer perspective:**

It is critical to get to know the customers and understand their viewpoints. It cannot provide an excellent customer experience unless they like a particular product or service and their needs and requirements.

**5.5.6. Track feedback changes:**

Surveys can help track changes in feedback over time if a product or service has gone through several changes or iterations. It aids in the development of actionable insights that can make a difference.

**5.5.7. Nurture promoters:**

Advertising, no matter how much money spend on it, will never compare to word-of-mouth marketing. Customers will notice and develop a deeper appreciation and loyalty for brands if they act on the suggestions.

### **5.5.8. Maintain customer loyalty**

Surveys give the impression that they value the customers' opinions and want to provide the best services possible. Acting on their feedback may encourage them to return to the brand.

### **5.5.9. Gain a competitive advantage:**

Maintaining customer satisfaction can assist businesses in remaining competitive in the marketplace. Failure to achieve it should be a bad sign for the organizations' survival.

## **5.6. The Role Of CRM To Increase Customer Satisfaction**

A CRM platform is essential for any modern business's success. CRM software adoption increased from 56 per cent to 74 per cent in 2019. CRM is now required for customer satisfaction. CRMs are heavily used by marketing and sales teams to improve customer service and experience. Customers' contextual data allows businesses to better cater to their needs. It also enhances the customer's experience with the company.

Marketing teams can target their campaigns and promotions to the right audience using customer data. When necessary, they can send emails to specific consumer segments or individuals automatically. Cart abandonment is reduced, and sales are increased. CRM can also aid in the enhancement of customer service. Customers' relationships have improved for 74% of businesses that use CRM.

Here are a few ways that brands can improve their customer experience with CRM software: (Wirtz, 1995)

### **5.6.1. Personalizing the Experience:**

Most CRM solutions will save emails and notes into customer contact records without customization or additional functionality. This is a great place to start when creating a comprehensive customer profile that can later be used to create personalized experiences. However, the complete profile will be built from the customer's interactions, preferences, previous purchases, and support requests. The ability to access and report on that data within the CRM allows us to personalize the customer experience.

If we use omnichannel communications, the data from those channels should be fed into a single source of truth via CRM. Purchase orders, chat histories, social media interactions, and support data can all be fed into the CRM to reveal a bigger picture of customers' behaviours and inform the marketing opportunities that are most relevant to their persona.

### **5.6.2. Providing Proactive Customer Service:**

One of the most significant advantages of CRM software is automation. Automated responses provide proactive communication and keep customers updated on what is going on, making them feel valued. These responses also offer a one-of-a-kind opportunity to share helpful information relevant to the customer's interests. So, while they wait for our response to their recent request, they can look through the FAQ page or knowledgebase on their own to get some answers. (Wirtz, 1995)

Also, proactive customer service should not be limited to support requests. Contacting customers regularly throughout their lifecycle is the best way to maintain a proactive approach. Payment reminders, relevant promotions, and shopping cart alerts, for example, are all examples of proactive customer service.

### **5.6.3. Better Management of Customer Purchases**

We can better understand what our customers are interested in by using a CRM's in-depth reports. These findings can be used to identify upsell and cross-sell opportunities, segment customers for targeted promotions, and reveal customer behaviour trends.

Automated workflows in the CRM can also help our sales reps stay on top of customer purchases for more proactive follow-up. The CRM can assign a task to a team member to remind them to contact the customer one week after their purchase.

Suppose the CRM is integrated with other business applications. In that case, that rep will be able to personalize that follow-up even more by referring to social media interactions, email open rates, chat conversations, and other data to better understand what else the customer might be looking for. If a sales representative notices that a customer has clicked on a product link in an email but has yet to purchase, they may choose to offer the customer a discount to entice them to act. (Wirtz, 1995)

### **5.6.4. Resolving Issues and Avoiding Them:**

A CRM's help desk ticketing system can be an effective tool for resolving customer issues quickly. When customers contact customer service, 90 per cent of customers consider an immediate response to be “important” or “very important.”

- Internal teams can prioritize and assign tickets to the appropriate departments to help resolve issues more quickly.

- Notes in the CRM can help those not involved in the issue resolution process understand what went wrong to avoid it in the future.
- Patterns and customer service gaps can be discovered using issue response time reports.
- Phone calls and recorded emails can provide insight into the interaction, and the lessons learned from those interactions can be used to train other representatives.

Any company's ultimate goal should be customer satisfaction. A happy customer has an exponential value because they are likely to tell at least 11 other people about their positive experiences. For all departments within the company, a CRM system serves as a single source of truth. Whether sales are looking up a contact's email history, services are looking up information on a previous issue, or marketing is looking for purchase analytics, a CRM can help us make sense of our data to improve customer satisfaction and build stronger long-term relationships. (Wirtz, 1995)

### **Section 3: the approach of Customer value in the customer relationship management**

Customer value is the key to business success in today's world. Companies must create value for their customers or face the consequences of declining customer loyalty, dwindling market share, dwindling profits, and the associated chaos. This is more than a business fad; it is the very essence of doing business. However, many businesses do not get it; they fail to understand the fundamentals of value essential to their customers and are incapable of creating value using the resources at their disposal.

To be successful, businesses must provide high-quality goods and services at reasonable prices, thereby creating a sense of value and enthusing customers about their products and services.

These imperatives necessitate that a company understand its customers (possibly better than it understands itself) and manage its business as efficiently as possible.

*“Everyone has become better at developing products. In robotics, the robot itself has become sort of a commodity. The one place you can differentiate yourself is in the service you provide.”*

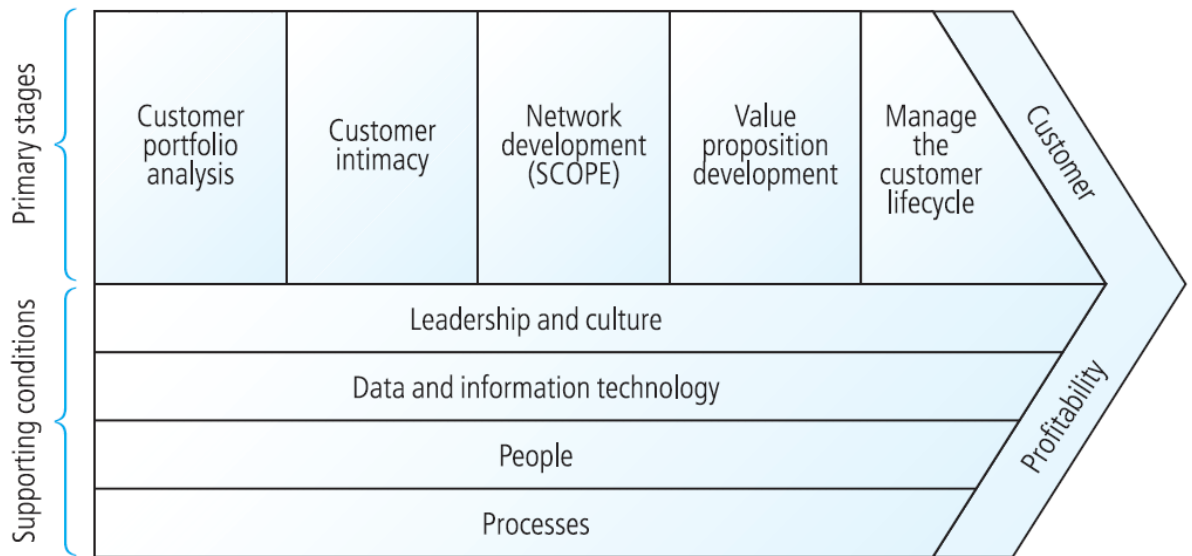
Eric Mittelstadt, former CEO and President,  
Fanuc Robotics-North America

This section revealed that there are a variety of perspectives on customer relationship management (CRM). There are three perspectives: strategic, operational, and analytical. Furthermore, different stakeholders, such as CRM software vendors, hardware and infrastructure vendors, consultancies and companies implementing CRM, and their customers, may differ in CRM's function and content. (Buttle, 2004)

#### **6.1. Definition of CRM value chain**

Generally speaking, the goal of any CRM strategy is to develop more profitable customer relationships. Some companies do this by removing the cost of the relationship; for example, by relocating customers to a different location. (Buttle, 2004)

Figure 10 The CRM value chain



**Source:** (Buttle, 2004)

Self-service via the internet. Others do this by increasing the revenue generated from a customer relationship by selling additional products and services to existing customers. Both of these approaches are used by the majority of businesses. Customer profitability is a crucial CRM goal, as indicated by the arrowhead at the right end of the CRM value chain. We would work toward various CRM objectives in a not-for-profit setting, such as operational efficiency or increased client satisfaction. (Buttle, 2004)

Measuring customer profitability necessitates tracking revenues and costs back to customers, either segment or individual. Most B2B companies can track their revenue back to their customers. These details can be found in invoicing databases. Fewer B2B companies can track costs back to customers, such as customer acquisition costs and costs-to-serve. Costs and revenues are more likely to be allocated at a segment level in business-to-consumer (B2C) CRM implementations because there are many more customers. (Buttle, 2004)

## **6.2. The primary stages of the CRM value chain**

In the development and implementation of a CRM strategy, the model identifies five key steps :

### **6.2.1. Customer portfolio analysis :**

This entails analyzing our current and potential customer base to determine which customers we want to serve in the future. Strategically essential customers, such as those who will generate profit (value) in the future, will be at the top of the list. (Buttle, 2004)

### **6.2.2. Customer intimacy :**

start understanding the customers we have chosen to serve: identity, profile, history, requirements, expectations, and preferences. (Buttle, 2004)

### **6.2.3. Network development**

The companies must be in charge of identifying, briefing, and managing relationships with members of the company's network. These companies and individuals help create and deliver the value proposition(s) for the chosen customers. External members such as suppliers, partners, owners/investors, and one crucial internal party, employees, can be part of the network. (Buttle, 2004)

### **6.2.4. Value proposition development:**

This includes understanding customers' sources of value and developing a proposition and experience that meets their needs, expectations, and preferences. (Buttle, 2004)

### **6.2.5. Manage the customer lifecycle :**

The customer's journey from "suspect" to "advocate" status is the customer lifecycle. The lifecycle management process necessitates attention to both process and structure:

**6.2.5.1. Process:** How will the company handle the critical processes of customer acquisition, retention, and development, and how will it track the success of its CRM strategy?.

**6.2.5.2. Structure:** What organizational structure will the company use to manage customer relationships?. (Buttle, 2004)

### **6.3. The supporting conditions of the CRM value chain**

The four conditions that support the development and implementation of the CRM strategy will be discussed in this section. These are :

- Leadership and culture
- Data and information technology (IT)
- People
- Processes.

Each of the five primary stages of the CRM value chain is influenced by these four factors. If the environment is not conducive to the CRM strategy's implementation, it is less likely to succeed (Buttle, 2004)

#### **6.3.1. Leadership and culture**

Both leadership and organizational culture can influence CRM strategies. (Buttle, 2004)

**6.3.1.1. Leadership:** For a variety of reasons, leadership is critical to CRM implementation success :

- Leadership decides whether CRM is focused on strategic, operational, or analytical goals
- CRM can be expensive to implement
- Leadership is needed to prioritize the CRM program
- Leadership provides oversight
- Because CRM projects are cross-functional, high-level leadership is required. They could include the entire IT department and marketing, sales, service, operations, and finance.

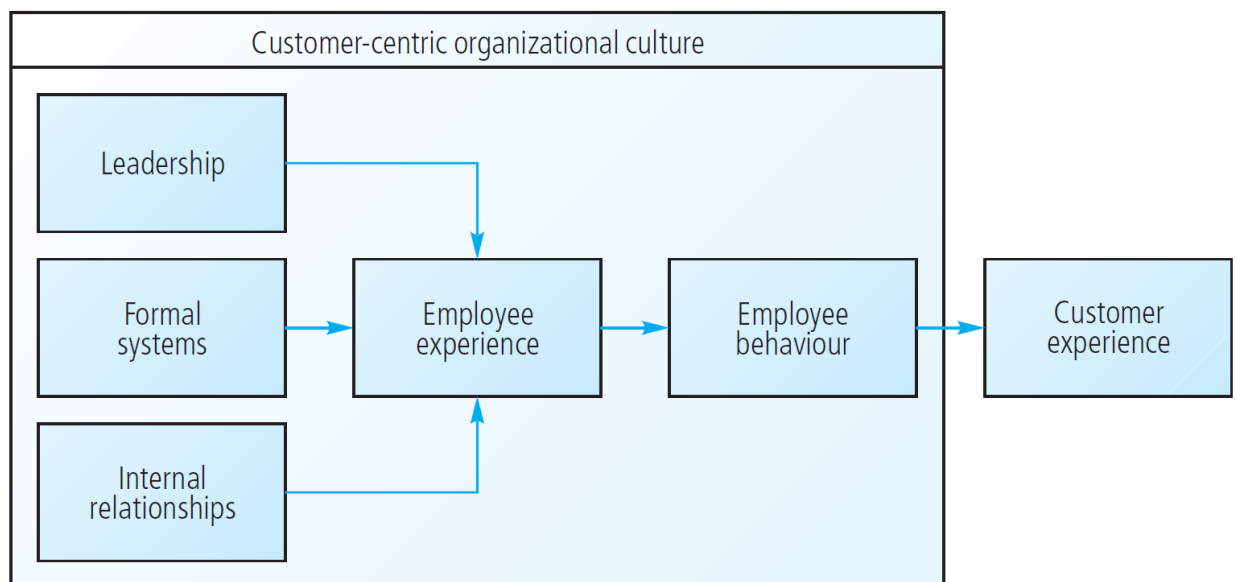
**6.3.1.2. Organizational culture :**

Organizational culture is a concept that has been around for a long time. When someone answers the question, "How is it like working here?" in everyday language, they describe organizational culture. Organizational culture can be defined as “A set of shared values and beliefs that help people understand how organizations work and, as a result, provide them with guidelines for how to behave in the workplace.”

This will entail several characteristics that are also common in CRM implementations :

- determining which customers should be served
- understanding the current and future needs of customers
- obtaining and disseminating customer knowledge throughout the organization
- Customer satisfaction, retention, future purchasing intent, referral behaviours (word-of-mouth), and share of wallet are all metrics to track.
- designing products and services that are superior to competitors in terms of meeting customer needs
- acquiring and deploying resources (information, materials, people, and technology) to create customer-satisfying products and services
- Creating strategies, processes, and structures that allow the company to meet customer needs.

Figure 11 A model of customer-centric culture (© courtesy of Frost Rowley)



Source: (Buttle, 2004)

#### **6.3.1.2.1. Leadership :**

- ✓ Is the company's leadership committed to improving the customer experience?
- ✓ Is there a 'customer first' role model in place that employees want to emulate?
- ✓ Is leadership behaving as if customers are essential?
- ✓ Is leadership providing the resources required for customer service representatives to provide excellent service?

#### **6.3.1.2.2. Formal systems :**

- ✓ Is there a reward and recognition system in place that recognizes excellence in providing excellent customer service?
- ✓ Is it possible for the company to track customer outcomes such as satisfaction and retention?
- ✓ Is the 'customer first' way of doing business instilled in new hires?
- ✓ Are customers invited to participate in front-line employee evaluations?

#### **6.3.1.2.3. Internal relationships :**

- ✓ Is customer data shared across departments?
- ✓ Do colleagues from various departments get together to discuss ways to improve the customer experience?
- ✓ Do we congratulate colleagues who have succeeded in providing exceptional customer service?

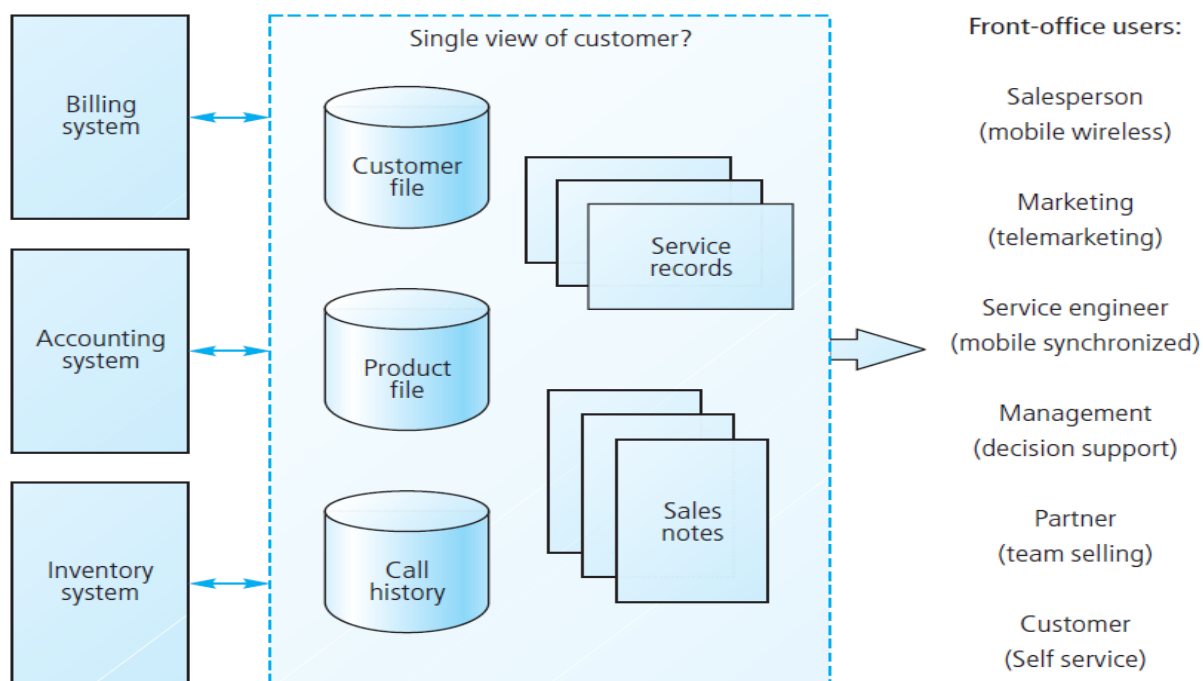
### **6.3.2. Data and information technology :**

Data and information technology is the second significant enabling condition for CRM implementations. We will look at the role of data in CRM in this section.

#### **6.3.2.1. Origins of CRM technology:**

For decades, the foundations of today's customer relationship management (CRM) technology have been in place. Customer relationship management (CRM) arose from a variety of stand-alone technologies such as call centres, sales force automation systems, and customer information files, some of which date back to the 1970s and beyond ?. (Buttle, 2004)

Figure 12: A single view of the customer for front-office applications



Source: (Buttle, 2004)

### 6.3.2.2. Technology for the CRM value chain

The CRM value chain employs the technologies systematically described in this section to achieve high customer satisfaction and profitability levels.

The CRM application areas can be used at different stages of the value chain. Customer portfolio analysis (segmentation), customer intimacy (customer needs analytics), network development (partner marketing funds), and customer lifecycle management can all be aided by marketing technology (campaigns and events). Customer portfolio analysis, customer intimacy, and customer lifecycle management are all stages where data mining is worthwhile. Mining techniques can be used to find the most profitable customers and discover what they have in common. It can also be used to generate propensity-to-buy scores, which can target campaigns at them. (Buttle, 2004)

Figure 13: How CRM capabilities map onto the CRM value chain

	Customer portfolio analysis	Customer intimacy	Network development	Value proposition development	Manage the customer lifecycle
<b>Customers and products</b>	Customer structures	Customer profiles	Customer management	Product and pricing definition. Customer expectations	Defect tracking
<b>Marketing</b>	Segmentation	Predictive modelling	Partner marketing development funds	Competitive positioning, promotions, customization	Campaign management, event management, e-mail marketing
<b>Sales</b>	Forecasting	Historical data, revenue analytics	Partner sales analytics	Sales methodology	Order entry, order configurator, enterprise selling, web shopping
<b>Service</b>	Cost-to-serve	Historical data, complaint tracking, customer satisfaction analytics	Partner self service	Service level agreements	Service request management, service orders, self service, field service
<b>PRM</b>	Partner recruitment	Partner portal	Partner management	Marketing development funds	Partner team selling
<b>Other stakeholders</b>			ERM, SRM, Investor portal		Performance review
<b>Analytics</b>	Customer life-time value, acquisition costs, retention costs	Customer needs, customer preferences, customer satisfaction	Partner performance	Pricing, profitability and incentives	Sales performance, service performance, balanced scorecard
<b>Data mining</b>	Customer profitability analysis	Customer insight	Partner analysis		Churn scoring, propensity-to-buy scoring
<b>Activity-based costing</b>	Cost modelling				Cost actuals

Source: (Buttle, 2004)

### 6.3.3. People :

The third condition for a successful CRM implementation is the presence of people. Many analysts believe that people are the most crucial factor in a CRM strategy's success. Why is this the case?

- People develop the CRM strategy
- The people choose the IT solution.
- The IT solution is implemented and used by people.

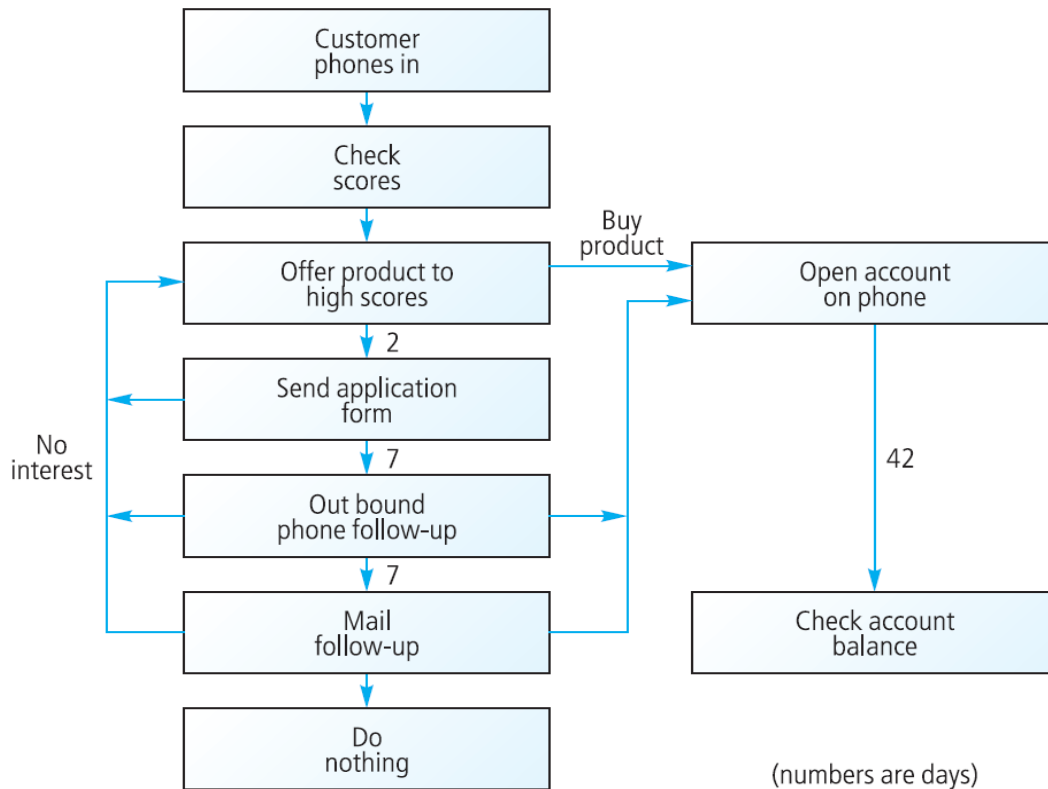
- CRM is made possible by people working together across functions.
- The customer database is created and maintained by people.
- The marketing, selling, and service processes are all designed by people.
- People may have to change their work habits.
- When people interact with customers, they have a significant impact on customer satisfaction and retention. (Buttle, 2004)

#### **6.3.4. Processes**

Processes are the fourth and final pillar of CRM delivery. Processes are how the company does things, and From a CRM perspective, Processes must be designed and operated so that they contribute to the creation of value for customers, or at the very least, do not detract from it. This implies both cost-effectiveness and efficiency (delivers the desired outcomes).

The automation of a company's selling, marketing, and service processes is the primary function of operational CRM. Customer profiling, opportunity management, and campaign management are just a few of the processes used in analytical CRM. The following diagram depicts how First Direct, a telephone, and Internet bank, organized its campaign management process. It demonstrates that a scoring process based on demographic and transactional data determines a customer's propensity to open a high-interest savings account. Customers can open an account over the phone or through the mail using this procedure. (Buttle, 2004)

Figure 14: Campaign Management process for high-interest savings account



Source: (Buttle, 2004)

There is a distinction between primary and secondary processes. Primary processes have significant financial or revenue implications for businesses. The logistics process in courier companies accounts for roughly 90% of the business's cost base, from picking up a package to moving it and finally delivering it. The customer's viewpoint on what is essential may differ.

Customers are usually unconcerned about back-office procedures. They are concerned about the processes they are involved with. These are the claims process, policy renewal process, and new policy purchase process in the insurance industry. The cost and revenue implications of secondary processes are minor. (Buttle, 2004)

### **Conclusion:**

This chapter focused on the different Approaches of the research. In the first topic, we touched on the Approach of Customer loyalty in Customer Relationship Management. In contrast, the second topic included the Approach of Customer Satisfaction and Customer Relationship Management, and finally, the third topic, where customer satisfaction is manifested within the management. From above, we conclude the following:

- Customer relationship management is a contemporary management marketing philosophy and as a strategy for the organization's work to maximize the customer's net benefit and perceived value due to achieving the maximum degree of satisfaction and satisfaction for his needs and desires.
- Knowing the customer is an essential point in the embodiment of customer relationship management, as it requires tools to understand his needs and desires and work to satisfy them in the way he wants.
- The value chain perceived by the customer is considered the defining criterion in his judgment on the quality of the service provided and the benefit obtained. Therefore, the institution must give it the full measure to achieve the satisfaction and loyalty of its customers to ensure the continuation of the positive relationship between them.

**CHAPTER THREE: A FIELD STUDY AT  
ALGERIA TELECOM.**

## **Section 1: Presentation of the company:**

This section will introduce Algeria Telecom through its historical development, identify the organizational structure, and identify the most critical departments and directorates.

### **7.1.The foundation of Algeria Telecom :**

The reforms initiated by the Algerian state and in implementation of the policy of globalization and line with the market economy, the postal and telecommunications sector, in turn, witnessed transformations aimed at developing and providing quality services in line with modern technologies in the field of post and telecommunications in an atmosphere free of discrimination and discrimination in a competitive environment while ensuring interest public above all

According to Law No. 03/2000 of August 5, 2000, which defines the general provisions relating to postal and communications, it was decided to establish four institutions, led by Algeria Telecom, which we took in our study as an applied case.

Algeria Telecom has shares and public capital operating in the network and electronic communication services market. Ministerial Decree No. 03/2000 of August 5, 2000, was to the postal and communications sector. The postal sector was separated from the telecommunications sector through this law, as it was resurrected under the name Algeria Telecom. (Algeria Telecom Company)

Its tasks have become limited by Law 03/2000 of the articles of association of a public economic corporation of a legal nature to a company with shares

It officially entered into its practice starting from 01 January 2003, based on three main objectives within the framework of the technology services sector :

- 1) Efficiency
- 2) Productivity
- 3) Quality of service

It desires to achieve a high standard, technical, economic, and social level to always remain the leader in its field due to its presence in a competitive environment

## **7.2. The missions and objectives of Algeria Telecom:**

### **7.2.1. Company missions :**

The company's missions are as follows:

- ✓ The most crucial activity of Algeria Telecom is the provision of communication services that allow the transmission of voice, written messages, digital visual and audio data.
- ✓ It develops the exploitation and management of public and private telecommunications networks.
- ✓ It works on developing the exploitation and management of local communications with dealers in the network.

### **7.2.2. Company objectives :**

The company's objectives are as follows:

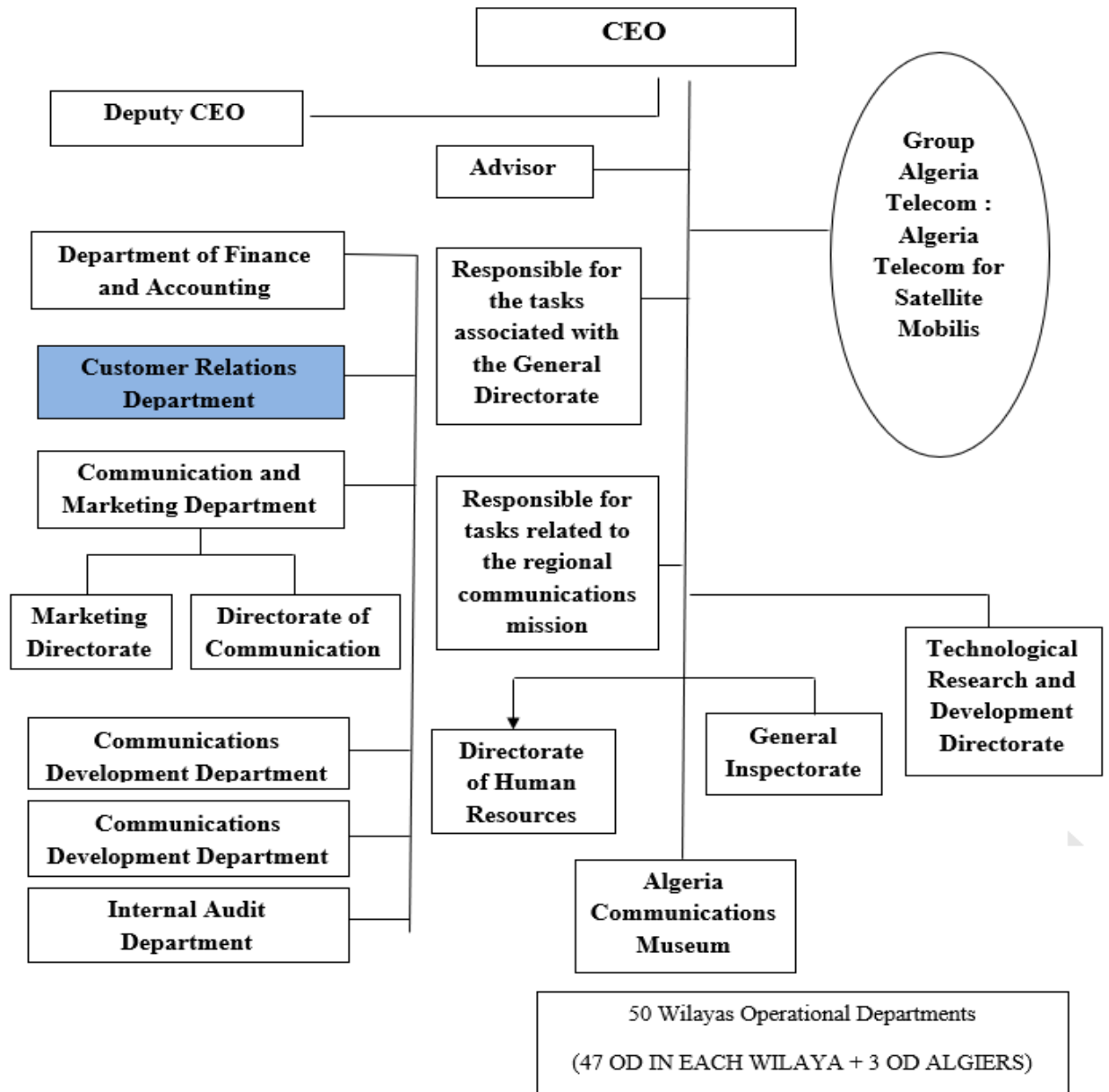
- ✓ We are increasing the offer of telephone services and facilitating participation in the various telecommunications services, especially for the most significant number of users in rural areas.
- ✓ Increasing the quality and quality of the services offered and the variety offered makes them more competitive in communication services.
- ✓ Develop an effective national telecommunications network and connect it with various media.
- ✓ Contribute to the development of wired and wireless communication and cover all countries with its services.

## **7.3. The Organizational Structure Of Algeria Telecom :**

All economic institutions must always reconsider their organization and this organizational structure due to changes in their external environment, such as developments and changes in the technology used. This leads to institutions coexisting with these factors to achieve their goals.

Algerie Telecom, whose main objective in this message is to gradually change its structure and functions to achieve its established goals

Figure 15: The Organizational Structure Of Algeria Telecom



Source: Algeria Telecom, Directorate of Finance and Accounting, official documents

**7.3.1. CEO :**

He is the chairman of the board of directors, and he is the first responsible for the existing business, as he, with his assistants, undertakes the task of achieving the goals set for the company by the competent good. Ali: His duties are to ensure that :

- Maintaining market shares
- Develop company culture in a competitive market.
- Practical marketing development.

- It is ensuring the implementation of the approved programs and coordination between departments.
- It monitors the conduct of the various activities in the institution through the reports it receives from the various interests.
- Consider the proposals submitted by the interests.
- Maintaining the excellent and routine conduct of the company.

### **7.3.2. General Directorates :**

**7.3.2.1. Directorate of Human Resources:** Among its tasks are the following:

- Developing and laying down rules, procedures, and management systems, as well as ensuring the monitoring of their implementation
- Preparing studies, creating statistics, and following up on management indicators.
- Participation in the preparation of development plans.
- Create and activate configuration schemes and programs according to their practical situation.
- Managing rewards and incentive systems.
- Professional relations and protection from social conflicts.
- Administrative management of the supreme frameworks and mentors.
- Develop internal communications.

**7.3.2.2. Directorate of Technical Management of Semi-communication:** It is charged with:

- Observe and analyze the functioning of services and search for the expansion of networks.
- Participation in the preparation of annual and multi-year plans.
- The contract creation expenses related to the total purchases are borne in the framework of the operating budget.
- Managing and reconnecting national centres.
- Activate and follow up with the regional directorates of communications to put them in industrialization plans and quality objectives.

**7.3.2.3. Directorate of Planning and Media Systems: and take care of :**

- Define hypotheses for development.

## ALGERIA TELECOM

- Preparing operational policies and strategies.
- Follow up on investment plans.
- Preparing studies before scientific program projects.
- Conceive as well as achieve and develop business for the media system.
- Follow-up and analysis of economic indicators and ratios and a proposal for the correct measurements.

**7.3.2.4.Finance and Accounting Directorate:** take care of :

- It considers the development and activation of the accounting and financial process and the management of the budget and collection.
- They are preparing and setting rules and procedures as well as regulations in place and monitoring their implementation.
- Training and improvement as well as assistance in the management of human resources.
- They prepare various estimates, financial forecasts, and exploitation accounts (working tables, financing and exploitation schemes, and investment schemes).

**7.3.2.5.Direcatorate of General Administration and Logistics:** take care of :

- Maintaining company structures in handling judicial matters.
- Managing and protecting financial receivables, re-registering property contracts, and preparing real estate files.
- Activate administrative management by deducing and examining deals.
- Processing essential regulatory texts to revitalize company systems.
- Contribute to the drafting of contracts (each contract separately) and clauses that allow recording the company's interests and settling judicial disputes.
- They are creating centres and facilitating transportation.
- Managing affiliate centres.

**7.3.2.6.Algeria Telecom Marketing Directorate :**

The marketing department of Algerian Telecom is a structure that deals with creating and promoting offers that meet potential customers' needs.

The Directorate consists of four (04) divisions, and each division brings together several services.

➤ **New Services division :**

It is used to create and develop new services suitable to potential customers for Algeria Telecom. It also takes technical feasibility tests for each new product and its specifics before launching it in the Algerian market.

➤ **Operational Marketing Division :**

This is the structure that takes care of offering development and pricing while applying the marketing mix to these products: looking at the details of each offered product; Offer favourable prices, which can easily place the product in the market; Communicate with clients and the best communication tools for the proposed offer; And the selection of the best distribution channel, as well as the most exciting points of sale, which are most likely to satisfy the customers of the Algerian Telecom.

➤ **Market Studies and Planning Division:**

This section is devoted to the development of market studies in order to be able to judge that the product (X) of Algerian Telecom can position itself in the market or not, to study competitive intelligence and customer satisfaction. This structure also exercises planning, sending personnel from the marketing department to do geo-marketing throughout the country.

➤ **Sales promotion division :**

The staff of this division creates and communicates about the services launched in the market so that the customer can know and know all the details of the products marketed by the Algerian Telecom Company.

## **Section 2: Customer Relationship Management In Algeria Telecom**

This section will discuss the most important strategies the Algeria Telecom Corporation adopted to achieve customer value, increase customer satisfaction, gain loyalty, and know the most important means of customer relationship management used in Algeria Telecom.

### **8.1.The strategy adopted by Algeria Telecom in order to achieve customer value :**

We will identify the essential strategies that Algeria Telecom uses in order to achieve customer value, which is represented in the following:

#### **8.1.1. Identify The Customer :**

Identifying the customer requires having a technical database with all the information about all subscribers so that it is updated periodically with various statistical analyses to calculate the various indicators, extract models, and make predictions.

Algeria Telecom is one of the first companies to choose a CRM tool; The company has chosen to use the NGBSS system to store, analyze and process customer data. This system meets the different needs of customers regardless of the service.

#### **8.1.2. Customer segmentation :**

Algeria Telecom segments its customers into private and professional.

#### **8.1.3. Listening to customers :**

Listening to what the customer says is a golden source of information. The company enables the company to identify the saturated and unsaturated needs and desires of customers, the problems raised, and even the customers' suggestions to improve the quality of service. From this standpoint, the organization can consider this information when formulating its strategies.

Concerning Algeria Telecom, the primary means of listening to customers is the call centre, which is considered an effective economic means because the company derives information from customers in real-time, which allows for appropriate corrective or improvement action.

Subscribers can also contact the Customer Service Department, whether to request a service or submit a complaint or suggestion about a service

#### **8.1.4. Customer Complaint Management :**

Algeria Telecom manages and solves its problems with customers via the "number 12" of the call centre, or via the website (www.at.dz), in our commercial agencies, if not through social networks (Facebook, Twitter ...).

Among the most critical problems facing Algeria Telecom in general are :

- Telephone line interruption
- Disconnecting the Internet despite the payment
- unexplained decrease in flow
- Poor handling of subscribers' complaints and lack of responsibility in addressing some problems

In order to satisfy customers, Algeria Telecom Company will :

- Carrying out promotions (sometimes, for example, Ramadan, Eid holidays.)
- Rewards on top-ups
- Increased flow
- Launching new services (online bug reporting, online payment)
- Compatibility with national (indirect) and international competition.

#### **8.1.5. Follow-Up Of Subscribers' Satisfaction And Loyalty Rates To The Institution :**

The Marketing Department of Algeria Telecom regularly prepares studies and questionnaires for samples of its customers to update aspects of their satisfaction and lack of it and follow up on the development of loyalty to the institution.

#### **8.2. tools used by Algeria Telecom :**

In this requirement, we will learn about the most crucial customer relationship management tools used in Algeria Telecom, which are represented in the following :

##### **8.2.1. Algerian Telecom Agencies (ACTEL)**

To maintain and effectively manage the relationship with its customers, Algeria Telecom has established commercial communication agencies appointed by ACTEL

ACTEL staff is ready to qualify, receive, identify, and direct clients according to their needs. These customers will be directed to available job positions and informed of ALGÉRIE TELECOM products and services. ACTELs are organized around several business functions, the most important of which are :

## ALGERIA TELECOM

- Reception position :
  - Organizing the reception of clients.
  - Providing information related to purchasing procedures and documents to be submitted.
  - Updating the external business communication offers.
- Versatile customer position: is responsible for
  - Recording commercial transactions (unavailable, modifications, suspensions, transfers.) in the GAIA system.
  - Registration of direct sales (devices, cards.) in the GAIA system;
  - Launch of automatic feasibility studies/designation of ND / N
  - Contracting
  - informing clients of the status of their orders;
  - Inform customers of their current bills and consumption.
  - Prevent customers from their financial situation
  - Information on the pricing of services and communications;
  - Editing of duplicate invoices and contact details as requested by clients.
  - ADSL and WLL Sites: Deals only with customer information and sale of ADSL and WLL products.
- Cashier Position :

His role is to collect (bills, other) and verify the authenticity of purchases (stamps).
- Position of Customer Orders: Its function is :
  - Registration Handwritten job applications
  - ND/NE designation for clients' requests; Edit messages and send them to clients
  - Processing requests that exceed the legal payment deadline
  - Processing Temporary Line Requests That Expire
  - Processing requests for information.

Algeria Telecom has 171 commercial agencies and 110 commercial divisions spread over the Algerian territory.

Figure 16: Algeria telecom main office



### 8.2.2. Call centres:

In the face of new economic reforms and market openness, the telecommunications sector faced increasing competition in all sectors of activity. To improve its brand image and increase its lousy reputation, ALGERIA TELECOM established call centres to manage the remote relationship with its customers with three objectives: listening, informing, and advising. Algeria Telecom Center provides For communications to customers, the company can be contacted by phone, six days a week from eight in the morning until eight in the evening. However, Algeria Telecom wants to increase the hourly workload to 7 days a week and 24 hours a day to stay in touch with the customer. Algeria Telecom has equipped itself with this tool to meet the needs of its customers to retain them, gain new customers, and promote its marketed products/services. This is where the role of the Algerian call centre appears and consists of :

- Handle incoming calls for information and information in the case of After Sales Service (SAV)
- Process outgoing calls for prospecting actions (offer products/services to potential clients).
- Handling customer complaints.

Algeria Telecom has four call centres nationwide. A dedicated call centre for large account customers with the toll-free number 101 and a call centre dedicated to SMEs and SMEs with a toll-free number 102. These two centres are located in Algiers. Finally, two call centres are dedicated to customers residing in Oran and Constantine with a toll-free number of 100.

Algeria Telecom's call centres use the latest technologies in telephony, information technology, software, and the collection and processing of customer databases.

The call centre in Algeria Telecom consists of :

- Telephone advisors: These are the operators responsible for the continuous listening of callers.
- Supervisors: They are responsible for leading their teams, ensuring their smooth running, and being second to none in the event of calls beyond the skills of call centre agents.
- Business support: They oversee the preparation of tools and support such as Arguments available for call centre agents to respond to customers in collaboration with various services and agencies in Algeria Telecom. They are also invited to evaluate the work of the call centre to update the data regularly.
- Call Center Manager: Directs and controls the operation of shift staff and ensures proper workflow. Represents the coordinator between the call centre and the company.

### **8.2.3. Internet :**

The Internet is the new means of communication used by Algeria TELECOM is set up to communicate and maintain relationships with its customers through its website: [www.algeriatelecom.dz](http://www.algeriatelecom.dz).

### **Section 3: Survey results and analysis:**

This section aims to clarify the methodology adopted in the study, in terms of the study method and formulation of its hypotheses, defining the study population and the method of selecting the sample, as well as the study tool and testing its validity and reliability, in addition to reviewing the various statistical methods based on data analysis and hypothesis testing

This study aims to know the effectiveness of customer relationship management tools on creating value, increasing customer satisfaction, and gaining loyalty. This required us to conduct a questionnaire to know the relationship between the two variables and build a statistical model for the relationship. We can know the degrees of influence of each element of the customer relationship management tool on customers.

We propose to carry out is based on a sample survey using a questionnaire. This method is considered a tool for collecting valuable information, which can provide a plus. The processing of our survey results was processed using Google Analytics software, SPSS, EXCEL, and other software's

After the data collection is achieved, we transfer the data collected into the forms of charts, and we interpret the results and give our analysis to each question asked.

#### **9.1. Method used in the study:**

In order to complete and achieve the study approach represented in the effectiveness of the tools of customer relationship management in creating value and achieving customer satisfaction and loyalty, the descriptive and analytical approach was adopted, which depends on the study of the phenomenon as it exists, in reality, to diagnose it and determine its dimensions, and is based on the field survey, in order to obtain The data come from its primary sources by relying on the questionnaire, which was designed according to the scientific steps adopted in this regard. This does not stop at collecting and commenting on data in tables but instead means interpreting and analyzing it, testing hypotheses and determining the relationship between the study variables, and arriving at Conclusions that contribute to the improvement of reality. Building the hypothetical model and formulating hypotheses

## **9.2. Population and samples :**

Given the difficulty of applying the comprehensive inventory method to all the vocabulary of the research community under study, due to its large size and geographical spread, in addition to what requires an abundance of money, time, and technical effort that increases as the size of this community grows, and for this and in order to avoid errors that may be exposed to the process of data collection and analysis, We had to apply the sampling method, so that a small group of community vocabulary is taken, allowing it to be controlled to collect the primary data required for the study.

In order to achieve the objectives of the study and test its hypotheses, a random sample was relied upon to collect the necessary data, which is due to its ease and greater accuracy in marketing research.

The study population in this research is represented by the customers of Algeria Telecom who live in some states of the country, where the sample members are represented in 72 individuals, and it is valid for study

## **9.3. Data collection tool :**

In order to reach a solution to the study problem and test its hypotheses, an appropriate measurement tool was developed for this purpose, which is a questionnaire to collect the necessary data. This questionnaire included three parts:

- The first part: is devoted to identifying the demographic characteristics of the sample members.
- The second part: is devoted to knowing the degree of value creation and satisfaction of the sample members.
- The third part: is devoted to finding out the degree of loyalty among the sample members.

## **9.4. Statistical analysis tools:**

For data processing, Google forms were relied on, and the following statistical tools were used:

- The programming language Python
- SPSS V24
- EXCEL

- Google Forms
- Specialized site of analyzing data (<https://colab.research.google.com/>)

The data in this research was collected on a personal questionnaire, where the questionnaire form was published on social networking sites. This isolates each item under interrogation from the rest of the vocabulary so that his answering the questionnaire questions is not affected.

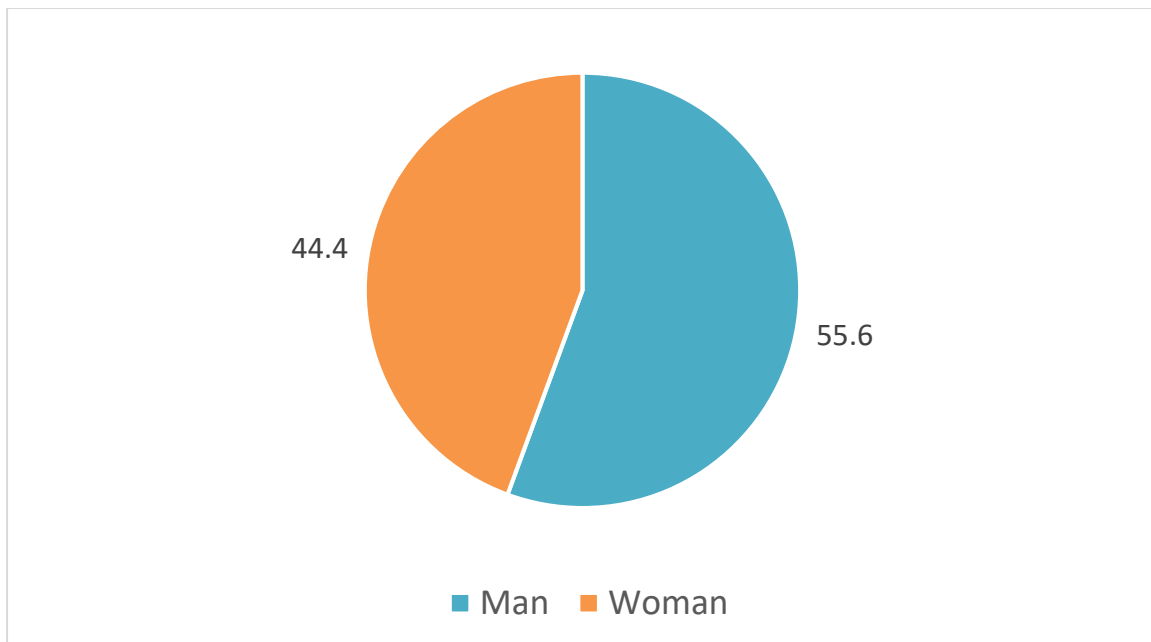
### 9.5. Survey results and analysis:

#### Question n°1: Are You a?

Table 1: results of question 1

	Frequency	Percentage	Cumulative percentage
Male	40	55.6%	55.6%
Female	32	44.4%	100%
Total	72	100%	

Figure 17: Explanatory pie chart of our sample by sex



**Source:** elaborated by us with google forms

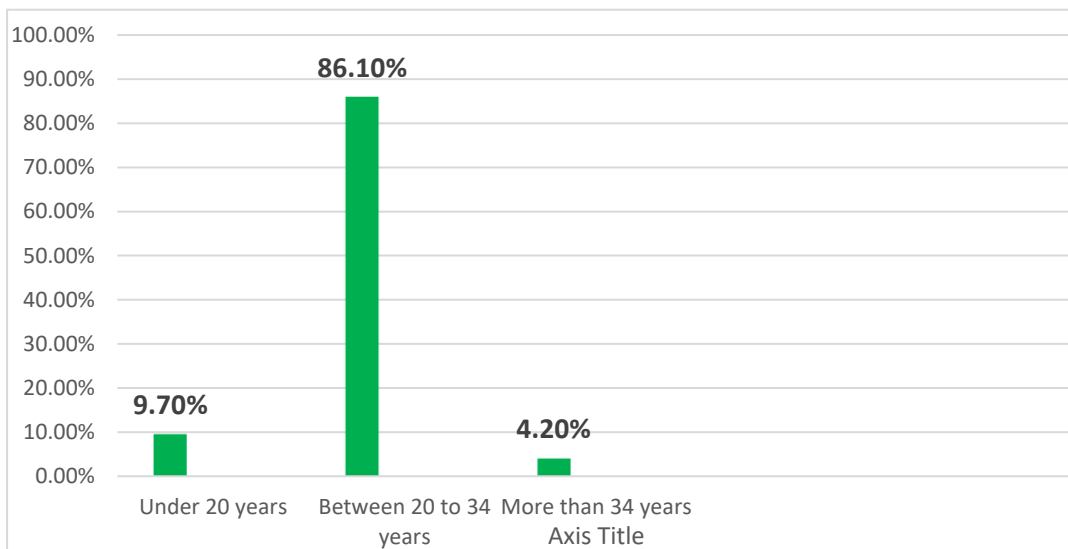
Through the data, we notice that in the gender category, the number of respondents in the questionnaire is more for males than for females, as the number of males reached 40 individuals with a percentage estimated at 55.6%, and the number of females was 32 individuals with a percentage estimated at 44.4%.

**Question n°2: Which Of The Following Age Groups Do You Fall Into?**

*Table 2: results of question 2*

Age	Frequency	Percentage	Cumulative percentage
Under 20 years	7	9.7%	9.7%
Between 20 and 34 years	62	86.1%	95.8%
More than 34 years	3	4.2	100%
Total	72	100%	

*Figure 18: Explanatory bar diagram of the age groups of the individuals in the sample*



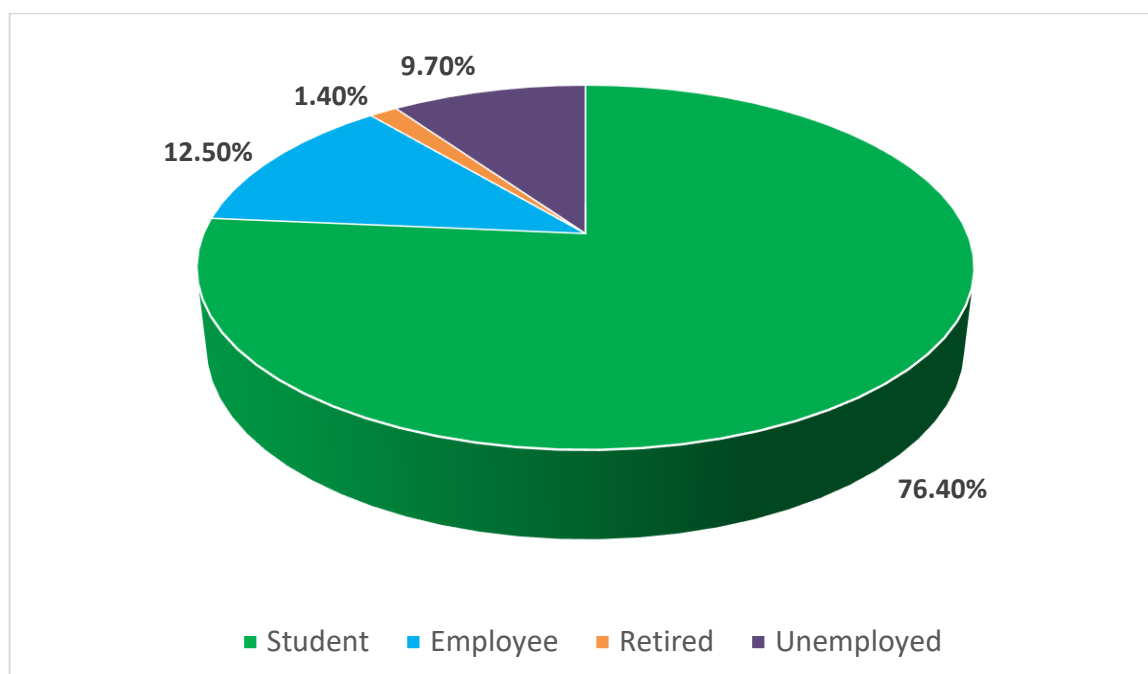
**Source:** elaborated by us with google forms

We note in the age group that the highest percentage was for the category from 20 to 34 years, whose number was 62 individuals, with a percentage estimated at 86.1%, and then comes the category less than 20 years, who numbered seven individuals, with a percentage estimated at 9.7%. The last category is more than 34, with three individuals, only a percentage estimated at 4.2%. Through the observations extracted from this data, we find that most of the answers to the questionnaire were from the youth group

**Question n°3: What Is Your Professional Status?***Table 3: results of question 3*

	Frequency	Percentage	Cumulative
Student	55	76.4%	76.4%
Employee	9	12.5%	88.9%
Retired	1	1.4%	90.3%
Unemployed	7	9.7%	100%
Total	72	100%	

source

*Figure 19: An explanatory diagram in a pie chart of the professional statuses of our sample***Source:** elaborated by us with google forms

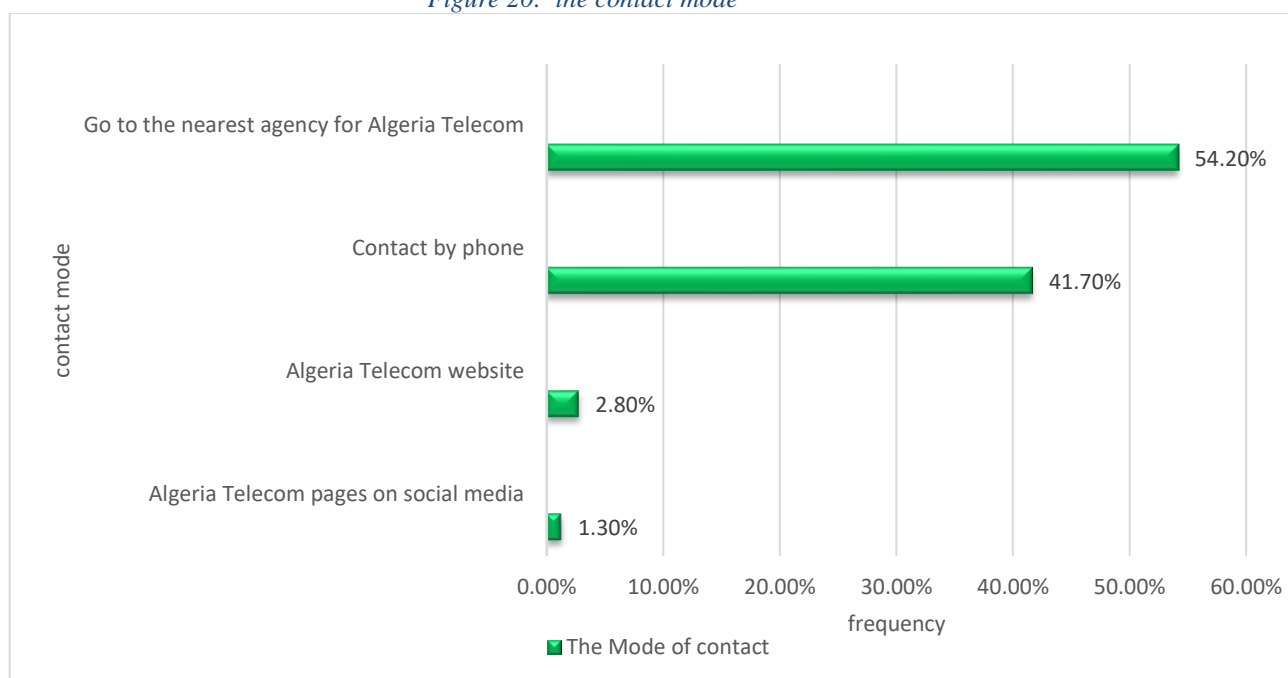
In the occupational status category, the percentage of students was the largest among the other categories in the questionnaire, as it was estimated at 76.4%, then came the category of employees, whose percentage was estimated at 12.5%, then the category of the unemployed, which was estimated at 9.7%, and finally the percentage of retirees, which was estimated at 1.4%.

**Question n°4:** How Would You Prefer To Contact Algeria Telecom Branch In Case Of A Problem Or A Service Request?

*Table 4: results of question 4*

	Frequency	Percentage	Cumulative
Go to the nearest agency	39	54.2%	54.2%
Algeria Telecom website	2	2.8%	57%
Contact by phone	30	41.7%	98.7%
Algeria Telecom pages on social media	1	1.3%	100%
Total	72	100%	

*Figure 20: the contact mode*



**Source:** elaborated by us with google forms

Through the table results, we found that most of the sample members prefer to contact the institution by going to the nearest agency in case of a problem or to request a service, which was estimated at 54.2%. 41.7% For sample members who prefer it by phone, 2.8% via the website, 1.3% via the page on social media, for inquiries and updates.

ALGERIA TELECOM

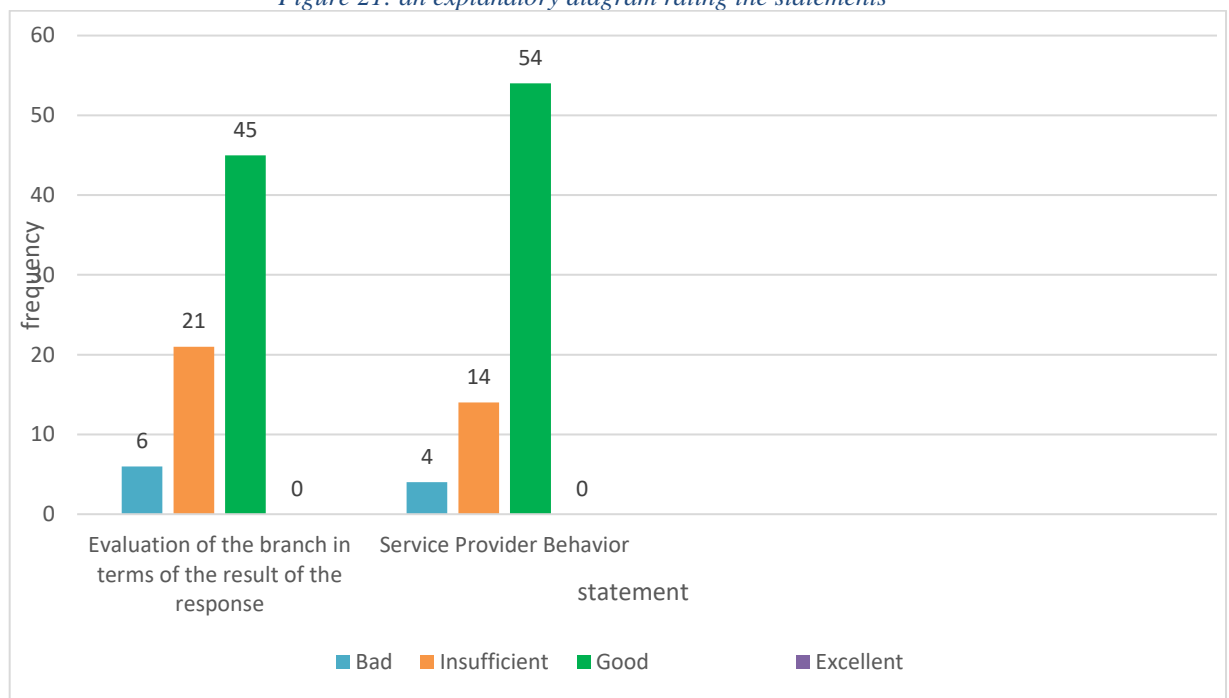
**Question n°5:** Please Rate These Statements ?

- 1= Bad                      2= Insufficient
- 3= Good                    4= Excellent

*Table 5: results of question 5*

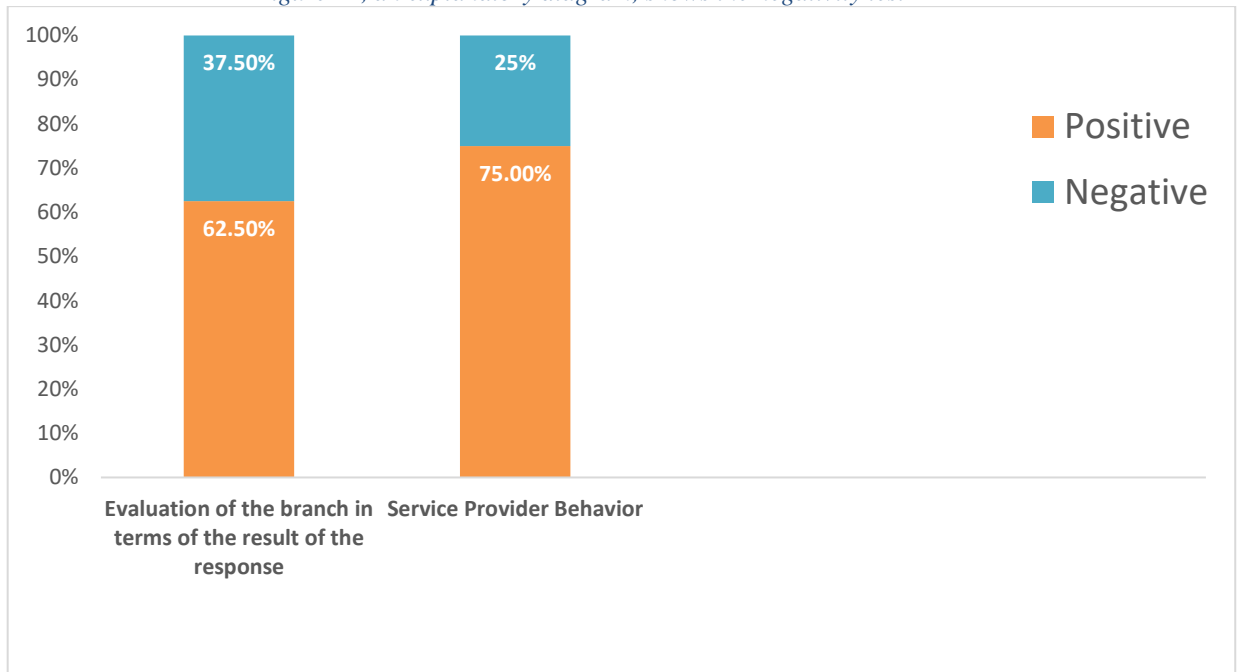
	Bad	Insufficient	Good	Excellent	Results
Evaluation of the branch in terms of the result of the response	6	21	45	0	+
	8.3%	29.2%	62.5%	0%	
Service Provider	4	14	54	0	+
	5.5%	19.4%	75%	0%	
Total	72	100%			

*Figure 21: an explanatory diagram rating the statements*



**Source:** elaborated by us with google forms

Figure 22, an explanatory diagram, shows the negativity test



Source: elaborated by us with google forms

**1) Evaluation of the branch in terms of the result of the response:**

The table results show that the degree of response and response (the degree of listening to the customer) is positive, as 62.5% of the sample members agreed that the service was good.

We conclude that the organization's call centres are characterized by efficiency and effectiveness in listening to the customer.

**2) Service Provider Behavior**

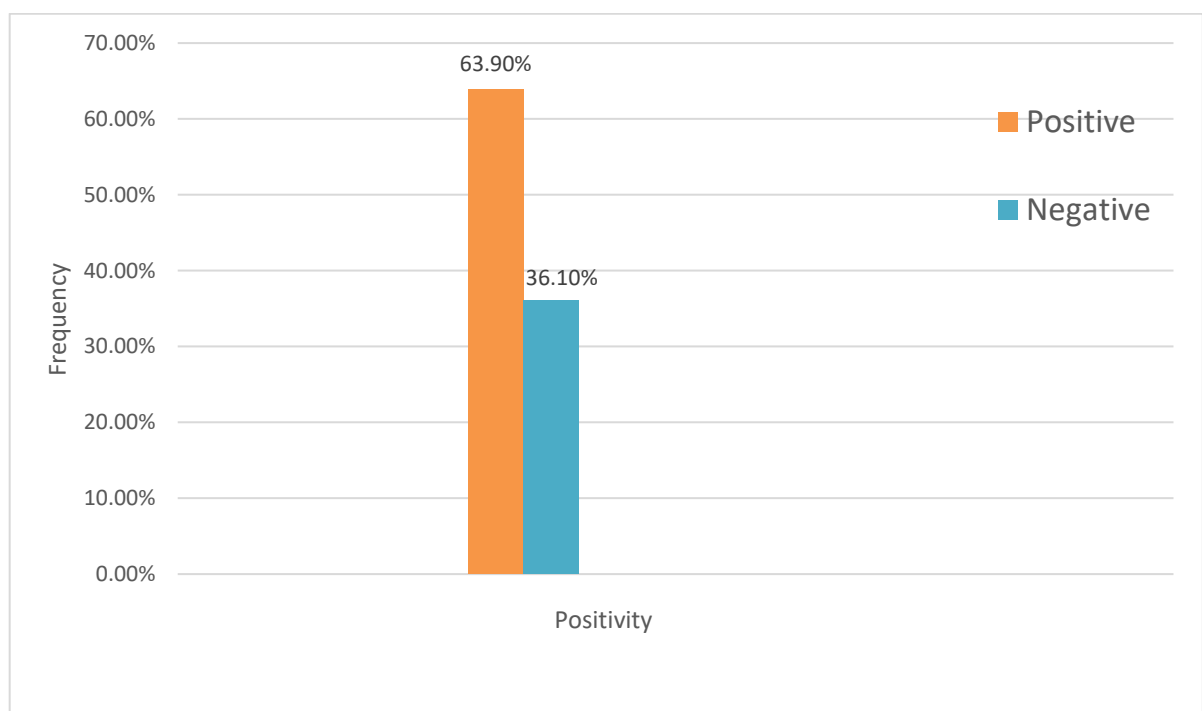
Through the results of the table, we find that the population of the studied sample is satisfied with the behaviour of service providers, as 75% of the sample members agreed that dealing with them was good. This means that the relationship between service providers in commercial agencies is positive, from we conclude that most of the employees received training in the field of They deal with customers and have professionalism in providing institutional services.

**Question n°6:** Do They Respond to your inquiry in the usual scientific manner?

*Table 6: results of question 6*

	Frequency	Percentage	Cumulative	Results
Agree	46	63.9%	63.9%	+
Disagree	26	36.1%	100%	
Total	72	100%		

*Figure 23: an explanatory chart shows the positivity test*



**Source:** elaborated by us with google forms

Through the results of the table, we find that 63.9% of the sample members agreed that the response to their inquiries was in the usual scientific manner, and this is because most

of the employees have professional experience or received training in this technological field, as they also encounter similar questions or problems that occurred before with customers. Furthermore, 36.1% of the remaining sample members did not agree that the response to their inquiries was

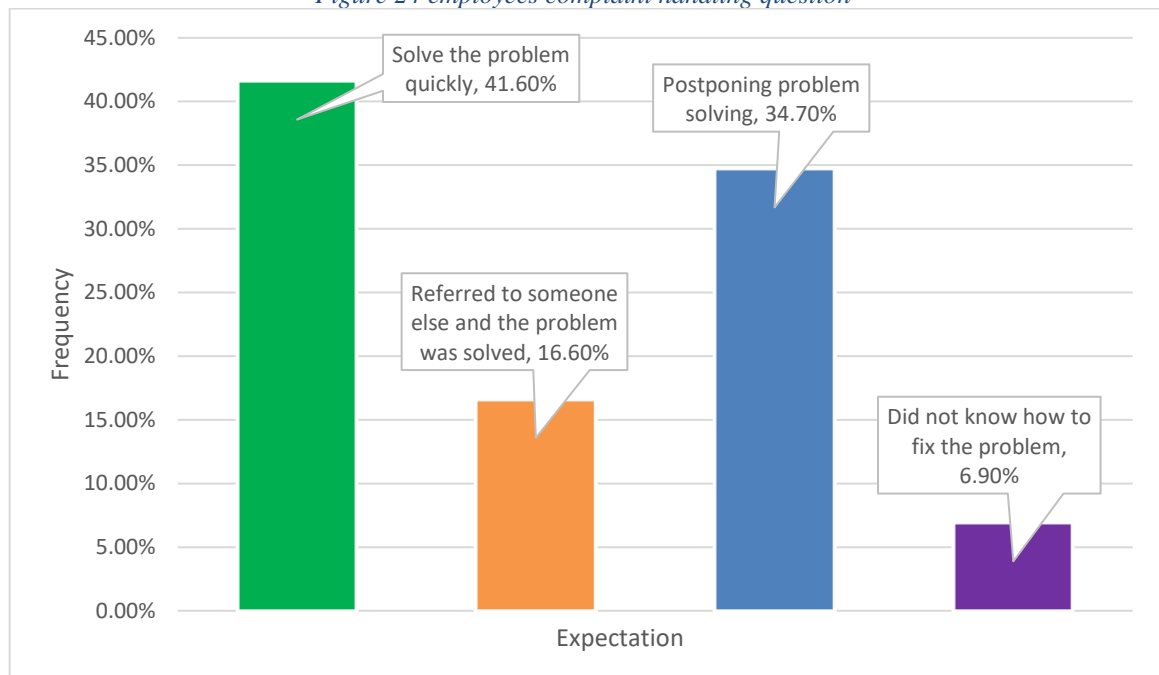
in the usual scientific manner, and this is due to the lack of experience of some employees or that the problems that occurred with customers were new to them and therefore they did not provide the required scientific answer.

**Question n°7: How is the employee's complaint handled?**

*Table 7: results of question 7*

	Frequency	Percentage	Cumulative	Results
Solve the problem quickly	30	41.6%	41.6%	+
Referred to someone else, and the problem was	12	16.6%	58.2%	
Did not know how to fix the problem	5	6.9%	65.1%	-
Postponing problem solving	25	34.7%	100%	-
Total	72	100%		

*Figure 24 employees complaint handling question*



**Source:** elaborated by us with google forms

Through the results of the table, we found that the degree of complaints handling by the employee is positive, after analyzing the results of the following answers:

We found that 41.6% of the sample members had their problems resolved quickly, and this is because the employees who dealt with the problem have the necessary competence to deal with such problems.

We found that 34.7% of the sample members have postponed solving the problem, and this is due to the employee's lack of experience, or the presence of a technical defect in the program or the communication network that requires time to fix, or that the problem is already in the customer's location, as the maintenance team of the organization must go to the customer's house to solve bummer.

We found that 6.9% of the sample members did not know the solution to their problem, and this is due to the inefficiency of the employees in the branch, or it required much time to understand where the defect is.

We found that 16.6% of the sample members had the problem resolved, but by referring to another person, meaning that the employee did not know the solution to the problem or had a degree of doubt, so he sought the help of another employee or resorted to the head of the branch.

**Question n° 8:** Are you satisfied in terms of?

1= Not satisfied at all

2= Not satisfied

3= Satisfied

4= fully satisfied

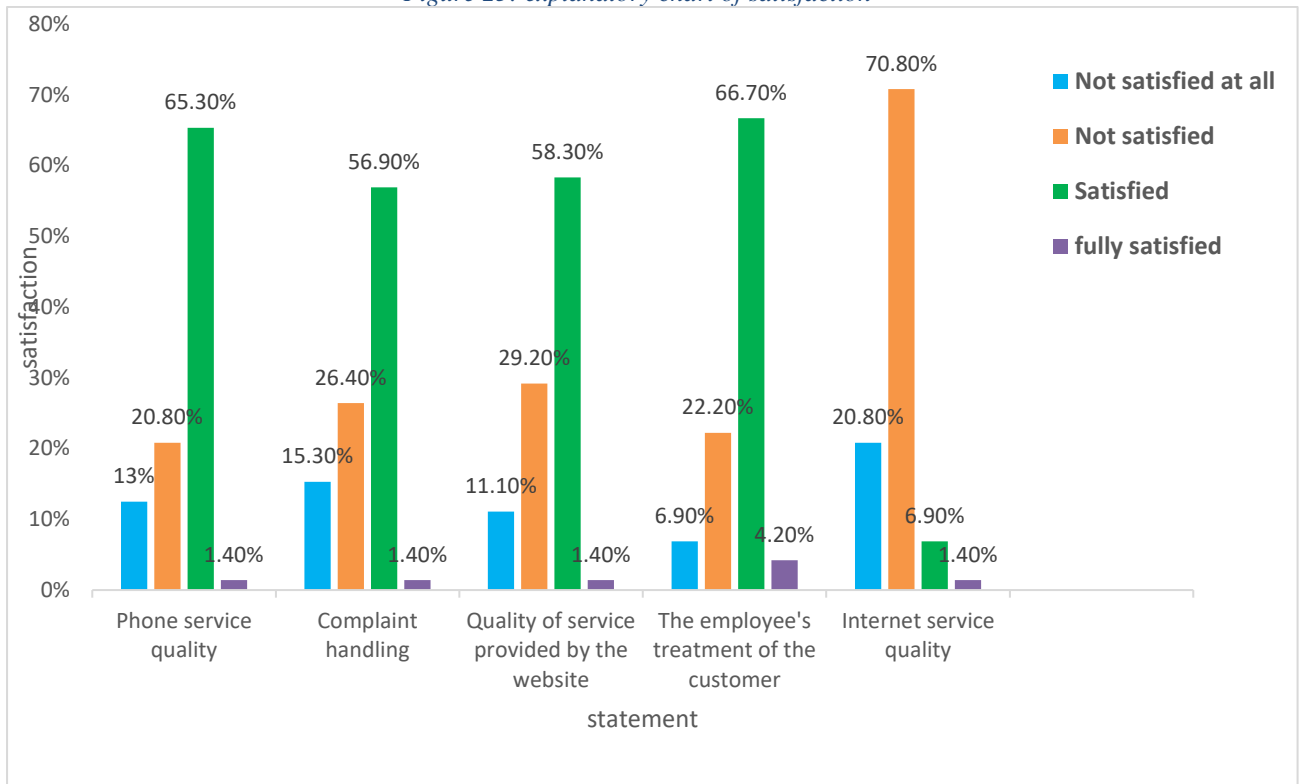
*Table 8: results of question 8*

	Not satisfied at all	Not satisfied	Satisfied	fully satisfied	Results
Phone service quality	9	15	47	1	+
	12.5%	20.8%	65.3%	1.4%	
	12.5%	33.3%	98.6%	100%	
Complaint handling	11	19	41	1	+
	15.3%	26.4%	56.9%	1.4%	
	15.3%	41.7%	98.6%	100%	
Quality of service provided by the website	8	21	42	1	+
	11.1%	29.2%	58.3%	1.4%	
	11.1%	40.3%	98.6%	100%	
The employee's treatment of the customer	5	16	48	3	+
	6.9%	22.2%	66.7%	4.2%	
	6.9%	29.1%	95.8%	100%	
Internet service quality	15	51	5	1	-
	20.8%	70.8%	6.9%	1.4%	
	20.8%	91.6%	98.5%	100%	
Total					72

*Table 9: results of question in SPSS V24*

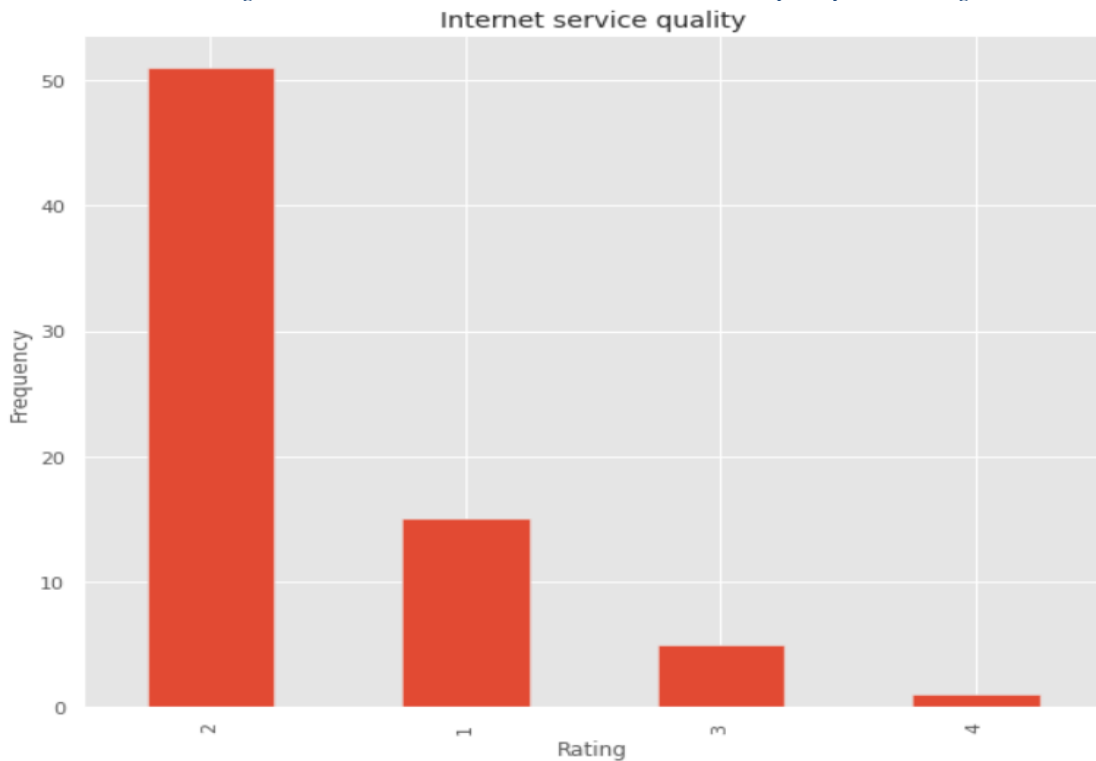
	Phone service quality	Complaint handling	Website Quality	Customer Treatment	Internet service quality
count	72.000000	72.000000	72.000000	72.000000	72.000000
mean	2.555556	2.444444	2.500000	2.680556	1.888889
std	0.729439	0.767085	0.712069	0.667693	0.570534
min	1.000000	1.000000	1.000000	1.000000	1.000000
25%	2.000000	2.000000	2.000000	2.000000	2.000000
50%	3.000000	3.000000	3.000000	3.000000	2.000000
75%	3.000000	3.000000	3.000000	3.000000	2.000000
max	4.000000	4.000000	4.000000	4.000000	4.000000

Figure 25: explanatory chart of satisfaction



Source: elaborated by us with google forms

Figure 26: the correlation between internet service quality and rating



Source: elaborated by us with google forms

Through the results of the table, we found that the degree of satisfaction is optimistic concerning the telephone service and other complementary services provided by the institution as complementary services to the core service (telephone service and Internet service), which are essential in managing the relationship with customers, after analyzing the results of the following questions:

We found that 66.7% of the respondents had a positive degree of satisfaction, meaning that the perceived value of the telephone service was in line with their expectations. The percentage of respondents who had a harmful degree of satisfaction was estimated at 33.3%, meaning that the perceived value of the telephone service was less than their expectations.

We found that 58.3% of the sample members had a positive degree of satisfaction with handling their complaints, meaning that their expectations were in line with the perceived value of the institution in handling complaints. In comparison, 41.7% had a harmful degree of satisfaction with the treatment of their complaints by the institution, meaning that the value The realization was less than their expectations.

We found that 59.7% of the sample members had a positive degree of satisfaction with the service provided by the website in terms of information and service offers, meaning that the perceived value of the website services corresponds to the expectations of these customers. In comparison, the percentage of the sample members who had a negative satisfaction score was estimated at 40.3 %, meaning that the perceived value of this service was less than their expectations.

The percentage of respondents who had a positive degree of satisfaction with the employee's treatment of them was estimated at 70.9%, and this indicates that the perceived value of this service corresponds to the expectations of these customers. In comparison, the percentage of respondents who had a harmful degree of satisfaction towards this service was estimated at 29.1%. This indicates that the perceived value of this service was less than the expectations of these customers.

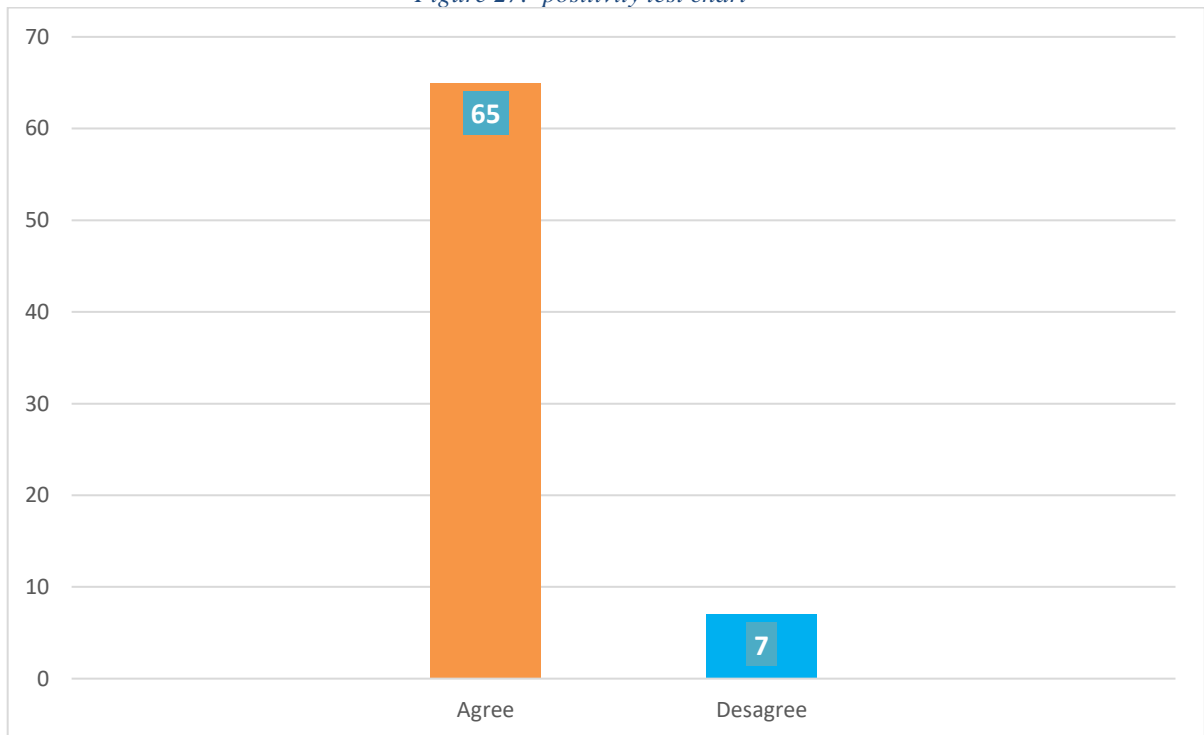
The percentage of respondents who had a harmful degree of satisfaction with the quality of the Internet service was estimated at 91.6%, and this is evidence that the perceived quality of the Internet service was less than their expectations, while the percentage of the sample who were satisfied was only 8.3%.

**Question n°9:** Does Algeria Telecom maintains the security and confidentiality of your information?

*Table 10: results of question 10*

	Frequency	Percentage	Cumulative	Results
Agree	65	90.3%	90.3%	+
Disagree	7	9.7%	100%	
Total	72	100%		

*Figure 27: positivity test chart*



**Source:** *elaborated by us with google forms*

Through the results of the table, we found that 90.3% of the sample members agreed that the institution maintains the security and confidentiality of personal information, and they have a high degree of trust, and 9.7% of them did not agree with that.

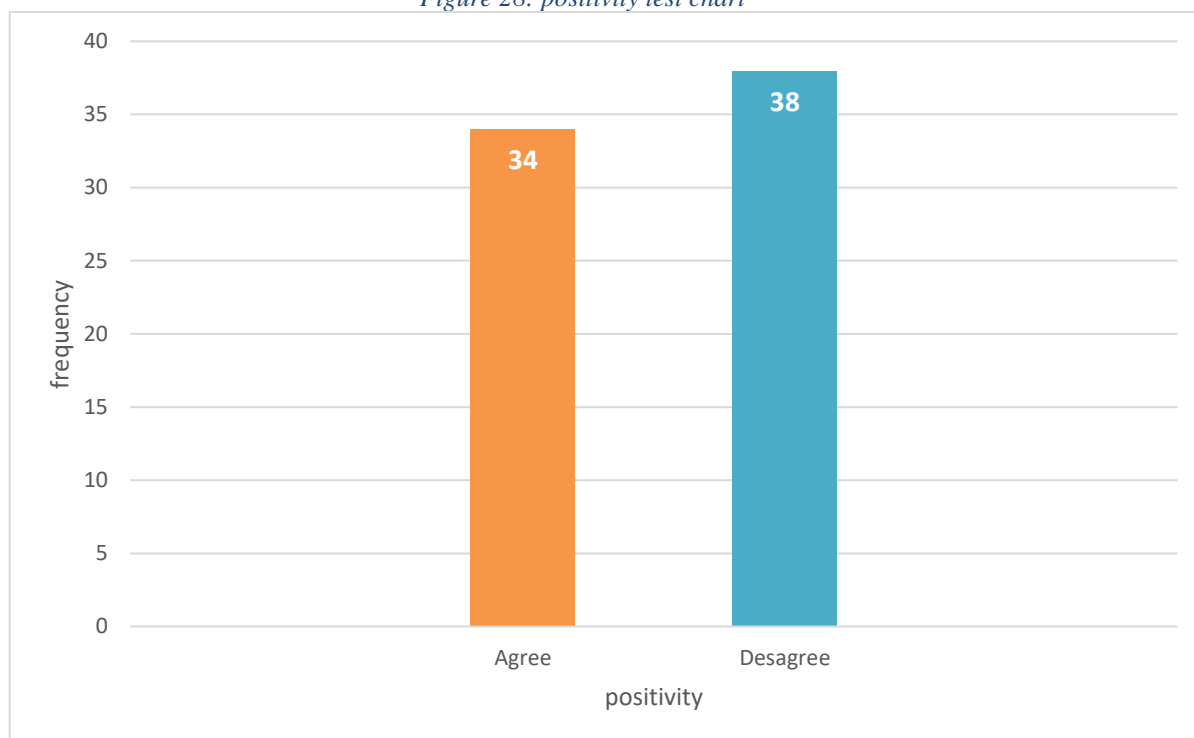
We conclude that this institution adheres to the principle of privacy while using its customers' data to create its database.

**Question n°10:** Do you think that Algeria Telecom offers you services that meet your needs and desires?

*Table 12: results of question 11*

	Frequency	Percentage	Cumulative	Results
Agree	34	47.2%	47.2%	-
Disagree	38	52.8%	100%	
Total	72	100%		

*Figure 28: positivity test chart*



**Source:** *elaborated by us with google forms*

The table found that the degree of approval was negative, as most of the respondents, whose percentage was estimated at 52.8%, answered that the institution does not provide services that meet their needs and desires. We can explain that the institution has a gap between the service expected by the customer and the management's awareness of the real needs and desires that he wants the Customer satisfied.

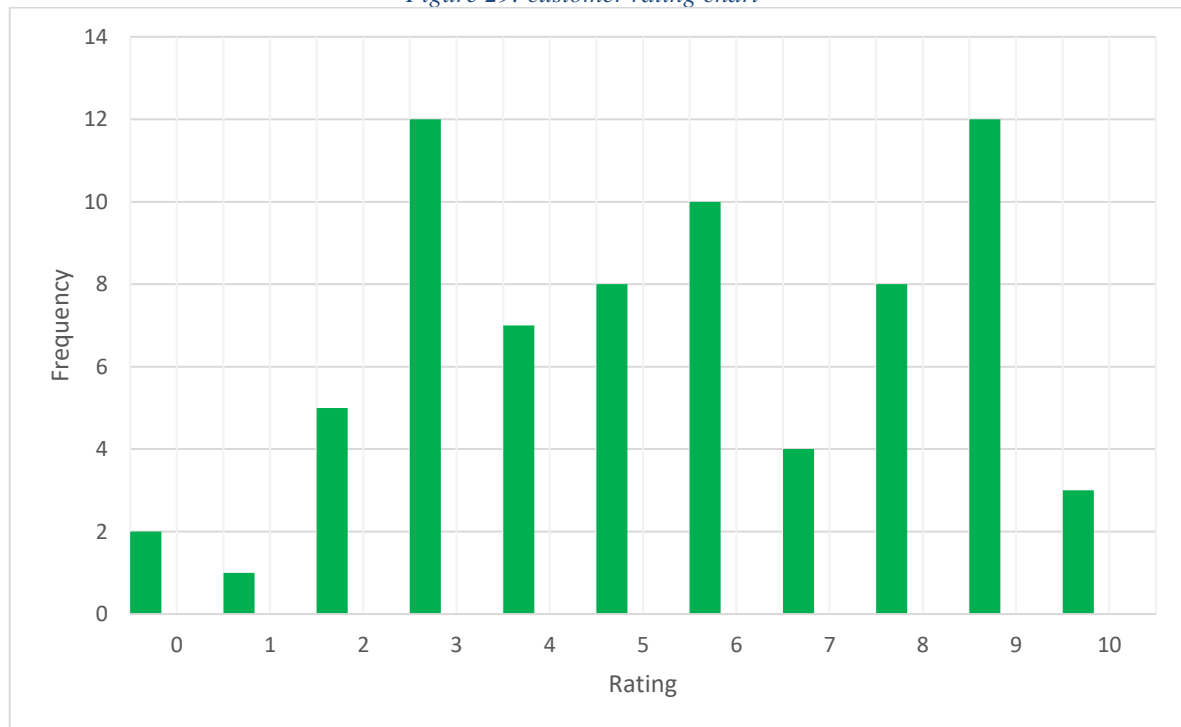
We conclude that the customer focuses on the Internet service and its quality more than the other services provided by the institution (telephone service and supplementary services) due to the increasing need for the Internet at present.

**Question n°11:** How do you rate Algeria Telecom on a scale of 0-10?

*Table 12: results of question 12*

	0	1	2	3	4	5	6	7	8	9	10	Re
Freq	2	1	5	1	7	8	1	4	8	1	3	+
Perce	2	1	6.	1	9.	1	1	5.	1	1	4.	
Cum	2	4	1	2	3	4	6	6	7	9	1	
ulative	.8%	.2%	1.1%	7.8%	7.5%	8.6%	2.5%	8.1%	9.2%	5.9%	00%	
Total												72

*Figure 29: customer rating chart*



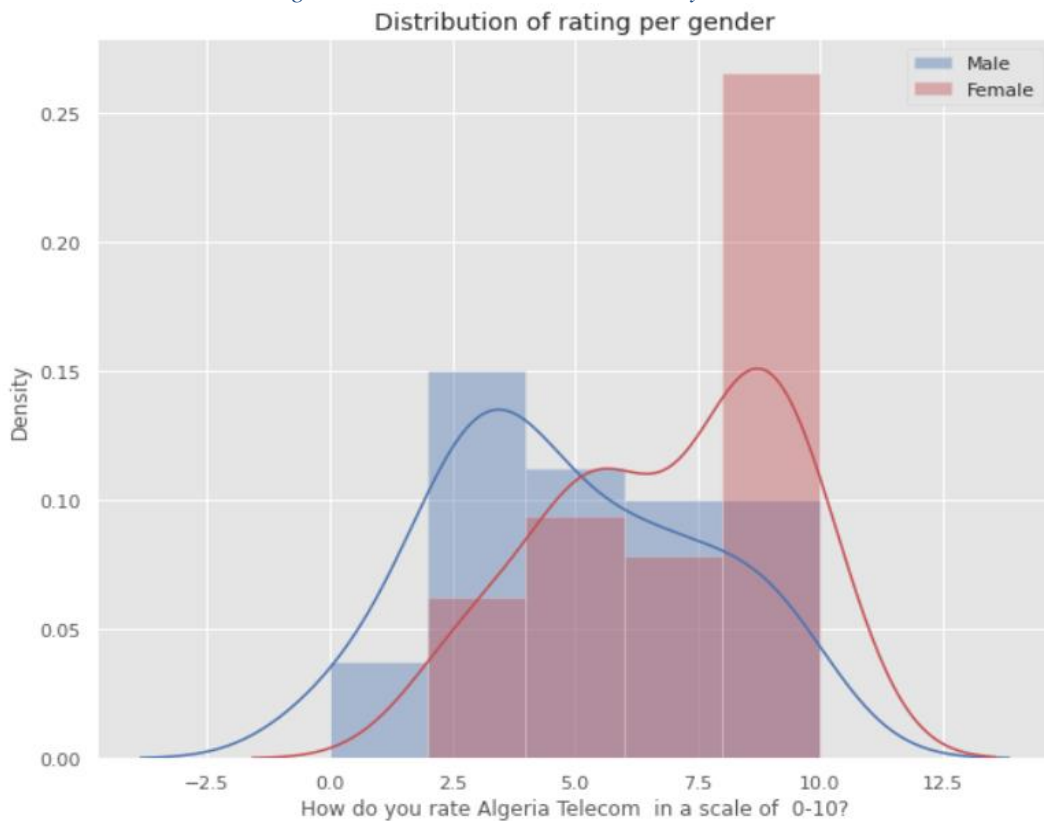
**Source:** *elaborated by us with google forms*

Figure 30: SPSS coding

```
# seed the random number generator
seed(1)
# generate two independent samples
male = df[df['Sex']=='Male']
male = male['How do you rate Algeria Telecom in a scale of 0-10?']
female = df[df['Sex']=='Female']
female = female['How do you rate Algeria Telecom in a scale of 0-10?']
# compare samples
print('-'*20)
stat, p = ttest_ind(male, female)
print('Statistics=%.3f, p=%.3f' % (stat, p))
# interpret
alpha = 0.05
print('-'*40)
if p > alpha:
    print('Same distributions (fail to reject H0)')
else:
    print('Different distributions (reject H0)')
print('-'*20)
```

```
-----
Statistics=-3.344, p=0.001
-----
Different distributions (reject H0)
-----
```

Figure 31: the correlation test in density between Male and Female



Source: elaborated by us with google forms

We notice in the first figure that many people are most likely to rate Algeria Telecom with 3 and 9, which lead us to calculate the average that stands for 6; this is an acceptable result because it is more significant than five, which is the minimum acceptable rate of satisfaction, loyalty and value.

We made another study to see if the male and female opinions are significant to the choices that they made; these are our notes:

- Fail to Reject H<sub>0</sub>: Sample distributions are equal.
- Reject H<sub>0</sub>: Sample distributions are not equal.

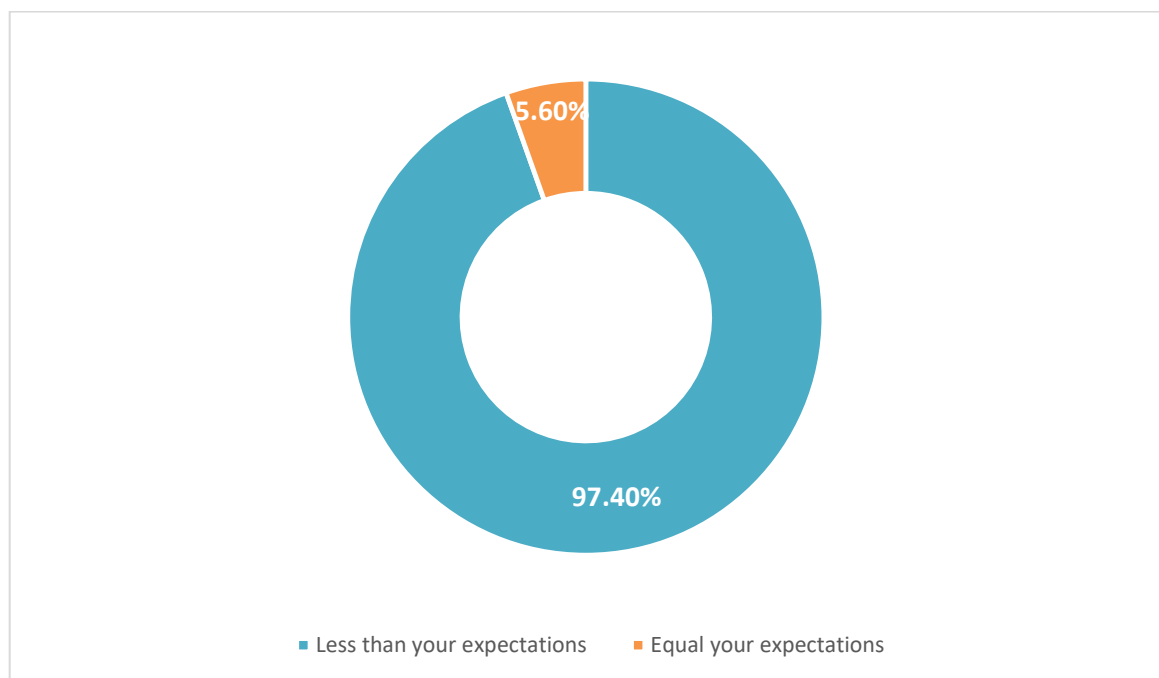
Since the p-value = 0.001, which is smaller than 0.05, we reject the null hypothesis H<sub>0</sub>. The t-test shows a significant difference in the mean distribution of the ratings between Male and females.

**Question n° 12:** Do you think that the Price matches the Quality of service you expect?

*Table 13: results of question 13*

	Frequency	Percentage	Cumulative	Results
Less than your expectations	68	94.4%	94.4%	-
Equal your expectations	4	5.6%	100%	
More than your expectations	0	0%		
Total	72	100%		

*Figure 32: explanatory pie chart of the expectations of the customers*



**Source:** *elaborated by us with google forms*

The table results found that the quality of service provided by the institution was generally negative compared to what the customer paid to obtain it.

The percentage of respondents who answered that the service quality is less than their expectations was estimated at 94.4%, and the percentage of 5.6% was represented by respondents who agreed that the service quality was equal to their expectations.

We can explain that the institution has a gap between the quality of service expected by the customer and the quality of service perceived by the institution, the client believes that

---

**ALGERIA TELECOM**

the institution does not want to provide the service with the required quality that he wants in his belief that it can do so, and this affects his perception of the poor quality of the service provided to him, that is, that He feels that it is less than the service he was longing for in return for what he pays for it. Thus the customer has become dissatisfied with the quality of the service.

- Through these results and comparing them with the results and analyzes of the customer satisfaction follow-up table, we conclude the following:

Although the institution succeeded in creating value and achieving satisfaction for its customers concerning the phone service and other complementary services accompanying the phone and Internet service, it was not able to create value and achieve satisfaction in general as a service mixture provided by the institution that is: the difference between the total (perceived value of the Internet service) and the total (perceived value For phone service and supplementary services) it was below customer expectations.

We conclude that the Algerian consumer depends to a large extent when evaluating the service quality of Algeria Telecom in general on the quality of the Internet service (the core service), i.e. the speed of the Internet flow.

We can say that there is a positive relationship between customer relationship management tools and customer satisfaction for the phone service (the core service) and the complementary services for the phone and internet service.

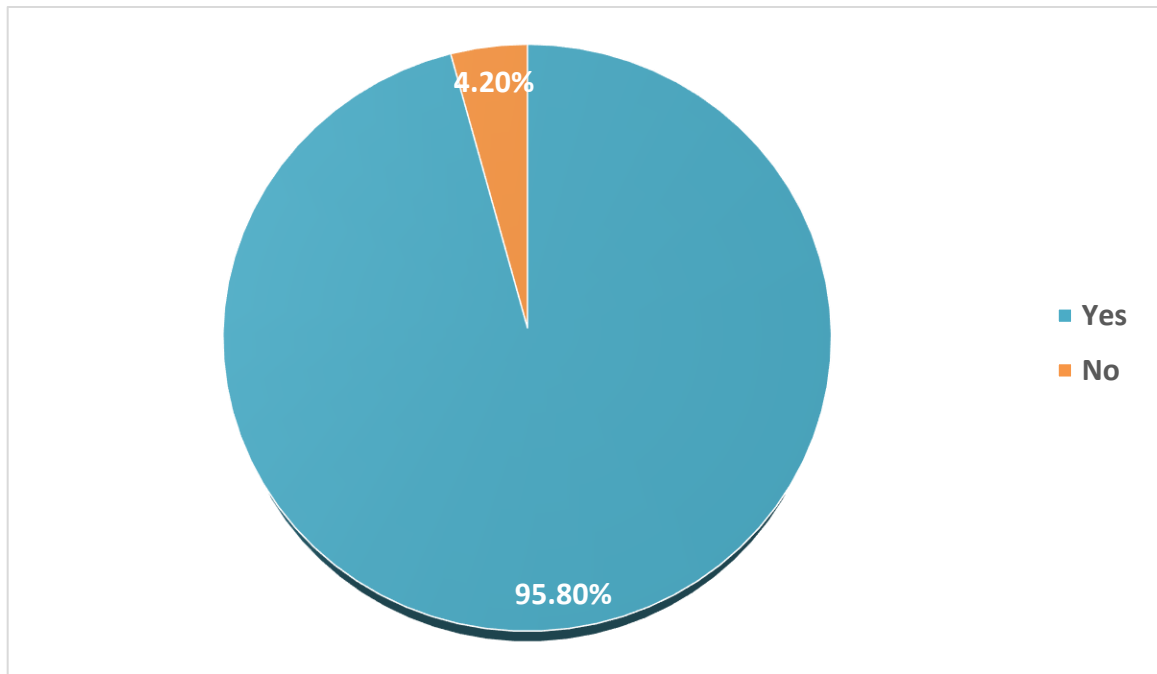
So there is a negative relationship between customer relationship management tools, value creation, and customer satisfaction (concerning the core service of the Internet).

**Question n°13:** Do you Re-activate the service repeatedly when the service period ends?

*Table 34: results of question 14*

	Frequency	Percentage	Cumulative	Results
Yes	69	95.8%	95.8%	+
No	3	4.2%	100%	
Total	72	100%		

*Figure 33: explanatory pie chart of the re-activation of the customers*



**Source:** *elaborated by us with google forms*

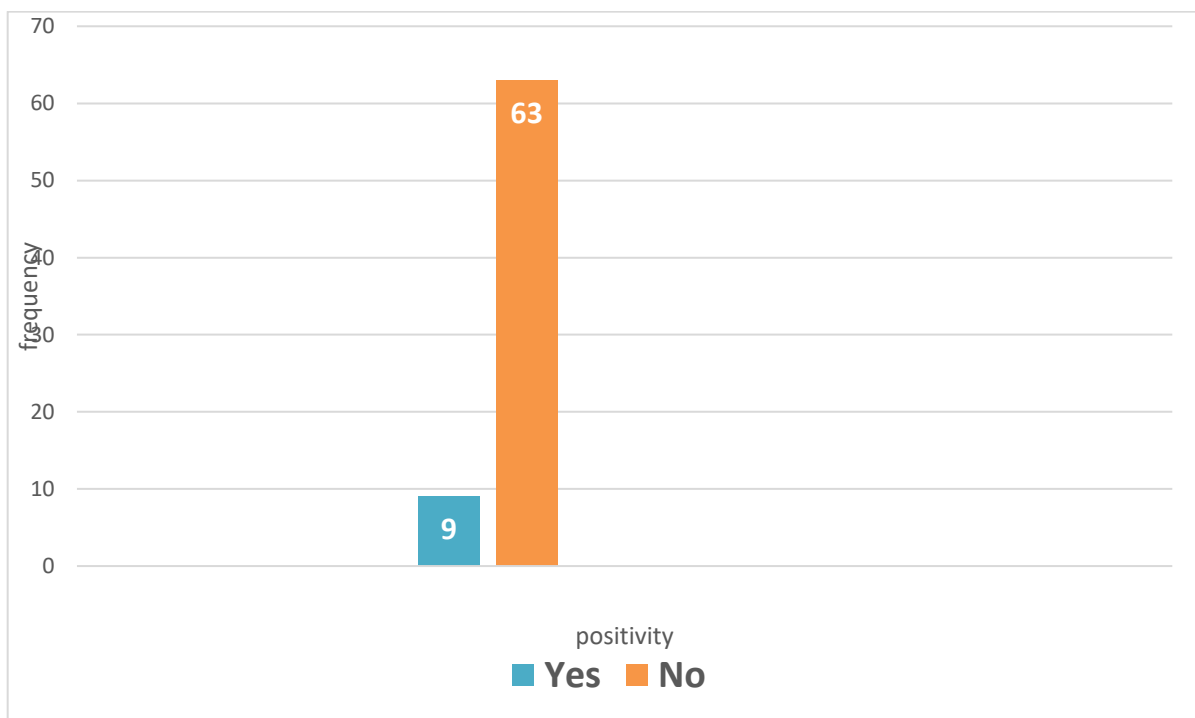
Through the results of the table, we found that the percentage of repeat purchase of the service by the customer is high, as 95.8% of the respondents will re-activate the service at the end of the subscription period frequently, and 4.2% of the sample members do not re-activate the service frequently. We conclude that there is a high degree of loyalty among most of the institution's customers.

**Question n°14:** In the case of alternative companies, Do you continue with Algeria Telecom?

*Table 45: results of question 15*

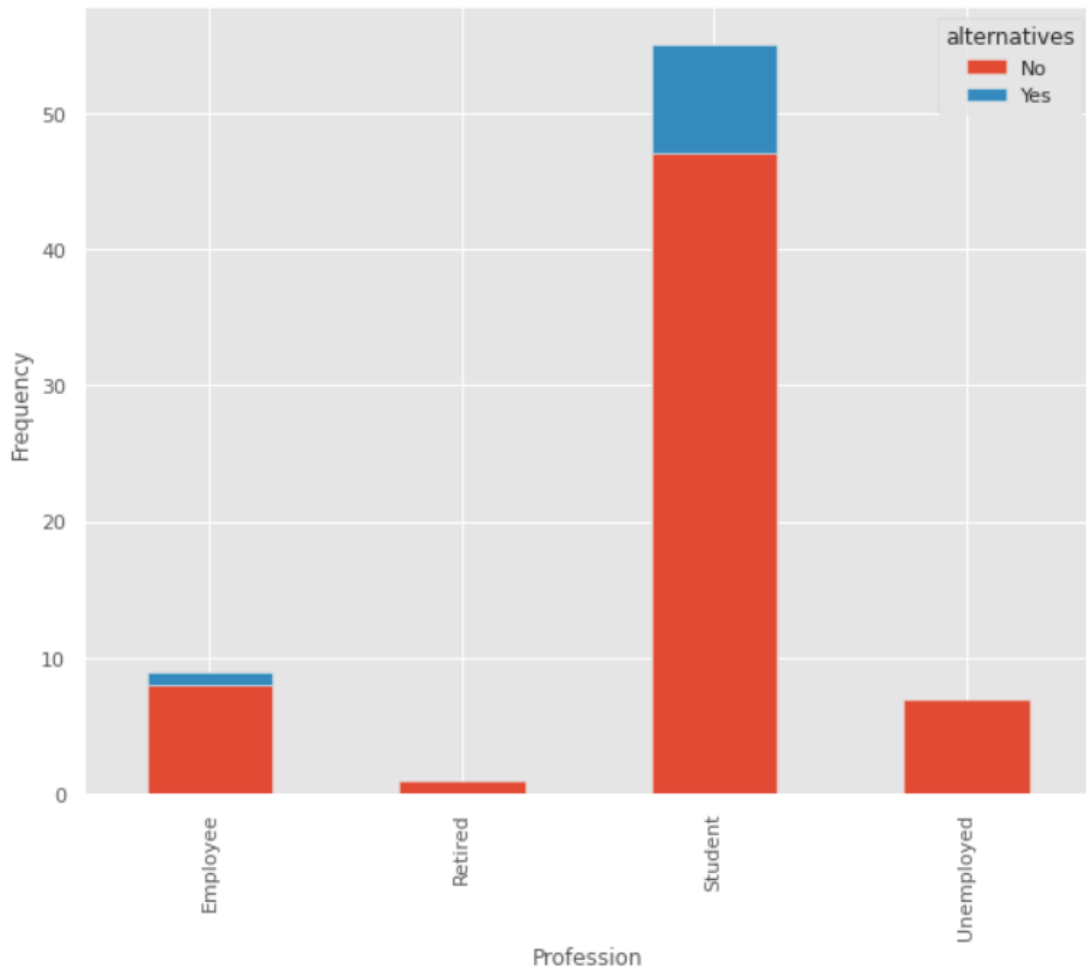
	Frequency	Percentage	Cumulative	Results
Yes	9	12.5%	12.5%	-
No	63	87.5%	100%	
Total	72	100%		

*Figure 34: positivity test chart*



**Source:** elaborated by us with google forms

Figure 35: the correlation between profession and alternative choice



**Source:** elaborated by us with Python

Through the results of the table, we note that the percentage of customers continuing to deal with the company in the case of other competing companies is very high, as 87.5% of the respondents chose not to continue dealing with the company and 12.5% of them chose to continue dealing with the company, other notes :

- Fail to Reject H0: Sample distributions are equal.
- Reject H0: Sample distributions are not equal.

Since the p-value = 0.050, which is bigger than 0.05, we reject the null hypothesis H0. The t-test shows that it is non-significant in the mean distribution of professions and the alternative choice.

We conclude that some customers will remain loyal to Algeria Telecom by repeating the purchase because there are no alternative Internet services in the market; there is no competition.

**9.6. Hypothesis testing :**

- As for the first hypothesis:” There is a positive relationship between CRM tools and customer value creation in Algeria Telecom.”

To test the validity of the hypothesis, we relied on the results of the descriptive analysis of tables 11 and 13, and it was found that the degree of the institution's provision of services in line with their needs and desires was negative, and it was also found that the degree of service quality compared to what the customer paid to obtain it was negative. We conclude that the first hypothesis is wrong, therefore:

There is a negative relationship between CRM tools and value creation in Algeria Telecom

- As for the second hypothesis,” There is a positive relationship between customer relationship management and customer satisfaction in Algeria Telecom.”

To test the hypothesis, we relied on the results of the descriptive analysis of tables 8 and 10, in which it was found that the customer focuses a lot on satisfying his needs and desires from Internet service and that the institution does not work to satisfy them and achieve his satisfaction. There was a negative result to the degree of satisfaction of the customer. We conclude that the second hypothesis is wrong, therefore:

There is a negative relationship between customer relationship management tools and customer satisfaction in Algeria Telecom.

- As for the third hypothesis: "there is a positive relationship between customer relationship management tools and customer loyalty."

To test the validity of the hypothesis, we relied on the results of the descriptive analysis of tables 13 and 14, from which it was found that the degree of loyalty to the institution is high due to the absence of institutions competing with Algeria Telecom.

We conclude that the third hypothesis is true, then:

There is a positive relationship between CRM tools and customer loyalty in Algeria Telecom.

## **Conclusion:**

In this chapter, we have shed light on the reality of the institution under study as a model for the reality of the service institution in general and the telecommunications institution in particular. Managing the relationship with customers is an essential element in building the relationship with the customer and gaining his loyalty as it is the reason for the success or failure of the organization.

## **General conclusion:**

Through the interactive movement that institutions want to build with their customers, customer relationship management emerges as a cornerstone in order to change one of its variables through which organizations try to understand and meet the aspirations of their customers by getting as close as possible to customers, and this element is what achieves the application of customer relationship management and a good use for enterprise tools.

In order to create value and build customer satisfaction and loyalty, the institution must provide products with distinctive characteristics and unique advantages that increase its firm conviction in the performance of the product and consolidate its relationship with the institution and develop loyalty to it to sincerity without limits.

The field research conducted on customers by conducting a questionnaire directed to them represents an attempt to determine the effectiveness of customer relationship management tools on creating value, increasing customer satisfaction rates, and gaining loyalty.

### **Suggestions and recommendations :**

- Conducting periodic and continuous marketing research for customers to know their aspirations and desires to identify them efficiently and effectively and reduce the gaps.
- Working on developing the Internet service and providing a quality equal to or exceeding the expectations of customers.
- Attention to addressing customer complaints faster than the current time and responding to their complaints.
- Attempting to discover the most effective means of communication for the institution to depend on it and clarify its culture followed.
- The need to choose the right marketing men, especially in the reception department, and pay attention to their appearance.

- Attempting to focus the institution on creating additional value for the real needs and desires that the customer wants to satisfy.

After we study this topic, it was found that it is a broad topic that we could not delve into in its various aspects. Therefore, we suggest some topics that can remedy the various shortcomings on this topic:

- Building the relationship with the customer and its role in creating the competitive advantage of the institution.
- Managing the relationship with customers and its role in increasing the quality of service.

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# ANNEXES



Are You a ? \*

- Male
- Female

Which Of The Following Age Groups Do You Fall Into ? \*

- Under 20 years
- Between 20 and 34 years
- More than 34 years

What Is Your Professional Status ? \*

- Student
- Employee.
- Retired
- Unemployed

---

How Would You Prefer To Contact Algeria Telecom Branch In Case Of A Problem Or A Service Request? \*

- Go to the nearest agency for Algeria Telecom
- Algeria Telecom website
- Contact by phone
- Algeria Telecom pages on social media

---

Please Rate These Statements ? 1= Bad 2= Insufficient 3= Good 4= Excellent \*

	1	2	3	4
Evaluation of the branch in terms of the result of the response	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Service Provider Behavior	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do They Respond to your inquiry in the expected scientific manner? \*

- Yes
- No

How is the employee's complaint handled? \*

- Solve the problem quickly
- Postponing problem solving
- Did not know how to fix the problem
- Referred to someone else and the problem was solved

Are you satisfied in terms of? 1= Not satisfied at all 2= Not satisfied 3= Satisfied 4= fully satisfied \*

	1	2	3	4
Phone service quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Complaint handling	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality of service provided by the website	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The employee's treatment of the customer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internet service quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do Algeria Telecom maintains the security and confidentiality of your information? \*

- Yes
- No

Do you think that Algeria Telecom offers you services that meet your needs and desires? \*

- Yes
- No

How do you rate Algeria Telecom in a scale of 0-10? \*

- |                       |                       |                       |                       |                       |                       |                       |                       |                                  |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------------|-----------------------|-----------------------|
| 0                     | 1                     | 2                     | 3                     | 4                     | 5                     | 6                     | 7                     | 8                                | 9                     | 10                    |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Do you think that the Price matches the Quality of service you expect? \*

- Less than your expectations
- Equal your expectations
- More than your expectations

Do you Re-activate the service repeatedly when the service period ends? \*

Yes

No

---

In the case of alternative companies,Do you continue with Algeria Telecom? \*

Yes

No

---

Table of contents

<b>General introduction:.....</b>	<b>12</b>
The importance of the topic: .....	12
Objectives of the topic:.....	12
Reasons for choosing the topic:.....	13
Research methodology : .....	13
Search difficulties:.....	14
Literature reviews :.....	14
1) Thomas K. Obeing, Karla Loria, (2005),.....	14
2) Torres, Antonio, Jr.(2004),.....	15
<b>CHAPTER ONE: THE BASICS OF CUSTOMER RELATIONSHIP</b>	
<b>MANAGEMENT .....</b>	<b>17</b>
<b>Section 01: General concepts in customer relationship management:</b>	
<b>.....</b>	<b>18</b>
1.1. Historical evolution of customer relationship management : .....	18
1.2. Definition Customer Relationship Management :.....	19
1.3. Levels and components of customer relationship management :.....	20
1.3.1. Levels of CRM:.....	20
1.3.1.1. First Level : .....	20
1.3.1.2. Second Level :.....	20
1.3.1.3. Third Level.....	21
1.3.2. Components of Customer Relationship Management : .....	22
1.3.2.1. Customer: .....	22
1.3.2.2. Relationship : .....	23
1.3.2.2.1. Awareness ; .....	24
1.3.2.2.2. Exploration : .....	24
1.3.2.2.3. Expansion: .....	24
1.3.2.2.5. Termination ; .....	24

1.3.2.3. Management :.....26

1.4. The importance of Customer Relationship Management :.....26

1.5. The Four Steps To Customer Relationship Management : .....27

**Section 2: Customer relationship management between the reasons for adoption and the foundations of success ..... 28**

2.1. Reasons for adopting a customer relationship management system : .....28

2.2. Benefits of customer relationship management : .....28

2.2.1. Enterprise benefits : .....29

2.2.1.1. Tactical benefits: .....29

2.2.1.2. Strategic benefits :.....29

2.2.2. Customer benefits: .....30

2.2.2.1. Trust : .....30

2.2.2.2. Social benefits : .....30

2.2.2.3. Special treatment .....30

2.3. Customer relationship management objectives .....30

2.4. Requirements for successful CRM.....31

2.5. Obstacles to implementing customer relationship management .....32

2.5.1. Customer privacy : .....32

2.5.2. Technical immaturity .....32

**Section 03: Customer relationship management tools ..... 33**

3.1. Automated applications of salesforce.....33

3.1.2. Call centres: .....34

3.1.3. Electronic methods of cash transactions :.....34

3.1.4. CDs: .....34

3.1.5. Websites and email marketing:.....34

3.1.6. Database : .....34

3.1.7. Data mining: .....34

3.1.8. Internet: .....34

3.1.8.1. Easily collect information :	35
3.1.8.2. The emergence of more effective marketing:	35
3.1.8.3. Relationship Contributions :	35
3.2. Using ECRM to maximize/minimize customer satisfaction / dissatisfaction ...	36
3.3. Model of customer satisfaction/dissatisfaction :	37
3.4. Critical Components of ECRM :	39
3.4.1. Consequences Of Customer Satisfaction/Dissatisfaction :	39
3.4.1.1. Customer Loyalty as a Consequence of Customer Satisfaction .....	39
3.4.1.2. Managing Customer Complaints As A Consequence Of Customer Dissatisfaction.....	40
<b>Conclusion:</b> .....	<b>43</b>

**CHAPTER TWO: THE DIFFERENT APPROACHES OF CUSTOMER  
RELATIONSHIP MANAGEMENT ..... 44**

**Section 1: The Approach of Customer loyalty in Customer  
Relationship Management ..... 45**

4.1. Definition Of customer Loyalty :	45
4.2. Types and tools of customer loyalty.....	46
4.2.1. Types of customer loyalty: .....	46
4.2.1.1. Brand loyalty :.....	46
4.2.1.2. Shop Loyalty:.....	46
4.2.1.3. Loyalty to tradition : .....	47
4.2.1.4. Loyalty by usually.....	47
4.2.1.5. Loyalty as a cultural reaction .....	47
4.2.1.6. Loyalty with passion .....	47
4.2.1.7. Loyalty resulting from the high cost of change .....	47
4.2.1.8. Loyalty to avoid the risk .....	47
4.2.2. Tools of building customer loyalty.....	48
4.2.2.1. Customer clubs:.....	48

4.2.2.2.Loyalty cards:.....	48
4.2.2.3. After-sales service:.....	49
4.2.2.4. The green number: .....	49
4.3. The Benefits Of Customer Loyalty: .....	50
4.3.1. Build loyalty to improve profitability: .....	50
4.3.2. Build loyalty to improve brand image and notoriety .....	50
4.3.3. Build loyalty to improve the social climate of companies.....	51
4.4. The Measurement Of Customer Loyalty :.....	51
4.4.1. Lifetime Value (LTV) :.....	51
4.4.2. Churn Rate: .....	51
4.4.3. Referrals:.....	52
4.4.4. Net Promoter Score:.....	52
4.4.5. Increase Customer Loyalty In A Service Company : .....	52
4.5. The Aspects Of Customer Loyalty Strategy : .....	52
4.5.1. In Terms Of Communication :.....	52
4.5.2. In Terms Of Product or Service: .....	53
4.5.3. In Terms Of Company Services:.....	53
4.5.4. In Terms Of Marketing and Commercial:.....	53
4.6. Four Ways of Developing Customer Loyalty Strategy .....	53
4.6.1. Loyalty and Enchantment: .....	53
4.6.3. Clusterization and Customization .....	55
4.6.4. Target Cluster Penetration .....	55
4.7. The Loyalty Effect : .....	56
4.7.1. Introducing the Customer Loyalty Loop.....	56
4.7.2. The Stages of the Customer Loyalty Loop .....	57
1. Imagination Before Persuasion .....	57
4.7.2.1. Stage One: Imagination Before Persuasion .....	58
4.7.2.2. Stage Two: Conversion Without Coercion .....	58

4.7.2.3. Stage Three: Experience Choreography .....	58
4.7.2.4. Stage Four: Happily Ever After .....	59
4.7.3. The Loyalty Loop Diagnostic : .....	60
4.8. The Importance of Customer Loyalty .....	60

**Section 2: The Approach of Customer Satisfaction and Customer Relationship Management ..... 62**

5.1. Definition of Customer Satisfaction : .....	62
5.2. Benefits of Customer Satisfaction: .....	63
5.2.1. Increase Brand Loyalty and Exposure: .....	63
5.2.2. Maximise customer lifetime value : .....	64
5.2.3. Boost Trust.....	64
5.2.4. Attract Positive Word of Mouth .....	65
5.2.5. Grow The Audience and Increase revenue .....	65
5.3. The Relationship Between Customer Satisfaction And Repeat Purchase.....	65
5.4. The Measurement of Customer Satisfaction Experience: .....	66
5.4.1. Customer Satisfaction Score: .....	67
5.4.2. Net Promoter Score.....	68
Customer Effort Score .....	68
5.4.3. Surveys : .....	69
5.4.4. Other sources of customer feedback and insight .....	69
5.4.4.1. Email:.....	70
5.4.4.2. Social media: .....	70
5.4.4.3. Online reviews: .....	70
5.4.4.4. Phone: .....	70
5.4.4.5. In-person: .....	70
5.5. Advantages of measuring customer satisfaction: .....	70
5.5.1. Identify trends: .....	71
5.5.2. Gain valuable feedback: .....	71

5.5.3. Boost customer retention: .....	71
5.5.4. Reduce acquisition cost: .....	71
5.5.5. Understand customer perspective: .....	71
5.5.6. Track feedback changes:.....	71
5.5.7. Nurture promoters:.....	71
5.5.8. Maintain customer loyalty .....	72
5.5.9. Gain a competitive advantage:.....	72
5.6. The Role Of CRM To Increase Customer Satisfaction .....	72
5.6.1. Personalizing the Experience:.....	72
5.6.2. Providing Proactive Customer Service:.....	73
5.6.3. Better Management of Customer Purchases.....	73
5.6.4. Resolving Issues and Avoiding Them: .....	73

**Section 3: the approach of Customer value in the customer relationship management ..... 75**

6.1. Definition of CRM value chain .....	75
6.2. The primary stages of the CRM value chain .....	77
6.2.1. Customer portfolio analysis : .....	77
6.2.2. Customer intimacy : .....	77
6.2.3. Network development .....	77
6.2.4. Value proposition development: .....	77
6.2.5. Manage the customer lifecycle : .....	77
6.2.5.1. Process:.....	78
6.2.5.2. Structure: .....	78
6.3. The supporting conditions of the CRM value chain .....	78
6.3.1. Leadership and culture .....	78
6.3.1.1. Leadership: For a variety of reasons, leadership is critical to CRM implementation success : .....	78
6.3.1.2. Organizational culture :.....	79

6.3.1.2.1. Leadership :	80
6.3.1.2.2. Formal systems :	80
6.3.1.2.3. Internal relationships :	80
6.3.2. Data and information technology :	80
6.3.2.1. Origins of CRM technology	80
6.3.2.2. Technology for the CRM value chain	81
6.3.3. People :	82
6.3.4. Processes	83
<b>Conclusion:</b>	<b>85</b>
<b>CHAPTER THREE: A FIELD STUDY AT ALGERIA TELECOM.</b>	<b>86</b>
<b>Section 1: Presentation of the company:</b>	<b>87</b>
7.1. The foundation of Algeria Telecom :	87
1) Efficiency	87
2) Productivity	87
3) Quality of service	87
7.2. The missions and objectives of Algeria Telecom:	88
7.2.1. Company missions :	88
7.2.2. Company objectives :	88
7.3. The Organizational Structure Of Algeria Telecom :	88
7.3.1. CEO :	89
7.3.2. General Directorates :	90
7.3.2.1. Directorate of Human Resources: Among its tasks are the following:..	90
7.3.2.2. Directorate of Technical Management of Semi-communication	90
7.3.2.3. Directorate of Planning and Media Systems: and take care of :	90
7.3.2.4. Finance and Accounting Directorate: take care of :	91
7.3.2.5. Directorate of General Administration and Logistics: take care of : .....	91
7.3.2.6. Algeria Telecom Marketing Directorate :	91

➤ New Services division :.....	92
➤ Operational Marketing Division : .....	92
➤ Market Studies and Planning Division:.....	92
➤ Sales promotion division :.....	92
<b>Section 2: Customer Relationship Management In Algeria Telecom</b>	<b>93</b>
8.1. The strategy adopted by Algeria Telecom .....	93
8.1.1. Identify The Customer : .....	93
8.1.2. Customer segmentation :.....	93
8.1.3. Listening to customers : .....	93
8.1.4 Customer Complaint Management :.....	94
8.1.5. Follow-Up .....	94
8.2. tools used by Algeria Telecom :.....	94
8.2.1. Algerian Telecom Agencies (ACTEL) .....	94
8.2.2. Call centres:.....	96
8.2.3. Internet : .....	97
<b>Section 3: Survey results and analysis:.....</b>	<b>98</b>
9.1. Method used in the study: .....	98
9.2. Population and samples : .....	99
9.3. Data collection tool : .....	99
9.4. Statistical analysis tools: .....	99
9.5. Survey results and analysis: .....	101
Question n°1: Are You a?.....	101
9.6. Hypothesis testing : .....	123
<b>Conclusion: .....</b>	<b>124</b>
General conclusion: .....	125
Suggestions and recommendations : .....	125
Bibliography .....	127
ANNEXES.....	129



