

The Objective

The aim of our research is to determinate the main factors that lead to the success of customer relationship management “**CRM**” approach which have been taken by Algerian companies. And, we try to evaluate the influence of each factor on economic companies’ performances .As we are the first students that propose this subject in Algeria, there is no empirical research which illustrate the main factors to assure the success of “**CRM**” projects. So, we choose in purpose the western studies in order to compare our result with theirs by taking the same factors.

The Importance

This study allows us to know the most important factors that the Algerian companies should invest in **CRM** projects in order to achieve their goals, and also how can this later gain time and money by stressing their efforts on the crucial points. An understanding of how to manage customer relationships effectively has become an important topic in recent years. The companies admitted that customers have different economic values, and they are subsequently adapting their customers’ offerings and communications strategy accordingly. As the result, they are moving away from product- or brand-centric marketing toward a customer-centric approach.

The Problematic

In order to accomplish the project, this study is articulated around this problematic:

What are the most significant factors that influence the Customers Relationship Management’s success on Algerian companies?

From which we have formulated the following questions:

- 1) Does the implementation of **CRM** processes at the stage of relationship initiation, maintenance, and termination have a strong link with the economic performance?
- 2) Does the technology used on **CRM** processes at the stage of relationship initiation, maintenance, and termination have strong link with the economic performance?

- 3) Does **CRM**-Compatible Organizational Alignment at the stage of relationship initiation, maintenance, and termination have strong link with the economic performance?
- 4) What is the view of Algerian companies on **CRM** project?

The hypotheses

To answer these problems, we choose the following hypotheses:

H1: Higher economic performance is associated with greater implementation of **CRM** processes at the stage of relationship initiation, maintenance, and termination.

H2: The stronger is the positive link between economic performance and relationship initiation, maintenance, and termination if the level of the CRM technology is greater.

H3: The higher is the level of **CRM**-compatible organisational alignment, the stronger is the positive link with economic performance and relationship initiation, maintenance, and termination.

The methodology of the study

The methodology of the study consists of five major steps namely: review of the literature; construction of hypothesis or theory or model; data collection; estimation and testing; and interpretation of findings to generate conclusions and relate them to the literature and theory. As we can see the methodology respects the chronicle of the events, we start by the literature review to expand our knowledge about Customer relationship management and the main factors that lead to the success, therefore, it lets us to ask many questions about the processes inside the system by which we formulate the problematic and put the hypotheses. To verify the validity of the hypotheses empirical study will be conducted, our study consists, first the data collection, using questionnaires. Second, we will estimate and test the hypotheses by using a linear regression, at last, suggest a model of the main factors that improve the economic performance.

Research Plan

The thesis consists of three chapters, including one on empirical research. After an introductory, the first chapter attempts to review the existing literature on the “**CRM**” with an emphasis on recent documentation.

The second chapter consists of theoretical study of the most factors that we think they are the keys of success of any **CRM** project. By showing the recent theories and studies that support each factor. At last, the empirical study where we set up questionnaires and send them to the marketing executives that we could reach. Subsequent to that, we will estimate the variables that consist our linear model.

Chapter01

We introduced the concept of Customer relationship Management (CRM) and the concept of customers in the first chapter. We tried to give some definitions about CRM and have deduced the key roles of CRM. We putted forward some models and concept to get inside the CRM. We illustrated also many concepts about customer, such as Customer value, customer satisfaction, customer loyalty and customer centricity. As the result of these literatures review we noticed that Customer Relationship Management is strategy adopted by organizations that believe in the customer centricity, they put their customer in the core of their business, knowing the values that customers expect from the organizations lead to better servicing and make them satisfy, all that in order to build loyalty.

Chapter 02:

The second chapter is committed to answer the impacts of organization and technology on customer relationship management's success. We have represented the concept of CRM technology or information technology (IT) dedicated CRM by showing essential role of technology. Technology facilitates CRM process in two ways the soft and the hard ware, using many technological tools help to gather information easily and analyze it quickly. We have also illustrated the concept of company's organization; Organization structure, organization alignment, training, that interact directly with CRM and considered as some the most important notions of organization. In Organization there are many structures that facilitate the interchange of information and the selection of the authority, for the CRM system the most adequate structure is professional organization, characterized by educated personnel and lot of support for the professionals. To introduce new way of doing thing (system, vision, culture) organization need to align it to fit the existing one. Culture, believes, behaviors should be taken in consideration before introducing any big change. To better adaptation to the new method, organizations must teach and train their employees by selection the right training categories and following predefined steps and processes.

Chapter 03:

In the third chapter, we have conducted an empirical research. After presenting sample and choosing variables, we have set questionnaires and send them to marketers and sales executives. Once we have collected data from many companies, we started our study by showing the relationship between variables using linear regression more specifically method of least squares. After that, we have verified the assumptions of any regression linear that is decisive of the reliability of the results. At last we made a brief comparison between our results and other study made in other countries

Discussion of hypotheses:

There is no significant reliance between the economic performance and the greater implementation of CRM processes at the stage of relationship initiation, maintenance, and termination. The result invalidates our first hypothesis (H1) which is: Higher economic performance is associated with greater implementation of CRM processes at the stage of relationship initiation, maintenance, and termination. The Algerian companies do not pay a great attention on the CRM implementation, we found out the evidence that the CRM did not generate information that helps the decision maker to act in many different situations. Many causes could be the reasons of this disconnecting, such as poor leadership, lack of definition, not strong internal partnership around CRM, thinking that CRM is information technology issue.

We found out that there is a strong reliance between the level of the CRM technology and the economic performance at the only initiation stage in the CRM process. The Algerian companies that invest in technology in order to initiate a relationship with customers have a big chance to increase their economic performance. The initiation stage is the first contact made by companies to attract customers, using some many methods, such as Junk mail, Spam, SMS, Advertising, inspection, call centers .etc . When companies combine those methods with technology the result will be more profitable because technology allows companies to be more personalizing (One to one marketing) and the targeted customers are easy to reach, furthermore the technology helps to solve problems or the treatment of any request of information from the new customers in the real time. The result partially validates the second hypothesis (H2) which is: The stronger is the positive link between economic performance and relationship initiation, maintenance, and termination if the level of the CRM technology is greater.

Finally, at the third hypothesis (H3) which is: The higher is the level of CRM-compatible organizational alignment, the stronger is the positive link with economic performance and relationship initiation, maintenance, and termination, there is no significant reliance the economic performance and the CRM-compatible organizational alignment, the result invalidates the third hypothesis (H3). In Reinartz research he found out that organizing around CRM and offer incentive reward system helps CRM system to produce valuable information because all employees are force to collect information and get involved in the system, as we said before CRM is across functional that touch all departments in company. But in our finding we did find any significant result that is duo to many reasons. The most susceptible reason is the attitude of the managers in the Algeria; they hardly accept the concept of the marketing which mean look toward customer so to put the customer in the centre of organization is something that we have to wait long time to see it.

Suggestion:

- The Algerian companies stress the effort only in the initiation stage of the relationship, they often neglecting the maintenance stage which is the most important and more profitable to the companies. We suggest Algerian companies to only stress their efforts to accrue a new customers but also convincing them to do business by offering many services and promotions and establishing a strong relationships in order to put those customers away from competition.
- We found out the evidence that the CRM does not generate information that helps the decision maker to act in many different situations. CRM has to produce periodic reports about customer's values and customers' orientation. Those reports are used by other departments to perform their responsibilities .For example, developing a new product of service.
- The technology helps companies to interact with their customers, especially in the initiation stage and responses of any request of information from the new customers in the real time. Although there are no technology dedicated CRM. We suggest Algerian companies to invest in technology dedicated CRM for the operational solutions that can bring with it such as SEIBEL, SAP, SAS, and IBM. Those systems provide huge solutions to the companies' challenges, starting by the automation of the business

operational processes, such as sales automation, marketing automation, customer services. Ending by the treatment of the colossal data within the companies.

Although our study produced interesting and meaningful findings, there are some limitations that need to be discussed. First, the subjectivity of the response concerning the evaluation of the economic performance from managers, in our data collection we have asked managers to evaluate the economic performance of their companies on Likert scale. Secondly, our sample is very small (30 companies) which is just enough to build model, science has shown that size of the sample plays huge role on the result; larger the sample is more the reliable results are, so we can say that may be if the sample is larger than 30 companies the result will be different or will reinforce our results.