

**AN ANALYSIS OF RELATIONSHIP BETWEEN CRM AND FIRM  
PERFORMANCE IN INDUSTRY IN LIBYA**

**Abdalla Geth Abdus Salam**

**(801991)**

**UNIVERSITY UTARA MALAYSIA**

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**Abdalla Geth Abdus Salam**

**(801991)**

**College of business**

**University Utara of Malaysia**

**06010 Sintok**

**Kedah Darul Aman.**

**April 2010**

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## **ABSTRACT**

Managing customers is a strategy, not a technology. CRM is not about technology; it is about managing the customer relationships that are at the heart of business performance. The future of CRM is bright indeed in Libya. In Libya CRM will become deeply ingrained as a business strategy for most companies. Technology will evolve while technical and organizational challenges are overcome. Much will change in the years ahead with the demand of the trend in the world, but one thing is certain: CRM is a journey, not a destination, and customers have their hands on the road map and the steering wheel. Objective of this study will be to observe the customer satisfaction on Customer Relationship Management and how it is influenced on the overall performance of the organization.

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## **Chapter One**

### **Introduction**

#### **1.0 Background of the Study**

Managing customers is a strategy, not a technology. CRM is not about technology; it is about managing the customer relationships that are at the heart of business performance. There certainly was a time when CRM was labeled as the big new thing. Much-vaunted improvements to customer service and widely espoused concepts such as 'one-to-one marketing' were heralded as ways in which to improve the bottom line. CRM technology had many bad stories in the press. Leading organizations are still recovering from the scars of failed, and widely publicized, implementations. Many differing points of view have been pitched to business about what CRM can do. Excellent customer service is about being aware of customer needs and response to them effectively. CRM helps to understand, anticipate and respond to customers' needs in a consistent way, right across the organization. Practicing CRM requires an efficient and integrated internal business system. Many businesses benefit from the organizational discipline CRM imposes, as well as from the technology itself.

The future of CRM is bright indeed in Libya. In Libya CRM will become deeply ingrained as a business strategy for most companies. Technology will evolve while technical and organizational challenges are overcome. Much will change in the years ahead with the demand of the trend in the world, but one thing is certain: CRM is a journey, not a destination, and customers have their hands on the road map and the steering wheel.

## 1.1 Introduction

Today, companies are re-engineering their operations and investing to enhance their infrastructures to improve organizational performance, which enable them to provide customized, personalized, information-rich products and services. “It is a comprehensive set of processes and technology for managing the relationship with potential and current customers and business partners across marketing, sales, and services regardless of the communication channel”. Paul Greenberg.

Libya is a growing economy and currently they have opened my industrial products. The Libyan economy, like that of other Arab states, was agriculture-based until quite recently. In the early 1970s, the government began a drive for economic development. Libyan industrial companies, like those in many other developing countries, are owned, managed and supervised by government institutions. Companies’ operations are extremely sensitive to legislative changes, particularly in the areas of remuneration, organizational structure, management systems and research and development. The government has total authority to, for example, limit imports or exports, or order a company to move to a different location. (Almehdi ,1997). Now a days there are several government and private organization are implementing the information technology based service to the customers. Customer relationship management is not new in Libya.

Customer relationship management (CRM) is a concept that comprises the establishment, development, maintenance and optimization of long-term, mutually valuable relationships between customers and organizations (Payne and Ryals, 2001). Gartner (2004) defined, CRM is

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