

Towards a theoretical model to illustrate the communication procedure between the company and the customer

Khaoula Fath El Khair, LERSEM Laboratory, ENCG-J, Chouaib Doukkali University,
fathelkhair.k@ucd.ac.ma

Mustapha El Hamzaoui, LERSEM Laboratory, ENCG-J, Chouaib Doukkali University,
elhamzaoui.m@ucd.ac.ma

Miloudi Kobiyh, LERSEM Laboratory, ENCG-J, Chouaib Doukkali University,
miloudi.kobiyh@gmail.com

* Corresponding authors: Khaoula Fath El Khair, fathelkhair.k@ucd.ac.ma

Abstract

According to the company value chain, a company can be schematized, in a simplified way, in the form of a set of departments, each consisting of two main components: personnel and information necessary for its proper functioning. To be dynamic and interactive, the company must integrate communication to exchange information and trigger the exchange of material flows, improving the departments' performances and consequently increasing the company's performance. For this reason, our paper aims to develop a theoretical model based on the communication procedure to support customer relationship management. Methodologically, we adopted modeling as an effective technique to understand the composition and functioning of the environments we wish to study. Our modeling depends on a theoretical framework that addresses the different concepts related to "Communication" and "Customer Relationship Management". The results of the present paper allow the authors to draw relevant to academics and practitioners. As for the theoretical implications, our present paper aims to provide a model to enrich the scientific field and fill the gap in this sense. Due to the lack of research work that proposes an illustration of a communication procedure to support the relationship between the company and the customer, easily and understandably. As for practical implications, this paper proposes a model for practitioners to carry out their missions and improve their services in CRM.

Keywords: communication model, company/customer communication, customer relationship management, performance.

Introduction

According to the Cambridge Dictionary (<https://dictionary.cambridge.org/>), the term company could be defined as 'an organization that sells goods or services to make money'. In this sense, the value chain was introduced in 1985 (Porter, 2008). It illustrates the passage of a product from the raw material phase to the consumption phase and is essentially based on two sets of activities (Simatupang et al., 2017); a set of primary activities (inbound logistics, operations, outbound logistics, marketing, and sales, and after-sales services) and a set of support activities (firm infrastructure, human resources management, technological development, and procurement).

According to this chain, we can notice that the company environment is essentially made up of departments which in turn are made up of personnel and information; sub-environments where communication is essential to ensure all employee-information and employee-employee interactions (El Khair et al., 2023)

In general, communication is a process of transmitting information from one communicator to another, through channels. But the precise definition of this term depends on the context and the purpose of its use. For example, communication means, in the context of customer relationship management (CRM), the set of tools/means used by a company to communicate with: (a) its customers and persuade them to buy, (b) particular customers to retain them, (c) investors to convince them to support commercial projects, etc.

In addition, companies today face serious challenges (competition, customer satisfaction, etc.) where communication can provide, as an interactive tool, more support and added value. To do this, companies must pay more attention to the role that communication can play in the context of customer loyalty and competitive support. Companies are therefore called upon to integrate communication into their development strategies and support it with investments.

Moreover, there are several models that directly or indirectly support CRM (see the next section). However, they do not focus on the communication process between the company and the customer clearly and easily to implement it.

For this reason, we have chosen to propose, through this paper, a communication model to support CRM in companies. Indeed, our proposed model illustrates the entire CRM process, from the first end of the company's internal communication (IC) to the second end of its external communication (EC), which targets customers.

We structure our article as follows: the literature review, the methodology adopted, the results obtained (our proposed model), the discussion of our results, and the conclusion.

Literature Review

Communication was and still is a concern of researchers in many scientific disciplines (technical, marketing, finance, etc.). The field of CRM knew the proposal of an interesting number of communication models. This section briefly presents two models to situate our proposed approach in the field.

The first proposition is an integrative conceptual model (Merisavo et al., 2006), published in 2006, to explain how the key elements of digital marketing communication (frequency and content of communication with the brand, personalization, and interactivity) can improve the value, engagement, and loyalty of a customer. (Figure 1)

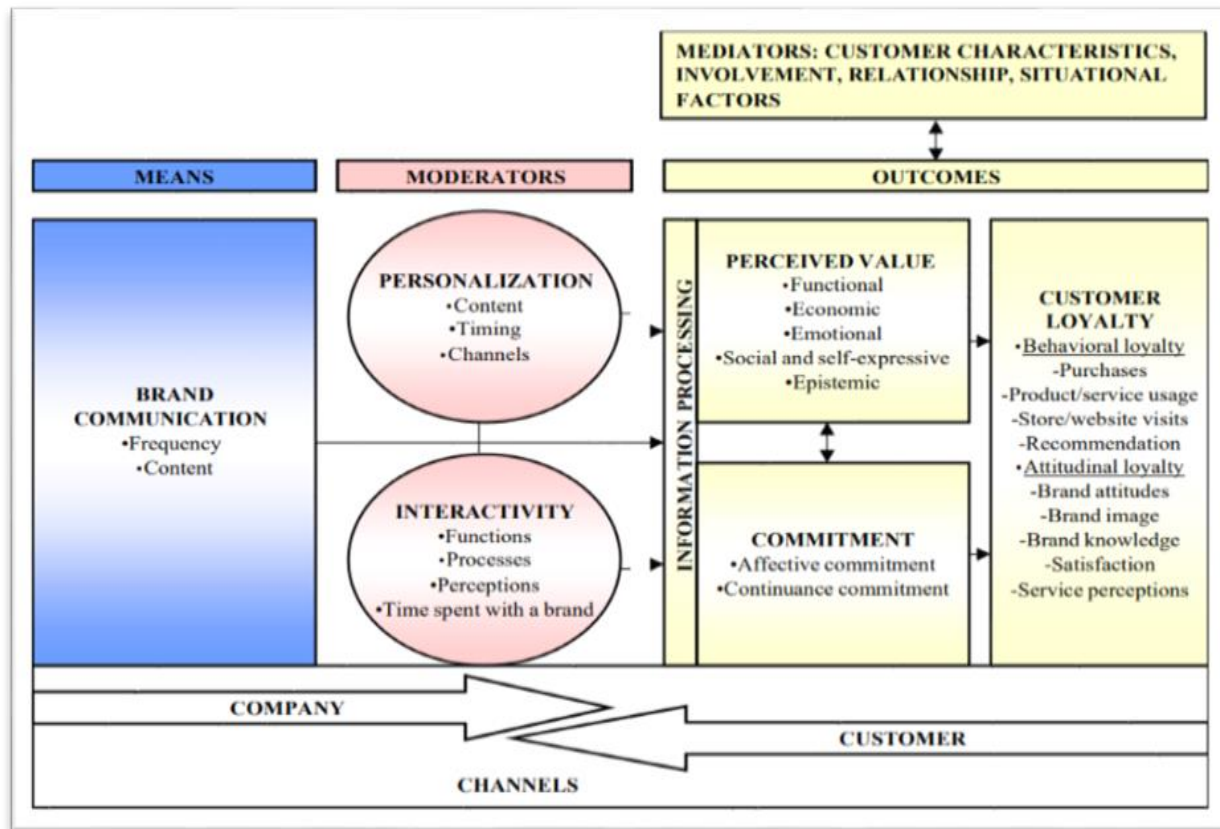


Figure 1 An Integrative Model of the Effects of Digital Marketing Communication on Customer Loyalty.

Source : Merisavo et al. (2006)

This model shows, through a simplified illustration (Figure 1), how regular brand communication, personalization, and interactivity affect customer loyalty. According to the designers of this model, brand communication precisely builds customer loyalty through two key elements: frequency and relational content. Thus, the regular processing of this information generates not only value for the customer but also engagement. Indeed, increasing these elements increases customer loyalty, in terms of attitudes and behavior. According to this same reference, on the one hand, personalization and attractiveness moderate the effects of brand communication on customer loyalty and, on the other hand, customer characteristics, involvement, relationship, and situational factors act as mediators.

The second proposition is a conceptual model of integrated alternative marketing communication (Castronovo & Huang, 2012). It was published in 2012 and can be applied by industrial practitioners to help them achieve their marketing objectives. This composition-rich model (Figure 2) provides marketers with a framework to effectively leverage WOM (Word of Mouth) marketing gains and synergies through a social media platform. This platform is supported

by alternative marketing communications (CRM, brand communities, search engine optimization, viral marketing, guerrilla marketing, event marketing, etc.). Thus, the model presents a clear vision of how to effectively organize communication campaigns and interact with stakeholders. Likewise, it aims to integrate a variety of communication tactics in such a way that they reinforce the same brand message at all points of contact with the consumer.

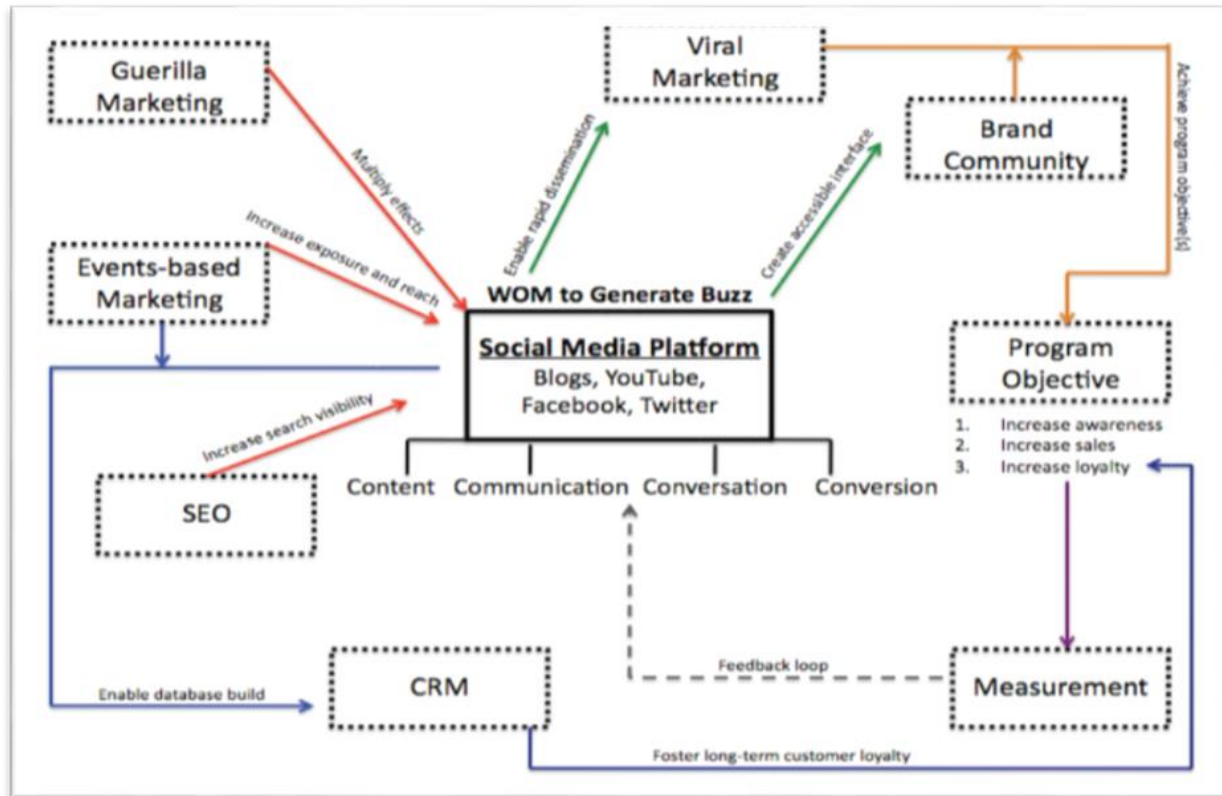


Figure 2 Proposal of an alternative marketing model on a social media platform.

Source: Castronovo and Huang (2012)

In sum, each of these two models, mentioned above, approaches the subject of company marketing communication from a particular perspective and vision, but they all agreed on the importance of this communication in the management of relations with stakeholders, particularly with crucial customers.

Materials and Methods

In this paper, we aim to develop a theoretical model to illustrate the communication procedure between the company and the customer. To do this, we adopted modeling as an effective technique to easily understand the composition and functioning of the environments that we wish to study. This technique ensures theoretical coherence in the study and allows the transition from theory to practice in a methodical and reproducible manner.

Our modeling depends on a theoretical framework that addresses the different concepts, namely IC, EC, and collaboration between IC and EC in CRM.

Theoretical framework

According to the value chain (Simatupang et al., 2017), the company is made up of a set of departments, each made up of the personnel and information necessary for their proper functioning. Therefore, the integration of communication is essential to be able to exchange information and trigger the exchange of material flows, which will certainly lead to the improvement of the services' performance and the increase in the company's overall performance. In reality, company communication consists of IC, which targets employees, and EC dedicated to external stakeholders. In the following table, we summarize a comparison between these two types of corporate communication.

Table 1 A brief comparison between IC and EC.

Features	Internal Communication (IC)	External Communication (EC)
Definition	Employee-company and company-employee information exchange (Slijepčević et al., 2018).	Information transmission between organizations/companies and persons outside the company (Oinonen, 2022).
Objective	Transmission of positive, essential, and reliable information to establish good relations and create a good working climate within the company (Slijepčević et al., 2018).	Make the company known to customers and external stakeholders, allow the company to distinguish itself from its competitors, and increase its sales (Rafiq, 2016).
Targeted stakeholders	Direction, employees (Slijepčević et al., 2018).	Shareholders, customers, suppliers, distributors, competitors, investors, journalists, etc. (Tankosic et al., 2017).
Examples of tools	Written communication, electronic communication (emails and blogs), newsletters and magazines, etc. (Ayad et al., 2021).	Mass media, social media, newsletters, etc. (Anke & Sandra, 2016).

Source: Eleborated by us

If IC serves Internal CRM, which considers employees as internal customers and aims to satisfy their needs (through training and motivation, etc.) to properly meet the company's objectives, then EC serves External CRM (Patriya, 1988). This latter is considered a sales operation that aims to pass the products or services from producer to consumer and encompasses sales, advertising, personal selling, and other activities. After referring to this set of ideas that attempted to link the two concepts of IC and EC in the context of CRM, we were able to develop our perception of this relationship, and we illustrated it as follows in Figure 3.

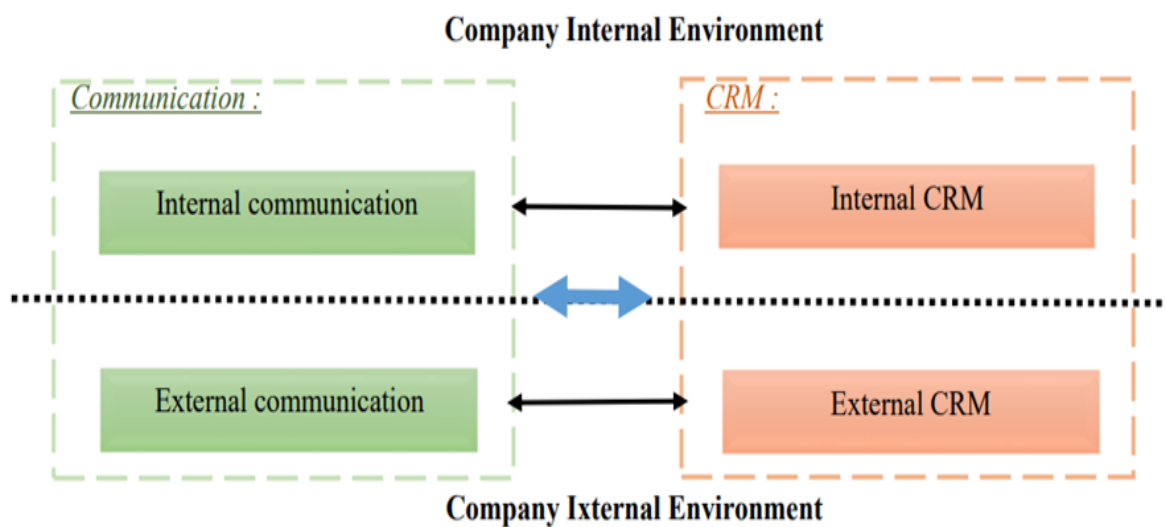


Figure 3 IC-EC relationship in the CRM context.

Source: Elaborated by us

We can see, through this illustration, that the two communication types 'IC' and 'EC' are in permanent interaction with the two CRM components 'Internal CRM' and 'External CRM', respectively. Thus, the importance of IC lies in operationalizing the activities and concepts of internal CRM, i.e. achieving buy-in, trust, and commitment from employees. Concerning the EC, it is mainly involved in activities that attempt to create relationships with external stakeholders (customers), such as advertising, direct marketing, branding, online presence, printed documents, and sponsorships, etc. (Oinonen, 2022).

Structuring of our model

To structure our model, we adopted the classic communication scheme, invented by Lasswell (1948), and composed of a transmitter, a message, a channel, a receiver, and the effect of this communication on the public. For our model, we have organized it according to five modalities, explained as follows:

- Sender: this is the company's operating system OS (CRM service).
- Message: maybe advertisements, announcements, offers, information about the company itself or its offers, etc.
- Channel: this is a digital interface used by OS, to share its messages; it can be web or mobile applications.
- Receiver: this is the customer.
- Feedback: These are messages sent from customers to OS, which can be complaints, orders, opinions (positive, negative, or neutral), etc.

Results

Preliminary explanation

In the following, we present an overview of our model. We thus begin with a graphic illustration (Figure 4) of our perception of the integral procedure of the company CRM, which federates linearly both IC and EC to connect the customers to digital content under the directives and supervision of the piloting system.

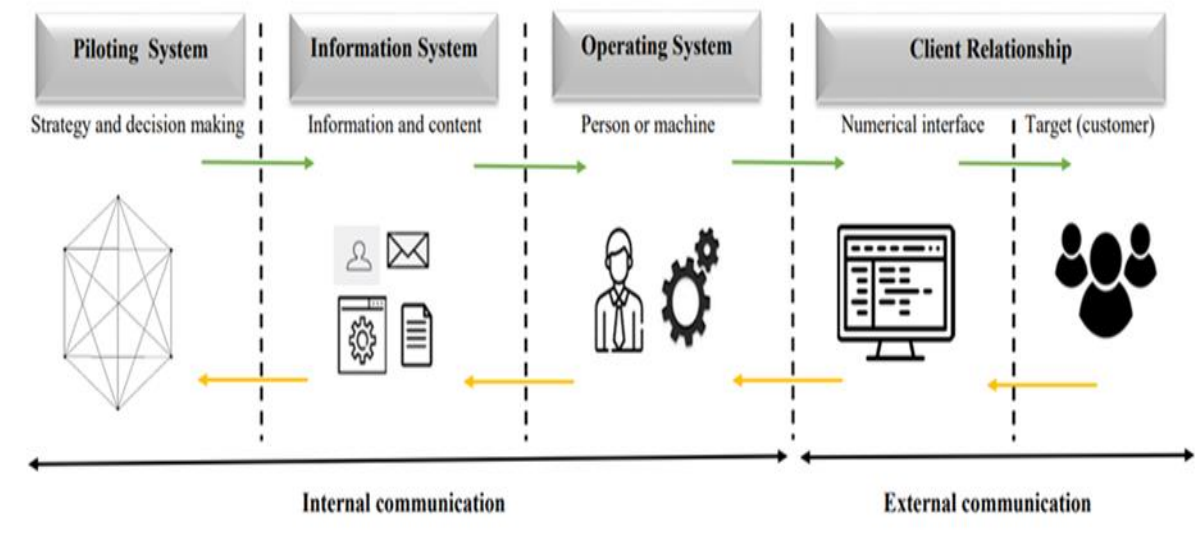


Figure 4 Overview on our CRM model.

Source: Elaborated by us

To clearly clarify this procedure (Figure 4), we note that the IC is responsible for the exchange of information, through an information system (IS), between the Piloting System (PS) and the Operating System (OS); which ensures methodical and secure communication. Consequently, this leads to the establishment of a working climate that encourages employee involvement and maintains data confidentiality and the satisfaction of all internal stakeholders.

Concerning the EC, it supports CRM with the implementation of the necessary ICT platforms and especially digital interfaces for direct communication with customers, which allows the sharing of information necessary for:

- Marketing the offered products and services.
- Informing the customer continuously about the company news.
- Strengthening the company image (associative action, CSR, etc.).
- Ensuring a customer return (advice, orders, comments, complaints, etc.).
- Etc.

In general, these activities allow the company to approach its customers more and push the company to multiply efforts to maintain a certain quality level of service and product offered.

Components and interactions

As mentioned, our model consists of two main communication flows and five basic elements, three of which are part of the IC procedure and the other two belong to the EC procedure. In the following two subsections, we will give an overview of the IC procedure, the EC procedure, and the two communication flows.

For modeling the IC procedure, we chose to define and use three components:

- Piloting System (PS): Are the collaborators who decide on all the company's future communication strategies, make all the decisions in this context, and communicate their instructions and recommendations to the OS to follow and apply them. In practice, the SP transmits its decisions (message), through an IS with a communication tool (channel), to the OS (recipient). This system plays the role of a transmitter in outgoing information flows and the role of receiver in the case of incoming information flows.

- Information System (IS): It plays the role of intermediary between SP and OS, and is made up of different resources (technology, staff, data, and procedures), which makes it possible to collect, store, process and disseminate information. It is also partially or completely provided with a platform ICT to use as a communication channel with other components of the company.

- Operating System (OS): This system is responsible for the execution of decisions made and transmitted from the SP, and it can be a machine or a person. It plays the role of receiver in the IC procedure and then becomes a transmitter in the EC procedure. In addition, this system is part of the IC procedure and plays the role of an interface between it and the EC procedure.

For the EC procedure, the operating system of the CRM service sends messages (advertisements, questionnaires, novelties, etc.), through a Digital Interface (DI) (social network, e-mailing...), to an external target. So, we can see through the EC procedure of our model that:

- Sender: it can be the company, the operating system of the marketing department, CRM service, etc.

- Canal: The DI and the company's ICT platforms.
- Receiver: It represents customers targeted by the company.
- Message: This is the set of information sent by the transmitter.

Concerning communication flows, in general, a flow can refer to a set of elements that evolve in a determined direction. In a communication context, a flow can mean an exchange of information/data in a very specific sense, which is characterized by a source, a destination, and a means of communication.

In our model, since the communications addressed are two-way exchanges of information/data, it is therefore necessary to integrate two-way communication flows to properly represent this reality, an outgoing flow, and an incoming flow.

The outgoing flows of our model are illustrated, in figure 4, by four continuous arrows located at the top, and are oriented from left to right, i.e., from the PS towards the Customer. In other words, these flows simply represent all the interactions carried out between the components of our model in this sense (Table 2):

Table 2 Outgoing flows of our model.

Outgoing flows	Explanations
PS-IS flow	The PS prepares strategies and makes decisions that serve the whole company and especially the company CRM. The PS is the main source of all the orders and instructions to be respected by all the stakeholders in the company. This communication flow, which necessarily passes through the SI, also includes the PS reactions to the customers' opinions.
IS-OS flow	The IS makes available to the PS all the necessary information and data, communicated to it by the PS or archived by itself, to accomplish its mission within both the framework of internal CRM and interface with the external CRM procedure. This communication flow therefore allows the OS to achieve its expected objectives.
OS-DI flow	The OS puts the appropriate content at the level of the DI (advertising, offers, etc.) in accordance with the PS instructions. This communication flow can also include responses and reactions to customer feedback on an offer (product, service, etc.) or a brand.
DI-Customer flow	The DI broadcasts content received directly from the OS or indirectly from the PS, which targets the company's customers.

Source: Elaborated by us

The incoming flows are represented by four dotted arrows located at the bottom and are oriented from right to left: in the client-PS direction. It is simply a set of interactions between the components of our model that have been carried out in the Customer-SP direction (Table 3):

Table 3 Incoming flows of our model.

Incoming flows	Explanations
Customer-DI flow	The customer communicates, through the DI made available to him, information that is specific to him to express an order, a purchase opinion, feedback (expression of positive or negative opinions), etc. In practice, these customer interactions are just a reaction to content published on the DI and this follows the receipt of an outgoing flow that comes from inside the company (see the outgoing flow subsection).
DI-OS flow	In this case, the DI sorted the information communicated by the customer according to predefined criteria (opinions, order, purchase advice, etc.). This allows the OS to react appropriately to each type of information received. For example, when it comes to customer opinions, the OS prepares, through the means at its disposal, a report on the situation and sends it with a notification message, via the IS, to the PS to make the appropriate decisions. Similarly, the OS can make these kinds of decisions on its own if it has already been delegated these rights and authorizations by the PS.
OS-IS flow	The communications between the OS and the PS that take place in this direction pass through the IS to save them, secure them and use them methodically later when needed. The IS is partially or totally equipped with an ICT platform to ensure the exchange of information; a task that is not part of its basic functions.
IS-PS flow	Following receipt of a PS order, the IS is called upon to respond to this request by providing the requested data and information. The IS is also responsible, as we have just recalled, for the transmission of all messages from the OS to the PS.

Source: Elaborated by us

Finally, these two communication procedures (IC procedure and EC procedure) each consist of communication segments that respect the basics of the communication models: a source, a destination, a message, and a means of communication.

Discussion

The results present our theoretical model, designed to represent the communication process between a company and its customer. This model, inspired by Lasswell's framework, adopts a linear structure that makes it both readable and easy to understand. It distinguishes two types of communication:

- IC (Internal communication), which refers to exchanges between different systems within the company.

- EC (External communication), which concerns interactions between the company and its customers.

This distinction provides a clear understanding of how each type of communication functions. Furthermore, communication flows define the directions of exchanges and highlight the cyclical continuity of the process, thus strengthening the model's coherence.

These specificities give our model added value compared to the two models presented in the literature review, which lack explicit linearity and a clear identification of communication concepts, making their operation and implementation more complex.

It can also be argued that a communication model that coherently integrates the company's internal and external communications, while effectively segmenting their procedures, would significantly contribute to strengthening the CRM strategy. Furthermore, any CRM optimization will naturally lead to improved performance in the customer relations department, as well as increased profitability. Consequently, these developments can only have a positive effect on the company's overall performance and brand image. Looking ahead, many avenues of research remain to be explored. The proposed model still requires adjustments, particularly through field experiments, to assess its feasibility and potential for success. Other dimensions, such as performance evaluation, the integration of artificial intelligence, or the use of dashboards, could enrich future versions of the model and expand its application possibilities.

Conclusion

This research project is devoted to communication innovation in the context of CRM inside companies. During this research work, we presented an overview of the literature review relating to this subject. We have also illustrated a communication model, representing our first rough look at this kind of communication. Returning to the work carried out in the field, and considering the composition of our model, we allow ourselves to say that such a model of CRM can be carrier and beneficial for the customer relationship service of the company as well as for the communication aspect within it. This is justified because our model specifies the various stakeholders with responsibilities and highlights the informational aspect.

In perspective, many promising research tracks remain open, and our model itself will need many improvements and especially real tests in the field to know its feasibility and success chances. Other parameters and techniques could be taken into consideration and integrated into future versions of this model to improve it and broaden its application field.

References

- Ali, B. J., Anwar, G., Gardi, B., Jabbar Othman, B., Mahmood Aziz, H., Ali Ahmed, S., ... & Sabir, B. Y. (2021). Business communication strategies: Analysis of internal communication processes. Ali, BJ, Anwar, G., Gardi, B., Othman, BJ, Aziz, HM, Ahmed, SA, Hamza, PA, Ismael, NB, Sorguli, S., Sabir, BY (2021). Business Communication Strategies: Analysis of Internal Communication Processes. *Journal of Humanities and Education Development*, 3(3), 16-38. <https://doi.org/10.22161/jhed.3.3.4>
- Castronovo, C., & Huang, L. (2012). Social media in an alternative marketing communication model. *Journal of marketing development and competitiveness*, 6(1), 117-134.
- El Khair, K. F., El Hamzaoui, M., & Kobiyh, M. (2023, December). Towards a based artificial intelligence model to support marketing communication. In 2023 7th IEEE Congress on Information Science and Technology (CiSt) (pp. 93-98). IEEE.
- Lasswell, H. D. (1960). The structure and function of communication in society. *The communication of ideas*, 37(1), 136-139.
- Leila, M. A. H. B. O. U. B. (2017). La communication interne en entreprise; l'approche théorique. *مجلة المنتدى للدراسات والبحوث الاقتصادية*, 1(1), 12-24.
- Merisavo, M. (2006). *The effects of digital marketing communication on customer loyalty: an integrative model and research propositions*. (HSE Working papers; No. W-400).
- Oinonen, M. (2022). Improving effectiveness of external communication: case: Tamminen Newsletter.
- Porter, M. E. (2008). Competitive advantage: Creating and sustaining superior performance. simon and schuster.
- Rafiq, S. (2016). La Communication, vecteur de performances des entreprises. *Revue D'Etudes en Management et Finance D'Organisation*, 1(1).
- Simatupang, T. M., Piboonrungraj, P., & Williams, S. J. (2017). The emergence of value chain thinking. *International Journal of value chain management*, 8(1), 40-57.
- Slijepčević, M., Bovan, A., & Radojević, I. (2018). Internal Communications as a Factor of Company's Efficiency. *Marketing (0354-3471)*, 49(2).
- Tankosic, M., Ivetic, P., & Mikelic, K. (2017). Managing internal and external Communication in a Competitive Climate via EDI concept. *International Journal of Communications*, 2.

- Tansuhaj, P., Randall, D., & McCullough, J. (1988). A services marketing management model: integrating internal and external marketing functions. *Journal of services marketing*, 2(1), 31-38.
- Wonneberger, A., & Jacobs, S. (2016). Mass media orientation and external communication strategies: Exploring organisational differences. *International Journal of Strategic Communication*, 10(5), 368-386.