Chapter 5
Investigating the Factors for Predictive Marketing Implementation in Algerian Organizations

Soraya Sedkaoui
Djilali Bounaama University, Algeria & Montpellier University, France & SRY Consulting, France

ABSTRACT

This chapter examines and identifies the factors that influence the implementation of predictive marketing in Algeria enterprises. A structured questionnaire was used to collect data from 30 respondents comprised of CEOs of selected enterprises. Some analytical methods were applied to analyze the data and evaluate the point of view of the enterprises with regard to the adoption and implementation of predictive marketing techniques. The major findings of the study indicated that the adoption of predictive marketing requires the relevant tools and software to extract knowledge "data mining." In addition, the existence of start-up (for analytics) and the level of development of e-commerce and digital marketing in Algeria will undoubtedly encourage the use of these techniques. This chapter also provides some suggestions for further research.

INTRODUCTION

The Internet and the Web has attracted considerable attention and research from both academics and practitioners. Numerous studies anticipated a "marketing revolution" (Hoffman & Novak, 1997; Keeny & Marshall, 2000) as businesses changed their modes of operation and customers adapted to novel and different ways of purchasing goods and services. With the advent of digital technology and smart devices, a large amount of digital data is being generated every day. Individuals are putting more and more publicly available data on the web. Thus, not only the quantity of digitally stored data is much larger, but the type of data is also tremendously diversified, due to various new technologies (Sedkaoui & Monino, 2016).

Customer databases have grown significantly larger over the last decade. Many companies collect information on their customers and their respective behavior. Thanks to technology advent which enables companies to produce a granular record of every touchpoint consumers make in their purchase journey. However, firms still depend on aggregate measures to guide their marketing investments in multiple channels (display, paid search, referral, e-mail …). If they want to predict how customers will respond in the future, there is one place to turn "predictive analytics". Organizations enabled with analytical tools can incorporate better strategies to use their resources in more efficient way (Ngai et al., 2009).

Predictive analytics comprise collection of statistical and empirical models with the goal of creating empirical predictions and further assessing the quality of those predictions in practice. These techniques are applicable in both theory building and theory testing approaches. Predictive analytics methods help to analyze and understand customer behaviors and acquire and retain customers and also maximize customer value. Thus it facilitates decisions making and supports development of businesses strategies. The notion of "big data" and the potential of producing actionable information from the existing databases are the main drivers of predictive analytics application (Halper, 2011).

Big data is often obtained by aggregating different sources of very different nature of data. We may have to deal simultaneously with numerical, categorical data, but also with text, preference data, browsing histories, historical purchase on e-commerce websites, social media data, analyzed by using methods of natural language processing, being fused with sales data to determine the effect of advertising on consumer sentiment about a product and behaviors of purchase. Indeed, marketing strategy, supported by the predictive analysis techniques is a project that is not limited to define ideas but especially to translate them into action and to control its state of evolution for better understand customer behavior.

The application of predictive analytics in Algerian enterprises is an emerging trend. Despite the transition from a planned economy to a market economy, many

32 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/investigating-the-factors-for-predictive-marketing-implementation-in-algerian-organizations/215271

Related Content

Predicting the Initial Adoption of Upgrading of Electronic Communication Systems
Gary L. Hunterand Steven A. Taylor (2005). *International Journal of E-Business Research (pp. 1-23).*
www.irma-international.org/article/predicting-initial-adoption-upgrading-electronic/1847

Interoperability in the Building of Next Generation of Collaborative Working Environments
M. Antonia Martínez-Carreras, Antonio Ruiz-Martínezand Manuel Bernal Llinares (2011). *Electronic Business Interoperability: Concepts, Opportunities and Challenges (pp. 511-538).*
www.irma-international.org/chapter/interoperability-building-next-generation-collaborative/52166

The Effects of Consumer Engagement Behavior on the Growth of Social Media Brand Community: Evidence from an SME
Xiaoyun Heand Arash Negahban (2017). *International Journal of E-Business Research (pp. 25-43).*
www.irma-international.org/article/the-effects-of-consumer-engagement-behavior-on-the-growth-of-social-media-brand-community/169843

Environmental Drivers of E-Business Strategies Among SMEs
Alessandro Arboreand Andrea Ordanini (2009). *Electronic Business: Concepts, Methodologies, Tools, and Applications (pp. 185-196).*
www.irma-international.org/chapter/environmental-drivers-business-strategies-among/9283

An Automated Negotiation Mechanism for Agents Based on International Joint Ventures
Yee Ming Chenand Pei-Ni Huang (2008). *Agent Systems in Electronic Business (pp. 174-192).*
www.irma-international.org/chapter/automated-negotiation-mechanism-agents-based/5017