The Adoption of a CRM Strategy Based on the Six-Dimensional Model:
A Case Study

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EXECUTIVE SUMMARY

If the definition of CRM is not consensual, the model for incorporating or analyzing the concept within an organization is also not. In this chapter, considering the 'Six-Dimensional Model CRM Strategy', which integrates 65 critical success factors, the authors analyze how these manifest themselves in an organization. Thus, the case studied is presented and described following the six dimensions (CRM strategy formulation, relational marketing philosophy, best practices, organizational and human resources, CRM processes, CRM technology) and also synthesizes in a table how the company analyzed reacted to critical success factors.

ORGANIZATION BACKGROUND

Founded in the late 1990s, the company is a reference SME in the coding and labeling sector, with a label and label production unit, as well as the representation and distribution in Portugal of a brand of printers for this purpose. The head office and all its physical infrastructures – office, warehouse, factory, show room and technical department – are centralized in single space.

The company has the status of Leading SME and the status of PME Excelência (SME Excellence), both assigned by IAPMEI - Institute of Support for Small and Medium Enterprises and Innovation - in partnership with the main Portuguese banks. The first statute focuses on SMEs that pursue strategies for growth and strengthening their competitive base, selected through superior voting capacity and a broad deployment in the national territory. The second statute was created with the aim of rewarding national SMEs that are evidenced by the quality of their economic and financial performance and to recognize organizations that have been able to maintain highly competitive standards, with bets on innovation strategies and that have active contributions in the dynamics of social and economic development. The company is certified in quality management, according to ISO 9001.

The company's vision is to achieve a value-added player position, a facilitator and provider of integrated solutions that combine hardware, software and services involving any type of coding and labeling solution.

The company's business is focused on two areas, but they are interconnected. An area focused on the production and printing of labels, which may have logos, barcode reading labels, QR Code, or other elements that meet the customer's objectives. The second area is based on the marketing of printers for labels and labels, barcode readers, software and consumables (rolls for blank printers and labels). This area needs and has provided an after-sales service focused on technical support.

The customers of the first business area are mainly located in the textile industry, hygiene products and food (fruit garden, beverages). In the second area, the logistics and transport sector, agri-food and pharmaceutical industry. Customers are companies facing a B2B business.

The company started its activity in the second area described above, but currently the weight of the first has been growing, currently representing 60%, with the rest distributed by printers (25%) and barcode readers, software and consumables (15%). Forecasts point to continued sales growth in the first and stagnation in the second area.

The company has a national geographical presence (mainland and island Portugal) and the presence in international markets in a sustained manner is not foreseen in the short or medium term, although there is a residual value of 2 to 3% in the value of the invoicing corresponding to case-by-case business. However, the products resulting from printing, as they are incorporated into many products that are intended for the foreign market, the company ends up having an indirect presence, including customers who sell all their products to international markets. The company intends to focus all its attention on the domestic market, where it considers that there is still plenty of room to grow.

In relation to competition, the way it manifests itself is different in both business areas. In the first, there is high fragmentation of the market, and there is no data that can elucidate the market share. In the area of equipment, more specifically in barcode printers, there is essentially the Zebra brand that holds about 80% of the market share, and the Citizien brand that has been marketed by the company since 2004 and that went from 0% to the current 5%, and other brands with a smaller presence that compete for the remaining approximately 15%.

SETTING THE STAGE

The concept of Customer Relationship Management (CRM) is not consensual. For some authors, CRM is a tool, for others it is a set of business processes oriented to the management of customer experiences.

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