

Segmenting Markets by Means of CRMs: An Application to Restaurants

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ABSTRACT

Customer Relationship Management Systems, CRM, are technological assets that can help firms to develop the required managerial skills to promote an efficient market segmentation strategy. In this article an example of an outstanding application of Customer Relationship Management system CRM, to the restaurant industry is offered. The VIPs group has developed through time a group of organizational routines that have helped the firm to reach success in the implementation and use of this tool. Therefore, a follow-up of the strategy followed with the CRM system in the period from 2011-2016 has been performed in this article. By properly using this technology, the company has been able to identify opportunities and threads in the market where it operates. This analysis has enabled the firm to develop mass-customized strategies facing its real and potential customers. This case proofs good practices in the use of CRMs in the restaurant industry. The case provided has become a referent in this field.

KEYWORDS

CRM, Customer Experience, Customer Relationship Management, Customer's Strategies, Innovation, Market Segmentation, Organizational Capabilities

1. INTRODUCTION

Customer Relationship Management, CRM, is a technological option that can promote innovation in the way firms offer their products and services to customers. Firms invest great amounts of money in these tools and for this reason; they are each time more interested in knowing their impacts on final results. In fact, according to data from Eurostat (2015), Spain is the leader in the use of software solutions as CRM, oriented to marketing actions in comparison to other European Union countries.

As big organizations acquire CRM systems, it is interesting to know the main motives for implementation, possibilities and results that they offer. The theory of dynamic capabilities constitutes an interesting framework to analyze the contribution of CRM systems to final firm's performance

From the Dynamic Capabilities Approach (Teece et al., 1997) it can be explained that whenever a firm implements a system that helps it innovating, firm's capabilities can be improved.

In this research a case of success in CRM implementation oriented to reach dynamic capabilities is explained. As a case of success, this firm may become a model of reference in the restaurant industry.

CRM implies the establishing of a close relationship with customers with the main objective to satisfy their needs. By implementing a CRM, firms try to obtain information of quality from customers that allow firms innovating by adapting their preferences. The objective of its application to the business models consists in the obtaining, development and optimization of individual and group customer needs (Payne et al., 2005).

The CRM appeared in the nineties to fulfil an organizational need to align management and technology to simplify business processes (Zollo & Winter, 2006; Garrido & Padilla, 2012). From this orientation, the CRM has helped to consolidate the business model focused in customers' expectations. CRM implies an evolution and extension of the Enterprise Resource Planning Systems (ERP) as a need to create a direct relationship with the consumers (CRM). Therefore, this kind of technology constitutes the evolution of the previous established technologies.

CRM allows a deep knowledge of the consumers' preferences and needs to offer them specific products by means of adapted strategies; that allow being more efficiency in terms of time responses and cost optimization and more direct in the firm's marketing and communication actions. The returns that firms can have by reaching higher degrees of customer's satisfaction constitute the main advantage in the implementation of these systems.

Figure 1 shows the sequence of actions that the implementation of a CRM produces. It starts by analysing customer's behaviour. It allows the segmentation of goods and services according to the knowledge of customer's needs. As a consequence, the firm reaches higher degrees of customer's satisfaction which produces higher returns for the firm and allows increasing the investment in the exploitation of the information.

2. CRMS AREAS OF ACTION

There is an increasing strategic orientation to focus organizational efforts to adapt and improve their routines according to customer's experiences (BBVA Innovation Center, 2013).

Figure 2 shows all the potential states of a customer in relation to the firm's marketing actions. The information that the CRM offers provides all the data that allow identifying the state in which

Figure 1. Flow of the processes for the implementation of a CRM system (own elaborated)



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