IT & Software

How CRM software can enhance customer relationships

For many winemakers, a 'personal touch' is often the best way of nurturing relationships with their customers. However, there are times when software with Customer Relationship Management (CRM) capability can provide even greater benefits to a business. **Peter McAtamney**, from Wine Business Solutions, looks at what to consider when it comes to CRM software.

Why do you need CRM software?

CRM stands for 'Customer Relationship Management'. That today CRM is perceived to be software designed by people who are often the least likely to be masters of finessing those relationships should give anyone in the market for a new CRM system pause for thought. Note that I say 'CRM system' and not 'CRM software'.

The fact is that we don't need, and we shouldn't necessarily use, software to manage relationships.

Machines should only ever be introduced when the physical task and its complexity gets to a level where humans can no longer cope.

And even then, you need to be smart about that as it is better not to do business at all, sometimes, than have an autoresponder underscore a lack of thought and care through depersonalisation or worse.

This is particularly true where small winemakers are concerned. The more personalised communications can be with clients, the better those customer relationships tend to be.

So, at what point do we need software?

From the moment:

- more than one person needs to look at a set of customer records,
- you combine transactional data with personal data,
- you need to do any proper analysis of where you are making sales, of what and to whom, you need CRM software.

This is before you even start to think about doing wine club mailouts more efficiently, managing credit cards or

doing social media integration and any of the other fancy stuff the best platforms are capable of.

What should a good one do?

- if a customer interaction occurs, you capture it
- if a sale takes place, you can account for it
- if a status changes, it changes everywhere
- if a record is needed, it can be easily located
- campaigns, sales, and prospecting are measurable
- spotting trends in customer activity is easy.
- activity through all communication and sales channels, including social, is integrated.

If we concentrate on CRM as software, the lines are getting blurrier by the day. MailChimp, PayPal and even your banking software have elements of CRM capability. But they are most definitely not a substitute for CRM software.

There are basic CRM products for small business like Zoho and Capsule, enterprise level salesforce automation software platforms like Salesforce and Sugar CRM that can be used for small business (but probably shouldn't be unless you really know what you are doing) and full marketing automation software platforms with social integration like Marketo, Hubspot and Infusionsoft.

Medium-sized wineries and up should be thinking about marketing integration software platforms if they are not using them already. What needs to be considered is that you are not just buying a piece of software. You're buying into a methodology; one that's going to add hours to your workload if you want to be successful. So, investment in people is as important a consideration as the tools that you give them.

If you are not going to go the whole hog with marketing automation, all wineries these days need wine club software for:

- Data collection
- Managing customer records and meeting data security requirements

- Segmentation
- Identifying VIPS
- Forming club/s for them
- Produce targeted, timely and relevant communication
- Maximising member tenure and spend
- Identifying other customers for your club
- Recruiting new members

The big question is – which one? Now we are entering into the field of advice rather than the sort of general guidelines that ought to appear in an article like this. We can, however, provide a few 'good to knows'.

Wine Direct and Black Box are both out of Vancouver, Canada and are both over 10 years old now. The generic issue with developing an industry specific application is the challenge of continually updating a product that has a very small customer base (i.e. the wine industry) for which there are many competitors.

Commerce7 was started by Wine Direct's/Vin 65's original CEO Andrew Kamphuis, with a view to overcoming some of the issues he felt people were experiencing with Wine Direct. As

with MYOB vs Xero, you can judge for yourself how well this has been achieved versus how well Wine Direct has responded.

VinCreative are out of the not for profit sector so are used to dealing with subscriber bases and have the benefit, in terms of funding operations, of working across multiple 'verticals'. They are not, however, so used to dealing with POS led businesses but a POS is now part of their offer.

Trolly also has a Canadian founder but this time from the other side of the country. They are low cost and more of a plug in than a full web site back end which pleases some people. Like many of these platforms, they are still evolving so time and patience may be needed if you want to go on that journey.

With Wine only works with Apple at this stage but is perhaps the best thought through in that it is designed from the customer experience backwards, recognizing that customer preference data is the gold.

Then there are other businesses that are simply taking the dominant shopping engines/web site backends being Shopify and WooCom (Word Press) and modifying them for the wine industry. At least with these, you have the comfort of knowing that they

are being constantly updated for their massive global subscriber bases across online retail.

Bloom is a wine club management addon that integrates with Shopify. From all that we see, know and understand, this represents one of the best value for money options out there. We have affiliates that can build or modify your website backend accordingly. Note – We take or receive commissions from no one.

Single system integration

The holy grail, as it were, is the single system that integrates everything so that it all works seamlessly. Do not let anyone tell you that this cant be done. We are painfully close.

Small businesses can perhaps do this easier than anyone using APIs to link Xero to Vend (POS), Vinsight (winery management) MailChimp and Word Press or whatever other similar applications you want to substitute.

Medium-sized wineries are doing the same by integrating Vintrace with Xero and Wine Direct.

It's the large businesses, who generally get told by their own IT department that they will modify their existing ERP system rather than introduce outside software, that tend to fail epically.

In the end, what you are looking for in order of priority is a system that will enable:

1. Ease of data capture especially preference data at cellar door and at events

2. A POS that works for both restaurant and cellar door that manages both databases optimally

3. A means by which to segment the database to be as close to the perfect fit as possible with any offer or other communication made

4. To be able to identify VIPs as early as possible when they enter your property or visit you elsewhere

5. To make the sending out of orders and club shipments seamless

6. To make management of records and credit cards as painless as possible

That is the conversation that you need to be having with any provider.

That and 'when are you going to give us the holy grail!!!'.

Keep pushing.

It's coming.

What's important for successful CRM management: a case study

Gavin Cahill was sales and marketing manager at Laurance Wines in Margaret River. At the time, there simply wasn't an application that could consolidate customer records in a way that could be meaningfully segmented so as to send customers the most relevant personalized communications other than Salesforce.

It is too big and cumbersome to be the recommended solution for small business today but back then, it was all that was available. Gavin implemented its use intensively, insisting, for example, that all telephone calls to customers finish with a note in their file record.

The result, as Cahill's boss Stuart Dickins reported to me following our initial consultation, was that in a 12 month period, Laurance increased sales by 115% and that for the first time in Laurance Wines' 12 year history they would be using all of their fruit and had to purchase more of certain varieties to keep up with demand. He said that this was mainly due to staff training and a direct-to-consumer sales focus.

Cahill became so enthused that he then started up his own business called Free Space to help wineries across Australasia manage CRM better. He has also used what he's learnt highly successfully in the family's own wine business, Brookwood Estate.

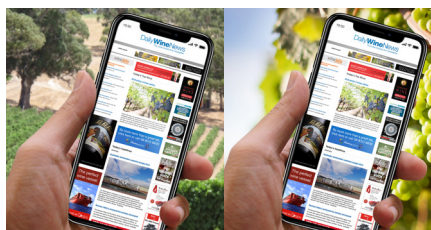Few people are better qualified to comment on best practice, so I asked Cahill about the state of the art. He said that whilst there is a bedazzling array of tools out there now, the most important things are to:

- work out exactly what you want to do;

- know who your best customers are;

- to have a much detail on them as possible so that when you talk to them it is at the right time, in the right language, using the right platform with an offer that is well tuned into what they want as it can be;

- chose the best tool for each part of the job; and

- make sure they integrate as well as possible.

This might almost sound trite, but it is the complete opposite of what most of us would instinctively do (i.e. look to go out and find a magic pill that can be dropped into our business that will do everything, reduce our workload and potentially shift the 'problem' somewhere else.)

I guess that, in conclusion, draws together those two seemingly incongruous ideas that we started with.

As with all things in life, success begins with the right state of mind. It is about making sure that you have very smart people talking to equally smart (most of the time anyway) customers and ensuring that technology is an enabler not an obstacle. GW