

Widex builds customer loyalty with Sage CRM



Customer

Widex

Industry

Medical devices

Location

Shanghai, China

Solution

Sage CRM

The Chinese subsidiary of Widex, a Danish manufacturer of hearing aids, has been running its business out of Shanghai since 1998, and it employs 127 people. Because the products are made in Denmark, the focus of the office in China is on marketing and distribution, growing sales through distributors and referrals from doctors and schools for the deaf.

In the last few years the company has developed a retail operation, opening 20 stores across China with a further seven planned for the first half of 2013. Making these outlets an intermediary between the company and its customers became a key focus, but inefficient processes were an obstacle to building better customer relationships.

The business challenge

Using a combination of spreadsheets and a database management system led to manual entry errors. More than

ten years worth of information resided in creaking systems and paperwork that was difficult to use for competitive advantage.

“We had a problem with the integrity of the data,” said Steen Teisen, Chief Executive Officer of Widex in China. “Spreadsheets are very vulnerable; information can easily be deleted or wrongly entered. And we didn’t have the database management tools to extract the information we wanted.”

CRM software was identified as the best way forward, giving the business the ability to access more kinds of relevant data. Sage CRM was chosen over other packages because of its value proposition in terms of features/cost and its user-friendly interface. A strong relationship with SageSoft Solutions, the local Sage Business Partner, also helped seal the deal.

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Steen Teisen,
Chief Executive Officer,
Widex, China

Challenge

A combination of spreadsheets and paperwork was not giving Widex the information it needed to build its customer base in China.

Solution

Sage CRM provides a central repository of customer information, from first exchanges with sales prospects to ongoing interactions that inform business strategies and help with customer retention.

Results

Drawing on data collected in Sage CRM from its retail outlets, Widex has been able to build customer loyalty with carefully targeted campaigns that add value in a price-driven market.

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Steen Teisen,
Chief Executive Officer,
Widex, China

The solution

Sage CRM was installed on a SQL server in the Shanghai headquarters. Sagesoft Solutions carried out the deployment and some customisation work, first creating fields in the software to capture the precise data that Widex wanted, then integrating it with the company’s ERP system.

Widex retailers are able to access the software through its browser-based interface over the company’s VPN (Virtual Private Network). Each evening they are encouraged to upload updates of every interaction with prospects and customers. Everyone is working from the same database, a single source of accurate information that is overseen by the Widex management.

Part of the retailer’s responsibility is to track each customer engagement up to and beyond the initial purchase. Repairs are logged in the system and this includes the number of batteries bought. If battery sales dry up then employees know it’s time to contact the client. “The system lets us see red flags early and warns us of potential problems with a customer,” said Teisen.

The quality of data depends on each retailer’s enthusiasm for collecting it. To get round this, Widex uses bonus schemes to encourage employees to upload information that is up to date and as accurate as possible. The management team use this data for monitoring sales and customer interactions, pulling reports to inform future marketing campaigns and product release strategies.

Business benefits

Sage CRM gives Widex a better understanding of users and prospective customers, far beyond the capability of the old spreadsheets. From first sale to repairs and upgrades, Sage CRM has become a repository for each customer’s entire history.

With a range of more than 70 products and more than 10,000 customers in the Sage CRM database, Widex is better able to match the right hearing aid to each client’s needs. The severity of hearing loss will vary which is why different product categories cater for different levels of impairment.

The life expectancy of a hearing aid is typically four to five years. Sage CRM ensures Widex is engaged with customers as they begin to think about an upgrade at three to four years. It provides information that lets them target customers through direct marketing.

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Around 70 per cent of Widex customers are over 60 and not ‘tech savvy’, so the telephone and mailshots are the predominant methods of communication. Though the main priority was to use Sage CRM to better manage end users, its role has been extended to incorporate wholesale customers and distributors.

Sage CRM has become fundamental to the Widex business strategy in China. “The market here is not very mature and very price driven, but we distance ourselves from cheap products,” said Teisen. “Sage CRM helps us add value by keeping us close to our customers and building loyalty. We can then persuade them to trade up.”

Because Sage CRM was only implemented six months ago, benefits are still being gauged, but anecdotal evidence suggests that it’s already increasing footfall in the shops. “It’s already been successful as far as the main objectives are concerned,” said Teisen. “Sage CRM has definitely helped us differentiate in a market that’s price driven.”

About Sage CRM

Over 15,000 small and medium sized companies across the globe use Sage CRM every day to accelerate sales, drive business productivity and make every customer interaction count. It is used by enterprising, growing companies seeking new ways to interact with customers, leverage the power of social media and take advantage of the latest mobile developments to further grow their business. When combined with Sage ERP, our customers enjoy better business insight, increased efficiencies and productivity, and gain a single, customer-centric view across their entire business. So whether you're just starting out or have already grown to several hundred employees, Sage CRM can help accelerate your business success.

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