Institut für Marketing

Universität St.Gallen



Realizing Customer Centricity

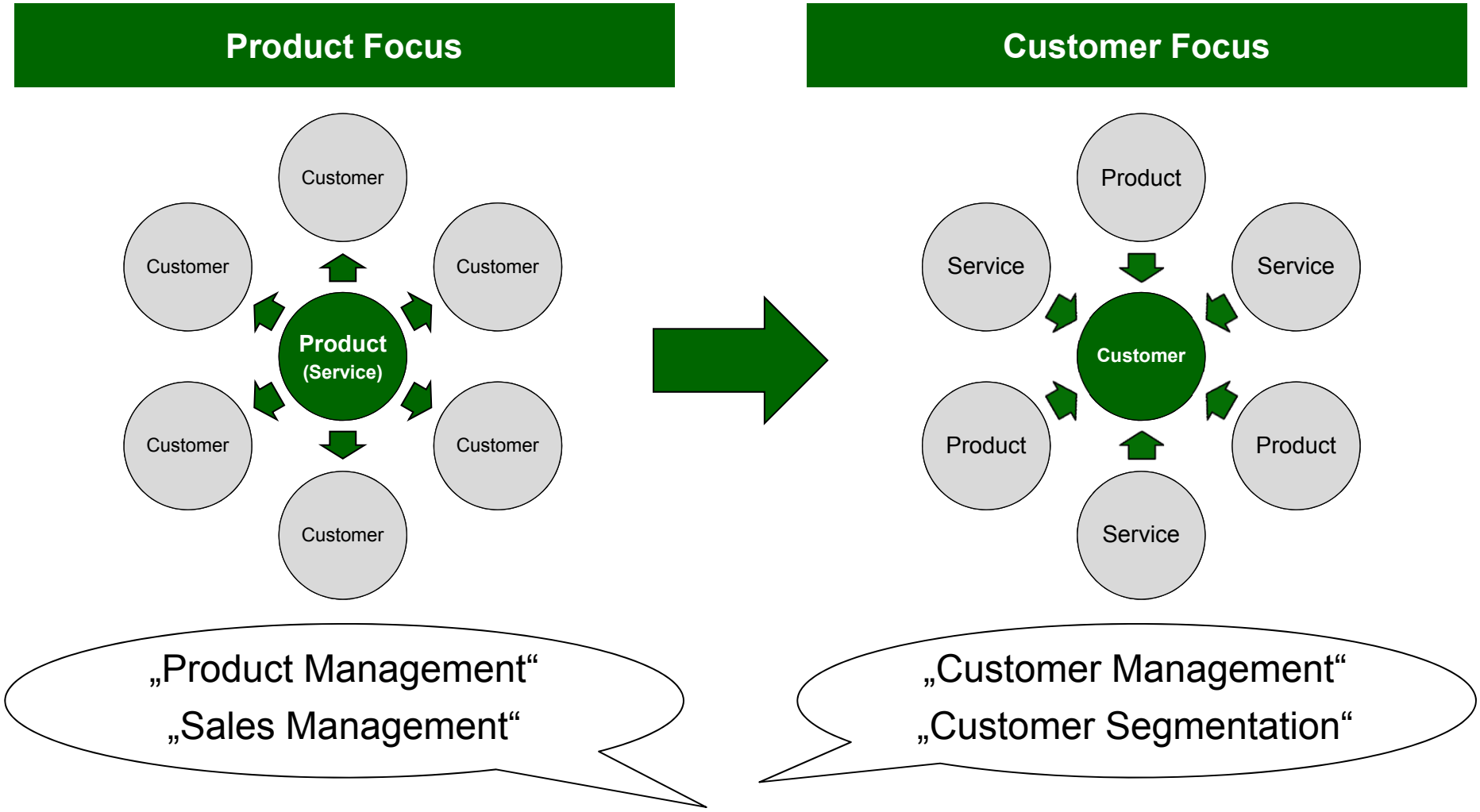
Prof. Dr. Dennis Herhausen
Assistant Professor of Marketing

20./21. May 2014

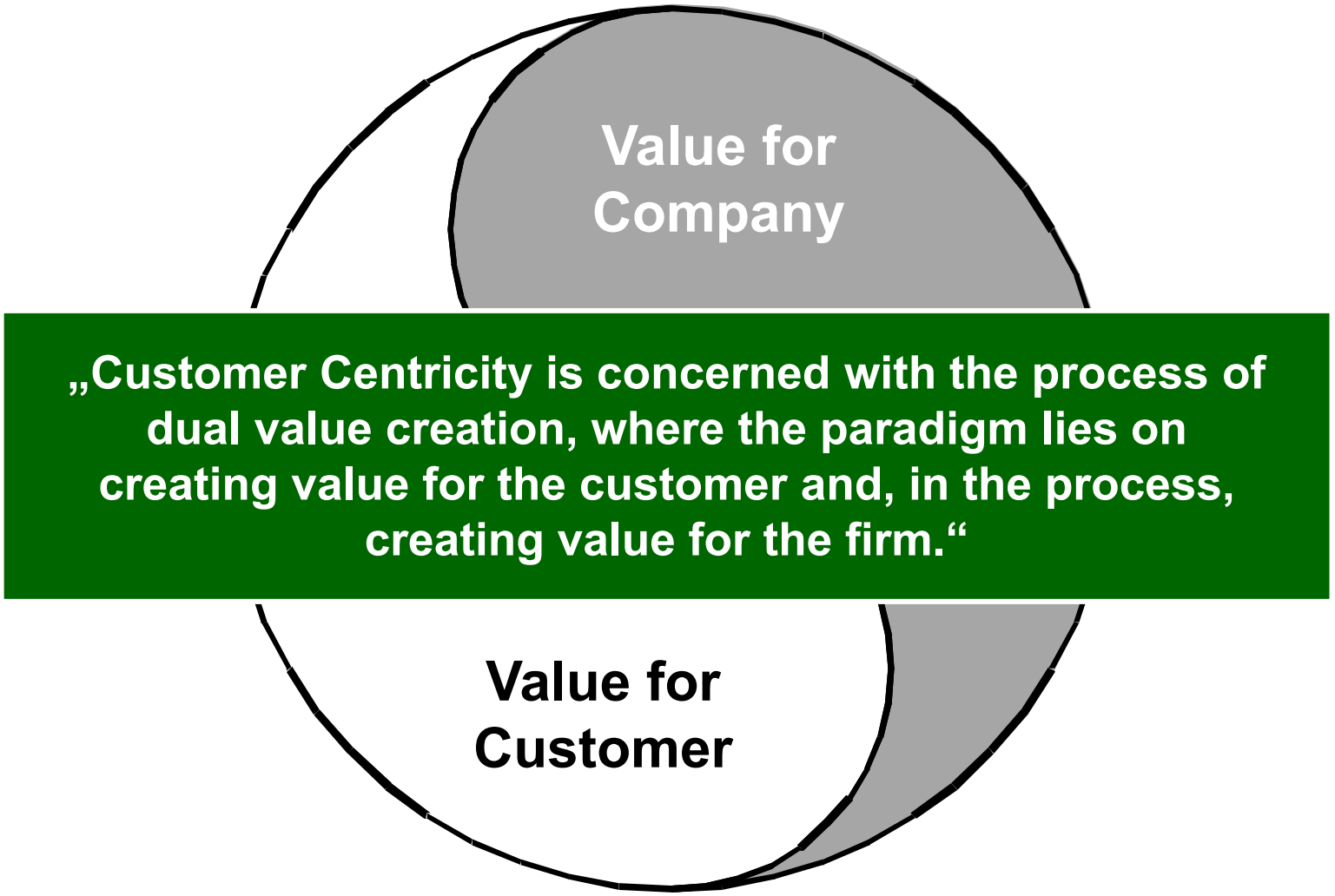
Customer Centricity – What does it mean?



A Shifting Focus: Customers, not Products!



The Essence of Customer Centricity



© Prof. Dr. Dennis Herhausen
University of St.Gallen
dennis.herhausen@unisg.ch

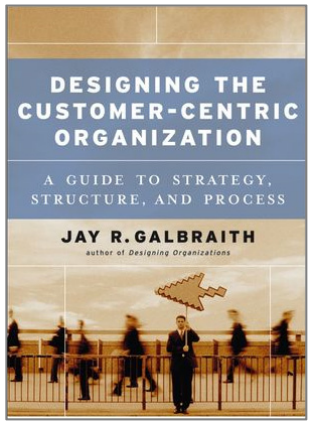
Source: Shah et al. 2006

Customer Centricity – does it pay off?



Outcomes of Customer Centricity







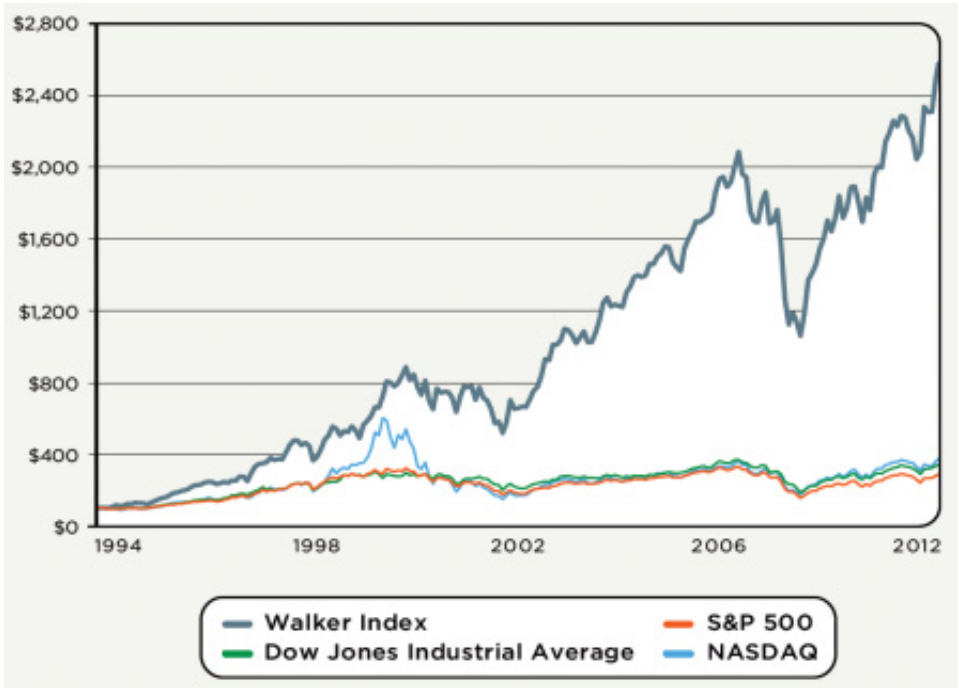
Institut für Marketing
Universität St.Gallen
HARVARD BUSINESS SCHOOL
Wharton University of Pennsylvania
McKinsey&Company
Roland Berger Strategy Consultants
Deloitte.
IBM
WALKER
BAIN & COMPANY

All Relationships have been investigated in empirical studies.

© Prof. Dr. Dennis Herhausen
University of St.Gallen
dennis.herhausen@unisg.ch

Source: Several Customer Centricity Studies

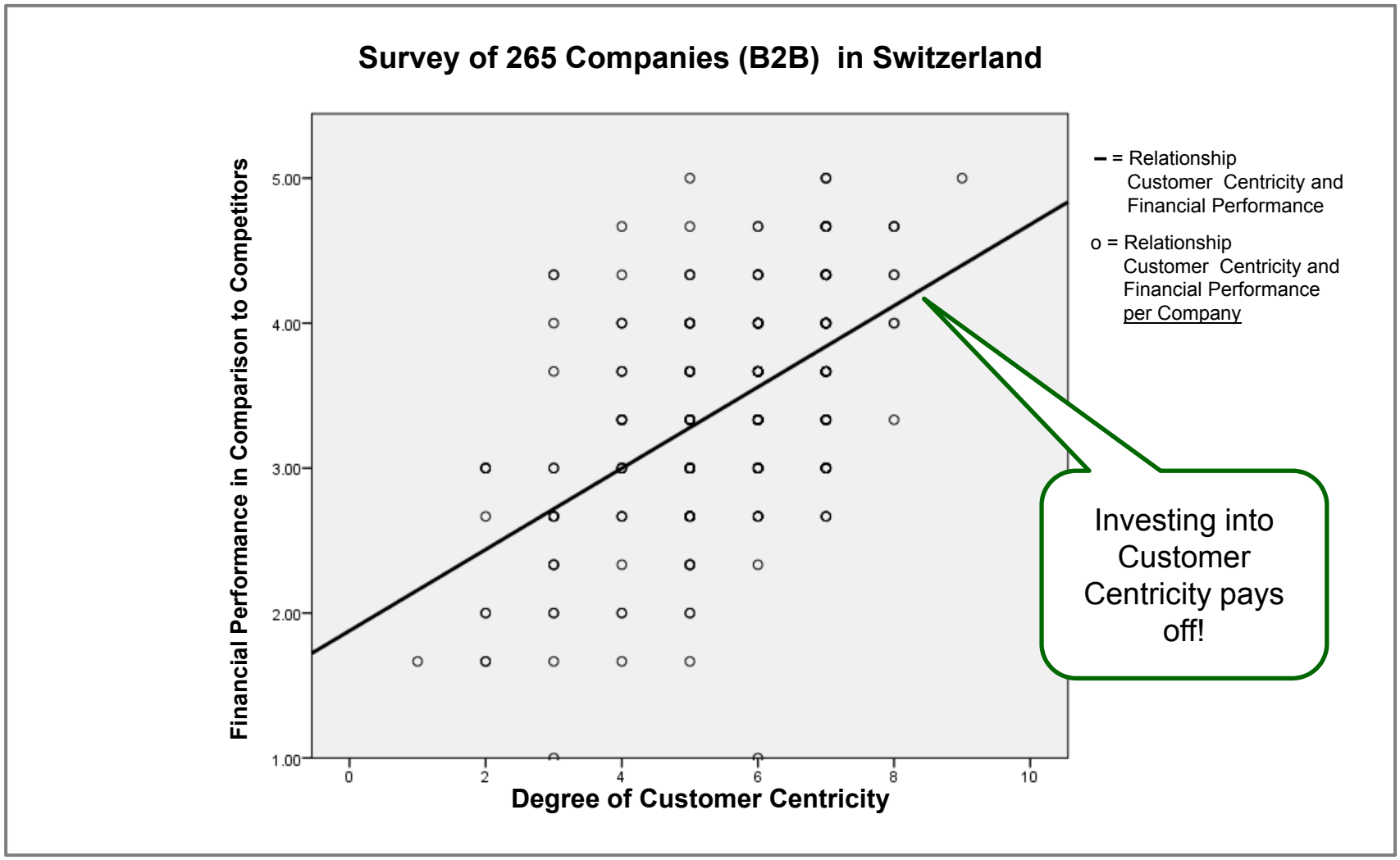
Increasing Market Value with Customer Centricity



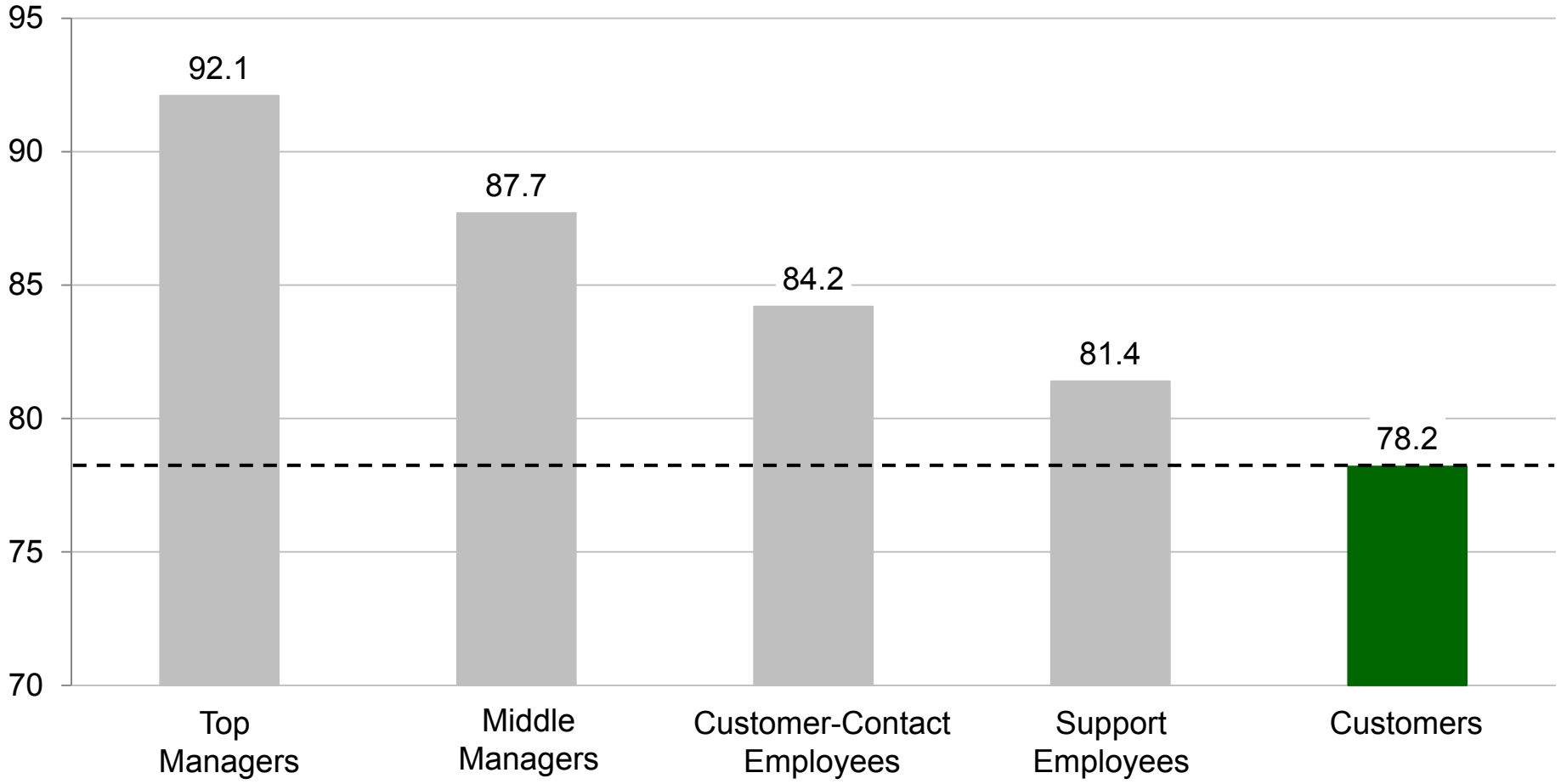
Companies with the highest customer orientation are much more successful than the average company within the S&P 500.

Source: Walker 2012

Customer Centricity in Switzerland



The Degree of Customer Centricity is often Overestimated by Top Managers



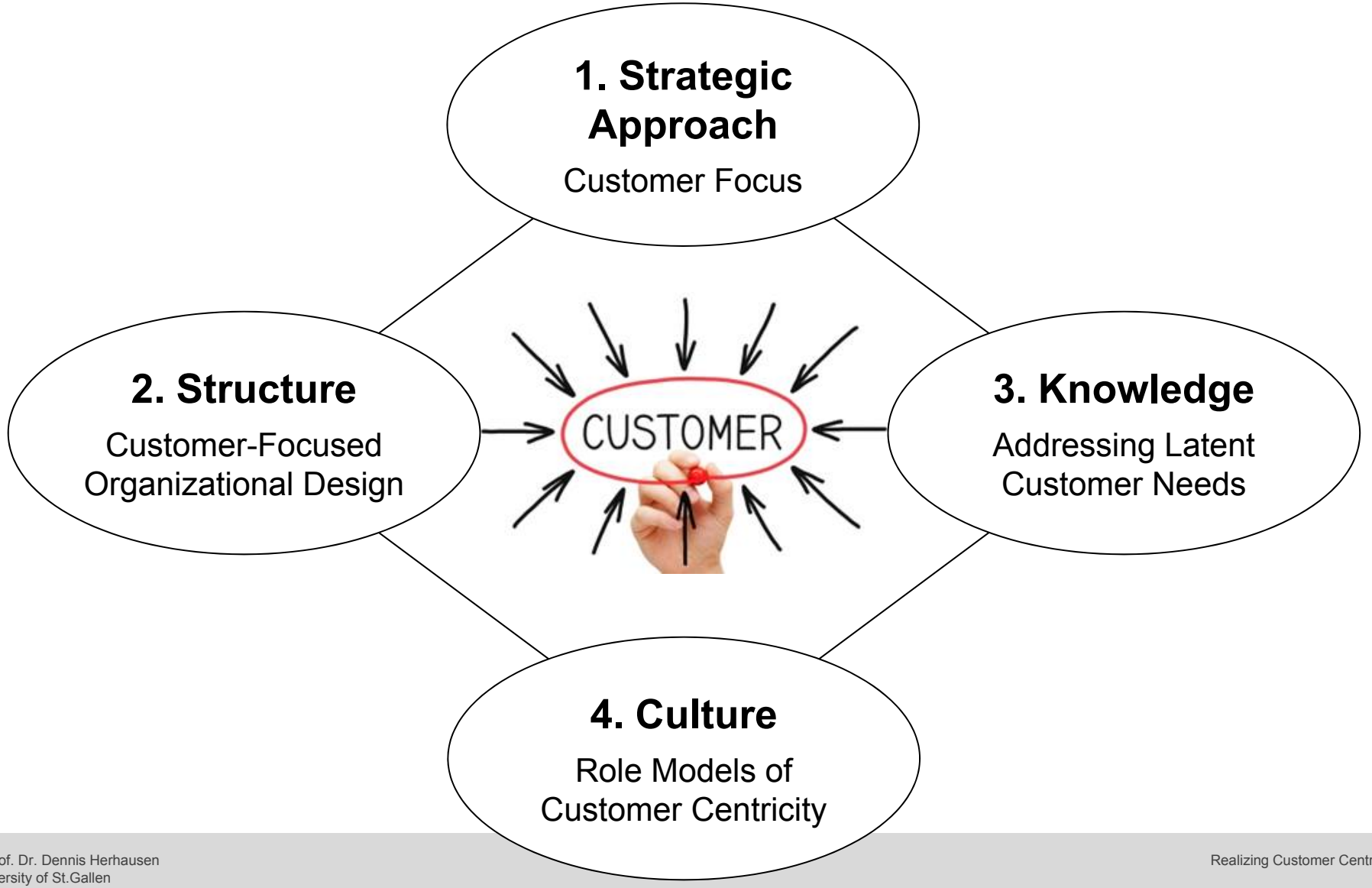
© Prof. Dr. Dennis Herhausen
University of St.Gallen
dennis.herhausen@unisg.ch

Source: Employee Survey (n=894 Employees) and Customer Survey (n = 544 Customers) at a Swiss Company (2012)

Customer Centricity – How to get there?



Levers of Customer Centricity



1. Strategic Approach: Customer Focus

Customer Centricity @ a Swiss B2B Company

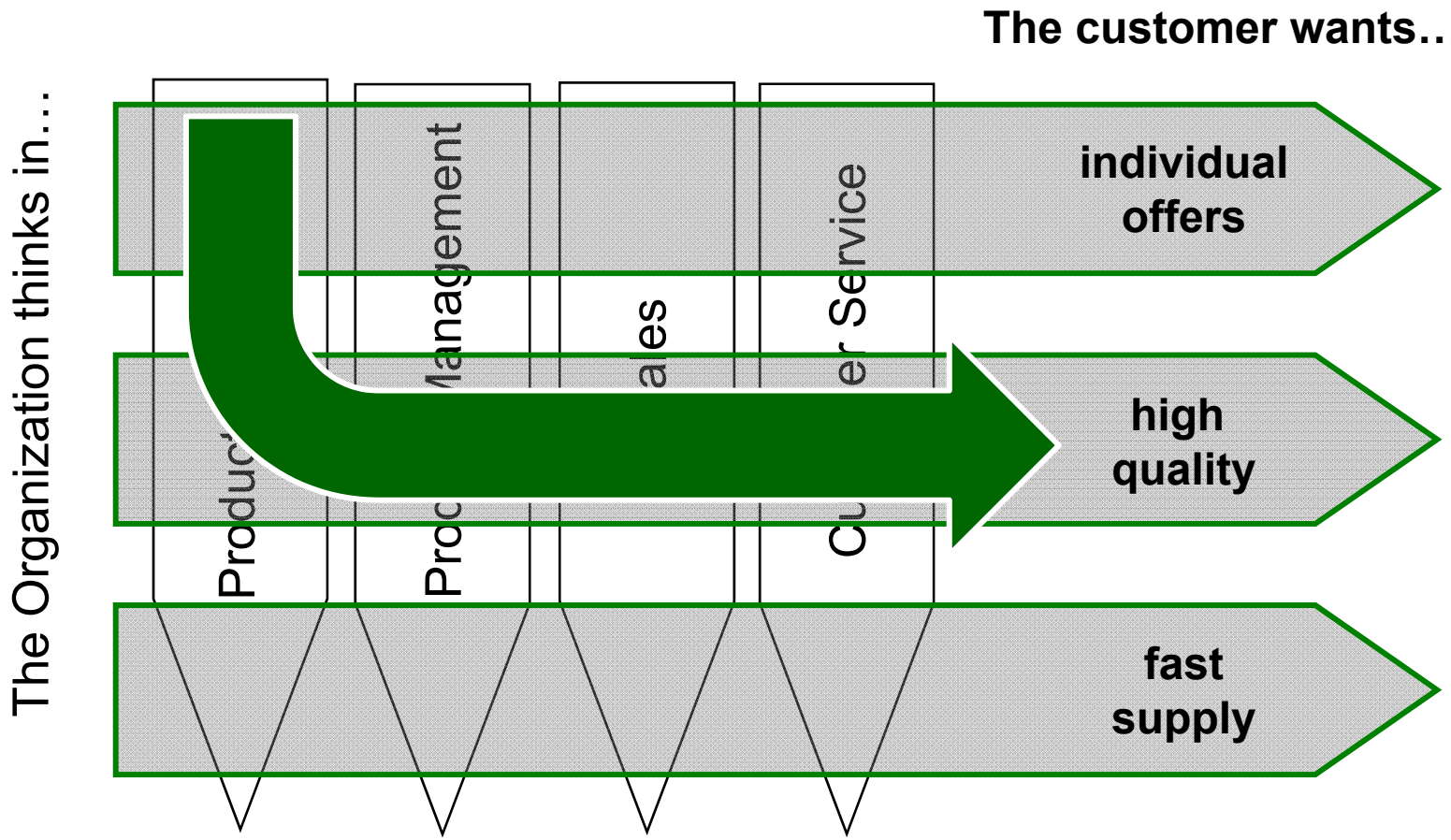
1. **Our business approach is based on the customer.** We always show that we want to meet the customer's requirements as soon as possible.

2. **We treat the customers as our partners.** We believe that sustainable business success depends on long-term relationships.

3. **We aim to clearly understand the needs and expectations of customers and to meet these needs and expectations .** We promise only what we can keep, and we always keep our promises.

4. **We benefit from our own knowledge and experience and those of our customers** in order to meet the needs of our customers with appropriate solutions.

2. Structure: Customer Centricity requires an Integrated Process Perspective



Hilti puts the Customer First



Customer

Market Regions / Marketing Organizations

Business Areas	Corporate Research & Technology	Supply Chain	Corporate Functions

Executive Board

Board of Directors

Hilti Trust

Hilti: Customer Needs, not Products



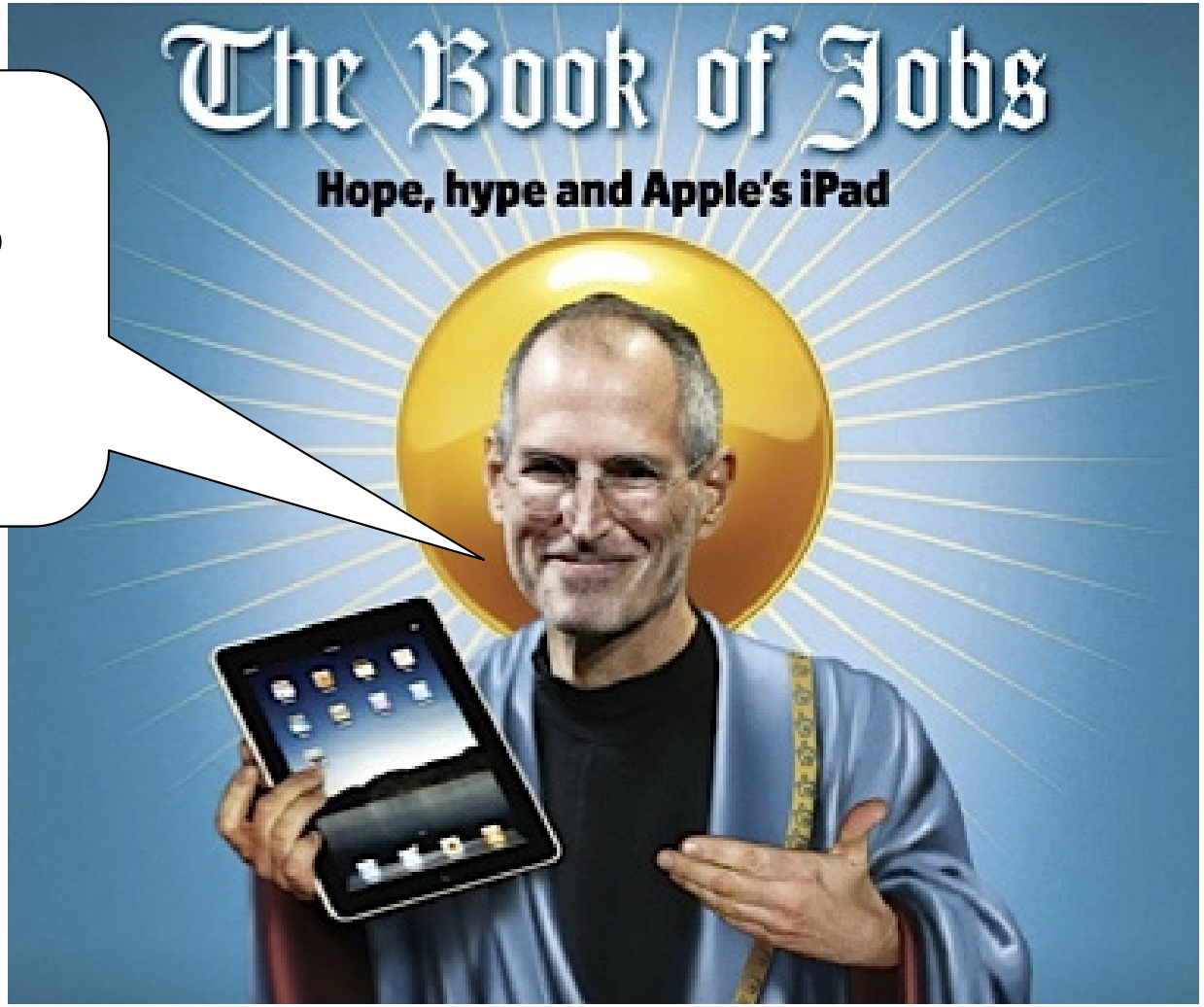
Measure	Open	Fasten	Execute	Close
				
Measuring systems	Drilling and demolition, diamond cutting	Direct fastening, anchor systems, installation systems	Cutting, sawing and grinding	Firestop, construction chemicals
				

3. Customer Knowledge, not Customer Control!



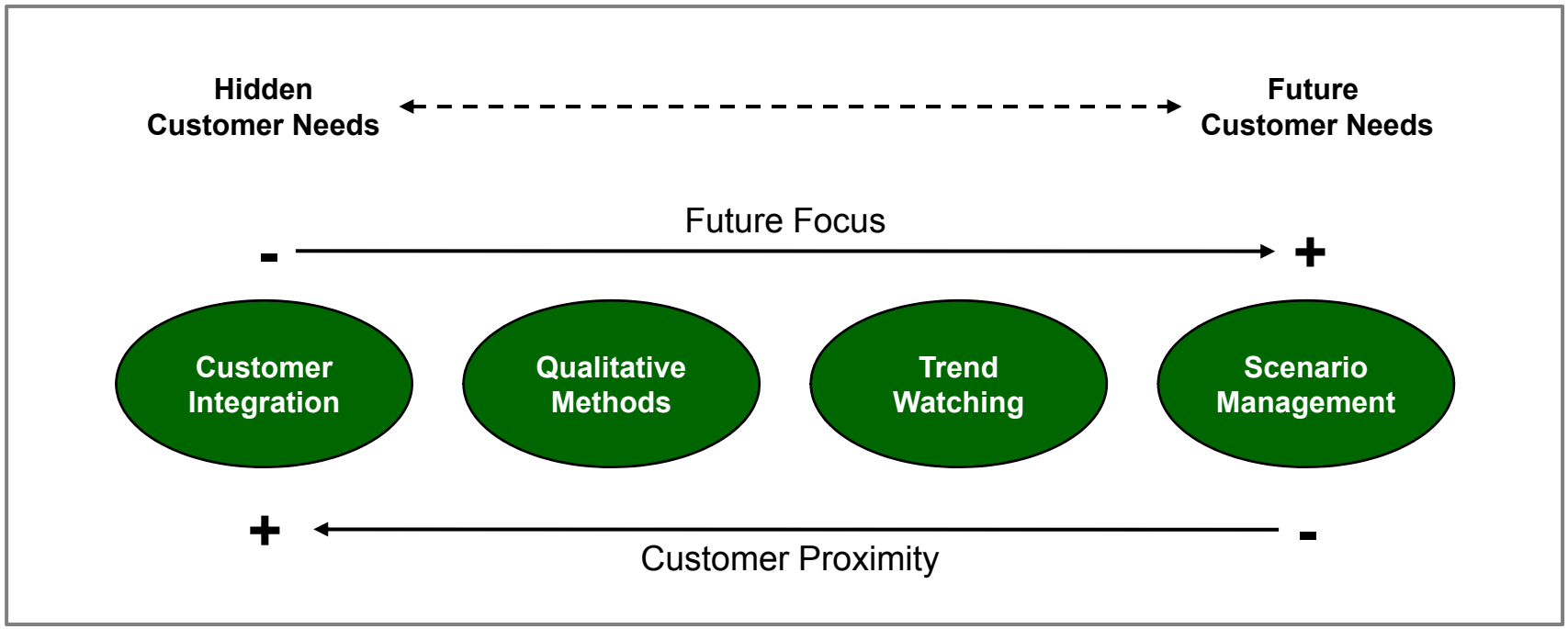
3. Knowledge: Addressing „Latent“ Customer Needs

It’s not the customer’s job to know what they want.
This is our job.



Source: Steve Jobs (Apple) 2007

Successfully addressing „Latent“ Customer Needs



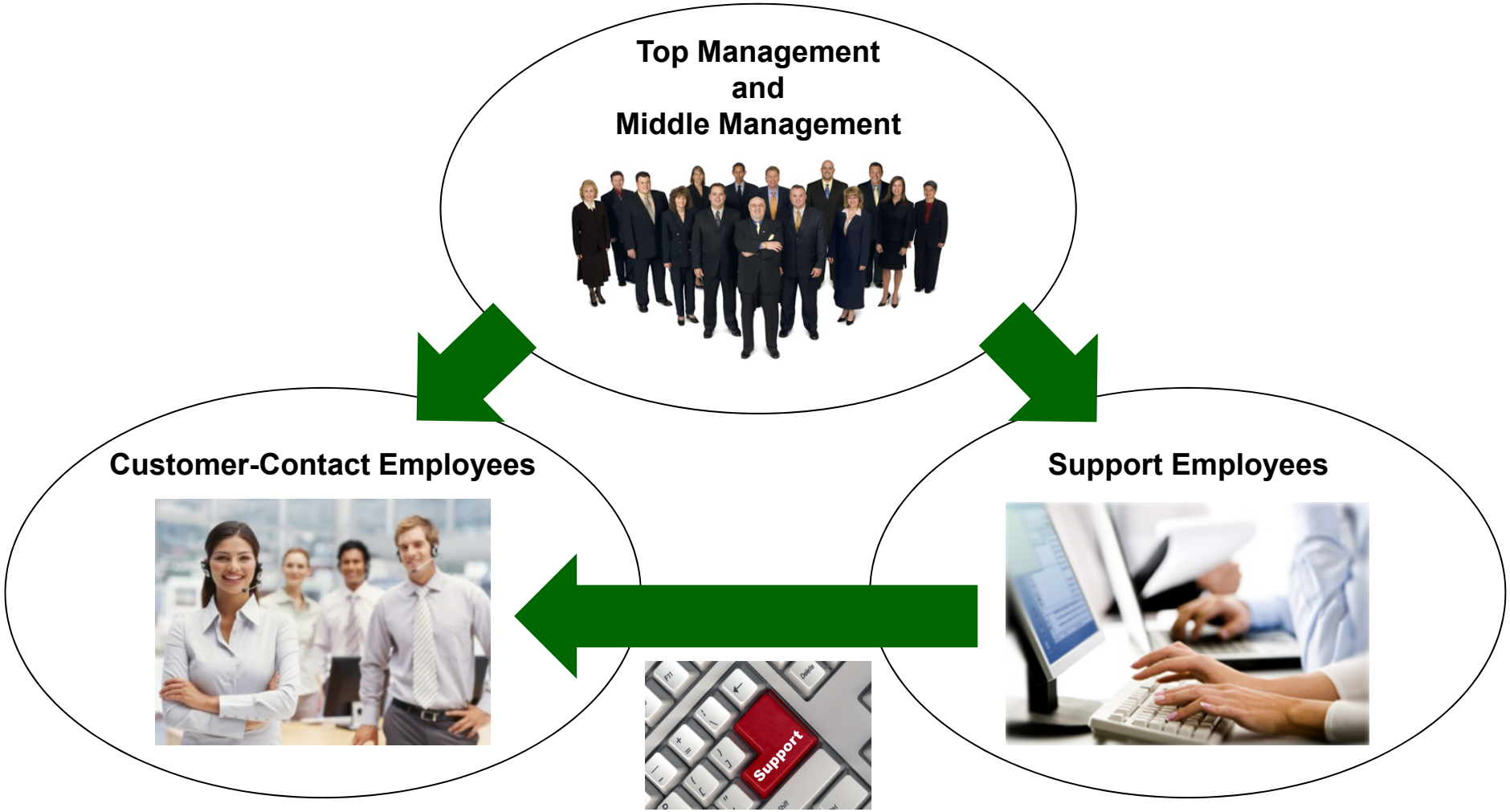
Explanation of innovative Methods of Market Research

- Integrate customers into early innovation stages to learn about the use of products and services.
- Use future-oriented focus groups with employees, experts and customers to gain insights into customers' latent needs.
- Monitor trends in society that signal changes in your customers' needs.
- Identify future customer needs with scenario management.

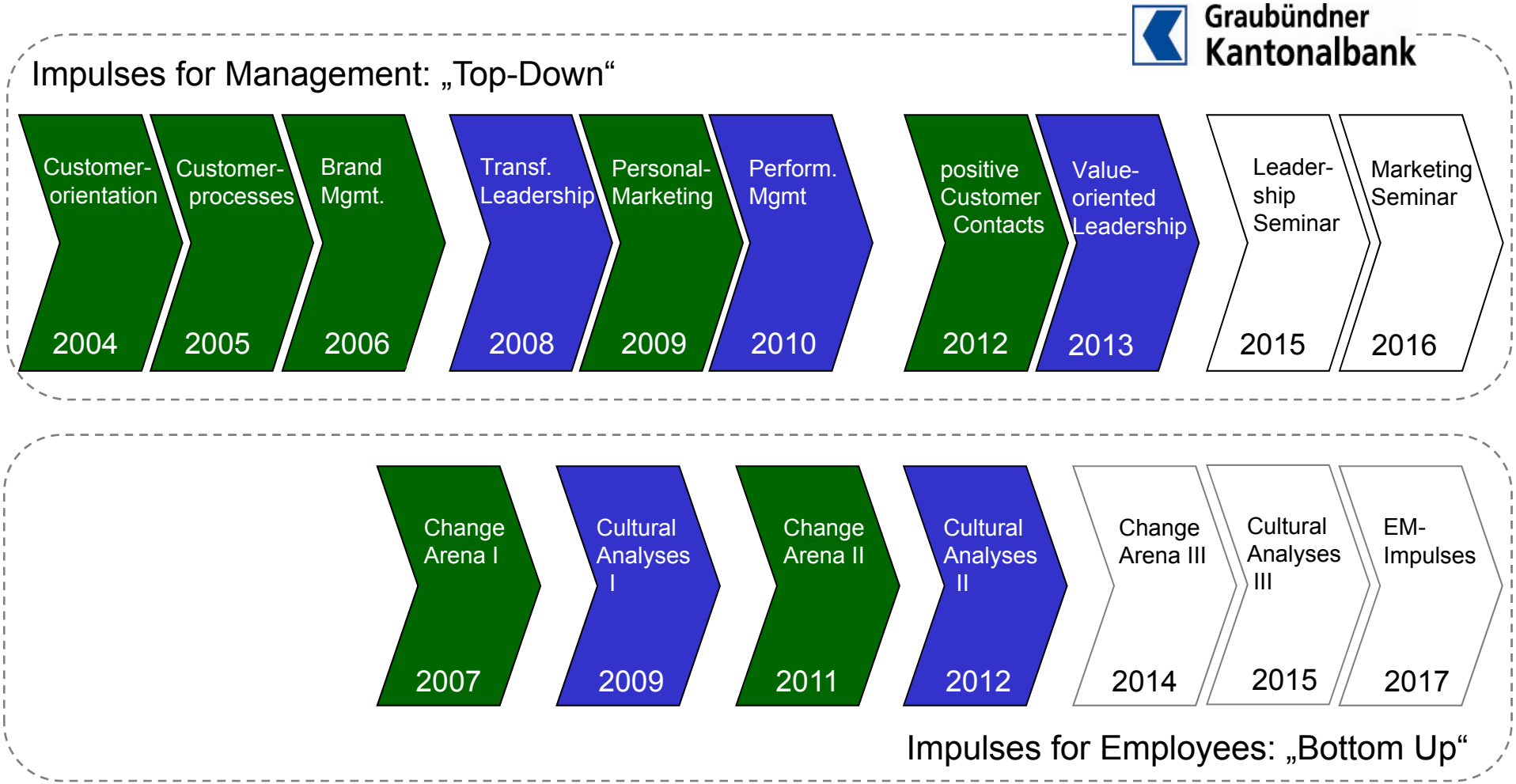
© Prof. Dr. Dennis Herhausen
University of St.Gallen
dennis.herhausen@unisg.ch

Source: Herhausen 2011

4. Culture: Customer Centricity comes to life, when all Employees live Customer Centricity!



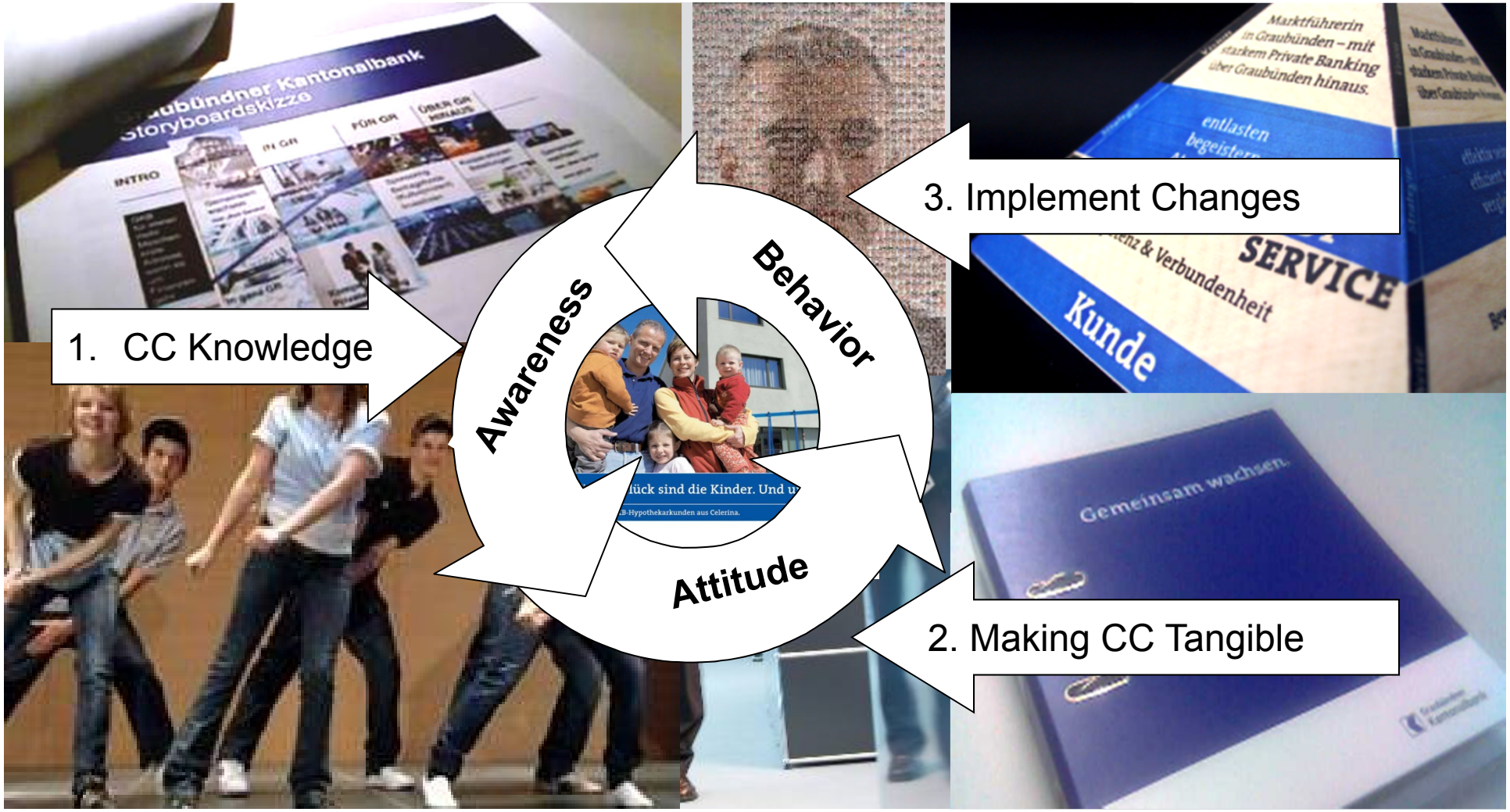
A long journey towards Customer Centricity…



© Prof. Dr. Dennis Herhausen
University of St.Gallen
dennis.herhausen@unisg.ch

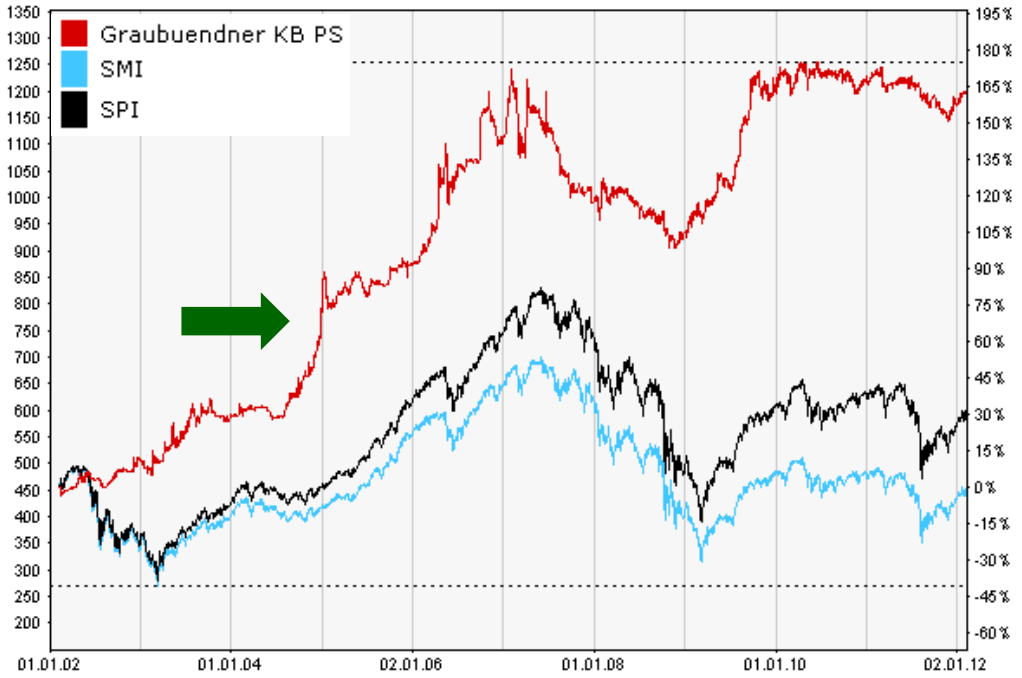
Source: Villiger (GKB) 2014

Impulses for Employees: “The Change Arena”



Market Valuation of Graubündner Kantonalbank

Graubündner Kantonalbank



Since starting the journey towards Customer Centricity, Graubündner Kantonalbank is much more successful than the average company within SMI / SPI.

© Prof. Dr. Dennis Herhausen
University of St.Gallen
dennis.herhausen@unisg.ch

Source: Villiger (GKB) 2014

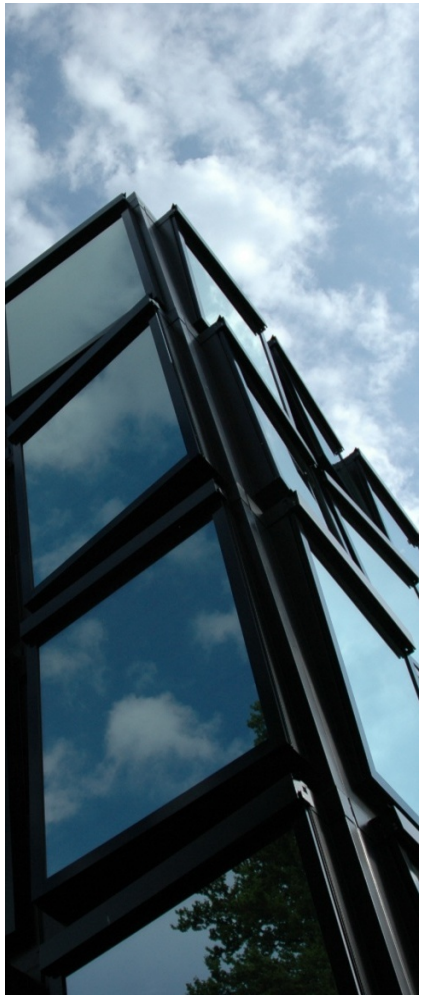
Take-Aways



Customer Centricity…

- defines value creation from the customer perspective.
- pays off (in particular) for B2B-companies.
- determines the strategy for the whole organization.
- affects all departments, divisions und processes within the company.
- pays attention to „latent“ and „future“ customer needs.
- comes to life, when all employees live Customer Centricity!

Contact



Prof. Dr. Dennis Herhausen
Assistant Professor of Marketing

Tel: +41 (0)71 224 28 59
Fax: +41 (0)71 224 28 57
dennis.herhausen@unisg.ch
www.ifm.unisg.ch

Institute of Marketing
University of St.Gallen HSG
Dufourstrasse 40a
9000 St. Gallen

Further Reading (*in German*): Creating a Customer-Centric Company



Die Schweizer Bankenbranche befindet sich in einem Strukturwandel. Das tiefe Zinsniveau, neue regulatorische Anforderungen sowie steigende Kosten stellen bewährte Geschäftsmodelle infrage. Zudem ist der Bankenmarkt gesättigt, verzeichnet geringe Wachstumsraten und ist von starker Konkurrenz geprägt. Den Banken stehen gut informierte Kunden gegenüber, die Produkte und Dienstleistungen kritisch prüfen und bezüglich Service, Kompetenz und Preis hohe Anforderungen stellen. In diesem verschärften Wettbewerb gewinnen kundenzentrierte Strategieansätze an Bedeutung. Für eine erfolgreiche Realisierung des Customer-Centricity-Ansatzes ist die Umsetzung durch die Mitarbeiter von hoher Relevanz (Schögel/Herhausen 2011). Denn im Dienstleistungssektor beeinflusst jeder Kontakt mit einem Mitarbeiter die Kundenwahrnehmung. In diesem Zusammenhang stellt sich die Frage, wie es gelingt, sämtliche Mitarbeiter im Unternehmen für die Customer-Centricity-Strategie zu gewinnen.

„Um Customer Centricity im Unternehmen einzuführen, ist – neben der Verankerung dieses Ziels in der Unternehmensstrategie – vor allem die Umsetzung durch die Mitarbeiter relevant."

Dr. Alex Villiger
ist Leiter Personal bei der Graubündner Kantonalbank, Chur, Schweiz
E-Mail: alex.villiger@gkb.ch

Prof. Dr. Dennis Herhausen
ist Assistenzprofessor und Projektleiter am Institut für Marketing, Universität St. Gallen (HSG), Schweiz
E-Mail: dennis.herhausen@unisg.ch

Prof. Dr. Marcus Schögel
ist Direktor am Institut für Marketing, Universität St. Gallen (HSG), Schweiz
E-Mail: marcus.schögel@unisg.ch

© Prof. Dr. Dennis Herhausen
University of St.Gallen
dennis.herhausen@unisg.ch