

The Success Factors for CUSTOMER CENTRICITY

BY GUNTER EBERLING



Globalization does not stop at any company. Small and large companies today must compete with the best in the world and hold their own in the face of competition.

At the same time, digitalization is making companies' services more transparent and competitive than ever. Customer expectations are constantly rising—and customer satisfaction and word of mouth therefore are increasingly determining the success of a company.

Which criteria do you use to decide on a new bicycle, an artisan, or the technical solution for your website? Your decision is probably based on the features of the bike, the services offered by the artisan, or the features you need for your website. However, you are likely to find at least two, if not more, bikes, artisans, or hosting providers that have the things you are looking for in a similar price range. You'll probably use reviews on the Internet to help you make the decision and ask your network—family, friends, and colleagues—for recommendations. In the end, you'll probably follow their recommendations.

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From a business perspective, this means that satisfied customers are valuable customers because they buy repeatedly and recommend your business to others. Conversely, dissatisfied customers can jeopardize the success of a company. Many companies struggle to focus on the customer and to align themselves consistently with customer satisfaction. Frequent reasons for this are:

- **Conflicting goals.** Even if the customer is important, in the “hierarchy of goals,” conversion and profit usually come first. Budget targets derived from profit and loss determine departmental and divisional targets.
- **Customer disconnect.** Customers appear as anonymous masses, described by key figures and statistics. Many top decision makers do not know the individual needs and real problems of the customers.
- **Lack of overall responsibility.** Large companies divide up work, creating departments specifically responsible for customer satisfaction. As a result, other departments primarily promote their own topics and do not actively strive to be more customer-oriented.

The larger a company, the more important it is to be customer-oriented in all areas and to be customer-centric in



all decisions. One department alone cannot achieve this goal. But how can this be put into practice?

MARKET ENVIRONMENT REQUIRES WILLINGNESS TO CHANGE

1&1 IONOS, where I work, has faced all the challenges described above. The company is a leading international provider of cloud infrastructure, cloud services, and web hosting with more than 8 million contracts and a product portfolio aimed at freelancers, small businesses, and consumers as well as enterprise customers with complex IT requirements. The portfolio includes domains, classic websites, and do-it-yourself solutions, from online marketing tools to full-fledged servers and IaaS solutions. But in the global, fast-paced hosting market, new, innovative players with an excellent digital customer experience are setting high standards, especially in the high-growth cloud segment. To be successful here, a company needs to validate the trust of its customers with a strong customer experience.

Internal analyses showed that 1&1 IONOS had good standings in the benchmark, but these were no longer sufficient to distinguish the company from its competition. In addition, the measurement methods provided too few starting points for concrete optimization, and the analysis cycle did not permit rapid changes.

To continue to grow successfully in the future, the company launched a comprehensive change process toward a customer-centric culture and way of working to meet the above challenges. The common goal was to increase customer satisfaction of the hosting division above the competitive benchmark.

THE INITIATIVE FOR MORE CUSTOMER SATISFACTION

With its broad product range, 1&1 IONOS serves extremely heterogeneous target groups and operates internationally in different cultures. To meet these complex requirements, executives decided upon a multistage approach, resulting in a broad portfolio of improvements that could be

implemented at the same time. The initiative for more customer satisfaction was based on four pillars:

- Customer satisfaction
- Promoting a change of perspective
- Feedback, feedback, feedback
- Personal responsibility for cross-functional teams

1&1 IONOS would refer to these four pillars to meet the challenges of customer disconnect, conflicting goals, and lack of overall responsibility.

Customer satisfaction. It is standard practice in most large companies to put customer satisfaction at the top of the brand pyramid and make it central to management guidelines and corporate strategy. This is good and sensible, but not sufficient to embed customer-centricity in the living corporate culture. Although it's often the ultimate goal, customer-centricity is often sacrificed in favor of short-term sales and cost aspects. This shakes employees' belief in the seriousness of this goal. Customer satisfaction must be defined as a clear priority, linked to comprehensible measures, with appropriate recognition of success.

The desire of 1&1 IONOS to become a customer-centric company became its top priority. The goal was to achieve a certain level of customer satisfaction, measured by the willingness of customers to recommend 1&1 IONOS to others. The incentive for the employees was a bonus share as part of the employee share program and linked exclusively to this one parameter. The result: the target set was not only achieved but also exceeded. On the way to this goal, employees implemented many small improvements in the interests of customers and the corporate divisions worked more closely together. The achievement of these

goals was acknowledged at an employee event and on the company intranet, which motivated employees and managers to further promote customer satisfaction.

Promoting a change of perspective. If the priority is clearly defined and understood, thinking from the customer's point of view must become routine. The demand on all products and processes should be to make them as simple and useful as possible for the customer. It is the task of management to define the level of requirements and to ask critical questions in order to encourage employees to do the same. For every decision, for every concept, the key question that must be answered is: What is it like from the customer's point of view? For example, 1&1 IONOS' conference rooms have reserved seats in each meeting for the "customer," serving as a constant reminder for employees to think from the customer's perspective.

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To integrate customer feedback, start meetings with examples of a negative and a positive customer experience for a product. This illustrates the topic, and the customer is automatically "in the room." Additionally, actively involve your internal experts: A round table with customer service employees provides valuable information from a variety of real customer conversations.

Take advantage of the power of repetition by recalling general recommendations for action again and again. For example, use sentences such as "Let's think backward from the customer," "What would the customer say to this?" and "What is still missing from the customer's point of view?" These questions are memorized and, if they are convincing, are passed on.

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And finally, don't just rely on statistics and anonymous survey results for analyses and concepts—talk to real customers. This does not always require an expensive focus group. As a decision maker, simply call a few customers yourself, or encourage everyone to spend a day in customer care. Nowhere else can customer questions, wishes, and problems be better understood. This is more convincing than any theoretical lecture. Last but not least, try your products yourself and take the customer journey. Even if it sounds banal, you often gain new insights into user-friendliness and collect ideas for improvements.

Feedback, feedback, feedback. Prior to the launch of its greater customer satisfaction initiative, 1&1 IONOS conducted a quarterly survey via email, mainly focusing on the willingness of customers to recommend 1&1 IONOS, customer satisfaction, and the reasons for these ratings. Although it was possible to infer from this whether the company generally improved or deteriorated in customers' opinion, there were no concrete suggestions for improvement. In addition, the response rate was often too low to apply statistically based methods for error-cause analysis. To better understand the customer, 1&1 IONOS realized it needed to change these generic surveys into precise questions at different steps of the customer journey.

Instead of relying on a generic ratings survey, 1&1 IONOS' customer service division began to ask customers directly and more frequently about what they specifically needed. As a result, this approach generated decisive feedback, which led to direct solutions such as extended training courses or tool optimization. This approach was subsequently applied to all relevant contact points in the customer cycle. 1&1 IONOS has deliberately kept the feedback process easy. Customers receive a simple quantitative question about their willingness to recommend the company or give it a five-star rating, as well as a qualitative question about the "why." They can evaluate in detail how satisfied they are with the company, the setup of the products, or the administration front end, and give feedback on the payment process or service quality.

Thanks to an intelligent tool, employees in the respective departments have direct access to the results. The concrete feedback on individual touchpoints is supplemented by comprehensive monitoring of customer feedback on social media channels and on rating platforms, as well as by classic surveys. This results in a holistic atmospheric picture for customer satisfaction.

1&1 IONOS found that it is important to obtain dedicated feedback from customers at as many points throughout the customer journey as possible, as this is the only way to improve the customer experience in a targeted manner.

Personal responsibility for cross-functional teams.

1&1 IONOS has decentralized responsibilities and enabled employees to monitor, develop, and implement

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improvements based on customer feedback. The transparency created and the direct reference to individual contact points ensure that the company today can learn better from the feedback from customers and significantly shorten the cycle between analysis, tests, and measures. At the same time, it strengthens the personal responsibility of employees. Cross-functional teams independently develop and implement optimization measures from the feedback regarding their contact point, which is an important factor for creativity and motivation. For example, the developers of the customer front-end team have changed from pure implementers to designers by developing and implementing their own ideas for improving user-friendliness based on customer feedback. The teams can then see from subsequent evaluations whether a measure works or not.

As a result of the initiative, the department for managing central customer satisfaction has also been given other tasks. It no longer prescribes measures for individual customer touchpoints, but provides comprehensive findings, keeps an eye on objectives, and initiates projects that further advance customer orientation in the company.

For example, a new systematic feedback process ensures that the suggestions and experiences of customer service employees are heard and answered. 1&1 IONOS managers participate in measures such as Gemba walks, an essential part of the Lean management philosophy, in which decision makers go where direct customer contact takes place. At 1&1 IONOS, when managers exchange ideas with the basic staff in the call center, they gain an impression of the daily work, can better understand challenges for customers and employees, and jointly initiate changes.

Those companies that take their customers' feedback seriously, look at things from the customers' perspective, and are willing to change can adapt their products and services to the customers' needs. Those that don't will find it difficult to be successful in the market in the long term.

This is why it is essential, especially for large companies, to consistently align with customers throughout the entire customer cycle and to transfer individual feedback modules into an overall picture. Yes, that's work. And yes, it can't be done overnight—it's a marathon, not a sprint. But anyone can start training for it today. 1&1 IONOS has come a step closer to the goal. [AQ](#)

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