POLITECNICO DI MILANO

School on Industrial and Information Engineering

Master of Science in Management Engineering



STRUCTURAL ORGANIZATIONAL STRATEGIES FOR THE TRANSFORMATIVE EVOLUTION OF B2B COMPANIES FROM PRODUCT CENTRIC TO CUSTOMER CENTRIC

Supervisor: Riccardo Mangiaracina

Co-supervisor: Sara Zagaria, Irene Galantini

Master Graduation Thesis by:

Ceballos Leonardo

Matr. 100986

Academic Year 2023/2024

INDEX

Abstract **4**

Executive Summary **5**

1. Introduction **13**

1.1 Contextual scenario: the B2B sector and the Customer Experience 13

1.2 Relevance of structural organizational models 14

1.3 Effect of a customer centric organization on go to market and sales strategies 16

1.4 Thesis objectives 17

2. Literature Review **18**

2.1 The functioning of the B2B markets 18

2.2 Customer Experience in the B2B sector 21

2.2.1 Customer Experience drivers: emotions, loyalty and satisfaction *22*

2.2.2 The Customer Experience management and strategy *25*

2.2.3 The influence of a customer centric organization in the go to market and sales excellence strategies *26*

2.3 The Six Pillars of Customer Experience 29

2.4 Customer Centric B2B structural organizational models for increasing CX 30

2.3.1 Organizational structure definition and elements *31*

2.3.2 Organizational culture definition and impact on the strategy *32*

2.3.3 From product centric to customer centric organizational macro structure *33*

2.3.4 Governing a customer centric organization mesostructure *36*

2.3.5 Governing a customer centric organization microstructure: The CX area structure and functions *40*

3. Research Methodology **47**

3.1 Research Design 48

3.1.1 The gap of the literature *48*

3.1.2 Research questions *49*

3.2 Literature analysis 49

3.3 Interviews 50

4. Empirical Analysis **54**

4.1 Classification of the interviewed companies 54

4.2 Macro structural organizational configuration 57

4.3 Meso and micro structural organizational configurations 59

4.4 Customer Experience governance 64

4.5 Customer centric structure configurations and their impact on GTM and sales excellence.... 65
5. Conclusions 69
APPENDIX A – Interview scheme 74
APPENDIX B - Customer experience metrics 76
APPENDIX C - B2B Customer Journey 81
APPENDIX D - GTM 7 Ps and their effect on CX 83

ABSTRACT

In the contemporary B2B landscape, competition is fierce, and customer expectations are soaring, necessitating a shift towards customer centricity. This thesis explores the imperative for B2B firms to adopt a customer centric mindset and the structural transformations required to achieve this goal. Drawing from a comprehensive review of literature and qualitative interviews with diverse B2B companies, this study examines the journey towards customer centricity. It identifies three distinct structural phases of organizational maturity, ranging from initial recognition to full integration of customer centric principles. Each phase is characterized by specific structural changes and strategic realignments aimed at enhancing the overall Customer Experience. In Phase 1, companies are in the nascent stages of transformation, with a limited commitment from top leadership. Phase 2 marks a significant shift towards customer centricity, with business units organized by customer segment and the establishment of dedicated Customer Experience departments. Finally, Phase 3 represents the pinnacle of customer centric maturity, with deeply integrated structures, robust CX departments, and advanced data management efforts.

The impact of these customer centric structural configurations extends beyond enhanced Customer Experiences. It influences Go to market strategies, sales excellence, and the overall competitive positioning of B2B firms. From product development to premium pricing, omnichannel strategies, and co-creation initiatives, a customer centric approach drives value creation and sustainable growth.

This thesis offers valuable insights into the journey towards customer centricity in B2B markets. By understanding the structural transformations and governance mechanisms driving this evolution, organizations can navigate the path towards enhanced Customer Experiences and sustainable competitive advantage.

EXECUTIVE SUMMARY

Context

As markets continue to evolve, the demand from consumers for more personalized and customer-centric experiences is growing at an unprecedented rate. This shift is not confined to the business to consumer sector alone; it is equally significant in the business to business context. Today, consumers wield considerable decision-making power in choosing which companies to engage with, influencing market dynamics more than ever before. In the B2B market, increased competition is compelling companies to prioritize customer centricity within their operations. B2B companies are recognizing that providing an excellent customer experience is no longer optional but essential for maintaining a competitive advantage. Business customers, accustomed to the advanced customer-centric approaches of the B2C sector, now expect the same level of personalization and service in their professional interactions. They desire to be treated with the same attentiveness and care they experience as individual consumers.

Within this context of evolving consumer expectations, it becomes critical to examine how B2B companies are transforming their strategies to meet these demands. Despite the burgeoning interest in customer centricity, current analyses of this topic have notable limitations. There is a pressing need for comprehensive studies that explore the specific ways in which B2B companies are adapting their approaches to foster customer loyalty and satisfaction.

Purpose of the study and the thesis structure

The purpose of this thesis is then to analyse the B2B market in terms of customer experience and customer centricity, focusing on how shifts in company strategies necessitate changes in organizational structures. This study aims to provide an innovative and exploratory examination of these dynamics. The Chapter 2 delves into the current functioning of the B2B market, its context in terms of customer experiences and customer centricity. This chapter also reviews existing models of customer-centric organizational structures and their influence on go-to-market strategies and sales excellence. By understanding these models, we can gain insights into how B2B companies are restructuring to enhance customer satisfaction and competitive advantage. In Chapter 3, the research methodology employed for the empirical work is detailed comprehensively. This section outlines the approach, tools, and techniques used to gather and analyse data, ensuring the robustness and reliability of the findings. Chapter 4 presents the results of the study, revealing the characteristics and maturity levels of companies in terms of their customer-centric

organizational structures. This analysis helps identify best practices and benchmarks for other companies seeking to adopt similar strategies.

Finally, Chapter 5 concludes the study by summarizing the key outcomes and their implications for the B2B market. This chapter synthesizes the insights gained and provides recommendations for companies aiming to enhance their customer-centric approaches.

Extant knowledge

In Chapter 2, the literature review examines existing academic studies on customer experience in the B2B context, with a particular focus on several key areas. These include the drivers of customer experience, strategies for customer experience management within organizations, and the foundational influence of a customer-centric organizational structure. The chapter also delves into the functioning of organizational structures, identifying crucial elements necessary for achieving a customer centric form.

According to the analysis conducted, customer experience in the B2B sector has become increasingly complex. This complexity arises from the need to consider not only the experiences of end customers but also those of intermediaries, depending on each firm's chosen distribution methods. Customer experience is intricately linked to the emotional responses of customers at any point of contact with the company, with satisfaction emerging as a primary driver. This satisfaction ultimately shapes the relationship between the supplier and the customer, ideally fostering loyalty and providing the selling company with a competitive advantage, as loyal customers are more likely to remain long-term partners.

To enhance customer experience and cultivate loyalty, companies are developing customer experience management strategies. These strategies focus on aligning all processes and structures around customer needs, emphasizing six fundamental pillars that are essential for creating a customer-centric organization.

1. Commitment: commitment of a company to deliver an excellent Customer Experience has to be 100% in terms of financial investment into the CX programs and projects, plus the company has to be patient and believe that such investment not only financially but of internal effort is worthy.
2. Fulfilment: an organization must be able to meet customer expectations consistently over time, not just once.
3. Seamlessness: refers to the fact that the service towards the customer has to be smooth and easygoing.
4. Responsiveness: responses to customer communications whether face-to-face, phone, email, text, webchat or letter must be prompt and timely.

5. Proactivity: going beyond the customer's expectations, always anticipating problems and opportunities with a high degree of proactivity and imagination.
6. Evolution: ways to deliver a positive Customer Experience must always change and improve.

Additionally, companies must implement structural changes to support this strategic shift. At the macro level by setting up the business units by customer segment, at the meso level by creating a specific customer experience department, and at the micro level by adopting a robust structure and roles to support the company's change by supporting the different areas, in the end such a structure has an impact on the company's culture which is also fundamental for leading the change towards a customer-centric unit.

The research methodology

Chapter 3 describes the specific methodology used for the research. As can be seen in Figure 1, after the literature review, a gap was found that could be filled by the research. In particular, it was found that there is very little academic information on the specific configurations that B2B companies can take at the structural level to make their organization customer centric. Thus, a process of contact, interviews and analysis of the interviews was carried out with respect to this specific topic. The methodologies then implemented within this thesis review were: (a) literature review, (b) construction of a research model, (c) qualitative interviews, and (d) analysis of the research model interviews.

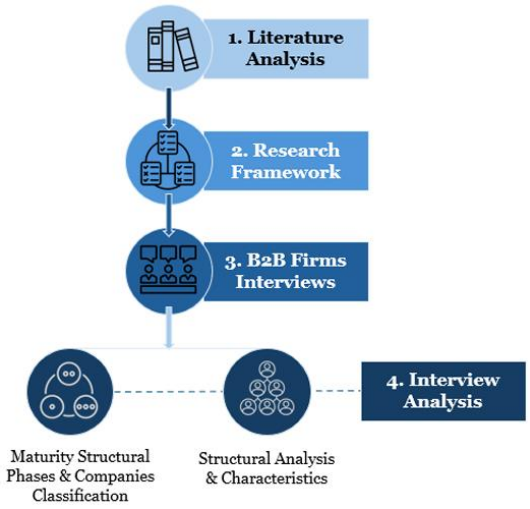


Figure 1. Thesis analysis schema

Empirical Analysis

In chapter 4, the empirical analysis was performed, and it aims to delve into and support literature findings on the structural strategies companies are adopting to achieve customer centricity and enhance Customer Experience. It identifies the different maturity phases companies experience during this transformation, detailing the structural changes at each phase, and examining the relationship with go to market strategies and sales excellence.

It became evident that among the 10 companies interviewed, there is a considerable variation in their progress towards becoming customer centric organizations See figure 3) . Some companies are at a more advanced stage of implementing structural changes, having been engaged in this strategic shift for several years. In contrast, others are just beginning this transformation. This disparity indicates that each company is at a distinct stage in their journey towards customer centricity. To enhance the understanding and classification, the insights and information gathered from these companies allowed to identify three distinct organizational structural phases (see figure 2) in the journey towards achieving a customer centric organization.

Customer centric variables	Phase 1	Phase 2	Phase 3
Segmentation Structure	Business units segmented by product	All business units segmented by customer segment	All business units segmented by customer segment
Organizational Structure	Absence of a dedicated customer experience department	Presence of a dedicated customer experience department with a dedicated budget.	Presence of a dedicated customer experience department with a dedicated budget.
CX Department Maturity	No CX department: Customer centric initiatives are developed by sales and marketing departments	Immature overall customer experience department structural configuration	Robust customer experience structural configuration
Data Management	Lack of data sources, data management systems and business intelligence	Basic data sources, data management systems and business intelligence	Advanced data sources, data management systems and business intelligence

Figure 2. Structural maturity phases towards customer centricity

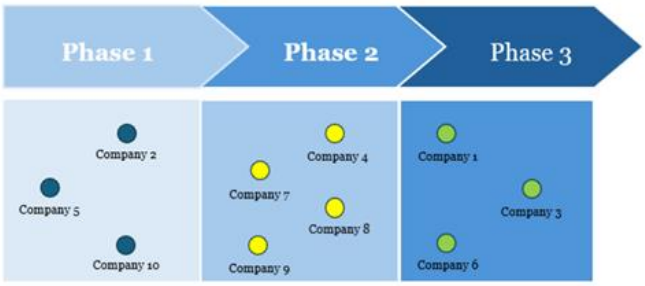


Figure 3. Firms maturity positioning

It can be seen from Figure 2 that the 3 phases at a general level of detail are composed of 4 variables that determine how advanced a firm is on its way to becoming more customer centric.

- **Phase 1:** Among companies in the early stages of transforming into customer-centric organizations, there is a notable lack of strong CEO commitment to prioritizing customers at the core of operations, which is evident in the absence of a dedicated Customer Experience department. Despite this, sales and marketing teams are working closely to understand and address customer needs. These companies are starting to consider reorganizing their business units by customer segment rather than by product, indicating an initial shift towards customer-focused strategies. However, the full integration of customer-centric principles across all organizational levels remains a work in progress. For these companies to advance, developing a robust CX department and securing stronger leadership commitment will be essential.
- **Phase 2:** In this phase, it is structurally evident that some business units are organized by customer segment, reflecting a significant shift towards a customer centric framework. This transformation demonstrates management's commitment to becoming a customer-focused entity, further emphasized by the establishment of a dedicated Customer Experience department. Although still in its early stages, the CX department marks a crucial step towards integrating customer centric practices, highlighted by the allocation of a dedicated CX budget for targeted initiatives. Additionally, the company is undergoing a digital transformation in data management, using advanced technologies to gain valuable insights into customer behavior, preferences, and pain points, thereby informing more effective strategies and decisions.

- **Phase 3:** In Phase 3, companies demonstrate a highly developed customer-centric organizational structure, with business units organized by customer segment for tailored approaches. A robust and comprehensive Customer Experience department, supported by a dedicated budget, ensures integration across all touchpoints of the customer journey, enhancing satisfaction and loyalty. Advanced data management and analytics capabilities allow these companies to gain deep insights into customer behaviors and preferences, enabling them to anticipate demands and personalize interactions. This phase also reflects a strong cultural commitment to customer-centricity across all organizational levels.

Moreover, the research identified two important configurations of customer centric organizational structures performed by phase 3 companies:

- **Configuration 1 - Hybrid CX HUBS:** companies at maturity Stage 3 develop sophisticated Customer Experience departments using a hybrid configuration. Each division has a CX HUB responsible for local initiatives, reporting to a global CX head. This structure ensures coordinated efforts and regional customization, with further subdivisions called clusters focusing on specific customer segments or regions. Specialized teams within the CX department address training, customer feedback, data management, and business intelligence, ensuring comprehensive support for customer centric strategies. It also shares Key Performance Indicators balance cost efficiency with customer satisfaction.

- **Configuration 2 - Journey Lead Model:** some companies use a more centralized Journey Lead Model, with a global CX department acting as a consulting service across the organization. This department designs and optimizes comprehensive customer journeys, ensuring consistency and high standards of customer experience across all markets. By working transversally, the CX department fosters a unified approach, breaking down silos and aligning all organizational parts in their customer-centric efforts. Teams within the department focus on different touchpoints of the customer journey and conduct workshops to improve regional customer understanding and handling specific situations.

These models represent important findings of the research, highlighting how different organizational structures can effectively embed customer-centric practices within B2B companies.

Research implications and conclusions

In Chapter 5, the findings from Chapter 4 are discussed and summarized, offering a comprehensive synthesis of the research outcomes. The main insights reveal that most B2B companies are still in the early stages of their strategic and structural transformation towards a customer-centric approach. Many of these companies have not yet implemented the necessary strategic changes in their structural elements to fully support this shift.

However, the analysis of the most advanced companies in this transformation process has provided critical insights. Identification of structural variables at macro, meso, and micro levels, which can serve as a guide for other companies striving to improve their customer centric strategies. These variables include:

1. **Segmentation Structure:** advanced companies have reorganized their business units by customer segments rather than by product lines, ensuring a tailored approach to meet the unique needs of each customer group.

2. **Organizational Structure:** these companies have developed a well-defined and sophisticated organizational structure that integrates customer-centric principles across all levels. This includes establishing a dedicated Customer Experience department.

3. **CX Department Maturity:** the maturity of the CX department is crucial. Advanced companies have robust CX departments with dedicated budgets and specialized teams, ensuring a comprehensive approach to managing customer experience.

4. **Data Management:** effective data management is a cornerstone of customer centricity. Advanced companies employ dedicated data analytics teams and leverage advanced technologies to gain deep insights into customer behaviors, preferences, and needs.

5. **CX Top Management Commitment:** Strong commitment from top management is essential. In advanced companies, the CEO and senior leadership prioritize customer centric values, driving the strategic focus on customer experience throughout the organization.

6. **CX KPIs Management:** implementing specific Key Performance Indicators that balance customer experience with the different areas interests like cost efficiency with customer satisfaction is critical. These KPIs ensure that Customer Experience is not compromised for the sake of reducing production costs.

7. **CX Training:** Continuous training and mindset development are vital for embedding a customer centric culture. Advanced companies have dedicated teams focused on training employees across all departments to prioritize customer needs and satisfaction.

These structural elements collectively create a framework for other B2B companies to follow in their journey towards becoming more customer centric. By adopting these best practices, companies can enhance customer satisfaction and loyalty, ultimately achieving a sustainable competitive advantage in the market. The insights from the most advanced companies provide a roadmap for this transformation, highlighting the importance of strategic structural changes in achieving customer-centric excellence.

1. INTRODUCTION

In today's competitive B2B landscape, companies are striving to differentiate themselves from the competition. With people inside B2B companies expecting experiences akin to those in the B2C sector, the importance of Customer Experience has surged in this sector. Consequently, businesses are strategically shifting towards becoming customer centric organizations. This transformation necessitates corresponding changes in organizational structure and governance to ensure its success, with a direct consequence in how the company goes to the market. Therefore, the objective of this thesis is to explore various structural and governance configurations that companies can adopt to support this strategic shift.

1.1 CONTEXTUAL SCENARIO: THE B2B SECTOR AND THE CUSTOMER EXPERIENCE

It is currently evident that there is a problem in companies with respect to the Customer Experience they are providing. B2B companies are well known for focusing their investments and efforts on making things run more efficiently. But when it comes to considering customer touch and emotions, they often undervalue the Customer Experience as a differentiator, placing greater emphasis on the quality of the product offered. This to a large extent can be a mistake as investing in Customer Experience can yield greater returns for a company.

Furthermore, many B2B companies focus on offering the most complete package of products when they are needed and where they are needed to win business. Nevertheless, this is insufficient in the current competitive landscape. The competition is self-evident: numerous companies now offer the right package, in the right location, precisely when it is required. Therefore, the distinguishing factor among them must be identified. B2B companies must cultivate unique differentiating factors to surpass their competitors and capture a larger market share. The key to this differentiation lies in the Customer Experience. Moreover, as mentioned by Purcarea, T. (2020) B2B buyers expect a more B2C-like CX, meaning also that the B2B buyer is undergoing a significant transformation, increasingly aligning their expectations with the seamless and personalized experiences they enjoy as B2C consumers. Today's B2B buyers expect the same level of convenience, responsiveness, and tailored service that they receive in their personal consumer experiences.

But delivering a high Customer Experience for B2B is not an easy task as companies must deliver the right Customer Experience in all the touch points with the customer and they have to be consistent over time.

Hague, P., & Hague (2023) observes that:

> *The single biggest challenge we have is consistency and reliability. Getting the perfect experience in B2B isn't a one-off. You have to be able to show, day in and day out, that you value the Customer Experience. In the B2B environment one bad experience can completely destroy the Customer Experience even if the previous 99 were very good. One of the things you've got to get right is how you get consistency and how you communicate it across the whole organization. The big question is "how do you get things right time after time."*

This statement underscores that delivering an exceptional Customer Experience requires the involvement of the entire organization, as every touchpoint plays a critical role. To meet the high expectations of today's B2B buyers, companies must ensure that all departments are aligned and committed to a customer centric approach.

In particular, customer centricity is by definition a business approach that prioritizes the needs and preferences of the customer at the core of the companies. This is mainly related to the organizational culture, structure, and processes of the firm (Ceesay, L. B. 2020). It involves a deep understanding of customer behaviors, preferences, and pain points to tailor products, services, and experiences that align with and exceed customer expectations. Essentially, it's about orienting the entire business around the customer to enhance satisfaction, loyalty, and long-term relationships, which in the end is totally related to the customer's experience in dealing with the company. For instance, "designing a Customer Experience management centered organization is fundamental to the overall management of Customer Experience. Aligning an organization toward a more customer centric approach is because of the important role of customer satisfaction in organizational performance and firm's long-term sustainability" (Ceesay, L. B. 2020). Firms must invest in customer value-seeking behavior, through effective organizational design.

1.2 RELEVANCE OF STRUCTURAL ORGANIZATIONAL MODELS

Organisations are "living" organisms that move in a competitive market where adaptability to their environment is fundamental for their survival. Therefore, organisations must be willing to generate changes in strategy to survive and be sustainable over time. Considering a potential shift for a company in the B2B sector to adopt a customer centric approach, this would represent a strategic change at the organizational level. Thus, the whole organisation components including stakeholders, culture, structure and so on, must adapt to a change and be all aligned to the new strategy in order to be successful.

In fact in the study of organizations management there are a few fundamental ideas that are considered to be true without needing proof. These are called axioms, that are basically the building blocks for understanding how organizations work and are essential for developing aun understanding of how areas in organizations are related to each other. The following two axes in particular are important to illustrate the importance of a coordination between the structure with a change in the strategy.

First, Janićijević N, (2017) observed that:

> *The axiom of consistency, harmony, and balance states that an organization is superior to other organizations if its components, dimensions, or characteristics are in accord with each other. Since an organization function through the interaction of its components, the consistency, harmony, and balance of the components ensure that the organizational functioning will be harmonious and without unnecessary friction and tension, and that the organization will be more effective and perform better.*

Such harmony defined by Janićijević in a company is a clear manifestation of a need in the alignment of the macro, meso and micro structures of a company towards the fulfilment of the strategy. "In simple terms, micro is the level of hierarchy at which an individual is the center of consideration. Meso is the level of a team. Teams consist of individuals but are identifiable entities of significant importance within their own right. Finally, organization is the macro level." (Janićijević N, 2017). If a company is shifting its strategy towards customer centricity and in turn trying to increase its Customer Experience, it logically follows that all 3 structures must be fully aligned with this strategy, a misalignment could be doomed to failure.

Second, Janićijević N, (2017) stated that:

> *The axiom of stability states that organizations are inherently inert, always strive to reach stability, and oppose change. Once internal consistency and harmony are achieved organizations have a tendency to remain unchanged, and hence they resist any kind of change that might jeopardize this harmony.*

From the axioms mentioned, it is seen that how a company is organized is very important. The structure must support communication and teamwork between different departments for a strategy change to succeed. To fully benefit from shifting to a customer centric approach and provide an excellent Customer Experience, a company needs to carefully review its structure.

1.3 EFFECT OF A CUSTOMER CENTRIC ORGANIZATION ON GO TO MARKET AND SALES STRATEGIES

After recognizing that a customer centric approach is a source of competitive advantage also for B2B contexts, it is important to see how this change of strategy and structure might have an impact within the processes of product/service introduction and sales, in a B2B sector. The concepts of Go to market (GTM), Customer Excellence (CE), mirror the stage of bringing a product or service to market.

In the Go to market phase, it is crucial for companies to adopt a customer centric approach, as it influences the overall Customer Experience. This phase, where a product or service is presented to the market, involves fine-tuning all variables to ensure that the offering reaches the right audience and addresses their needs. This involves meticulous steps such as identifying the market, understanding customer personas, customer journey, setting prices, determining distribution channels, promoting the offering, managing customer interactions, handling delivery processes, and creating a physical presence for customer contact. All these aspects can be personalized to reach customer needs, keeping the customer at the center and thus enhancing the Customer Experience. Then a change in the structure towards a customer centric organization will have a positive effect on the go to market performances.

Similarly, the concept of sales excellence, defined as achieving exceptional results and performance in sales by consistently surpassing targets, delivering outstanding customer satisfaction, and upholding high standards of professionalism and expertise, is closely tied to adopting a Customer Centric approach and more related to a B2B sector in which "reaching out to business customers requires a much different approach than reaching out to an average consumer; the sales cycle is much longer and more involved and often touches multiple decision makers in an organization" (Miller, M. 2012). The connection is that placing the customer at the core and by addressing the points of need during the ideation of the offering, enables the company to address customer pain points more effectively, ultimately leading to improved sales. Furthermore, by identifying and addressing areas of improvement within the customer journey, companies can significantly enhance the overall Customer Experience, leading to higher conversion rates. Thus, a critical strategy for achieving superior sales performance is to deeply understand the customer and place

them at the center of all efforts. This approach must be supported by a customer centric organizational structure that ensures every aspect of the business is aligned to meet and exceed customer expectations.

Understanding the impact of these two models is crucial for companies because, ultimately, their goal is to be profitable and outperform its competitors. By examining how a customer focused change in strategy and structure drives profitability and competitive advantage, B2B companies can clearly see the benefits of moving in this direction.

1.4 THESIS OBJECTIVES

The objective of this thesis is therefore to understand the different structural and governance configurations and strategies B2B modern companies are considering when performing a strategic shift towards adopting a Customer Experience management approach as they look towards to become a more customer centric organization. The findings of this study can assist organizations to better implement a customer centric strategic transformation initiative supported by a structural change towards improving Customer Experience and archiving its benefits. With a view to this objective, an in-depth study of what can currently be found in the literature will be developed. Plus, an empirical analysis will be carried out by interviewing important companies in the sector to investigate their experiences when performing the transformation.

2. LITERATURE REVIEW

Whenever companies in the B2B sector shift their strategy to a customer centric approach to enhance the Customer Experience, they must consider more than just a top-down directive. It is crucial to fully understand the various factors that influence and give context to this transformation. This section will study the key elements to consider in such a shift, starting with an overview of the current B2B landscape. Exploring what drives Customer Experience, the positive impacts of improved Customer Experience, and how to manage it within a company by adopting customer centric structures. Managing the Customer Experience requires a strategic approach to organizational structure. A discussion on how to implement customer centric structures that prioritize customer needs at every level of the company will be developed. Moreover, an evaluation of the impact of these customer centric structures on how the company approaches the market will be shown. Finally, exploring why the fundamental pillars should govern a customer centric organization.

By thoroughly understanding and addressing these considerations in the literature it will illustrate a context on how companies in the B2B sector can successfully perform a transition to a customer centric strategy and significantly improve the overall Customer Experience.

2.1 THE FUNCTIONING OF THE B2B MARKETS

Prior to delving into the intricacies of B2B Customer Experience, it is essential to gain a more comprehensive understanding of the operations and potential business models within the B2B environment. Let's start by defining what a B2B business means. According to the literature B2B pertains to the interactions occurring between two businesses. Simply put, it encompasses the exchange of products, services, or information among companies, distinct from transactions involving a company and a consumer. B2B transactions commonly exhibit greater size and complexity compared to B2C transactions, involving multiple decision-makers and protracted sales cycles. (Corsaro, D., & Murtarelli, G. 2024)

Moreover, two other more elongated models from B2B are mentioned in the literature. First, “B2B2C (Business - to - Business - to -Consumer), in which producer sells their products to consumers with the help of trading partners/distributors.

While compared to B2C that implies direct relationship between producers and consumers/users, B2B2C indicate their indirect relationship of which trading partners is the bridge. For example, e-commerce companies are adopting this new model by building their own logistics supply chain systems and providing a unified service.

Cai, L., He, X., Dai, Y., & Zhu, K. (2018) observed that an:

> *E-commerce comprehensive service platform based on B2B2C model has overturned the traditional e-commerce model, connecting manufacturers, sellers, and consumers together and fully integrating production resources and retail resources. The platform helps merchants directly act as sellers, pushing the business directly to consumers and shortening the sales chain. It also has a complete logistics system and selects the right logistics company based on the needs of consumers. Since many intermediate links are reduced, consumers can purchase satisfactory products at a lower price, and businesses can also obtain more profits.*

Second, "B2B2B. In this type of relationship, the first B refers to producer, the second to distributors/trading partners, and the last B refers to user firms" (Minh, H. N. T. 2012). Here a great example is Bill.com. Where an enterprise can manage their payments to vendors through Bill.com, who in turn has the vendors sign into their platform and create accounts. That vendor can now invoice/bill their future customers through the same platform (Oppenheimer, A. 2021).

As well in the B2B industry, it can also be found four different types of business-to-business connections:

1. Manufacturer-Distributor model: **"**it is a conventional B2B business framework, wherein manufacturers are tasked with crafting products and entrust distributors with the role of selling these products to end-users. Distributors shoulder the responsibilities of marketing, sales, and product delivery to the final consumers. This model finds frequent application in industries such as electronics, automotive, and pharmaceuticals. Manufacturers derive advantages from this model, allowing them to concentrate on product development and manufacturing, while distributors adeptly manage the intricacies of sales and distribution." (Pereira, Daniel. "What Is Business-to-Business (B2B)? Types and Examples 2023).

2. Manufacturer-Retailer: "it closely resembles the Manufacturer-Distributor model, with a key distinction: manufacturers, rather than depending on distributors,

directly sell their products to retailers. Subsequently, retailers are responsible for selling these products to end-users. This business model is prevalent in industries such as fashion, beauty, and consumer goods. This model grants manufacturers increased control over their brand and product pricing. The direct interaction with retailers allows for more hands-on management of brand representation and market positioning." (Pereira, Daniel. "What Is Business-to-Business (B2B)? Types and Examples 2023)

3. Manufacturer-Wholesaler model: "closely parallels the Manufacturer-Distributor model, but with a distinctive approach. Instead of depending on distributors, manufacturers directly sell their products to wholesalers, who subsequently distribute the products to retailers or other businesses. This model finds widespread application in industries such as food, beverage, and agriculture. Manufacturers can sell their products in bulk to wholesalers at a reduced cost, thereby enhancing their profit margins." (Pereira, Daniel. "What Is Business-to-Business (B2B)? Types and Examples 2023)

4. Service Provider-Client model: "represents a B2B business framework wherein service providers extend their services to clients in need. This model is prevalent in industries like consulting, legal services, and marketing (Pereira, Daniel. "What Is Business-to-Business (B2B)? Types and Examples 2023)

These various models illustrate the diverse types of relationships that a B2B company maintains. A B2B company must consider not only the experience of the end customers but also that of the intermediaries, adding complexity to the CX management process. This multifaceted landscape necessitates a more sophisticated customer centric structure to effectively address the needs of all stakeholders involved. As such, developing a comprehensive strategy that encompasses both direct and indirect customer interactions becomes crucial for achieving success in the B2B sector.

On the other hand, and as an historical context, trade among organizations has been present since the inception of organized entities. Consequently, this implies that B2B relationships have endured for thousands of years. "It took several centuries before business relationships gained a specific focus of scientific inquiry" (Carratu, V. (1987). "Since then, the field has undergone significant development and impressive change" (Hadjikhani A, LaPlaca P. 2013). There has been an era of change that the B2B industry has undergone due to the shift in business strategy from a purely economic theory-driven perspective to a more behavioral one within companies. Wanamaker in 1899, one of the most successful businessmen in the retail world, began to realize that there had to be a profit maximization between the buyer and the seller, between the manufacturer and the retailer, a purely B2B relationship. In

addition, Wanamaker said that most merchants at that time were not interested in satisfying their customers, but their objective was to maximize their profit.

The pursuit of maximizing profits was not seen as entirely aligned with the goals of encouraging repeat purchases, ensuring reliability, and promoting complete fairness. Moreover, and contrary to the dominant economic views of his time, he asserted that investments in his business were intended to cultivate repeat purchases, mutual benefit, and reciprocal interactions in the exchange between stores and customers. Plus, if mutuality of benefit was not sought, it would be very difficult to create a relationship.

Based on this exalted businessman's perspective, it is inferred that he was one of the pioneers in suggesting an approach close to what it is consider today as a corporate strategy towards customer centricity and Customer Experience. “He and some of his followers recognized the necessity of shifting their views from a transactional to a relational foundation. And he explicitly saw this affecting both the B2C and B2B aspects of his business, i.e., both the supply and demand chains” (cf. Gibbon, 1926). Unfortunately, it took the B2B industry more than 80 years after this initiative to take these concepts and start applying them, since 1890. Where today this development is seen as a paradigm shift from purely transactional thinking to one where the behavior and the relationship with the customer is appreciated.

2.2 CUSTOMER EXPERIENCE IN THE B2B SECTOR

In today's market landscape, consumers aren't merely seeking products; they crave distinctive encounters with brands. Emotions, alongside rational and cognitive factors, are pivotal since human beings are at the core of these interactions. Exceptional Customer Experiences leave a lasting impact, generating satisfaction and fostering loyalty. B2B is not the exception of these behaviors, companies are now emulating this approach, recognizing that individuals within organizations are influenced by both personal impressions and their company's economic interests. However, the B2B landscape comes with its own intricacies that require careful consideration.

This chapter delves into academic research on Customer Experience for the B2B context specifically, trying to understand they main Customer Experience drivers, effects and benefits, its management and, the effect on the Go to market and Sales Excellence strategies that provide the company with the final competitive advantage.

2.2.1 CUSTOMER EXPERIENCE DRIVERS: EMOTIONS, LOYALTY AND SATISFACTION

The experience a customer has with a company is totally linked to the emotions that are unleashed in each interaction with the company, at any point of contact, directly considering the functionalities of the product or service, the meaning or message that the brand is providing, or the visceral design that refers to the triggering of the various forms of people's senses.

Emotions need of course an event to trigger them. Adding unexpected delights and managing customer expectations becomes the key. For example if on a product delivery a company explains to the customer and gives them expectations of how long they should expect to wait to receive their order, the customer will not have a negative emotion if the order does not arrive as quickly as they thought it would and will additionally have a positive feeling of trust towards their supplier for taking the time to inform them and being completely transparent. In addition to setting expectations adding an unexpected delight such as a simple note denoting an interesting fact that highlights that they are dealing with the best supplier, can mark their experience as a positive one. This event should continue to change over time looking for relevant innovations to surprise the customer without falling into a monotony that ultimately results in something without value.

Not only just as emotions can drive a customer's experience, so can loyalty. Customer loyalty describes an ongoing emotional relationship between a company and its business customer, manifesting itself by how willing a customer is to engage with it and repeatedly purchase versus its competitors. Loyalty is the byproduct of a customer’s positive experience and works to create trust.

The above definition reflects that loyalty to a company can be closely related to the people who have contact with the customer inside the company. That is, normally the company that is acquiring the product or service (buyer) has a set of people or person in charge of purchasing from suppliers. It is clear that if these people have an excellent relationship with the seller, loyalty can make the difference between a purchase decision.

In B2B companies for example that provide software services, manufacturing castings or offer advertisement services, delivering an excellent Customer Experience is fundamental and the level of personalization and contact with the customer makes them generate and seek to have a great loyalty from them. To understand it better, if a supplier shows that it is considerably better than its competitors in its services, it can generate loyalty. However, competition in most markets today is quite high, which means that not only does having an excellent

product lead to customer loyalty, but there also has to be something else that makes the difference. Where there is a strong personal relationship between the supplier and the customer there is a high likelihood of high loyalty.

Hague, P., & Hague, N. (2023) stated that:

> *Loyal customers are your best salespeople. Loyalty creates devotion and devoted customers love to talk about suppliers and why they are so great. With loyal customers you hardly need salespeople. A customer who sings your premises and recommends you as a supplier has far more credibility than someone who you employ. A customer who is loyal returns time and again, and over a lifetime spends a significant amount of money with you. Loyalty brings with it value which, spread over a large number of customers, can be much more secure than a large corporate that services a small number of huge companies*.

This is an important element of the Customer Experience since, as has been described, it provides benefits to the company. Loyalty guarantees the company's sustainability over time and a competitive advantage over competitors. More specifically, loyal customers "include the margins both from repeated purchases of standard products and services and from purchases of new products and services. The latter often provide a margin premium. In addition, loyal customers may be less costly to serve than those who have not yet been trained on how to buy from a supplier" (Heskett, J. L. 2002).

Moreover, Ganesan has indicated that loyalty is generated by a sense of satisfaction, derived from previous experience and then constituting an attitude, is a positive emotional response to the result of a previous. Bae et al. have shared the idea that satisfaction is an emotional response to purchasing. Orel and Kara, focusing on the services industry, have held that "customer satisfaction describes the desired result of a service experience, including the assessment of whether the service has satisfied customers' demands and expectations" (Pei, X. L., Guo, J. N., Wu, T. J., Zhou, W. X., & Yeh, S. P. 2020). The sense of satisfaction and loyalty are very interconnected and both have a consequence in the company´s revenue growth and profitability as shown in figure 4.

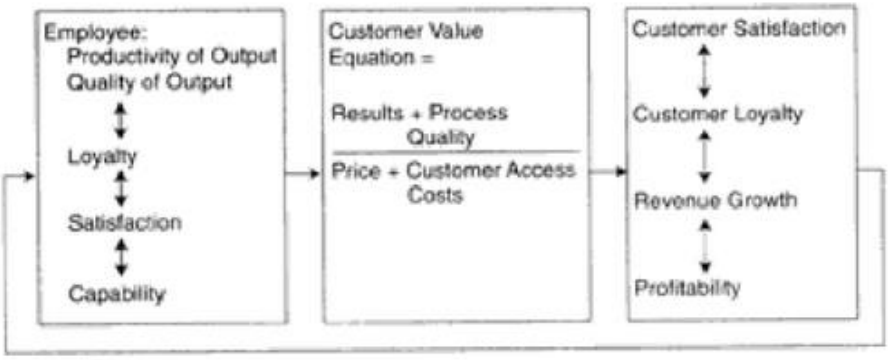


Figure 4 - The service profit chain, figure taken from Sasser, W. E., Schlesinger, L. A., & Heskett, J. L. (1997). *Service profit chain*. Simon and Schuster. p.23

Moreover, a powerful tool for visualizing the correlation between satisfaction and loyalty is the revenue at risk matrix (Figure 5). By leveraging the Net Promoter Score (NPS) satisfaction metric alongside responses to the question, "How likely are you to recommend us?" the level of customer satisfaction becomes apparent. It becomes evident that the most devoted customers fall within the satisfaction range of 8 to 10, coupled with a recommendation likelihood rating within the same bracket. This underscores a crucial message: loyalty isn't merely a result of being 'satisfactory'; it's forged through consistently exceptional experiences.



Figure 5 – Revenue at risk matrix, figure taken from Hague, P., & Hague, N. (2023). *B2B Customer Experience: A practical guide to delivering exceptional CX*. p.44

In essence, B2B enterprises aiming to elevate their Customer Experience must delve deep into the customer psyche, cultivating positive sentiments and lasting

impressions at every touchpoint along the customer journey. Understanding the customer's perception of their products and services is paramount. Every interaction, from the initial inquiry to post-purchase support, presents an opportunity to shape memorable experiences that resonate with the customer.

Furthermore, it's imperative to recognize that these experiences are intrinsically tied to customer satisfaction, serving as a crucial catalyst for fostering loyalty. When customers feel genuinely satisfied with their interactions, they're more inclined to not only continue doing business but also become advocates for the brand, recommending it to others. This positive feedback loop of satisfaction and loyalty can then fuel a formidable competitive edge and drive sustainable growth for the company. By prioritizing customer centric strategies and consistently delivering exceptional experiences, B2B firms can forge stronger bonds with their clientele, positioning themselves as trusted partners rather than mere service providers.

2.2.2 THE CUSTOMER EXPERIENCE MANAGEMENT AND STRATEGY

Peppers and Rogers (2005) observed that:

> *Customer Experience management (CEM or CXM) is a strategy that focuses the operations and processes of a business around the needs of the individual customer. Business should focus on the importance of Customer Experience. In simple terms Customer Experience management represents the discipline, methodology and/or process used to comprehensively manage a customer's cross-channel exposure, interaction and transaction with a company, product, brand or service.*

As mentioned in this statement by Peppers and Rogers in 2005, Customer Experience management is a task that must be carried out understanding all touchpoints relationships with the customer. This leads us to think about an organized way of understanding the different phases of a B2B customer's journey (see APPENDIX C) and how their experience and emotions are developed in the different touchpoints with the company. Then it is inferred that the entire organization is involved in providing a positive Customer Experience in the whole journey different touchpoints. All areas of the company must have a customer centric mindset; therefore it is of vital importance that this change of strategy towards a customer centric mentality to increase the Customer Experience is accompanied by an adequate organizational structure that can subsequently transform the way the company goes to market drastically.

Subsequently as mentioned in the statement the experience is also given by the interaction of the customer with the product, brand or service. Here, logically, companies must think that not only the interactions with touchpoints entail the

experience but also the direct interaction with everything that makes up the product or service, such as the price, the place of sale, the way it is promoted, etc. Which can be summarized in the components of a Go to market Strategy where a company should define the 7 P's (see APPENIX D) considering the customer as a center, so Customer Experience management is a strategy that focuses the operations and processes of a business around the needs of the individual customer by trying to understand the emotional and experiential side from a customer's lenses (Gauri, et al. 2008). Also is important to consider that the purchase phase of the customer journey plays a fundamental role in customer satisfaction, and this is where the concept of Sales Excellence comes into play by focusing it into a customer centric approach and in consequence impact positively the Customer Experience. All these elements at the end play a fundamental role in the customer journey and are influenced by the people within the provider company, then the structure and governance of a customer centric company must be focused on customer centricity and then, with that structure, go to the market, sell and have an adequate after-sales service for that strategy.

Managing the Customer Experience leads us to think about management variables that the company can control and should be harmonized to maximize all the benefits mentioned, which largely "creates a new breakthrough and lasting source of competitive advantage" (Puccinelli, M, Goodstein, C, Grewal, D, Price, R, Raghubir, P, and Stewart, D. 2009). In simpler terms, "Customer Experience Management is a coordinated effort to accomplish specific goals by improving the quality and consistency of customer interactions." (Paula, R. M., & Iliuţă, N. C. 2008)

2.2.3 THE INFLUENCE OF A CUSTOMER CENTRIC ORGANIZATION IN THE GO TO MARKET AND SALES EXCELLENCE STRATEGIES

Go to market Strategy (GTM) and Customer Centricity

The Go to market Strategy can be defined as "the decisions related to determine the how of the launch (Hultink, Griffin, Hart, & Robben, 1997) . Specifically, "a Go to market strategy defines how firms should compose bundles of Go to market strategy elements as information signals to encourage adoption" (Schuhmacher, Kuester, & Hultink, 2018). Additionally, Schuhmacher et al. (2017) define these decisions as related to the four marketing mix components of product, price, place, and promotion.

Upon closer examination, it becomes clear that the Go to market (GTM) strategy serves as the blueprint for how an organization introduces its products or services to the market. Yet, this strategy isn't a one-size-fits-all solution; it demands careful consideration of various factors that must be tailored to suit the target market. Thus,

conducting segmentation, creating customer personas, and mapping out the customer journey are indispensable steps in shaping an effective GTM strategy.

Crucially, the ability of a company to execute these elements is heavily influenced by whether it operates within a product centric or customer centric framework. As Schuhmacher aptly notes, the GTM strategy encompasses the traditional 4 P's of the marketing mix—product, price, place, and promotion. However, scholars like Khan (2014) have expanded this paradigm to include three additional elements, resulting in the 7 P's model: personnel, Process, and Physical Evidence. The interpretation of these elements hinges on whether the firm adopts a customer centric mentality, as it necessitates a comprehensive understanding of the customer's needs, motivations, and attitudes. From this deep understanding results the creation of customer personas and, consequently, the delineation of their unique customer journey. It's worth reiterating the intrinsic link between the GTM strategy and the overarching Customer Experience. By comprehending the customer on a profound level, companies can engage with them more effectively and align their offerings with their expectations across all 7 P's, thereby enhancing their overall experience.

To illustrate, let's consider the scenario where a company successfully embraces a customer centric strategy. By gaining invaluable insights into their customers, this company can strategically differentiate its products or services by precisely catering to customer needs. Ultimately, this enhanced understanding empowers the company to command premium prices for its offerings, as depicted in Figure 6.

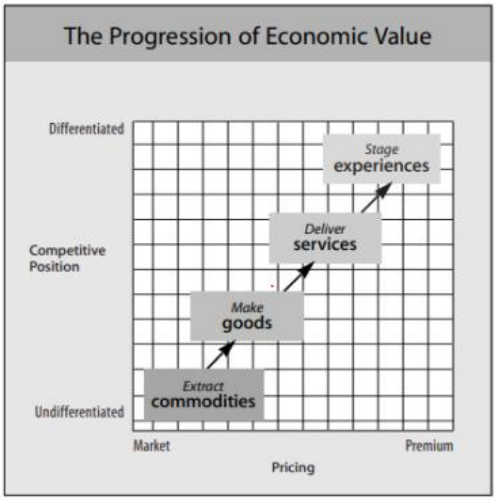


Figure 6 - The progression of Economic Value, figure taken from Pine and Gilmore (1998) p.98

Sales Excellence and Customer Centricity

As outlined by Willson, C. (2022), sales excellence isn't just about meeting growth targets; it's about consistently surpassing them. It acts as a measure to assess how well individual salespeople are doing and how successful the organization is at sealing deals. Achieving sales excellence hinges on a company's ability to deeply comprehend its target customers and tailor offerings to address their specific needs. By fostering an engaged sales team, where each member is adept at delivering a quality Customer Experience, companies can edge closer to this goal.

This idea of sales excellence goes beyond just the sales team and influences every part of the company that directly engages with customers. It underscores the synergy among people, processes, and tools driving sales activities. Notably, within the realm of the Go to market (GTM) strategy, the "People" component encompasses sales personnel, highlighting the pivotal role of a customer centric approach in their behavior. Thus, prioritizing products or services that align closely with customer needs becomes paramount in ensuring a positive Customer Experience. Moreover, it's evident that departments overseeing sales activities serve as pivotal touchpoints within the B2B Customer Journey, seamlessly integrating into various stages from Awareness to Return. As such, maintaining elevated standards of Customer Experience across these touchpoints is imperative for sustaining sales success.

Figure 7, as per Nagel et al. (2021), illustrates the evolution of sales excellence towards a more customer centric paradigm. This evolution underscores the growing importance of technology and relationships in driving improved results. The integration of advanced technologies like analytics and AI into sales activities has become crucial, marking a significant leap forward in enhancing sales performance. This final phase underscores the critical importance of assessing the impact of a company's digital transformation on its processes and its organizational structure, particularly in supporting the sales department's objectives.

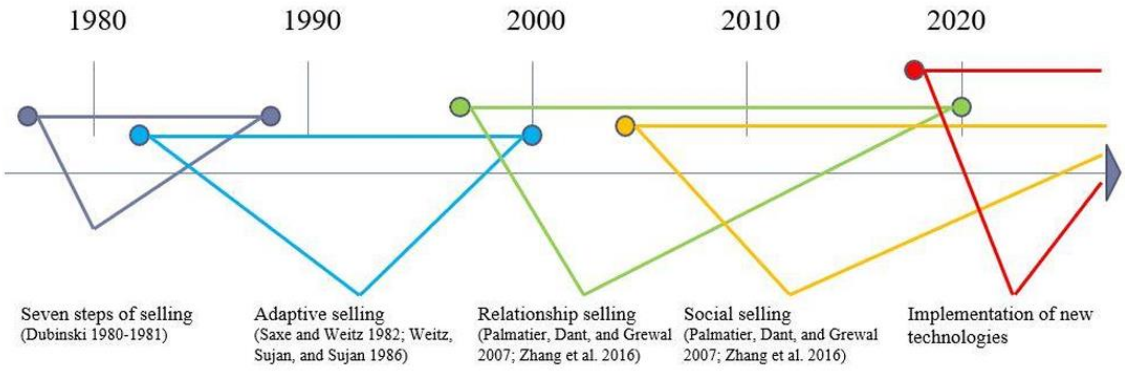


Figure 7. Nagel, Manuel and Fournier, sales journey in the B2B system business – The selling process and the sales organizational structure in the age of digital transformation. 2021

2.3 THE SIX PILLARS OF CUSTOMER EXPERIENCE

Some of the elements that constitute the Customer Experience with a B2B company have been described. However, it is also essential to understand the foundational pillars of a company's behavior to generate positive customer emotions. “Julia Doheny is a director of B2B International (Merkle B2B Insights), a company that specializes in business-to-business market research. From the many studies she has carried out, she has concluded that six ingredients should be included in any Customer Experience programme” (Cupman, 2016). These ingredients will increase the chances of success in enhancing the Customer Experience within a company.

1. Commitment: of course, the commitment of a company to deliver an excellent Customer Experience has to be 100% in terms of financial investment into the CX programs and projects, plus the company has to be patient and believe that such investment not only financially but of internal effort is worthy. Within the company the CEO and whoever is in charge of the CX area has to be committed to the cause. Meaning that the commitment comes directly from macro structural levels to micro structural levels of the organization. “In an ideal world, support for the Customer Experience programme should begin at the top.” (Sahni, N. S., Wheeler, S. C., & Chintagunta, P. 2018) Even if the company is going through difficult situations, the Customer Experience should not be put in doubt. This pillar is also seen as an important part of the culture of an organization, here the importance of being able to have ways to change the organizational culture towards a commitment pillar because without a properly established culture the strategy of the organization can be compromised.

2. Fulfilment: this is usually the most complicated pillar to comply, as mentioned in the introduction, an organization must be able to meet customer expectations consistently over time, not just once. The customer wants to see that what was promised is being delivered over and over again. This pillar normally falls on the people who have direct contact with the customer in an organization. The fulfillment of Customer Experience requires people who can empathize with the customer throughout the workday and can solve problems with a positive mindset and a focus on making the Customer Experience central.

3. Seamlessness: refers to the fact that the service towards the customer has to be smooth and easygoing. “Difficult companies are those that believe the complications of serving the customer should be shared with them. Customers are passed between departments, becoming frustrated and exhausted. Customers do not want to know about the internal difficulties faced by the company; they want a purchase process that is seamless and easy” (Hague, P., & Hague, N. 2023).

4. Responsiveness: responses to customer communications whether face-to-face, phone, email, text, webchat or letter must be prompt and timely.

5. Proactivity: this means going beyond the customer's expectations, always anticipating problems and opportunities with a high degree of proactivity and imagination. This will make the Customer Experience better. Customers expect the supplier to be one step ahead in understanding their needs with the product or service. Proactivity on the part of the company is reflected in check-in calls with the customer to find out if everything is okay or if they need something to talk about new features of the product or service provided and how this can complement the solution sought by the customer.

6. Evolution: ways to deliver a positive Customer Experience must always change and improve.

The implementation of these pillars can follow a logical sequence, as outlined by Hague, P., & Hague, N. (2023). It begins with fostering an organizational culture dedicated to the cause. Next, the focus shifts to taking action with the customer by ensuring a seamless fulfillment experience, with prompt responsiveness and proactive engagement. Finally, the organization must continually assess how to enhance the overall experience, which may involve implementing measures to improve any of the preceding pillars.

As Julia Doheny pointed out, these pillars serve as the guiding principles for new organizational models aiming for a customer centric strategy. The goal is to evoke positive emotions and enhance the overall Customer Experience. Therefore, any implemented organizational structure should align with and support these pillars.

2.4 CUSTOMER CENTRIC B2B STRUCTURAL ORGANIZATIONAL MODELS FOR INCREASING CX

“The right CX organizational structure and operating model setup will vary by industry and company, but there is a set of applicable archetypes.” Ehrlich, O., Fanderl, H., Malfara, D., & Mittagunta, D. (2022, june 28)

As discussed earlier in the introduction regarding the relevance of the models, it is crucial to deeply understand the concept of Customer Experience. Subsequently, it is necessary to analyze structural models that companies can implement to shift towards a customer centric strategy while enhancing the Customer Experience. Notably, there is limited literature on this subject, so this thesis aims to fill this gap through empirical analysis.

2.3.1 Organizational Structure Definition and Elements

According to Minterzberg. (1972) Organizational structure is the framework of the relations on jobs, systems, operating process, people, and groups making efforts to achieve the goals. Hold and Antony. 1991 states that structure is not a coordination mechanism, and it affects all organizational process. Organizational structure refers to the models of internal relations of organization, power and relations and reporting, formal communication channels, responsibility and decision-making delegation is clarified.

The organization then is a combination of elements, relationships between them and structure of relationships that make up a unit. The combination of these internal elements as a unit provides companies with a solid structure to achieve their organizational objectives and strategies such as becoming customer centric. Moreover, systematic view of organization to structure shows that structure is composed of hard elements on one side and soft elements on the other side.

- At the end of hard elements, there are tangible elements as groups and hierarchy organizational units.
- The relations between these units and groups show soft element in organization structure.

Furthermore, and according to Schine. 1971 three dimensions of an organizational structure can be identified:

- **Hierarchy Dimension**: shows who's higher up and who's lower down in the organization.
- **Functional Dimension**: defines all the different jobs and tasks that people do within the organization.
- **Inclusion Dimension**: this one looks at how close or far away each person is from the center of the organization.

When these three dimensions are combined, the formal structure of the organization emerges as an organizational chart. In planning the organizational structure, three principles should be considered to ensure its effectiveness.

1. **Formal Relations and Reporting**: the structure determines how people officially relate to each other and report within the organization. It also decides how many levels there are in the hierarchy and how much control managers have over their teams.
2. **Group Positioning and Unit Division**: it determines where people work together in groups within units, and how these units are divided across the whole organization.
3. **Coordination Systems Design**: the structure includes designing systems that coordinate all units effectively, ensuring smooth relations within the organization.

At the end the structure can be influenced by goals, strategies, environment, technology, and organization size. These factors are fundamental and provide a context for understanding the organization and its relationship with the environment.

Finally, it is important to mention again that in the management of a company 3 levels can be found. Macro, where the organization is seen as a whole. Meso, where the organization is analyzed at the team level, and micro where the individual is the point of consideration. Coordination between all the hierarchical levels of a company's structure is essential for the organization to move towards the same horizon, to follow the strategy and to achieve the objectives.

Understanding the importance of the structure towards the accomplishment of the strategy and its elements is important since the objective of this thesis is to suggest to companies' structural configuration to take into account when changing to a customer centric strategy.

2.3.2 Organizational Culture Definition and Impact on the Strategy

"Organizational culture, through its assumptions, values, norms and symbols, determines the way in which the members of an organization perceive and interpret the reality within and around their organization, as well as the way they behave in that reality" (Janićijević, N. 2012) Therefore, it can be inferred that the culture within an organization influences how the organization undergoes changes. Ensuring

alignment between the organizational culture and the strategy for change will enhance the effectiveness of the change initiative.

Moreover, according to Heine, I. et al. one of the most important levels to review within a behavioral organizational analysis is the person-organization fit which reflects the degree to which individuals belonging to an organization and the organization have the same set of values. “The more congruent individual values of, for instance, job applicants with organizational values, the better is the degree of fit” (Heine, I., Beaujean, P., & Schmitt, R. 2016). Likewise, the fit between the organization's corporate values and the strategy it pursues requires special consideration because if the fit is good, there will be a cultural congruence that will positively affect performance. Conversely, if a corporation were to implement a new strategy and it does not fit with the organizational values and culture, the adoption and performance of the new strategy may be compromised. “The efficacy of any strategic orientation depends on fitting organizational culture” (Heine, I., Beaujean, P., & Schmitt, R. 2016)

For instance, in a company with a culture dominated by flexibility, where employees view constant change positively, a strategic shift can be implemented with less resistance and greater employee involvement. Conversely, in an organization with a culture of stability and conservatism, employees may perceive change as harmful. While changes can still be made, they will likely encounter a certain level of resistance.

So, in this case when an organization tries to change its strategy to one more focused on Customer Experience and putting the customer at the center, it should be considered that there must be a change management process in the company's culture to ensure that it has a fit with the new strategy and maximize the success of the adaptation of the new strategy.

2.3.3 From product centric to customer centric organizational macro structure

Starting with the most basic changes the industry has been undergoing since the 2000s in terms of a quest to become an organization that cares about the customer and wants to positively impact it. Initial changes in the organizational structure according to Homburg, C. et al. 2000 happen on the basis of how the business units are set up. Moreover, quoted by Cespedes (1989), there are three main bases for defining strategic business units product groups, geographical regions, and

customer groups. A customer focused organizational structure is characterized by grouping customers based on factors such as industry, application, usage situation, or other non-geographic similarities to organize the organization. Conversely, a product-focused organizational structure organizes the organization primarily based on groups of related products. And a geographically focused organizational structure is one where the organization is primarily organized based on geographical territories.

So, “we view a customer-focused organizational structure as an antecedent to and as a facilitator of "market information acquisition and dissemination and the coordinated creation of customer value" (Narver and Slater 1990:21), that is, market orientation. Based on these statements it can be concluded that a first model to change the organizational structure of a company is to move it from having product-focused or geographical focused business units to customer-focused business units, all of this motivated by the need to come closer to the problems the customer is trying to solve. (Figure 8)

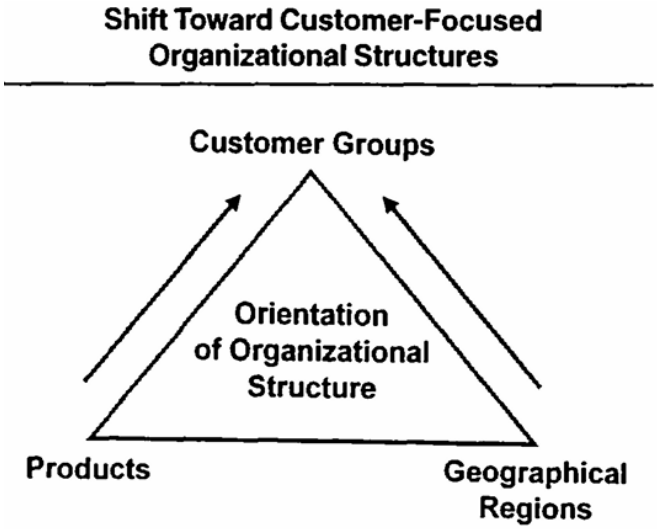


Figure 8. Homburg, C., Workman, J. P., & Jensen, O. (2000). Fundamental changes in marketing organization: The movement toward a customer-focused organizational structure. *Journal of the Academy of Marketing Science*, *28*, 459-478.

In a product-focused organizational structure, sales personnel primarily specialize in specific products and are usually designated to a single product-focused strategic business unit (SBU), responsible for selling to all customers within that SBU. The updated organizational approach aims to empower sales representatives to analyze the industry’s value chain more effectively and to tailor offerings based on this understanding. Conversely, in a customer-focused organizational structure, it's

typical for the sales team to sell all product lines offered by the company while being assigned to a particular customer segment.

Additionally, the study by Homburg, C. et al. (2000) illustrates three specific contexts in a product centric approach that drive companies to shift towards this model, as shown in Figure 9 (contexts 1-3). Conversely, the figure also highlights the practices companies are adopting to transition to a customer centric structure (practices 4-6).

1. First, product proliferation, there is a growing need from customers in terms of solutions they are seeking, so companies need to create emphasis in personalization and customization. A product-based model is limited to understand the customer to provide this customization they need, on the contrary by moving to a customer centric, the customer divisions will be able to better understand the needs insights of the market to provide those personalized products that customers need.
2. Second, a need by companies on providing targeted support at the category level, companies can enhance their relationships with resellers and ensure that their products receive optimal exposure and representation in the marketplace.
3. There is an increased importance of services in developed economies, with many major firms receiving more profits from services than from products. (Homburg, C., Workman, J. P., & Jensen, O. 2000). So, companies transitioning to services need to have strong customer relationships, customization and personalization, and ensure appropriate value in use by the customer.
4. Companies change how they organize their sales teams. Instead of focusing on selling one product, they're grouping customers together, often by industry, to offer them solutions that combine products and services from different parts of the company.
5. After organizing by industry, companies are assigning special managers to handle important customers. These managers act as the main contact for those big customers and sell them everything the company has to offer.
6. Finally, as companies shift their focus towards customers, they're moving their marketing teams and resources away from just promoting products and towards serving the needs of specific customer groups.

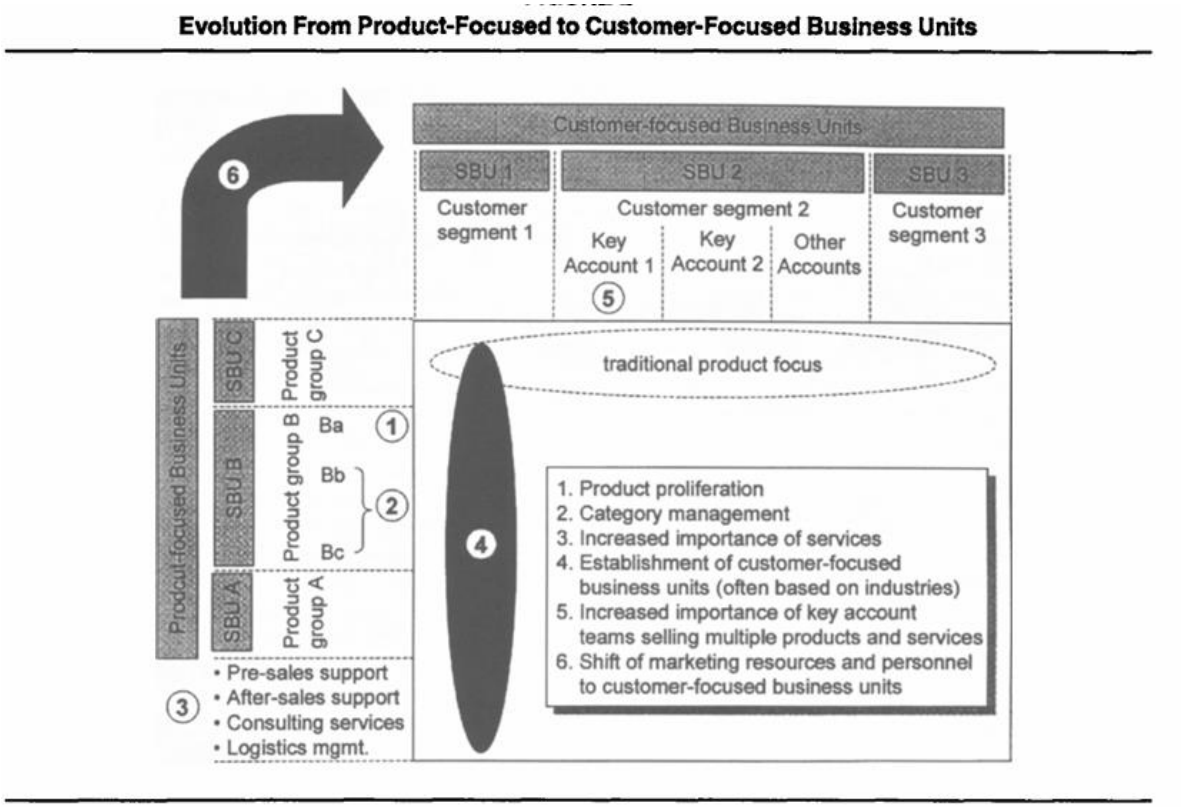


Figure 9. Homburg, C., Workman, J. P., & Jensen, O. (2000). Fundamental changes in marketing organization: The movement toward a customer-focused organizational structure. *Journal of the Academy of Marketing Science*, *28*, 459-478.

In conclusion, the model described above give us an initial macro level guide on how the structure of an organization should be adequate to be in line with a customer centric approach, moving from focusing the business units by product to focus them by customer segment, this will allow the company to provide a more personalized services or products.

2.3.4 Governing a Customer Centric Organization Meso Structure

An important study developed by McKinsey consulting firm states that the Customer Experience is influenced not only by the product or service purchased but also by all the touch points during the customer journey, especially in a B2B industry where the CJ is a bit longer. Therefore, "providing a seam- less Customer Experience thus begins with the customer's perspective at the center of the organizational structure and requires all parts of the organization to work together in lockstep. The same holds true for customer journeys that take place across geographic regions or even

across brands as part of the same organization" (Bhattacharjee, D., Müller, L. H., & Roggenhofer, S. 2016).

Thus, a customer centric leadership structure needs to:

1. Report at the end to the CEO and should aim at encouraging collaboration across different departments.
2. Leaders need to dedicate themselves to exhibiting the desired behaviors and setting an example for achieving Customer Experience objectives among frontline employees, continually refining and reinforcing these objectives in the long run.
3. Lastly, establishing appropriate metrics and incentives is essential for uniting traditionally separated departments into efficient cross-functional teams.

According to Bhattacharjee, D. et al. (2016) the following elements/steps must be considered in order to reach that Customer Experience organization:

1. Create a specialized CX team enables a company to consistently prioritize Customer Experience across different segments, brands, regions, and departments. Based on McKinsey observation, a permanent Customer Experience team comprising 2 to 20 members typically proves adequate, irrespective of the company's scale.
2. The CEO needs to actively prioritize Customer Experience, recognizing the necessity for cross-functional collaboration. Means that wherever the CX area (team) is positioned, the final report on the area's activities and performance must go directly to the CEO.
3. Appoint a CX leader or a Chief Customer Officer in charge of the area. This brings numerous benefits such as emphasizing the significance of Customer Experience within the organization, maintaining a consistent focus on Customer Experience in all company activities, and implementing a framework that prioritizes the customer's perspective. However, the challenge lies in the fact that the CCO assumes responsibility for managing the Customer Experience and therefore needs to align with and garner robust support from the executive team and lower levels to effectively handle the cross-functional aspects of the customer journey.
4. Locating the CX area within the organization and to whom it will report directly is important and can have different consequences as shown in figure 10. However, McKinsey recommends that the CX area should report directly to the CEO, as placing it under some other C-suit can lead to a lack of priority and responsibility from other parts of the organization. (Bhattacharjee, D., Müller, L. H., & Roggenhofer, S. 2016).

Moreover, according to Walters, J. (2023) if a company decides to locate the CX are under a functional leader it can have some options with it the benefits and disadvantages:

Under Marketing:

Benefits:

- Easy access to understand and utilize customer feedback, behavioral analytics, and market research.

Cons:

- There's a risk that the various tasks and responsibilities of marketing may take precedence over focusing on providing a good experience for customers. This could mean that efforts to understand and meet customer needs might not receive as much attention or priority as they should.

Under Operations:

Benefits:

- Effective when organizations value operational efficiency. It is easy to identify how to get to a better CX when the operations department identify weaknesses.

Cons:

- There might be a conflict if the COO is interested on lowering costs and improving internal processes.

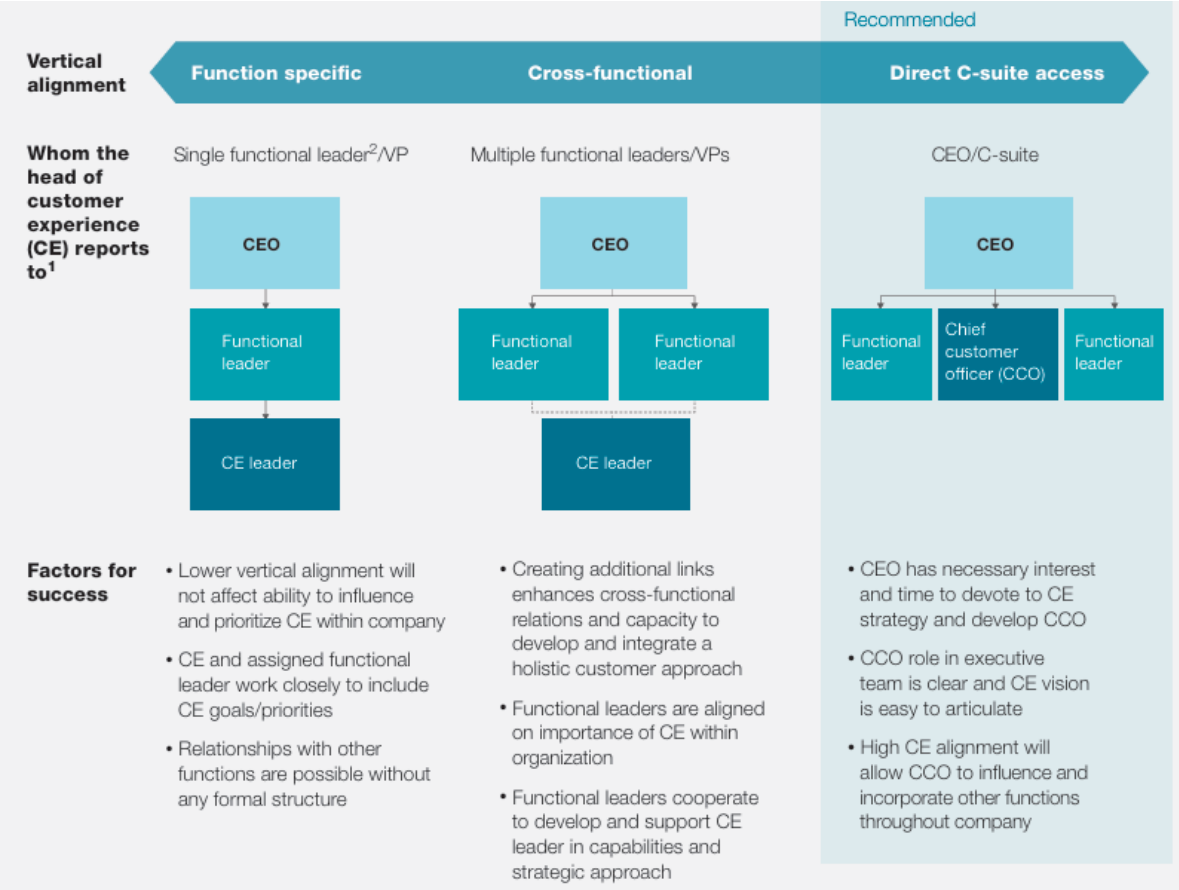


Figure 10. Bhattacharjee, D., Müller, L. H., & Roggenhofer, S. (2016). Leading and governing the customer centric organization. Mckinsey.com; McKinsey & Company.

Moreover, culture is an important aspect to consider, "How senior leaders embrace an organization's customer orientation is at least as much a critical factor in the success of such efforts" (Bhattacharjee, D., Müller, L. H., & Roggenhofer, S. 2016). In this case or in any other case where a change in the company's strategy is taking place, the organizational culture may contradict this strategy and may slow down organizational changes or influence organizational decisions. That is why it is important to have a cultural transformation as well. McKinsey provides the following steps for such a transformation:

1. Fostering understanding and commitment among employees and managers: It emphasizes the importance of fostering understanding and commitment among employees and managers regarding customer satisfaction's financial impact. Illustrates a scenario where a lack of awareness about the financial value of improving customer satisfaction led to limited progress in a Customer Experience transformation.

2. Reinforcing new behaviors through formal mechanisms: highlights the importance of reinforcing new behaviors through formal mechanisms, emphasizing the effectiveness of nonfinancial recognition schemes over financial incentives. It mentions the example of recognition cards distributed by senior leaders in an international airport, which employees proudly carried and displayed. The management extended this recognition across functional and organizational boundaries, rewarding exceptional efforts, such as assisting stressed passengers. Additionally, showing teams the direct impact of their actions on customer-satisfaction scores helps employees understand how their contributions influence the overall Customer Experience, thus supporting the adoption of new behaviors
3. Developing capabilities and skills: it emphasizes the importance of developing capabilities and skills among managers and employees to foster a customer centric approach. Training should begin with the understanding Customer Experience rules and associated behaviors. Establishing an overarching framework outlining key principles for a good Customer Experience, such as safety, courtesy, friendliness, and efficiency, is essential.
4. Metrics: its important "setting up metrics and targets that steer cross-functional collaboration at all levels of the organization. Metrics and targets can enable collaboration that supports the continuous delivery of superior Customer Experience" (Bhattacharjee, D., Müller, L. H., & Roggenhofer, S. 2016). Since KPIs are a factor that influences the behavior and performance of employees and therefore forges an organizational culture, it is important that CX indicators are on par with operational indicators and should be explicitly linked to financial impacts. CX indicators such as recommendations, unacceptable customer incidents, and journey satisfaction scores. This makes employees ultimately responsible and accountable for the Customer Experience.

2.3.5 Governing a Customer Centric Organization Microstructure: The CX area Structure and Functions

"The way your Customer Experience (CX) team is organized can be the difference between success and failure" (Staikos, B. 2022).

According to a research developed by Medallia there might be 4 different types of organizing the Customer Experience department within a customer centric organization.

1. Centralized Model

Structure:

Is based on having a central CX team for the entire organization. Also, know as the CX center of excellence.

Functioning:

The specific team is a decision-making authority for program development and enhancement initiatives as shown in figure 11. Tasks like managing budgeting, change management, analytics, test-and-learn projects aimed at redesigning customer journeys, enforcing best practices, and overseeing governance are all centralized in this team. Moreover, it is also responsible for facilitating discussions both internally and externally to determine appropriate actions to be implemented. Also, "it focuses on equipping various departments with the tools, methodologies, and knowledge they need to excel in their own CX efforts. Its core objectives include creating a unified vision of exceptional Customer Experience, encouraging cross-departmental collaboration, and driving a consistent, superior CX across all customer touchpoints" (Walters, J. 2023)

Benefits:

- Easy decision making
- Faster Execution
- Strong connection to business
- Well-defined and easily identifiable responsibilities and obligations within the CX Team

Cons:

- Inflexible behavior and autocratic leadership
- Centralized teams can hinder creativity and can impact local teams' abilities to drive action more quickly.
- Lack of accountability of the experience from business stakeholders, since in this model the "experience" is owned by only that specific team.

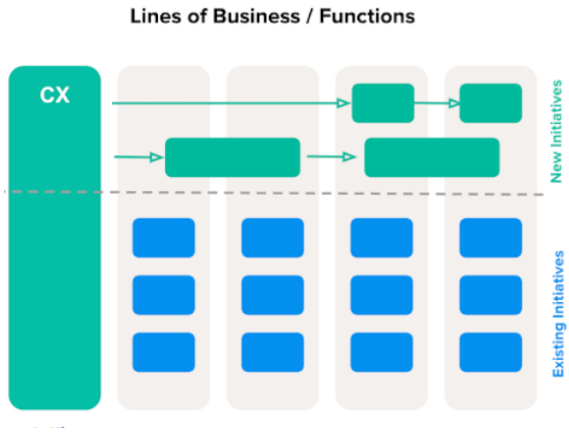


Figure 11. Staikos, B. (2022). CX organizational structures that work: Choose the best model for your business. Medallia Customer and Employee Experience Blog

Microstructure of the CX team:

This centralized structure is also explained with some variations by a study conducted by the consulting firm McKinsey and Ehrlich, O. et al (2022) where they suggest the creation of a central cross-functional CX department called CX center of excellence. At its core, this department operates most effectively when granted authority, budgetary resources, and a direct reporting line to a board member within the organization. For enabling the proper execution of the functionalities, the following internal CX department microstructure must follow (Figure 12)

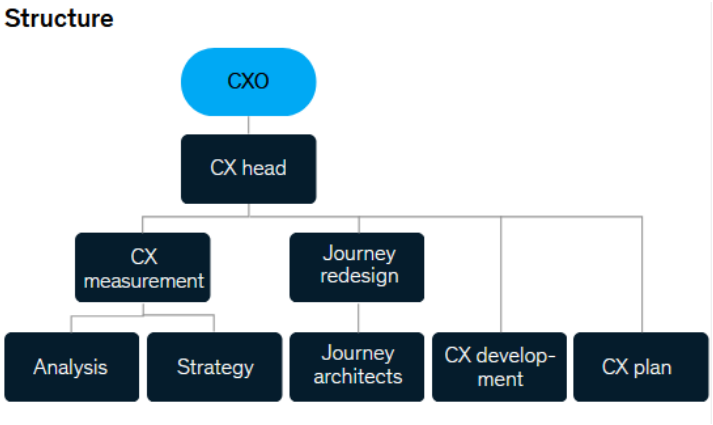


Figure 12. Ehrlich, O., Fanderl, H., Malfara, D., & Mittagunta, D. (2022, june 28). How the operating model can unlock the full power of Customer Experience. McKinsey & Company.

2. Decentralized Model

Structure:

Every line of business has its own CX Area. Within each line of business, there are designated program owners for Customer Experience, with decision-making and program implementation centralized within each distinct silo. (see figure 13)

Functioning:

Each team is responsible for supporting both new and existing initiatives tailored to that particular LOB. Moreover, according to Staikos, B. (2022) Budgets for Customer Experience initiatives can be shared across functions; however, as each business manages its own Profit & Loss, this is not common. Each business manages its own budget for CX resources, technology, and initiatives.

Benefits:

- Flexibility to address business-specific needs.

Cons:

- Lack of a shared CX vision and strategy by the CX distributed groups.
- Lack clear executive sponsorship.
- Redundant actions, investments, and processes (inefficiencies) due to that each business pursues its own Customer Experience initiatives independently, lacking a shared strategy.
- Different sensations from the customer when dealing with the different LOB of the same company.

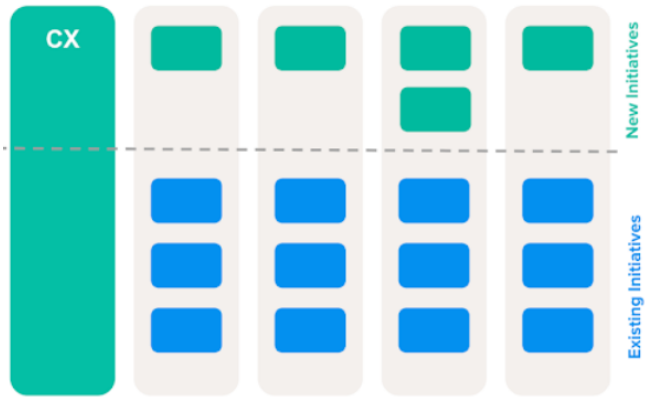


Figure 13. Staikos, B. (2022). CX organizational structures that work: Choose the best model for your business. Medallia Customer and Employee Experience Blog

3. Federated Model (hybrid)

Structure:

There is a centralized CX council with cross-functional leaders pertaining to each line of business.

Functioning:

This model is distinguished by a central advisory or governance structure ensuring accountability within each Line of Business (LOB). A central CX team concentrates on methodologies, systems, technology, and best practices, while implementation occurs at the business unit level. It blends elements of both centralized and decentralized approaches. “This approach can consolidate customer insights and translate customer pain points into tangible blueprints and prototypes for the optimal customer journey, which is typically cocreated with the local representatives to ensure that solutions fit a variety of market needs and are adopted and embraced at the local level” (Ehrlich, O., Fanderl, H., Malfara, D., & Mittagunta, D. 2022). According also to Ehrlich, O. et al. complex organizations with multiple business units and markets may want one team overseeing the CX effort across groups to ensure everyone adheres to best practices in such areas as CX journey design and CX measurement.

Benefits:

- Drives streamlined and standardized CX governance and processes across the organization.
- With a designated leader representing each line of business, there exists flexibility to promptly attend to localized requirements.
- Leverages a common share of best practices.
- Shared CX vision and strategy overseen by the core CX team and a committed CX leader who collaborates across various business sectors to maintain uniformity.

Cons:

- Complexity in decision-making.
- Low speed of execution given the multiple constituencies involved.

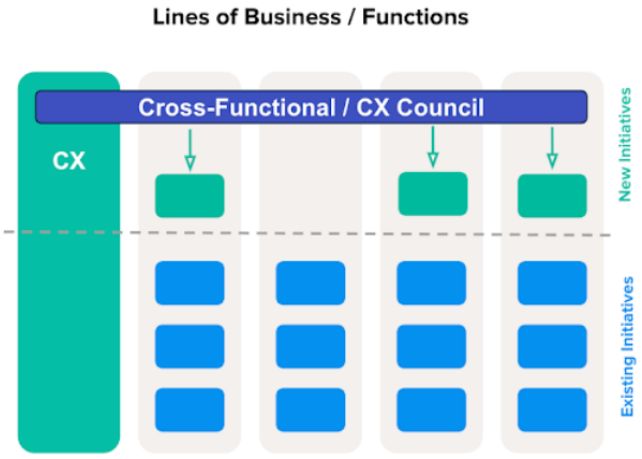


Figure 14. Staikos, B. (2022). CX organizational structures that work: Choose the best model for your business. Medallia Customer and Employee Experience Blog

4. Journey Lead Model

Structure:

The LOBs and the CX function are organized into journeys teams.

Functioning:

Here the logic follows that since a customer´s experience is made of different journeys like search on website buy etc. Then instead of each part of the company (like sales, marketing, customer service) working separately, they organize themselves into teams based on these customer journeys. So, there might be a team focused on the "buying a product" journey, another team focused on the "customer support" journey, and so on. The people who oversee multiple product teams (like managers or leaders) also lead these journey teams. They're called "journey owners" because they're responsible for making sure that particular journey is smooth and enjoyable for customers.

Moreover, this model has a particular change about how KPIs are measured. Instead of measuring them to assess the performance of each line of business in terms of CX, it measures the CX performance across the company.

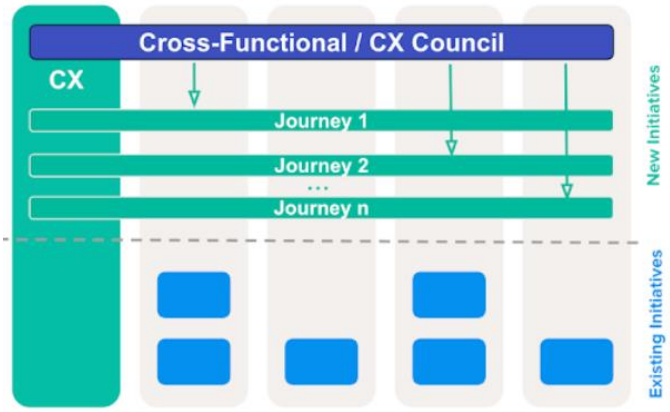


Figure 15. Staikos, B. (2022). CX organizational structures that work: Choose the best model for your business. Medallia Customer and Employee Experience Blog

Microstructure:

Within the Customer Experience department (which is responsible for making sure customers have a good experience overall), these journey teams work together as part of a main team. This main team helps and supports the individual teams in different parts of the company to ensure that every step of the customer journey is well-managed and consistent.

In this section, it is evident that the literature offers only a few structural models at the macro, meso, and micro levels that suggest the best ways for a company to focus on its customers. This topic will be explored further in the empirical analysis by comparing these theories with the actual practices of companies in the B2B sector.

3. RESEARCH METHODOLOGY

This chapter´s aim is to show the research objectives of the master's thesis, detailing the methodology employed to address them and present the research framework crafted. The research delves into the current landscape of B2B firms concerning a change of strategy towards becoming more Customer centric accompanied with a change in the organizational structure of the company. Through conducting multiple interviews with various companies, it was possible to gain firsthand insights into the subject matter, facilitating analysis and direct discourse on the research topic. The key methodologies utilized in gathering and managing data include literature review, construction of a research model, qualitative interviews, and analysis of the research model. The literature review encompasses an examination of existing research on the Customer Experience concept, go to market, sales excellence, and the importance of structural models supporting a change of strategy within B2B markets. Identifying trends, methodologies, and synthesizing strategies for firms to adopt a customer centric approach towards achieving Customer Experience excellence. Within the literature review, it is realized the importance of accompanying a change in strategy with a change in the organizational structure of the companies. However, little information was found on the macro, meso and micro structural configurations recommended for this change. For so, the empirical research was conducted through qualitative interviews with multiple B2B firms. These interviews achieved to explore companies approaches to structural configurations supporting a change of strategy from the top management towards customer centricity and Customer Experience excellence. At the end, an analysis was performed using the data gathered from interviews to assess the experience level of B2B firms in terms of customer centricity and suggest different macro, meso and micro structural approaches to support companies that are in this transition.

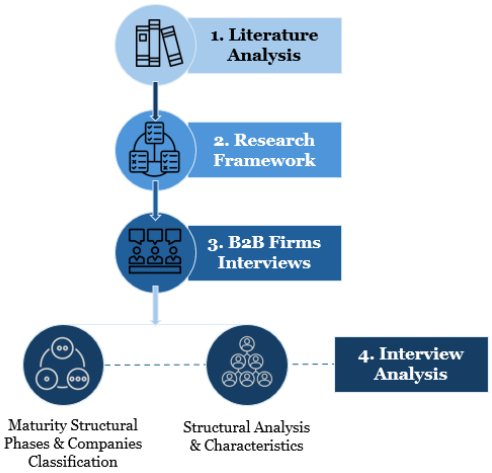


Figure 16. Thesis Analysis Schema

3.1 RESEARCH DESIGN

Companies in the B2B sector are undergoing a significant transformation towards customer-focused strategies to gain a competitive edge. As this shift is relatively new within the industry, there is a scarcity of information on the structural methodologies companies are employing to support this change. Notably, there is a substantial gap in understanding the macro, meso, and micro structural configurations being adopted. To address this, strategic research questions were developed, and comprehensive interviews were conducted with various companies.

3.1.1 THE GAP OF THE LITERATURE

When delving into the literature, several gaps and areas of limited information become apparent.

Firstly, it's crucial to recognize that Business-to-Business (B2B) companies are relatively new to the concept of customer centricity. Traditionally, these companies have prioritized their engineering capabilities over customer needs assessment. Unlike their counterparts in the Business-to-Consumer (B2C) sector, who have long focused on customer satisfaction, B2B firms are only recently beginning to shift their focus. For instance, Amazon has distinguished itself as a company that has prioritized customer centricity from its inception and has ascribed much of its success to this approach. However, there's a scarcity of research documenting how B2B companies are restructuring themselves to become more customer centric and improve their overall Customer Experience.

Moreover, any change in strategy needs corresponding changes in organizational structure at various levels – macro, meso, and micro. Achieving a customer centric culture requires holistic organizational alignment, where every part of the company functions cohesively to deliver a seamless customer journey. Yet, literature on this crucial aspect remains scarce. Likewise, there is also little information regarding what challenges the companies faced, what actions they took to overcome them and what benefits they obtained.

Additionally, it's essential to consider how a new customer centric organizational structure impacts a company's go to market strategies and sales excellence. The

second gap in the literature lies in understanding how restructuring influences these strategies, along with the associated benefits and challenges. A company's ability to attract and retain customers is deeply intertwined with its organizational setup, making this an area ripe for further exploration.

3.1.2 RESEARCH QUESTIONS

Building upon the gaps identified earlier, the thesis directs its empirical efforts towards addressing the following specific research inquiries:

(1) What are the organizational structural strategies and configurations different B2B companies are implementing at a macro, meso and micro level to support a change in a strategy towards been more customer centric?
(2) What are the different and common characteristics of these configurations between them?
(3) What is the relationship between those structural changes and the go to market and sales excellence strategy of a company?
(4) What are the challenges, actions to overcome them and benefits companies are experiencing thanks to this change?

Following an initial examination of the literature, basic structural frameworks sourced from consulting firms such as McKinsey & Company were identified. Subsequently, targeted interviews were carried out with chosen B2B firms to corroborate these frameworks and obtain more profound insights into the predominant strategies utilized to foster customer centricity and answer the above questions.

3.2 LITERATURE ANALYSIS

The preliminary phase of the master's thesis comprised an in-depth immersion in the realm of Customer Experience, customer centricity, go to market, sales excellence, and the scarce existing literature on structural CX configurations within B2B firms, achieved through a comprehensive review of academic papers. This initial step was essential for gaining insights into the theoretical foundations, definitions, and existing knowledge related to the subject under analysis.

In the quest for research materials, online platforms such as Scopus, ScienceDirect, and Google Scholar for "white" literature were extensively utilized. These platforms served as valuable sources for accessing a wide range of scholarly articles and publications. Moreover, a broader exploration was performed by examining articles from prominent management consulting firms such as McKinsey & Company, Accenture, and PwC for "grey" literature. By incorporating insights from both academic and industry sources, a comprehensive understanding of the topic was developed.

3.3 INTERVIEWS

The empirical research involved conducting qualitative interviews with multiple B2B firms based in Europe. The purpose of these interviews was to compare the different companies, identifying both commonalities and differences, and to gain direct insights and comprehensive overviews on the topic of customer centricity.

It is known that the B2B industry is very broad, giving rise to companies dedicated to both product and service. In the case of this master thesis, the empirical analysis was focused on manufacturing companies. There are several reasons behind this choice. First, manufacturing companies often serve as a critical component of the B2B landscape, forming the backbone of numerous supply chains and industrial networks. Their transition towards customer centric models provides a rich context for study due to the inherent complexity and scale of their operations. Additionally, manufacturing firms typically face unique challenges and opportunities in implementing customer centric strategies. These companies often have deep processes and a strong focus on production efficiency, making the shift towards customer centricity mindset particularly transformative. Studying how these firms restructure their operations, adopt new technologies, and redefine roles to prioritize customer needs can give us valuable insights into the broader B2B sector's evolution.

Moreover, this sector usually deals with a diverse range of customers, from small businesses to large corporations, each with distinct needs and expectations. This diversity needs sophisticated customer engagement strategies and provides a comprehensive view of how customer centric approaches can be tailored to different market segments. Moreover, the sector is undergoing significant technological advancements, such as big data analytics which is a pivotal driver of customer centric innovations. Therefore, examining how manufacturing companies leverage these technologies to enhance customer satisfaction is of very importance for the research.

So, the first step involved selecting the firms for interviews. To capture a broad various range of perspectives in the B2B manufacturing industry, a semi-structured, in-depth interview with 10 managers from 10 different companies were conducted.

These industries included industrial, food components, chemical, food, vehicle, and medical equipment (See table 1).

Company	Sector
Company 1	Industrial manufacturer
Company 2	Food components manufacturer
Company 3	Chemical manufacturer
Company 4	Food manufacturer
Company 5	Bathroom solutions manufacturer
Company 6	Medical equipment manufacturer
Company 7	Vehicle manufacturer
Company 8	Chemical manufacturer
Company 9	Industrial manufacturer
Company 10	Food manufacturer

Table 1. Interviewed companies

The selected companies range in size from 200 to over 10,000 employees, all considered within a European context, but they are all multinational corporations. The international scope of these companies adds an important dimension to the research, as both their size and level of internationalization can significantly influence their organizational structures. Larger companies typically exhibit more complexity, and the cultural and value differences across countries and continents can impact management practices. However, the fact that all the interviewed companies are situated in Europe enhances the robustness of the research, facilitating more reliable comparisons and insights across these multinational entities. This European focus ensures a consistent regional context, which is crucial for understanding and comparing their approaches to customer centricity.

Following the identification of the companies, profiles of employees highly related to the object of the thesis were searched through LinkedIn. The positions of these individuals are directly related to Customer Experience, sales and marketing departments of the selected companies. The individuals in question occupy managerial or executive roles within the company, with more than three years of experience. This generated great access to valuable information to support the research and contributed to the robustness and depth of this research findings.

The initial contact with potential interviewees was facilitated directly through LinkedIn. By utilizing LinkedIn's premium service, it was possible to send invitations

accompanied by direct messages to managers and head of departments. This approach allowed to immediately inform them about the purpose of the research and to assure them anonymity.

Following the initial contact, those who expressed interest were provided with a more detailed explanation of the thesis objectives and the nature of the study. This communication helped build trust and clarity, ensuring that participants fully understood the research focus and the value of their contribution. Once they were comfortable and had a comprehensive understanding of the study's aims, interviews where scheduled. Interviews were selected because is a qualitative methodology that has been promoted as a universal method of investigation across contexts and cultures, though inspired by the old positivist ideals of objectivity and neutrality. This view is often reflected in the textbook guidelines offered students to avoid bias and to secure non-contaminated data (King, N., & Hugh-Jones, S. (2018)

This method of engagement not only streamlined the recruitment process but also fostered a transparent and respectful interaction from the outset. By addressing confidentiality concerns and clearly communicating the research's intent, it was able to establish a solid foundation for cooperation, thereby enhancing the quality and depth of the data collected.

The interviews were conducted in an open-ended manner, allowing the conversation to flow naturally in accordance with the respondents' responses. Initially, the questions were straightforward and introductory, aimed at having the informant introduce themselves, their job title, and provide a general overview of the company situation regarding customer centricity and Customer Experience management. Once the respondent felt at ease, the interviewer explored the company's current approach to customer centricity management in greater depth, guided by a detailed interview scheme (see Appendix A).

Questions were then asked on the following topics:

1. General customer centric strategy overview,
2. Structural Changes and configurations towards achieving customer centricity and a better CX,
3. Connection between the new structure and Sales Excellence,
4. Connection between the new structure and Go to market,
5. Benefits & Challenges and
6. Future customer centric strategy roadmap.

Given the fluid nature of the interviews, it was not feasible to address all the questions within the allotted time. Instead, the most pertinent and relevant aspects

were selected for the study, and it is crucial to recognize that the interviewees lacked comprehensive knowledge of all the subjects.

The interviews were conducted online in English via Microsoft Teams and last for 30 minutes approximately. With some interviewees was possible to schedule a second meeting for further details. The interviews were recorded (with the respondent's consent) and subsequently transcribed to ensure no details were missed. If necessary, follow-up questions were sent via email, allowing managers to respond succinctly in writing. This approach ensured a comprehensive and fully integrated set of interview responses.

The last step was to make a comparative table where the columns show the companies, and the rows show the most important topics. Each of the companies' answers was recorded by topic in order to make a more detailed comparison and obtain the different perspectives from the companies. In this way it was possible to draw valuable general conclusions that were later transcribed in a document to have a general analysis that would support the development of the empirical analysis of the thesis.

4. EMPIRICAL ANALYSIS

Today, the B2B industry has become more competitive and customer companies more demanding when deciding with which company to maintain a supplier-customer relationship. This has pushed service and product provider firms to initiate a radical change in the way they communicate with the customer, giving rise to what it has been described as a customer centric mindset, which seeks to increase the level of Customer Experience at all touch points of the B2B customer journey. Firms have been pushed to introduce changes in their strategy which has been accompanied by structural changes to support this new vision and culture, in turn generating a positive impact on GTM strategies and sales excellence.

The empirical analysis aims to delve into and support literature findings on the structural strategies companies are adopting to achieve customer centricity and enhance Customer Experience. Results, guided by research questions, will be presented in a logical, storytelling format. This will begin with identifying the different maturity phases companies experience during this transformation, detailing the structural changes at each phase, and examining the relationship with go to market strategies and sales excellence. The following sections refer directly to what was found and evidenced during the qualitative interviews.

4.1 CLASSIFICATION OF THE INTERVIEWED COMPANIES

Thanks to the qualitative interviews conducted, it became evident that among the 10 companies interviewed, there is a considerable variation in their progress towards becoming customer centric organizations. Some companies are at a more advanced stage of implementing structural changes, having been engaged in this strategic shift for several years. In contrast, others are just beginning this transformation. This disparity indicates that each company is at a distinct stage in their journey towards customer centricity.

To enhance further understanding and classification, the insights and information gathered from these companies allowed to identify three distinct organizational structural phases in the journey towards achieving a customer centric organization. By examining the characteristics and strategies employed by companies at each of these phases, it is better understood the progression and critical milestones of this transformation. This framework not only highlights the different stages but also provides a clear roadmap for companies aiming to enhance their customer centric

approach. (see figure 17). In addition, Figure 18 shows the position of the companies interviewed in the different phases of maturity, it can be seen that most of the companies have not yet reached an advanced stage of maturity, phase 3.

Customer centric variables	Phase 1	Phase 2	Phase 3
Segmentation Structure	Business units segmented by product	All business units segmented by customer segment	All business units segmented by customer segment
Organizational Structure	Absence of a dedicated customer experience department	Presence of a dedicated customer experience department with a dedicated budget.	Presence of a dedicated customer experience department with a dedicated budget.
CX Department Maturity	No CX department: Customer centric initiatives are developed by sales and marketing departments	Immature overall customer experience department structural configuration	Robust customer experience structural configuration
Data Management	Lack of data sources, data management systems and business intelligence	Basic data sources, data management systems and business intelligence	Advanced data sources, data management systems and business intelligence

Figure 17. Structural maturity phases towards customer centricity

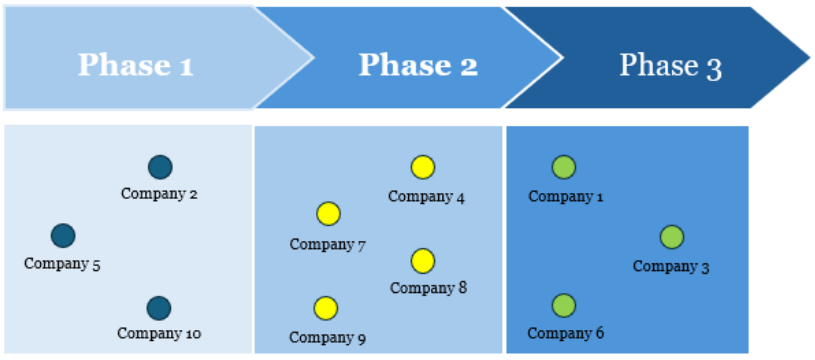


Figure 18. Firms maturity positioning

Phase 1: among the companies that are still in the early stages of their transformation to a customer centric organization, it is evident that there is a noticeable lack of strong commitment from the CEO to prioritize the customer at the core of their operations. This absence of top-level dedication is reflected in the lack of a dedicated Customer Experience department. Despite this, the sales and marketing teams collaborate closely to understand and address customer needs.

Furthermore, companies in this initial phase have begun to think to transform their business units by customer segment rather than by product, but it is something they have not yet accomplished. However, this mentality shift indicates a preliminary recognition of the importance of customer-focused strategies. However, the full integration of customer centric principles across all organizational levels and departments remains a work in progress.

As these companies continue to evolve, the development of a robust CX area and stronger leadership commitment will be crucial for advancing to the next stage of their transformation. In the meantime, their efforts to align sales and marketing functions and reorganize business units by customer segment are positive steps towards a more customer-focused organizational structure.

Phase 2: within this phase, it is structurally evident that some of the company's business units are organized by customer segment, demonstrating a significant shift towards a customer centric framework. This reorganization indicates a deeper commitment from management to transforming the company into a customer-focused entity. This commitment is further reflected in the establishment of a dedicated Customer Experience department.

While the CX department may still be in its nascent stages, with an evolving structure and distribution of activities, it represents a crucial step towards integrating customer centric practices. Although it may not yet encompass all areas of the customer journey, its existence underscores the company’s dedication to enhancing Customer Experience. Additionally, the allocation of a dedicated CX budget signifies a tangible investment in this strategic direction. This budget allows for targeted initiatives and improvements aimed at better serving customer needs and enhancing their overall experience.

Moreover, there are clear indications of a digital transformation in the company's data management processes. This transformation involves leveraging advanced technologies to collect, analyze, and derive valuable insights from customer data. By doing so, companies are starting to better understand customer behavior, preferences, and pain points, thereby informing more effective strategies and making improved decisions.

Phase 3: within Phase 3, companies exhibit a highly developed organizational structure that is deeply rooted in customer centric principles. These companies have meticulously organized their business units by customer segment, ensuring a tailored approach to meet the unique needs of each customer group. An established Customer Experience department, supported by a dedicated budget, underscores

the strategic importance placed on enhancing customer satisfaction and loyalty. The CX department in these companies is characterized by its robust and comprehensive structure, seamlessly integrated across all areas of the organization. It works directly at every touchpoint of the customer journey, ensuring a consistency.

Furthermore, these companies have made significant strides in their data management efforts. They have dedicated data analytics teams and tools that leverage advanced technologies to gain deep insights into customer behaviors, preferences, and needs. This sophisticated use of data analytics enables the companies to anticipate customer demands, personalize interactions, and proactively address issues, thereby enhancing overall customer satisfaction. At a cultural level, these companies have successfully instilled a customer centric mindset across all levels of the organization.

4.2 MACRO STRUCTURAL ORGANIZATIONAL CONFIGURATION

"Macro design is defined as an organization's overall design (strategy, structure, and people) designed by top management" (Livijn, M. 2019).

As defined by Livijn (2019), macro design refers to an organization's overall design encompassing strategy, structure, and people, all orchestrated by top management. In the context of this thesis, and based on the interviews conducted with various companies, it is important to explore the commitment of top management to adopting a customer centric strategy and the different actions taken at the macro structural level to achieve this objective.

For companies in Phases 2 and 3, a common denominator is the high level of commitment from the CEO to drive this strategic transformation. In many instances, companies have even undergone changes in their top management, specifically appointing new CEOs who possess a customer centric background and mentality. For example, a prominent multinational company in the industrial manufacturing and automation industry initiated significant changes in its business units after hiring a new CEO, they started to focus on customer segments and decentralized the governance model**.** Therefore, each division can concentrate on their customer. The new CEO came from a company with an ingrained culture of customer centricity, demonstrating how impactful leadership with a customer-focused vision can be.

When such strategic leadership changes occur, they often catalyze rapid and substantial macro structural changes. The influence of a CEO who is deeply committed to a customer centric approach can significantly accelerate the adoption of necessary structural modifications. This includes reorganizing business units from

a product centric model to one focused on customer segments. Such a reorganization ensures that the company can better address the specific needs and preferences of different customer groups, thereby enhancing overall customer satisfaction and loyalty. The initial move by these companies, whether under a new CEO or an existing one who embraced a customer centric strategy, was to shift from having business units divided by product to organizing them around customer segments. This strategic realignment is a crucial first step in transforming into a customer centric organization. By doing so, companies ensure that their structure supports a deeper understanding of and engagement with their customers, ultimately driving better business outcomes.

The approach taken by companies in Phases 2 and 3 aligns closely with the insights presented in the literature review of this work of thesis. Specifically, where Homburg, C., Workman, J. P., and Jensen, O. (2000) suggest that a critical first structural step towards becoming a customer-focused organization is the implementation of customer segment divisions. These companies have recognized that organizing business units around customer segments, rather than products, is fundamental to effectively addressing diverse customer needs. This strategic realignment is not only supported by empirical evidence but also underpinned by scholarly research. Homburg and colleagues argue that such a structure enhances a company's ability to understand and respond to the unique demands of different customer groups, fostering deeper engagement and satisfaction.

On the other hand, companies that are in Phase 1 have not yet fully embraced the structural changes required to become customer centric organizations. Most of these companies continue to organize their business units by product rather than by customer segment. This traditional product centric structure can limit their ability to effectively meet diverse customer needs and preferences. However, despite not having implemented comprehensive structural changes, these Phase 1 companies are beginning to take incremental steps toward customer centricity. These small-scale initiatives reflect an emerging recognition of the importance of customer segmentation, even if the broader organizational structure has yet to be reconfigured.

For instance, a company in the energy industry has started to evolve by implementing segmentation within its sales channels. This initial step involves tailoring sales strategies and approaches to different customer segments, enabling the company to address specific customer needs more effectively. While this approach does not represent a complete organizational overhaul, it indicates a willingness to experiment with customer centric practices and lays the groundwork for more extensive changes in the future.

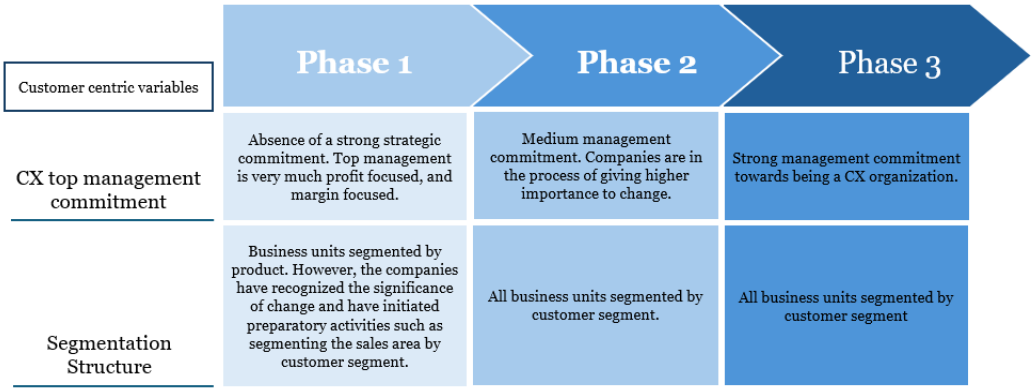


Figure 19. Macro structural maturity phases towards customer centricity

4.3 MESO AND MICRO STRUCTURAL ORGANIZATIONAL CONFIGURATIONS

From a meso structural perspective, the governance and configuration of the Customer Experience department, or any areas responsible for overseeing Customer Experience and promoting a customer centric mentality, were evaluated during the interviews with various companies. Similarly, the micro structural aspect is intricately connected to the way the meso-structural part is constituted. On the micro structural level, The detailed functions and specific roles within each CX department are explored. This granular examination reveals how individual positions contribute to the overall Customer Experience strategy and how responsibilities are distributed to ensure effective execution. Understanding the microstructural components allows to see the precise operational mechanisms that support the broader meso-structural framework. Thus, it was possible to confront the configurations suggested by the consulting firms consulted during the literature review in section 2.4.4 and 2.4.5. Figure 20 provides a summary of the status of the companies across different phases, considering several key variables. Detailed descriptions for each phase are provided below.

Customer centric variables	Phase 1	Phase 2	Phase 3
Organizational Structure	Absence of a dedicated customer experience department	Presence of a dedicated customer experience department with a dedicated budget.	Presence of a dedicated customer experience department with a dedicated budget.
CX Department Maturity	There is currently no CX department. However, companies are taking initiatives to get closer to their customers by creating departments such as B2B eCommerce.	The CX department does not have a robust structure, provides support to some BUs and is limited to basic functions such as market data collection for decision making.	Presence of two robust structural configurations in the CX department, Hybrid CX HUBS and Journey Lead Model. These configurations allow the presence of the department throughout the organization, ensuring the understanding of the needs of each customer segment and Customer Journey
CX KPIs	Presence of some KPIs related to customer service in the different areas independently.	Usually, the CX department has its own KPIs, it does not share them with other areas. Moreover, it provides support to marketing and sales with the customer's insights collected.	The CX department shares CX KPIs with other departments to foster commitment and resolve interest conflicts problems
Training	Absence of initiatives for training useful for improving the awareness of employees toward customer needs	Absence of initiatives for training useful for improving the awareness of employees toward customer needs	The CX department has a dedicated team that conducts workshops across various areas of the company to cultivate a customer centric mindset.
Data Management	Lack of data sources, data management systems and business intelligence	Basic data sources, data management systems and business intelligence	The CX area has established specialized teams to manage the various parts of the data pipeline and business intelligence. Additionally, it utilizes advanced tools for data management.

Figure 20. Meso and micro structural maturity phases towards customer centricity

Stage 3 companies:

Configuration 1: hybrid CX HUBS

Companies that have reached maturity Stage 3 have developed a CX department with a well-defined and sophisticated structure. These companies typically employ a hybrid configuration for their CX department. At the core of this structure there is a Customer Experience HUB, or center of activity, within each division. Each HUB is responsible for managing local Customer Experience initiatives and reports to a global head of Customer Experience. This hierarchical setup ensures that CX efforts are coordinated and consistent across the organization while allowing for regional customization.

Under each HUB, there are further subdivisions called clusters, which report directly to the HUB. This cascading structure allows for a granular approach to managing Customer Experience, with each cluster focusing on specific customer segments or geographic regions. The CX department also operates with its own dedicated budget, underscoring the importance of Customer Experience within the company's overall strategy. This hybrid configuration offers several advantages. Firstly, each HUB can concentrate on the unique needs of its specific customer segment, enabling more personalized and effective customer interactions. Secondly, the structure supports

the delivery of customized training programs to each business unit, fostering a deeper customer centric culture throughout the organization. Thirdly, the organization can swiftly adapt to local situations and customer expectations, enhancing responsiveness and relevance in diverse markets.

This sophisticated configuration allows companies to comply with the commitment CX pillar. By establishing well-defined CX departments with dedicated resources and a strategic focus, these organizations ensure that Customer Experience is integrated into every aspect of their operations. The structured yet flexible approach allows them to stay attuned to customer needs, deliver exceptional service, and maintain a competitive edge in the market.

Delving deeper into the microstructural aspects of this setup, it is possible to find that the interviewed companies recognized the necessity of various specialized roles within the CX department to effectively support a customer centric strategy.

1. **Training and Mindset Development Team**: one of the significant challenges identified was convincing middle and lower management of the importance of prioritizing the customer, particularly in organizations with a strong engineering culture. To address this, companies established teams dedicated to training employees across departments. These teams focus on instilling a customer centric mindset, ensuring that all collaborators understand and adopt behaviors that prioritize customer needs and satisfaction.
2. **Customer Feedback and Complaints Team**: equally important is the presence of a team responsible for handling customer complaints and feedback. This team meticulously reviews the Customer Experience at each touchpoint along the customer journey. They collaborate with relevant departments to address issues and enhance the experience at these touchpoints. Operating within their respective customer segments, these teams ensure that feedback is effectively used to drive continuous improvement.
3. **Data Management Team**: another crucial role is played by the data management team. This team is tasked with organizing the company's data into data lakes, making it accessible and useful for the entire CX department. By managing dormant data and ensuring its proper storage and structure, this team supports cross-functional efforts to leverage data for better customer insights and decision-making.
4. **Business Intelligence Team**: working closely with the data management team, the business intelligence team analyzes the data stored in data lakes to generate valuable insights. These insights are then shared across the organization, guiding future developments and strategic decisions. This team

ensures that data-driven insights inform every aspect of the company's operations and customer strategies.

5. **Operational Integration KPIs:** finally, it is worth mentioning the ongoing challenge with operational units. For example, a company in the chemical manufacturing sector highlighted the inherent conflict between the CX department, sales and production teams: salespeople focus on driving sales, while production teams aim to produce at low cost. This dynamic can hinder the prioritization of customer centric practices, as low-cost production may compromise product quality, ultimately affecting customer satisfaction. To address this issue, the company implemented specific Key Performance Indicators (KPIs) that are shared by the CX department with other operational areas. These KPIs are designed to balance cost efficiency with customer satisfaction, ensuring that quality is not sacrificed for the sake of reducing production costs.

The detailed microstructural analysis reveals a well-coordinated approach to embedding customer centric practices within the organization. Each specialized team within the CX department plays a vital role in overcoming cultural and operational challenges, leveraging data for strategic insights

Configuration 2: journey lead model

In addition to the aforementioned configuration, some companies have adopted a Journey Lead Model, which represents a more centralized approach to managing Customer Experience. In this model, there is a single global Customer Experience department functioning as a consulting service that operates transversally across the entire organization. This global CX department plays a pivotal role in creating comprehensive customer journeys for each market segment. By working directly with various teams, the department assesses and enhances the entire spectrum of customer journey touchpoints. This involves a meticulous evaluation of all interactions customers have with the company, from initial contact through to post-purchase support and beyond.

The Journey Lead Model help companies to first, centralize the expertise with a dedicated global CX department, companies can leverage specialized knowledge and best practices to design and optimize customer journeys. This centralization ensures consistency and a high standard of Customer Experience across all markets. Second, the department's role in mapping and improving the entire customer journey allows

for a holistic view of the Customer Experience. Third, by working transversally, the CX department collaborates with various teams and departments within the company. This fosters a unified approach to Customer Experience, breaking down silos and ensuring that all parts of the organization are aligned in their customer centric efforts.

The microstructure part could be analyzed in broad strokes thanks to what was said by an important company in the medical equipment manufacturing sector. According to the company within the Customer Experience department there are people working in the different parts of the customer journey. In particular, a team is in charge of everything that has to do with digital touchpoints, working together with all the teams that have something to do with that channel, such as the design team for the user interphase of the website. If another touchpoint in the customer journey is revised, such as a call from a customer or the functioning of the product, it's another team that takes care of the Customer Experience there and pull the team together with all the experts to improve this particular process. Additionally, they have a team in charge of conducting customer journey workshops for different geographic segments for example teaching employees in a certain region how to deal with specific situations and to better understand the customer. An example of this is that the team had the perception that the return policy was something critical to improve for the customer as it doesn't have a set process like Amazon, it was more like a haphazard process. Upon gaining a deeper understanding of the customer's needs and preferences, it became evident that they were highly satisfied with this particular methodology. The customer's perspective was that they would simply identify any aspects of the product or service that did not meet their expectations and then return them to the supplier, who would then be responsible for addressing the remaining issues.

Stage 2 companies:

Companies in Phase Two of maturity have established a Customer Experience department, but its internal structure is still underdeveloped. This department typically supports specific tasks or certain business units rather than evaluating and improving the entire customer journey.

For example, a multinational food manufacturing company´s CX department has a main labor in terms of generating business insights. The department in charge of cross-functionally supporting stakeholder groups to really crystallize what the actual business questions were, and how they were going to utilize the information that the area would collect in the market in order to make decisions. They then determine the right number of interviews and methodology required (qualitative or quantitative), select the external market research agency or a data provider to go out and help to

set up those interviews, pay incentives to the respondents, and finally get the insights from the customer. While these efforts are crucial, the focus remains narrow, addressing specific areas rather than the comprehensive customer journey.

Moreover, the CX department operates independently, without sharing Customer Experience KPIs with other areas. This highlights potential conflicts of interest that may exist between different departments within the company.

Stage 1 companies:

Finally, companies that are still in the early stages of adopting a customer centric approach reported not having a dedicated Customer Experience department or a specific budget for CX-related tasks. Instead, the marketing and sales departments take on the responsibility of understanding customer needs and maintaining transversal communication within the company. They particularly emphasize collaboration with the research and development (R&D) team. Despite the absence of a formal CX department, these companies are beginning to show signs of transitioning towards a customer centric strategy at both the meso and micro levels. For instance, they have created a B2B e-commerce area designed to work collaboratively with all business units, aiming to provide easy to buy and personalization for business clients. It is also evident that companies in this phase have KPIs focused on the customer but distributed in different areas and individualized in them. For example, the ecommerce area has KPIs for customer satisfaction with the purchase process through digital channels. However, these companies still lack a dedicated team for data management and customer insights. Consequently, they rely on qualitative B2B consumer research and make basic use of a Customer Relationship Management (CRM) system to gather and manage customer information. This initial investment in research and the creation of the B2B e-commerce area indicate a growing awareness of the importance of customer centricity, laying the groundwork for future developments in this direction.

4.4 CUSTOMER EXPERIENCE GOVERNANCE

When it comes to the governance of the Customer Experience area within companies, the most advanced organizations utilize different models based on specific company factors. The CX department may report directly to the CEO, CMO, or COO. (see figures 21, 21 and 23)

For companies where the CX area reports directly to the CEO, the rationale is that achieving a complete cultural change requires the support and commitment of top management. Having the CEO directly involved in CX matters ensures that the organization remains aligned towards the same customer centric goals. This direct

reporting structure underscores the importance of the CEO being aware of and engaged with the Customer Experience. In contrast, companies where the CX department reports to the COO have chosen this structure to filter customer issues before they reach the CEO. This configuration allows the COO to prioritize and manage customer-related concerns, passing only the most critical and high-priority reports to the CEO. However, this setup has potential drawbacks. The operations focus on productivity and cost reduction can sometimes conflict with the goals of the CX department, which aims to enhance Customer Experience, potentially at higher costs. Therefore, it is crucial for the COO to be open-minded, customer centric, and adept at balancing both productivity and customer satisfaction.

Additionally, some companies using the Journey Lead Model have the CX area report to the CMO. This decision stems from the marketing department's role in mapping out the entire customer journey for different segments. By placing the CX area under the CMO, these companies ensure that the customer journey and experience are managed cohesively, centralizing information and efforts to optimize the entire customer journey.

Overall, the governance structure of the CX department varies depending on the company's strategic priorities and the professional profiles of its top executives, each with its own advantages and potential challenges.

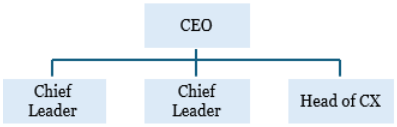


Figure 21. Directly report to CEO

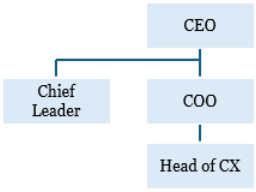


Figure 22. Directly report to COO

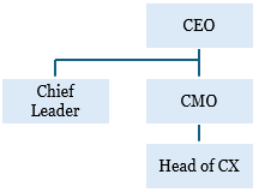


Figure 23. Directly report to CMO

4.5 CUSTOMER CENTRIC STRUCTURE CONFIGURATIONS AND THEIR IMPACT ON GTM AND SALES EXCELLENCE

As described in the literature review and throughout this thesis, reconfiguring a company's strategy and structure towards a more customer centric approach significantly impacts how the company goes to market and achieves sales excellence. The following impacts have been reported by companies:

1. Product Development and Premium Pricing: with the CX department closely connected to R&D, companies can develop products that directly address customer needs and pain points, enabling the creation of customized products that enable charging premium prices. Is the case of a company working in the food industry, where thanks to the work done by the insights team of the CX department, the marketing area realized that the launch of a new product could have a higher price, contrary to what they had thought by setting an initial price below the market price. By understanding the customer, they realized that they were directly addressing their needs and could set a premium price.

2. Enhanced Marketing Insights: a better understanding of the customer, derived from thorough research, allows marketing to tailor the buying experience to what is most important to the customer (promotion, place, price). For example, a company in the food sector states that its insights team aims to understand and support the go to market strategy through various types of research. One method they use is conjoint studies, which help them identify what aspects of the buying experience are most important to customers in different product categories. Based on these insights, the team provides guidance to the marketing department, enabling them to create sales materials that focus on the factors that truly matter to their target customers.

3. Customer Journey Mapping: recognizing that every customer journey begins with a pain point, companies emphasize understanding these pain points to create effective customer journeys. This connection between marketing and CX is crucial for crafting the right communication, content, and credibility building strategies that initiate the customer journey. For example, a company in the car industry stated that by identifying the starting point in a specific customer journey they would be able to advertise more effectively to the customer, so if a customer seeks ways to optimize their fleet in internet, a blog on fleet cost optimization can attract their attention and let them know the presence of a new fleet availability in their country. Moreover, the company realized that the better the customer journeys are, the more successful they are in the market.

4. Improved Business Client Relationships: understanding business clients better has enabled companies to enhance their relationships and engagement with them. To support this idea, a company in the bathroom solutions manufacturing sector confirms that having a customer centric approach has helped them reinforce the relationship and engagement with the distribution (business customers). Recently the firm was able to initiate a process where they provide customers with an "easy to fix" service where they provide support for the products they sell. This is

a great example of how a company dedicated 100% to the manufacturing of products expands its scope to offer services as well, end engage better with the customer.

5. Omnichannel Strategy: a customer centric structure has facilitated the implementation of a true omnichannel strategy. A company in the chemical sector shows that now they are able to understand where and how customers prefer to interact with them, whether in physical stores or digitally. This approach ensures that Customer Experiences are designed for multiple channels, not just a single one, keeping the customer at the center.

6. B2B E-commerce Emergence: the shift towards a customer centric culture has driven the development of B2B e-commerce, making learning, purchasing, and payment processes easier for customers. is the case of a company in the industrial manufacturing sector and another in the food manufacturing sector. Both have implemented B2B e-commerce and mention that it is one of the company's activities that is becoming more and more relevant thanks to the revenues it is generating. Both companies are allocating a higher budget for this area.

7. Sales Excellence and Training: the new structure, supported transversally by the CX area, has enabled the sales team to better understand customer needs and manage expectations effectively. This alignment ensures that promises made to customers are deliverable, a crucial factor in customer satisfaction. Additionally, thanks to the customer segment configuration the sales team, now knowledgeable about each customer segment and having access to the entire product portfolio, has the flexibility to offer a broad range of solutions to clients, increasing revenue by cross-selling and up-selling. For instance, a company in the supplement manufacturing industry recognized inefficiencies in their sales and marketing approach. Previously, the sales and marketing team was organized by product lines, meaning each team member specialized in a specific component. This structure required customers, who often had needs spanning multiple products, to interact with several different representatives, creating unnecessary barriers and a fragmented experience and a limitation to access to the whole portfolio. After the company reorganized by customer segments, sales representatives gained access to the entire product portfolio. This allowed a single representative to handle negotiations with a client, simplifying and streamlining the sales process, helping the company to increase sales.

8. Cocreation: the companies successfully implemented co-creation initiatives with their business customers. By continually enhancing customer relationships, they gained deeper insights into their needs and preferences, enabling the development of highly desired products. This approach not only increased customer satisfaction but also significantly reduced churn rates. For example, a company in the food manufacturing sector states that they are constantly talking to their

business customers and working together on product concept projects for future developments.

5. CONCLUSIONS

This thesis explores the journey of B2B companies towards transforming into customer centric organizations. Through a comprehensive review of literature and empirical analysis, the structural strategies and configurations adopted by companies to facilitate this shift are investigated. This journey towards customer centricity unfolds in distinct phases and structural variables, each presenting unique challenges and milestones. Additionally, macro, meso, and microstructural organizational configurations, along with the governance of the Customer Experience area within companies, are examined. Finally, the impact of these customer centric structural configurations on go to market (GTM) strategies and sales excellence is explored.

Key Findings

The thesis demonstrates the critical importance of transitioning to a customer centric approach within the competitive B2B industry and the structural maturity phases a company should be involved to. Companies vary in their progress, from initial phases with limited structural changes to advanced stages with robust Customer Experience departments and comprehensive data management. The shift involves significant macro, meso and microstructural reconfigurations taking into account distinct structural variables, fostering better alignment between organizational strategy and customer needs. Advanced companies employ sophisticated models like Hybrid CX Hubs and Journey Lead Models, supported by dedicated CX budgets and leadership commitment, often reporting directly to the CEO, CMO, or COO. This transformation enhances go to market strategies and sales excellence, resulting in improved product development, marketing effectiveness, customer journey mapping, client relationships, omnichannel presence, and B2B e-commerce capabilities, ultimately driving better business outcomes.

One of the key findings of this thesis is the identification of three distinct organizational structural phases in the journey towards achieving a customer centric organization. These phases represent a progression from initial recognition of the importance of customer-focused strategies to a fully embedded customer centric mindset across all levels of the organization. Companies in Phase 1 are characterized by a lack of strong commitment from top-level management and a traditional product centric structure, while those in Phase 3 exhibit a highly developed organizational structure deeply rooted in customer centric principles.

Furthermore, two main meso-structural organizational configurations were indentified: the Hybrid CX HUBS and the Journey Lead Model. The Hybrid CX HUBS configuration features a hierarchical setup with local Customer Experience HUBs within each division, while the Journey Lead Model represents a more centralized approach to managing Customer Experience with a single global CX department. Each configuration offers unique advantages in terms of coordination, customization, and consistency in delivering exceptional Customer Experiences.

From a micro structural perspective, the detailed functions and specific roles within CX departments have been examined. Companies in Phase 3 typically employ specialized teams focused on training and mindset development, customer feedback and complaints handling, data management, business intelligence, and operational integration. These teams play a vital role in embedding customer centric practices within the organization and overcoming cultural and operational challenges.

Implications for GTM and Sales Excellence

The adoption of customer centric structural configurations has significant implications for go to market strategies and sales excellence. Companies at more advanced stages of maturity have reported several positive impacts, including enhanced product development and premium pricing, improved marketing insights, optimized customer journey mapping, strengthened business client relationships, implementation of omnichannel strategies, emergence of B2B e-commerce, improved sales excellence and training, cocreation initiatives with business customers, and introduction of service offerings. These impacts underscore the importance of aligning organizational structure with customer centric principles to drive business success.

Recommendations for Practitioners

Through empirical analysis, various transformation variables relevant at the macro, meso, and micro levels of organizational structure have been identified. These variables serve as strategic recommendations for companies embarking on the journey towards a customer centric strategy. By considering these variables, companies can gain a clearer understanding of the necessary changes and implement more efficient transformation processes. This comprehensive approach ensures that all levels of the organization are aligned and focused on delivering enhanced customer experiences. The recommended variables and their implementation strategies are:

1. **Segmentation Structure:**

   Objective: reorganize business units by customer segments rather than by product lines.

   Implementation:
   - Conduct a thorough analysis of the customer base to identify distinct segments.
   - Reorganize teams and processes around these segments to ensure each segment's unique needs are met.

2. **Organizational Structure:**

   Objective: develop a sophisticated organizational structure that integrates customer centric principles across all levels.

   Implementation:
   - Establish a dedicated Customer Experience department that reports directly to senior management.
   - Ensure cross-functional collaboration by embedding CX principles into all departments, including marketing, sales, and product development.
   - Create clear roles and responsibilities within the CX department to cover all aspects of the customer journey.

3. **CX Department Maturity:**

   Objective: develop a robust CX department with dedicated budgets and specialized teams.

   Implementation:
   - Secure a dedicated budget for the CX department to fund initiatives and improvements.
   - Formalize a robust structure within the cx department. Some suggestions are the Hybrid CX HUBS and the Journey Lead Model presented in this thesis.

- Form specialized teams within the CX department, such as those focused on training, feedback management, and data analytics.

4. **Data Management:**

Objective: leverage advanced technologies to gain deep insights into customer behaviors, preferences, and needs.

Implementation:

- Employ dedicated data analytics teams to collect, analyze, and interpret customer data.
- Invest in advanced data management technologies, such as AI and machine learning, to enhance data insights.
- Ensure data accessibility and integration across departments to enable data driven decision making.

5. **CX Top Management Commitment:**

Objective: ensure strong commitment from top management to prioritize customer centric values.

Implementation:

- Foster a customer-centric culture at the executive level, with the CEO and senior leadership leading by example.
- Incorporate customer centric objectives into the company's mission and strategic goals.
- Regularly communicate the importance of customer centricity to all employees and stakeholders.

6. **CX KPIs Management:**

Objective: implement specific Key Performance Indicators that balance customer experience with cost efficiency and other interests.

Implementation:

- Develop KPIs that measure both customer satisfaction and operational efficiency.

- Regularly review and adjust KPIs to ensure they reflect the current priorities and challenges.
- Use KPIs to drive continuous improvement in customer experience while maintaining cost effective operations.

7. **CX Training:**

   Objective: provide continuous training and mindset development to embed a customer centric culture.

   Implementation:
   - Establish dedicated training programs focused on customer centric skills and behaviors.
   - Conduct regular workshops and seminars to keep employees updated on best practices and new trends in customer experience.
   - Encourage a culture of continuous learning and improvement across the organization.

The journey towards customer centricity is a complex and multifaceted process that requires strategic vision, organizational alignment, and a relentless focus on enhancing the Customer Experience. By understanding the structural strategies and configurations adopted by leading B2B companies, practitioners can glean valuable insights and best practices to guide their own transformational journey. Ultimately, the successful implementation of customer centric structural configurations can drive competitive advantage, foster customer loyalty, and propel business growth in today's increasingly competitive B2B landscape.

APPENDIX A – INTERVIEW SCHEME

1. General customer centric strategy overview:

Has/is your company implemented (ing) a strategic shift towards a Customer Centric approach with a view to improving the Customer Experience?

Why?

What challenges were they facing that led them to make the decision to change?

2. Structural Changes and configurations towards achieving customer centricity and a better CX:

In the beginning, what general aspects of the organization were taken into account for this change (structure, culture, technology, etc.)?

What is your current organizational structure? Are BUs divided by product or by customer segment?

What was the previous organizational structure?

Do you have a dedicated CX or similar area which handles Customer Experience?

To whom does it report and why?

How is this area distributed within the organization (centralized, hybrid, decentralized, per FT) and why?

What roles are there within this department/team? Why?

What variables were taken into consideration to choose this setup? Why?

3. Connection between the new structure and Sales Excellence:

How is Sales involved in this new structure and strategy?

Why?

How do you implement sales excellence? (Commercial Hub, sales enablement team, technology, customer insights, etc)

What is the structure of the sales department?

The CX area gives support to sales?

4. Connection between the new structure and Go to market:

What has been the impact of this change in the go to market of the company?

5. Benefits & Challenges:

What are the benefits the company is enjoying thanks to this change of strategy? (Loyalty, Satisfaction, revenue, etc.)

What were the challenges experienced by the company when developing the change?

6. Future customer centric roadmap:

Future roadmap in order to optimize their strategies?

APPENDIX B - CUSTOMER EXPERIENCE METRICS

As described by Pavel Dmitriev in his work Measuring Metrics "You get what you measure, and you can't manage what you don't measure. Metrics are a powerful tool used in organizations to set goals[…] To a large extent, metrics drive the direction of an organization, and getting metrics "right" is one of the most important and difficult problems an organization needs to solve". For any organizational process, operational, financial, etc. You must have metrics to ensure compliance with the organizational strategy and to be able to actually measure if you are achieving what you want to achieve and if the company is going where it wants to go. In this case as well as other organizational processes is important to have internal and external measures that give us a signal about the performance of the company in the change of strategy to a customer centric approach. To have a better context on how companies might be measuring the Customer Experience performance is important then to have a look into some indicators and how they work.

Sales Trajectory:

To some degree the revenue trajectory can gives a clue as to how the Customer Experience the company is providing is going. Of course, the sales of a product or service also have many other variables that may be affecting it such as price, competition, product performance, marketing campaigns among others. But it can be an indicator in which if the company is not acquiring the amount they want one of the reasons could be that the CX is not been the best. The previous statement is supported by the fact that "CX drives three types of customer loyalty: retention, enrichment, and advocacy. Increased customer loyalty in turn tends to drive increased revenue growth." (Manning, H., & Czarnecki, D. 2016) .

In Time In Full (OTIF):

This is a very important metric because it measures the level of service in the delivery of products to customers. As mentioned above, if the company meets the expectations given to the customer, the experience will be positive. In this case, there are expectations of on-time delivery and that the delivery is complete.

Complaints:

No matter how good a company is, it will always get complaints from customers because it is impossible to satisfy everyone equally given the diversity of people. So, measuring the number of complaints will in itself be an indicator of the Customer Experience and an opportunity to listen to the customer and improve on the feedback received.

Churn:

Churn in its simplest definition, means that customers are abandoned to choose the company and the importance of this measure is that for a company not only this means that there could be a poor Customer Experience but that in economic terms "according to researchers, winning new customers in today's competitive conditions is up to 10 times costlier than retaining existing customers" (Çelik, O., & Osmanoglu, U. O. 2019). So, evaluating this indicator is important as it is a measure of dissatisfaction with one supplier with the thought that another supplier can do better. It is calculated by dividing the total number of churned customers in a year by the total number of customers in a year.

Customer Advocacy:

"Customer advocacy – not just repeat business, word-of- mouth testimonials and referrals but a comprehensive willingness on the customers' part to help the business grow. Advocacy from customers whose experience with the company has left them committed, trusting and loyal, and voluntarily inclined to help spread the good word" (Lacey, R., & Morgan, R. M. 2008)

The above statement proves and states that the referrals and the attitude of advocacy by a customer is related to the experience it had with the company. It is to be interpreted that when satisfaction and positive emotions emerge on the part of a customer, they will be available to advocate on behalf of the company. It is therefore an internal indicator that helps in measuring Customer Experience.

Of course, there are many other indicators that may be more specific to each type of business and to the different phases of the Customer Journey. But the importance of this section was to generate an idea and the connection of these internal indicators with the concepts that within Customer Experience specifications, giving a clearer idea of how companies can be aware internally if they have a need to change their strategy to a more customer centric one and improve the Customer Experience. Measurement will always be fundamental to know the state of a company in terms of Customer Experience.

Hague, P., & Hague, N. (2023) in their book "B2B Customer Experience: A practical guide to delivering exceptional CX" give us a broad idea of which internal indicators

are related to Customer Experience and how these indicators can bring monetary benefits to the company. Once again, the link between Customer Experience and the long-term profitability, growth, and sustainability of a company is evident. (Figure 9).

Subject	Metric/KPI´s	Benefits
Employee Engagement	Employee satisfaction	Spin-off is strong CX
	Employee absenteeism	Reduced costs of recruitment
	Employee voluntary work outside formal hours	Develops a culture of mutual help
Quality	Return Rates	Reduced costs of defect and error rates
	Delivery timeliness	Lower costs of returns
Customer Satisfaction	Increased Sales	Lower costs through increased scale
	Customer Complaints	Lower complaints costs
Loyalty and Advocacy	Customer Churn Rates	Reduced up-sell and cross-sell costs
	Loyalty Program Participation	Lower retention costs
	Repeated Business	Increase in lifetime value
	Customer and Employee Referrals	Lower cost of sales acquisition

Table 2. Hague, P., & Hague, N., B2B Customer Experience: A practical guide to delivering exceptional CX., 2023, Kogan Page Publishers. Book.

The Net Promoter Score:

This is a fundamental external indicator to measure the Customer Experience and was created basically to give a numerical value to it. Of course, as is has been mentioning, for an enterprise “no strategy can guarantee success, but it seems likely that failure to deliver a good Customer Experience pretty much guarantees failure.” (Owen, R. 2019)

Moreover, as stated by Owen R. the fundamental linkage between NPS as a measure of Customer Experience and financial performance is strong in most competitive industries but it is not perfect. Conceivably there are better metrics, although usually

at the price of complexity and an associated loss of easy communication. NPS is strong enough as a metric to convince all but the most short-sighted to make business decisions based on, in part, the impact of Customer Experience. We now have data that provides a platform for those who want to make longer term customer lifetime value investments. Owen, R. (2019)

With this in mind then, the NPS is based on the numerical response to a basic strategic question:

"How likely are you to recommend company x to a colleague using a scale from 0 to 10 where zero means not at all likely and 10 means very likely?"

After the rating is given by the different customers, the company must rank them. All those who give a rating from 9 to 10 are promoters, all those from 7 to 8 are passive and from 7 and below are detractors. At the end a subtraction is made between the percentage of promoters and detractors. "the score will be driven by perceptions of the quality of the product and the value for money as well as softer factors as brand and customer service. A high NPS is a strong predictor of growth of the company" (Hague, P., & Hague, N. 2023)

The Customer Satisfaction Score (CSAT):

Is a metric that is closely aligned with NPS and has been tested for years in companies and can be asked not only in general but also for various aspects of a company's products or services. For example, satisfaction can be asked in terms of delivery, order taking, sales representation, and also in a general way measuring the satisfaction of the services provided by the company. Doing so in both a specific and general way can give the company insight into a possible correlation between the rating of the specific and the general aspect. For example, if customers rate delivery high and overall high, one can draw a correlation between the timeliness of delivery and overall satisfaction. Similarly low scores may attribute to low overall satisfaction. The template question for this score is:

"How satisfied are you with company X on a scale from 1 to 10 where 1 means not at all satisfied and 10 means very satisfied indeed?"

Customer Effort Score (CES):

"Effort is worth the effort – it's a key measure for loyalty, voice of the customer and actionable insight but is a stronger driver on negative experiences than the positive." (Clark, M., & Bryan, A. 2013)

This indicator according to the literature is an indicator that helps companies to identify parts of the Customer Journey where customers are spending the most

effort, which is not a good thing as customer loyalty and Customer Experience is affected by how easy it is for them to deal with the company. Being effort the "customer's perception of the amount of time and energy that they have to spend in an encounter with a brand/an organization. It is different from the objective amount of time and energy. It is the nonmonetary cost of consumption. An encounter with an organization includes, but is not limited to, (a) getting a product or service—purchasing, (b) getting information, (c) getting a problem solved—post purchase, and (d) actually using the product (e.g. set top box, iPhone)" (Clark, M., & Bryan, A. 2013)

By having easy processes, for example having easy processes, for example a more effortless checkout process within the website. It can lead users to feel positive emotions towards the brand and buy the product with ease. This is where one of the main strengths of this indicator comes from, and is that the company is able to identify actions that need to be taken to make the Customer Journey easier for customers

The specific question that can be asked for this measurement is the follow:

"How much effort is required to do business with company X on a scale from 1 to 10 where 1 means a significant amount of effort is required and 10 means very little effort is required"

Customer Experience Metrics Remarks

It is important to emphasize that for a company to use KPIs is fundamental, it is not a decision on which one to use but they should all be used and know how to interpret the results since they all measure different things. For example, according to Clark, M., & Bryan, A. (2013) in the B2B companies, effort questions added to annual surveys identified 'trapped' customers, i.e. those who indicated they would remain customers but were at risk if another supplier was available. These customers had previously been assumed to be loyal, but the CES provided another view that they were unhappy and prepared to defect The previous statement indicates that an NPS can shows closed results on customer loyalty, while if implemented in conjunction with the CES it can broaden the spectrum and find customers who are not having the best experience and work on them such as an easy to business programme.

This finally provides a better understanding of the meaning of Customer Experience, how to measure it and the impact that not meeting customer expectations and experience can have on companies. It highlights the importance for companies to realize their current state and make a transformation towards a more customer centric strategy increasing in turn the Customer Experience and long-term benefits of the company.

APPENDIX C - B2B CUSTOMER JOURNEY

When a customer interacts with a company, there is always a touchpoint. This can be simple interactions with owned media of the company, it can also be with suppliers, people, among others. These interactions, generate emotions towards customers and are the reflection of their experience from the moment they look for the company to the post purchase. It is here where one must think about the Customer Journey, which can be thought of as a life cycle composed of precise phases that describe the customer's activities before, during and after buying. Therefore, understanding and defining a correct Customer Journey plays an important role in delivering a positive Customer Experience.

In the case of a B2B industry, the Customer Journey may vary slightly compared to that of a B2C industry. This is due to the variants of actors that are involved in the different phases and also to some additional phases that take place (Figure 24).

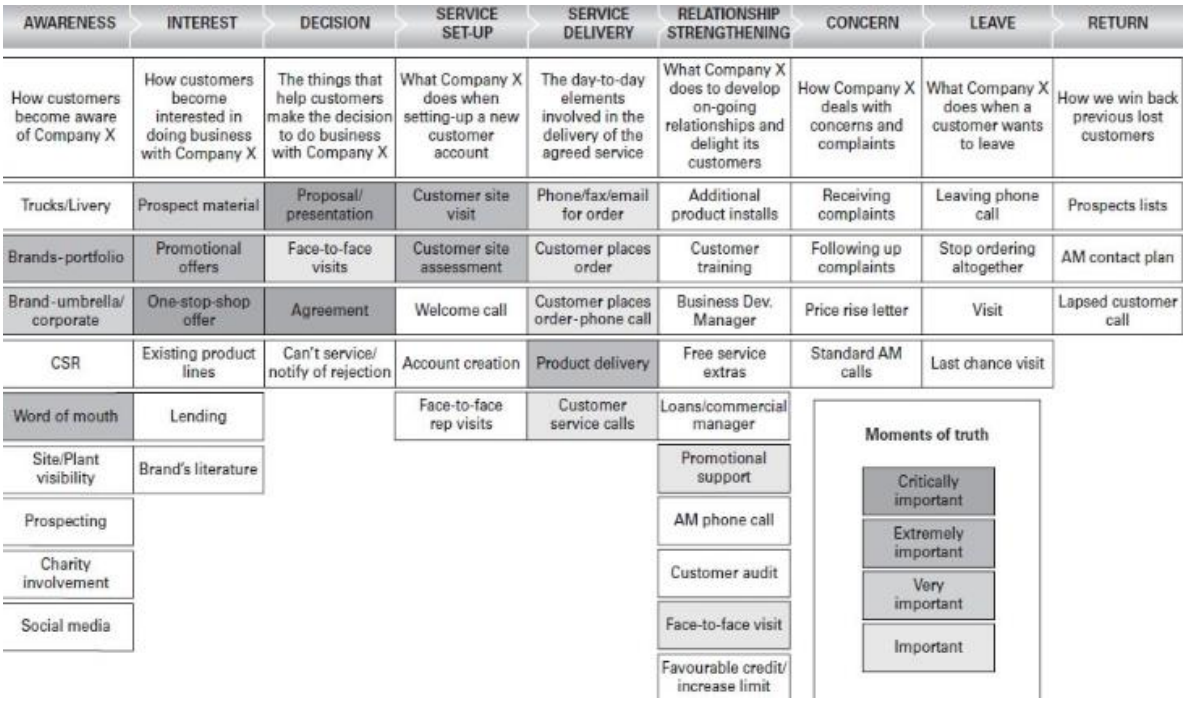


Figure 24. Hague, Paul, and Nick Hague. *B2B Customer Experience: A practical guide to delivering exceptional CX*. Kogan Page Publishers, 2023.

As can be seen in the table exposed by Hague, Paul and Hague, Nick in their book B2B Customer Experience: A practical guide to delivering exceptional CX, during the initial phase (awareness) the customer acquires knowledge and is looking for

suppliers in the market, usually through internet search before contacting them directly, they seek to have a list of potential suppliers that will later be filtered in the interest and decision phase. Following the awareness phase is the interest phase, where the customer inquiries even more in detail about the supplier and can contact him directly, an evaluation of the technicalities with tests, or promotional offers can be done for example. This is followed by the decision phase where the customer and the supplier negotiate terms and conditions and can be complemented with trials. Finally, the post-purchase phase becomes a bit more complex as the service, delivery management, strengthen the relationship and further relationship must be settled up.

Finally, it is important to note that the initial interactions between the customer and the supplier can be with the technical teams. "There could also be some high-level influence at board level with members of the leadership team. Procurement staff are nearly always involved at some stage." During the process it is imperative that a salesperson is involved to coordinate the procedures, as this person probably already had the first contact with the customer in the interest phase. “Through examining the customer journey we see that there are opportunities for multiple Customer Experiences depending on who is involved and at what stage they take place in the relationship” and it is of vital importance to know how it works in the B2B context since this is where the Customer Experience is reflected in the different phases of interaction, allowing the company to detect, analyze and propose opportunities for improvement.

APPENDIX D - GTM 7 PS AND THEIR EFFECT ON CX

Product

The product is “Something or anything that can be offered to the customers for attention, acquisition, or consumption and satisfies some want or need”. It includes physical objects, services, persons, places, organizations, or ideas” (Muala & Qurneh 2012). The product is the core of the marketing mix strategy where companies could offer unique attributes that, differentiates their product from their competitors. (Khan, M. T. 2014)

In this way companies have two primary avenues for introducing new products: through acquisition—such as purchasing another company, acquiring patents from another firm, or obtaining licenses or franchises—or through internal development, which involves leveraging its own laboratories, engaging independent researchers, and so on. Booz, Allen & Hamilton has identified six categories of new products:

1. Pioneering Products: these are novel and inventive items that pioneer entirely new markets, exemplified by the Palm Pilot handheld computerized organizer.

2. New Product Lines: these encompass fresh products enabling a company's entry into established markets for the first time, like Fuji's disk brand for Zip drives.

3. Line Extensions: these refer to new products augmenting existing product lines, such as varied package sizes or flavors, as seen with Amazon.com's auctions and e-mail greeting cards.

4. Enhancements and Revisions: these denote new products offering improved performance or perceived value, displacing existing products, as illustrated by Microsoft Office 2000.

5. Repositioning: this involves targeting existing products to new markets or market segments, as demonstrated by Johnson & Johnson's repositioning of Baby Shampoo for both adults and children.

6. Cost-Efficiency Innovations: these represent new products delivering similar performance at reduced costs, exemplified by Intel's Celeron chip.

The process of developing new products:

As stated by Kotler, P. (2001) in its book *Marketing management, millenium edition*. There is a standard framework that companies must consider when developing any product or service to maximize its adoption, this been a traditional way without considering the agile methodologies. Here if the company cannot answer "yes" to the key question at each of the first six stages, the new product will be dropped; in the final two stages, the company has the option of further development or modification rather than immediately dropping the new product. This process could be optimized for sure with a customer centric strategy within the organization, since it will allow develop a product that answer the needs of the customers.

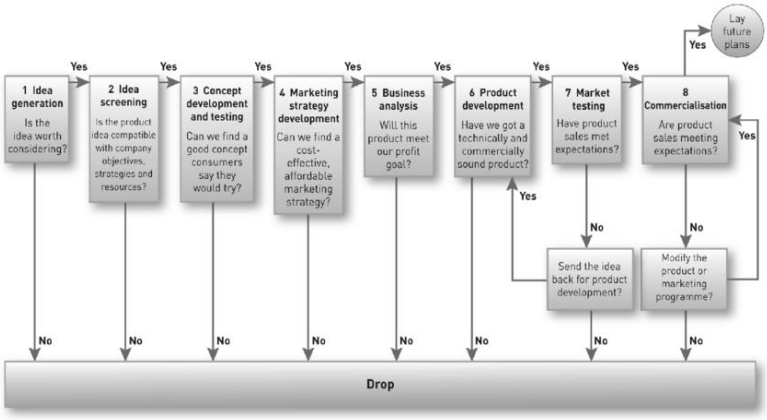


Figure 25. Kotler, P. (2001). *Marketing management, millenium edition*. Prentice-Hall, Inc.

The product element directly relates to the customer´s experience since it is translated in how well it meets expectations, thus a product directly affects a customer's NPS rating.

Price

"Price is the most important factor, determining customers' satisfaction. Customers estimating the value of obtained service most often think about the price" (Virvilaite, Regina, Violeta Saladiene, Dalius Skindaras 2009). "Price is what's been given up to get a product/service. How much consumers are willing to pay fluctuate due to their

different needs. Thus, the price perceptions to the same service or products may differ among individuals" (Khan, M. T. 2014).

As described in the previous statements, the element of price in a Go to market activity is of vital importance to the Customer Experience, since price gives the customer expectations. As mentioned in the first chapters, a major factor affecting customer satisfaction and therefore Customer Experience is whether the company is able to meet or exceed customer expectations. The price of a product or service automatically positions itself in the customer´s mind minds as if the price is high, it can be assumed that the product or service will bring many benefits while a lower price will bring less benefits.

If B2C and B2B are compared a differentiating factor in the changes that have been taking place is price transparency. In a B2C environment, for example, when booking a ride on uber, the passenger can see what the price of the service will be. However, in a B2B environment this transparency is lagging behind as companies in this sector are less transparent. But why is this? Why don't companies simply put their price on their website?

"Business customers are likely to be more focused on price than consumer customers, since price directly affects their profitability" (Lim, W. M. 2023). In the negotiation phase of the B2B customer journey the buying organization will always try to negotiate a lower price and the sellers a higher price as this is a sign of profitability, for an incremental CEO the profitability is to reduce costs, increase the price or sell more. This specific negotiation makes supplier companies do not write their pricing in their website.

"As price is the most flexible element of the marketing mix, it is sensible for B2B marketers to adopt market-based pricing, whereby pricing decisions follow a situation- specific approach as they are guided by the unique characteristics of their target market" (Indounas, 2019). However, the following highlights the methodologies for determining a price.

Pricing Strategies

- Cost-based: pricing is determined by adding a markup to the product's cost. This approach is effective when the firm's prices remain competitive compared to others in the market.
- Break-even: firms establish prices to cover manufacturing and marketing costs, aiming to either break even or achieve targeted profits.
- Market-based: companies set prices based on their competitors' pricing strategies and market positioning.

- Customer-value: in customer-value based pricing, products are priced based on the perceived value they offer to customers. The company must assess the value customers attribute to both its own and competitors' products. However, gauging perceived value can be challenging, and pricing above the perceived value may lead to decreased sales.

Promotion

Promotion encompasses the comprehensive set of marketing tactics and tools utilized by marketing organizations to inform, persuade, and remind their target audience to try and purchase their products, ultimately driving sales and enhancing brand recognition. The approaches to promotion can significantly differ between B2B and B2C organizations, primarily because business buyers and individual consumers tend to seek out information in distinct ways.

B2B marketing organizations typically adopt a more professional and objective orientation since they cater to the needs of buying groups or committees responsible for purchasing decisions. Their focus lies in streamlining the buying process to save time and money. Conversely, B2C marketing is geared towards providing quick solutions and enjoyable content to a broader, more impulsive audience of end users.

Since procurement executives in B2B markets are typically working professionals, B2B marketers frequently depend on sales calls and participation in trade shows during official working hours to network and promote their products. This stands in contrast to the processes driving consumer purchases, which often take place during leisure time. As a result, the cost of acquiring a sale in the B2B market tends to be higher compared to the B2C market.

In addition, after the pandemic in 2020, the B2B industry was forced to further adopt digital channels (digital marketing) to get closer to the buying companies “in the form of email marketing by sending targeted and personalized emails to engage prospects and customers, with a potential for follow-up even when the initial response bears no fruit “(Sahni et al., 2018; Zhang et al., 2017) and “to increase social connectedness, B2B marketers may consider engaging in podcast marketing to communicate to a captive audience (Chang and Cevher, 2007)”

So, given the above descriptions it is inferred that the promotional activity of a company becomes in a certain way a touch point for B2B customers where these contacts either through sales reps or digital media can generate different emotions in the customer and affect their experience. Thus the quality of this experience will

largely depend on the firm's degree of customer centricity and the sophistication of its structure and culture in prioritizing the customer.

Place

“Place is likely to offer the greatest potential for marketing organizations to gain a competitive advantage, since it is more difficult for competitors to copy” (Chang and Cevher, 2007)”

“’place’ or more aptly, ‘distribution’, is the means by which products and services are moved through the value chain. It is not unusual in business to nosiness markets for a product to move through different channels within the value chain” (Hague, Paul, and Nick Hague, 2023) see Figure 26.

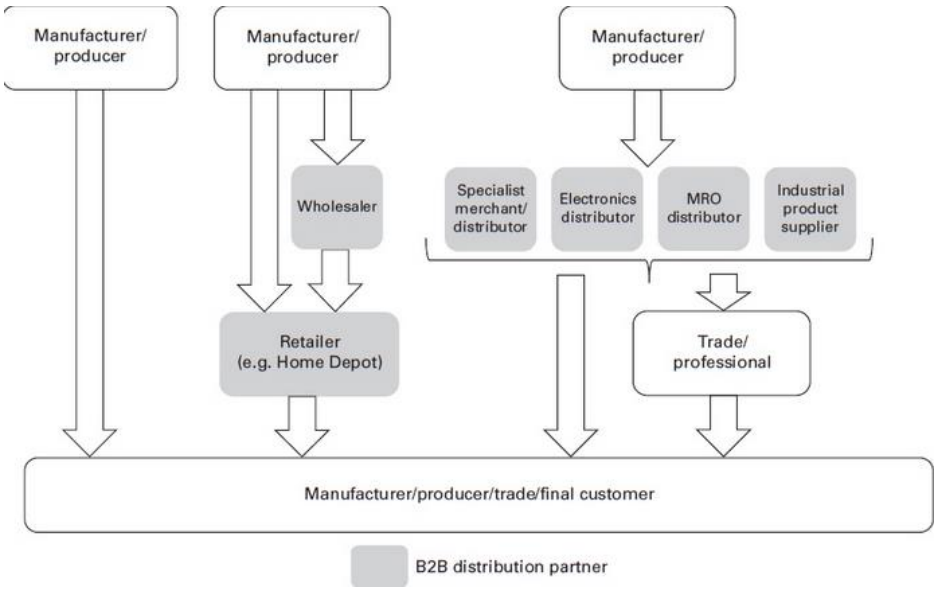


Figure 26. Hague, Paul, and Nick Hague. B2B Customer Experience: A practical guide to delivering exceptional CX. Kogan Page Publishers, 2023.

As it is seen in the figure presented, managing the Customer Experience at the delivery points in the value chain is not easy for B2B companies. This is because the company may have several delivery strategies. First, they can do it directly where the company can have full control over the timing and status of delivery which of course can affect customer satisfaction and experience. And second, a B2B company can also use intermediaries for delivery, this is where the experience at the delivery point will depend on the delivery service provider. Additionally, the form of distribution also has an impact on the price of the products due to transaction prices, so this can

also have an impact on the Customer Experience as described in the pricing section. Companies might present challenges in terms of understanding the end customer when there is an intermediary like a distributor.

People

“It has long been a fact that many services involve personal interactions between customers and the site's employees, and they strongly influence the customer’s perception of service quality. Personnel are keys to the delivery of service to customers. In addition, customers normally link, the traits of service to the firm they work for. Personnel are also considered as the key element in a customer centered organization as well as a way to differentiate variables with product, services, channel, and image.” (Khan, M. T. 2014)

People within the company play a major role in delivering customer service. In industries such as B2B where as described in the Customer Journey, there are multiple actors involved in customer interactions and above all where the customer has the opportunity to negotiate with the supplier company, people play a fundamental role as important touch points. In addition, and mainly in the B2B industry, these contacts with customers are regular, so the employees of both companies start to build relationships “some people within a customer may prefer a formal businesslike relationship while others thrive on banter about their personal interests”. Furthermore, these relationships generate customer loyalty, which as mentioned above can be measured with the NPS score, and loyalty leads the company to be sustainable and grow.

Achieving a customer centric approach is not possible if there is no culture and mindset from the employees. The interaction they have is important because it influences the customer's perception. In concrete terms, the whole set of actions that people within the supplier company execute influence Customer Experience in the whole customer journey.

Process

As mentioned in the fundamental pillars that a company must have in order to provide a very good experience, the pillar Seamlessness which refers to the fact that providing service to a customer throughout the Customer Journey must be smooth and easygoing relates to this case when a customer comes in contact with a company and it is automatically activating a process, this process must be compliant with the Seamlessness principle to be able to enhance the Customer Experience. Moreover, “The pace of the process as well as the skill of the service providers are clearly

revealed to the customer and it forms the basis of his or her satisfaction with the purchase. Therefore, process management ensures the availability and consistence of quality." (Khan, M. T. 2014)

There are also several process improvement methodologies in the literature that reinforce the idea that processes greatly influence the Customer Experience. For example, "The business objective of the Enhanced Customer Experience Framework is to enhance Customer Experience. Where is vital to identify all the business processes that are currently in conflict with this objective" (Botha, G.J., Kruger, P.S. & De Vries, M. 2010). Therefore, the P of process in the Go to market model with the 7 P's is important for a company in the B2B industry since the process of negotiation, onboarding, order, among others, must be designed so that the customer has a very good experience.

Physical Evidence

"Physical evidence includes the environment in which the service is delivered and all tangible components supporting the service performance or communication" (Zeithaml & Bitner 2003, 25) "Paying attention to physical evidence is important because the customer uses these tangible cues to evaluate the service before buying it" (Zeithaml & Bitner 2003, 282).

As mentioned in the previous statements, physical evidence can be a factor that influences the Customer Experience because it can reflect in some way the image of the company and therefore can generate different types of feelings and emotions in the customer.

Speaking specifically of the B2B market, the relevance of physical evidence can be different in each industry. For example, in a business where a service is being provided "because of the nature of the business the customer and the service provider do not need to interact in a physical surrounding, therefore making the servicescape irrelevant for the case company, so the physical evidence of the service provider composes of the other tangible elements." (Mäkelä, T. 2011)

Other tangible elements of the service are business cards, stationary, employee's clothing, brochures, web pages, reports, virtual servicescape and billing statements" (Zeithaml & Bitner 2003, 282.)**¡Error! Marcador no definido.** Considering the aforementioned points, it can be affirmed that the tangible evidence may vary depending on the specific B2B company under discussion. However, it remains a pivotal factor that not only portrays the company's image but also evokes emotions in the customer, thereby significantly influencing their overall brand experience.

This section demonstrates the interconnectedness of each element comprising the GTM with the Customer Experience, thereby logically demonstrating the influence of a new customer centric strategy. This underscores the potential for a company to shift its strategy towards customer centricity. Benefits such as satisfaction, loyalty, and positive emotions are evident in the alignment of each element with a customer centric approach, ultimately leading to enhanced profitability for the company.

BIBLIOGRAFY AND WEBLINKS

Ahmady, G. A., Mehrpour, M., & Nikooravesh, A. (2016). Organizational structure. Procedia-Social and Behavioral Sciences, 230, 455-462.

Anderson, EW, Fornell, C and Lehmann, DR (1994) Customer satisfaction, marketshare, and profitability: Findings from Sweden, Journal of Marketing, 58 (3), pp 53-66

Bae, S.; Jung, T.H.; Moorhouse, N.; Suh, M.; Kwon, O. The influence of mixed reality on satisfaction and brand loyalty in cultural heritage attractions: A brand equity perspective. Sustainability 2020, 12, 2956

Bhattacharjee, D., Müller, L., Roggenhofer, S.,(2016), Leading and governing the customer centric organization; McKinsey & Company, https://www.mckinsey.com/capabilities/operations/our-insights/leading-and-governing-the-customer centric-organization#/

Booz, A. Hamilton's New Product Process. Dosegljivo: http://samples. jbpub. com/9780763782610/82610_CH02_PASS02. pdf [Datum dostopa: 13.8. 2018].

Botha, G.J., Kruger, P.S. & De Vries, M. 2010. Enhancing Customer Experience through business process improvement: An introduction to the Enhanced Customer Experience Framework (ECEF). CIE40 Conference proceedings, Japan 2010

Cai, L., He, X., Dai, Y., & Zhu, K.,(2018), Research on B2B2C E-commerce website design based on user experience. In Journal of Physics; Conference Series (Vol. 1087, No. 6, p. 062043). IOP Publishing., https://iopscience.iop.org/article/10.1088/1742-6596/1087/6/062043/pdf

Carratu, V. (1987). Commercial counterfeiting. In Branding: A key marketing tool (pp. 59-72). London: Palgrave Macmillan UK.

Ceesay, L. B.,(2020), Building a high Customer Experience management organization: Toward customer centricity.; Jindal Journal of Business Research, https://journals.sagepub.com/doi/epub/10.1177/2278682120968983

Çelik, O., & Osmanoglu, U. O. (2019). Comparing to techniques used in customer churn analysis. Journal of Multidisciplinary Developments, 4(1), 30-38.

Chang, S. E., & Cevher, M. (2007). An investigation and conceptual models of podcast marketing. In Advances in Web and Network Technologies, and Information Management (pp. 264–275). Berlin, Heidelberg

Chappuis, B., Cruz, G., Ellencweig, B., Valdivieso, M., & Viertler, M. (2020). The domino effect: How sales leaders are reinventing go to market in the next normal.

Chumpitaz Caceres, R. and Paparoidamis, N.G,(2007), Service quality, relationship satisfaction, trust, commitment and business-to-business loyalty; European Journal of Marketing, Vol. 41, https://www.researchgate.net/publication/240258100_Service_Quality_Relationship_Satisfaction_Trust_Commitment_and_Business-to-business_Loyalty

Clark, M., & Bryan, A. (2013). Customer effort: help or hype?. Henley Business school.

Cupman, J (2016) The Six Pillars of B2B Customer Experience Excellence, MarketingProfs, 26 April

Driedonks, B., & Paulowsky, R. (2021). Two ingredients for successful B2B sales: Agility and stability.

Eggert, A., Ulaga, W., & Gehring, A.,(2020), Managing customer success in business markets: Conceptual foundation and practical application.; MR-Journal of Service Management Research, https://www.nomos-elibrary.de/10.15358/2511-8676-2020-2-3-121.pdf

Ehrlich, O., Fanderl, H., Malfara, D., & Mittagunta, D. (2022, june 28). How the operating model can unlock the full power of Customer Experience. Mckinsey.com; McKinsey & Company. https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/how-the-operating-model-can-unlock-the-full-power-of-Customer Experience

Ganesan, S. Determinants of long-term orientation in buyer-seller relationships. J. Mark. 1994, 58, 1–19.

Hadjikhani A, LaPlaca P,,(2013), Development of B2B marketing theory; Uppsala University, Uppsala, Sweden, University of Connecticut, Storrs, Connecticut, USA, https://www.sciencedirect.com/science/article/pii/S0019850113000618?casa_token=vPe1lxNIdWkAAAAA:muhKHe8MQiLoOKW55-ad4sT4AwMou5nTNSmztmpZUujYOF8zLNFKHRnMZDAVAfldWt4Oc_s5uA#ab0005

Hague, P., & Hague, N.,(2023), B2B Customer Experience: A practical guide to delivering exceptional CX.; Kogan Page Publishers. Book, https://books.google.it/books?hl=es&lr=&id=n6a7EAAAQBAJ&oi=fnd&pg=PP1&dq=CX+in+B2B&ots=ASUePoE4Ev&sig=zgDppNB9AZNTnxky9un9ARKePfU&redir_esc=y#v=onepage&q&f=true

Hao, Z., Jaejin, P., Younggenun, P.,(2024), Demonstrating the influencing factors and outcomes of Customer Experience in omnichannel retail; School of Business Administration, Changwon National University, South Korea ,

Heine, I., Beaujean, P., & Schmitt, R. (2016). Conceptual framework for analyzing the fit between organizational strategy and culture. Procedia CIRP, 51, 79-84.

Heskett, J. L.,(2002), Beyond customer loyalty. Managing Service Quality:; An International Journal, 12(6), 355-357., https://www.emerald.com/insight/content/doi/10.1108/09604520210451830/full/html?casa_token=cPSNZDCtvpoAAAAA:UIBPp-ZqpI_ycoSXCaWTYPj3vTUYt55UMU4sNGpj_cTheHXRieDjtHZZtjM_-bWRLWw9uU40yItWrgt4RTFwR-2Yl4Enb6dk49_ICoM8mjppWOw_GeQ

Heskett, JL, Sasser, E and Schlesinger, LA (1997) The Service Profit Chain: How leading companies link profit and growth to loyalty, satisfaction and value, The Free Press, New York

Hilton, B., Hajihashemi, B., Henderson, C. M., & Palmatier, R. W. (2020). Customer Success Management: The next evolution in customer management practice?. Industrial marketing management, 90, 360-369.

Hochstein, B., Rangarajan, D., Mehta, N., & Kocher, D. (2020). An industry/academic perspective on customer success management. Journal of Service Research, 23(1), 3-7.

Hochstein, B., Voorhees, C. M., Pratt, A. B., Rangarajan, D., Nagel, D. M., & Mehrotra, V. (2023). Customer success management, customer health, and

retention in B2B industries. International Journal of Research in Marketing, 40(4), 912-932.

Homburg, C., Workman, J. P., & Jensen, O. (2000). Fundamental changes in marketing organization: The movement toward a customer-focused organizational structure. Journal of the Academy of Marketing Science, 28, 459-478.

Hultink, E. J., Griffin, A., Hart, S., & Robben, H. S. (1997). Industrial new product launch strategies and product development performance. Journal of product innovation management, 14(4), 243-257

Indounas, K. (2019). Market-based pricing in B2B service industries. Journal of Business & Industrial Marketing, 34(5), 1030–1040. https://doi.org/10.1108/JBIM-03-2018- 0103

Janićijević, N. (2012). The influence of organizational culture on organizational preferences towards the choice of organizational change strategy. Economic annals, 57(193), 25-51.

Janićijević, N.,(2017), Organizational models as configurations of structure, culture, leadership, control, and change strategy; economic annals, 62(213), 67-91., https://doiserbia.nb.rs/img/doi/0013-3264/2017/0013-32641713067J.pdf

Jeon, H., & Choi, B. (2012). The relationship between employee satisfaction and customer satisfaction. Journal of Services Marketing, 26(5), 332-341.

Johnson, R., Kong, X.,,(2011), The Customer Experience - a roadmap for improvement; Warwick Business School, University of Warwick, Coventry, UK, https://www.emerald.com/insight/content/doi/10.1108/09604521111100225/full/html

Khan, M. T. (2014). The concept of 'marketing mix'and its elements. International journal of information, business and management, 6(2), 95-107.

King, N., & Hugh-Jones, S. (2018). The interview in qualitative research. ng qualitative research in psychology: a practical guide. Sage, London, 121-144.

Kohli, Ajay K., Tasadduq A. Shervani and Goutam N. Challagalla (1998), "Learning and Performance Orientation of Salespeople: The Role of Supervisors," Journal of Marketing Research, 35 (2), 263–74.

Kotler, P. (2001). Marketing management, millenium edition. Prentice-Hall, Inc..
Lacey, R., & Morgan, R. M. (2008). Customer advocacy and the impact of B2B loyalty programs. Journal of business & industrial marketing, 24(1), 3-13.

Lim, W. M. (2023). Transformative marketing in the new normal: A novel practice-scholarly integrative review of business-to-business marketing mix challenges, opportunities, and solutions. Journal of Business Research, 160, 113638.

Livijn, M. (2019). Navigating in a hierarchy: How middle managers adapt macro design. *Journal of Organization Design*, *8*(1), 7

Mäkelä, T. (2011). B2B marketing plan for Flying Stars.

Manning, H., & Czarnecki, D. (2016). Customer Experience Drives Revenue Growth, 2016. Business case: The Customer Experience ecosystem Playbook. Forrester Research Inc, 7.

Mashingaidze, S. (2014). Customer Experience management: New game strategy for competitiveness. J. Gov. Regul, 3(3).

Mehta, N., Steinman, D., & Murphy, L. (2016). Customer success: How innovative companies are reducing churn and growing recurring revenue. John Wiley & Sons.

Minh, H. N. T.,(2012), B2B2B User Interaction and Innovation: A Framework for Complex Customer Relationship Management.; Master Thesis in Innovation, Entrepreneurship and Business Development, School of management, 3-5, https://www.diva-portal.org/smash/get/diva2:831510/FULLTEXT01.pdf

Mintzberg, H. (1972, August). Research on strategy-making. In Academy of Management Proceedings (Vol. 1972, No. 1, pp. 90-94). Briarcliff Manor, NY 10510: Academy of Management.

Muala, Dr. Ayed Al and Qurneh, Dr. Majed Al (2012) " Assessing the Relationship Between Marketing Mix and Loyalty Through Tourists Satisfaction in Jordan Curative Tourism", American Academic & Scholarly Research Journal Vol. 4, No. 2, March 2012

Nagel, Manuel and Fournier, sales journey in the B2B system business – The selling process and the sales organizational structure in the age of digital transformation. 2021

Narver, J. &. Slate, S. (1990) "The Effect of a Market Orientation on Business Performance". Journal of Marketing 5(3) pp. 20-35

Nilesh Pandit,(2022), The 3 levels of Continuous Improvement system; LinkedIn, https://www.linkedin.com/pulse/3-levels-continuous-improvement-system-nilesh-pandit/

Orel, F.D.; Kara, A. Supermarket self-checkout service quality, customer satisfaction, and loyalty: Empirical evidence from an emerging market. J. Retail. Consum. Serv. 2014, 21, 118–129

Owen, R. (2019). Net promoter score and its successful application. Marketing wisdom, 17-29.

Palmer, A.,(2010), Customer Experience management: a critical review; Journal of Services Marketing, https://www.emerald.com/insight/content/doi/10.1108/08876041011040604/full/html?fullSc=1

Paula, R. M., & Iliuţă, N. C. (2008). Customer Experience management–The most important dimension of the service firm strategy. Analele Universităţii din Oradea, 1171.

Peppers, D., & Rogers, M. (2005). Return on customer: Creating maximum value from your scarcest resource. Doubleday/Currency

Purcarea, T. (2020). Marketing Differentiators and the Corollary Mindset Shifts within the New Marketing. *Holistic Marketing Management Journal*, *10*(1), 36-50.

WEBLINKS

Pereira, Daniel. "What Is Business-to-Business (B2B)? Types and Examples." Business Model Analyst, 29 Mar. 2023, businessmodelanalyst.com/business-to-business-b2b.

B2B International. (2016, noviembre 14). Excel in B2B Customer Experience. B2B International. https://www.b2binternational.com/publications/six-steps-to-b2b-Customer Experience-excellence/

Birkett, A. (2023, septiembre 4). What is customer Satisfaction Score (CSAT) and how to measure it? HubSpot. https://blog.hubspot.com/service/customer-satisfaction-score

Cupman, J. D. (2016, abril 26). The six pillars of B2B Customer Experience excellence. MarketingProfs. https://www.marketingprofs.com/articles/2016/29806/the-six-pillars-of-b2b-Customer Experience-excellence

Oppenheimer, A. (2021, agosto 25). B2B, B2C, B2B2C, B2C2B… the GTM menu and business model innovation. Medium. https://medium.com/@Alexoppenheimer/b2b-b2c-b2b2c-b2c2b-the-gtm-menu-and-business-model-innovation-ee46ed757104

What is a go to market strategy? And how to create one. (2022, febrero 25). Coursera. https://www.coursera.org/articles/go to market-strategy

Wilson, C. (2022, noviembre 17). Sales excellence: How to identify & reward your exceptional reps, according to sales leaders. HubSpot. https://blog.hubspot.com/sales/sales-excellence