

Marketing & Sales

A passion for customer experience in driving growth

Embracing data and providing an enhanced customer experience have been keys to growth at Hugo Boss.



In this interview, McKinsey's Dennis Spillecke talks to Linda Dauriz, director of customer experience and corporate development at Hugo Boss, about data-driven growth and customer experience. Hugo Boss is a luxury fashion company with revenues of \$3 billion. The following is an edited version of the highlights of the interview.

What are your recommendations for a leader looking to spark growth?

For fueling growth, I have three recommendations. The first one is to be very clear about your priorities, so you know what you want your team to go after. Be extremely clear why you want them to go after that opportunity and why you believe it's exactly the right path for the organization.

The second is to hire for a growth mind-set. Seek people who are living a can-do mentality and enjoy challenges but who also see the opportunities that arise from challenges.

The third and last one is to show your personal passion for the growth area you're pursuing, because a certain energy level and being passionate about growth definitely have a positive impact on everyone around you.

How are you enhancing customer experience to drive growth?

It all started with a provocative statement, that "experiences will be the new product." I definitely shocked quite a few in a very product-oriented company when I made this statement. It all starts with the brand and what the brand embodies.

Boss dresses the drive of our customers, so we are there on their journey—on their personal journey to growth and to success. For us, the core was this notion of ambition and drive, and we built experiences around that.

One format, for example, is an evening in our store, combining career and styling advice, that we titled "Live Up to Your Ambition." This is really buying a piece of the Boss world, and we're testing whether customers are willing to spend their money not on the next suit but on an evening that will lead them to live up to their ambition.

What is the role of data in growth?

Three years ago, we took the decision to insource our customer database, and since then we have been obsessed with customer data. The first step is in the stores: we encourage all of our staff and employees, through competitions, to register our customers so that we know who is coming through the door and who is buying our brand.

Having captured customer data, then we leverage analytical models to truly understand our customer behavior in depth. What we realized is that our colleagues in sales get more and more enthusiastic about the power of data. They were rather skeptical in the beginning, but then when you explain to them that we can predict with a high chance what the next buy will be, or when they will be next in store, that excites them and also motivates them to register more and more customers.

We were able to massively increase the share of net sales through registered members.

Linda Dauriz is director of customer experience and corporate development at Hugo Boss. **Dennis Spillecke** is a senior partner in McKinsey's Cologne office.

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