

Customer Success Management as a Strategic Function

Cumulative dissertation

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Overview

This cumulative dissertation investigates the newly emerged phenomenon of customer success management (CSM). CSM has received a significant amount of attention from academics and practitioners alike. However, the body of academic literature is still in its infancy, especially when comparing CSM's relevance to the field of relationship marketing.

Manuscript 1: Zakrzewski, K., Krause, V., Pfaff, C. & Seidenstricker, S. (2023). Is customer success management a new relationship marketing practice? A review, definition, and future research agenda based on practice theory. Under review.

Manuscript 2: Zakrzewski, K., Krause, V., Eberl, D. & Rangarajan, D. (2023). Dynamic & proactive segmentation of post-sale customer relationships in B2B subscription settings: The customer health score. Under review.

Manuscript 3: Zakrzewski, K. (2023). Customer success management - closing a capability gap in the customer-focused structure toward customer centricity in B2B service contexts. In Proceedings of AMA Academic Winter Conference – extended Abstract.

The first manuscript adopts a new approach to the investigation of CSM, providing a practice-based definition that distinguishes CSM from other relationship marketing constructs. By utilizing the 3 Ps framework of practice theory (praxis, practices, and practitioners), the definition of CSM as a strategic function was refined. In addition, the second manuscript utilized praxis to develop the customer health score, which can be used as an indicator for the dynamic and proactive segmentation of customers. The third manuscript builds on this functional definition to show how CSM's organizational embeddedness can help overcome barriers to customer centricity by enabling adaptive organizational capability.

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I. Motivation and background of the cumulative dissertation

Customer success management (CSM) first emerged in the practitioner-focused literature (Porter & Heppelmann, 2015; Zoltners et al., 2019) with the rise of the software-as-a-service business model. This was quickly followed by the first attempts to define it in academic literature (Hilton et al., 2020; Hochstein et al., 2020). However, academics still contest the CSM construct, despite the existing groundwork conducted by Kleinaltenkamp et al. (2022) and Prohl-Schwenke and Kleinaltenkamp (2021). Thus, the most recent work by Ulaga and Kowalkowski (2022) calls for a proper distinction between constructs such as customer relationship management (CRM), customer experience management (CXM), customer engagement management (CEM), and key account management (KAM) (Manuscript 1). There has also been a pressing need for a deeper understanding of CSM within an organizational context (Manuscript 3) as well as the development of new practices, such as the customer health score (CHS; Manuscript 2) (Ulaga & Kowalkowski, 2022).

The theoretical origins of CSM lie in relationship marketing (Hochstein et al., 2020). Relationship marketing is a long-standing concept that aims to “identify and establish, maintain and enhance and, where necessary, terminate, relationships with customers and other stakeholders, at a profit so that the objectives of all parties involved are met; this is done by mutual exchange and fulfillment of promises” (Grönroos, 1996, p. 7). In contrast, the more recent concept of CSM has been defined as “the proactive... relational engagement of customers to ensure the value potential of product offerings is realized by the customer” (Hochstein et al., 2020, p. 3). A comparison of the two definitions reveals some inherent commonalities and explains why the greater academic community has struggled to answer the calls for additional CSM research. Despite their commonalities, there are clear motivations for the investigation of CSM as a new concept. CSM emerged in a new business-to-business business model, i.e., everything-as-a-service, which did not exist when the concept of

relationship marketing was developed. Additionally, the notion that the supplier helps their customers to realize the value potential of the supplier's offerings, which implies to deliver the most value for the customer's end-customer. A thought which might advances the thinking of classical relationship marketing.

From a practical perspective, research into CSM in the context of this business model is highly relevant, especially when considering that the software-as-a-service market — which catalyzed the development of CSM — is expected to reach US\$200 billion in 2023 (Gartner, 2022). Companies such as Microsoft, IBM, and Cisco have taken the lead in developing CSM in software-as-a-service markets. According to BCG Global (2023), those companies are considered to be crucial for the future of the digital economy due to being the most innovative. The importance of CSM is evident even in the German market, with the leading software-as-a-service company SAP dedicating a board seat to customer success (Kerkmann, 2020). This was seen as a necessity after SAP transitioned from a one-time license business model to the software-as-a-service business model, a change that required additional attention to avoid churn due to more frequent contract renewals.

The recent development of the software-as-a-service business model was triggered by the recent evolution of cloud computing and an increased focus on recurring revenue. However, this new subscription business model can be seen as problematic because customers can cancel their subscriptions anytime. This issue arises from a commercial perspective, as subscription periods tend to be shorter than the lifecycle of the product. In addition, cloud computing allows for the remote deployment and management of software (Zhang et al., 2020); this is in contrast to the former business model, which was based on the one-time purchase of software or hardware. Thus, a large upfront payment is no longer needed to install the software. Hence, the reduced commercial and technical switching costs involved reduce the barriers to switching, consequently increasing the risk of churn

(Hochstein et al., 2021). CSM was developed to specifically manage this churn. Despite the risk of churning customers, companies are still transitioning into or are being founded on the basis of the software-as-a-service model as the innovations associated with this model are making waves in newly created markets as well as those that are undergoing a new fermenting stage. In these newly fermenting markets, service business models such as the software-as-a-service and, by extension, the everything-as-a-service business models are more profitable as they have a more resilient and stable source of revenue and profit in a dynamically changing market. They have been shown to deliver up to five times more revenue over the product usage time compared to older business models (Cusumano et al., 2015). In direct the technical advancement of cloud computing advanced the transparency of the supplier on how the customer are using there product and thus enabling the supplier to better show the customer to deliver for their end customer as they no the product best.

The recent development and proliferation of the everything-as-a-service model and, as a consequence, CSM, have motivated other authors to define CSM as a concept. As previously mentioned, however, CSM has not yet been fully distinguished from existing relationship marketing theory, and the full breadth of this function has not yet been explored (Ulaga & Kowalkowski, 2022). For example, existing CSM conceptualizations are not based on specific theory for comparison (Hilton et al., 2020; Hochstein et al., 2021). This author argues that practice theory is especially applicable if one is attempting to determine the fundamental changes in a reinvented concept, particularly in terms of what people do (practices) and who does it (practitioners), and how it is enacted in praxis (Whittington, 2007). This approach follows the tradition of Mintzberg (1979) as well as the discourse of how new strategic functions emerge intentionally or unintentionally through practices, as discussed by Dietel and Seidl (2003) in Ringlstetter et al. (2003). This thesis takes the latter approach.

In recent years, the number of job advertisements that have been opened for CSM roles skyrocketed (LinkedIn, 2020), and the World Economic Forum (2020) has named customer success managers one of the future's most critical jobs. However, the distinction between existing positions and customer management practices such as KAM or CXM is not clear (Uлага & Kowalkowski, 2022). Thus, Manuscript 1 defines CSM as a function based on the demarcation of practices and practitioners from related relationship marketing constructs. CSM is thus established in Manuscript 1 as “a repetitive, sequential progression of the following micropractices: ‘Define goals’, ‘onboard customer’, ‘guide product usage’, ‘document and communicate value’, and ‘realize goals’ performed by expert practitioners—the customer success managers. The micropractices predominantly target the maintain and enhance relationship marketing phase.” Based on this narrow definition, CSM describes the responsibility for a set of activities that is concentrated on a group of specialists in the organization (Moorman & Rust, 1999); it can thus be adequately described as a function. The function can also be defined as a specific capability in which a group of experts executes patterns of processes and routines (Day, 1994).

Due to the higher risk of churn associated with software-as-a-service compared to classical business models, increasing retention is critical, especially when considering that a drop of 5% in the churn rate represents a 25% increase in profitability (Reichheld, 2004). Thus, Manuscript 2 focuses on a specific means by which churn and growth opportunities can be evaluated and assessed, allowing businesses to document and communicate value. The resultant method of assessing churn and growth redefines the in-practice known as the customer health score as a dynamic and proactive segmentation method based on the theory that supports the customer loyalty construct. Except for an initial description of the customer health score by Hochstein et al. (2020) and Hilton et al. (2020), this construct has not been investigated in the literature.

Finally, academia has not investigated the organizational embeddedness of CSM despite its delineation from sales and service (Hochstein et al., 2021). However, organizational embeddedness is highly relevant, as, from a practical perspective, CS Managers directly report to the CEO (Gainsight & RevOps Squared, 2022). Indeed, the leading German IT company SAP even went as far as to create a dedicated board position for this function (Kerkmann, 2020). Thus, Manuscript 3 draws upon the definition of CSM as a function and investigates the organizational embeddedness of CSM. It finds that the CSM function is moderately centralized, highly integrated (with other functions), highly modular in its setup, moderately–highly interdependent with other functions, moderately formalized, and low–moderately specialized. By taking into account the broad understanding that the CSM function can be described as a capability, it is clear that the organizational characteristics of CSM help it to close the marketing capability gap (Day, 2011) as well as allow it to overcome barriers to customer centricity (Shah et al., 2006). Both the marketing capability gap and overcoming barriers to customer centricity are essential for long-term financial performance in business-to-business companies (Day, 2011; Shah et al., 2006). In conclusion, it was found that CSM addresses these issues and contributes to the long-term financial performance of business-to-business subscription companies.

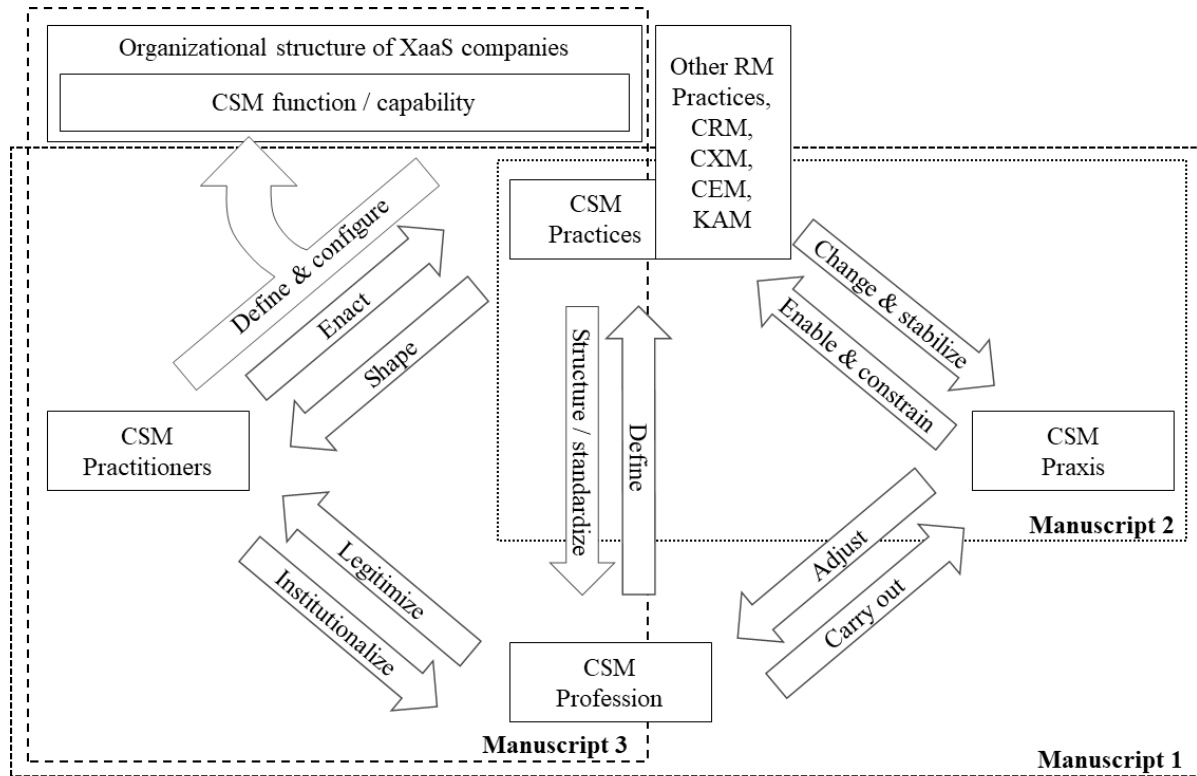
Overall, the studies presented in this dissertation have contributed to the body of CSM research by further advancing the understanding of this construct through the lens of practice theory and have laid the foundation to further investigations. This thesis also provides an alternative methodological approach to the assessment of new phenomena: a subject that has become increasingly relevant as concepts are emerging faster than ever and where it has been increasingly difficult to differentiate the old from the new.

II. Scope of this dissertation

The overall scope and framing of this dissertation are strongly founded in practice theory, and focus on investigating whether the seemingly new concept of CSM differs sufficiently from older constructs. Therefore, this dissertation defines and distinguishes CSM from older theories (Manuscript 1), explores the breadth of the activities and tools it uses to avoid churn (Manuscript 2), and investigates its organizational embeddedness (Manuscript 3). This dissertation uses the 3 Ps of practices theory—practice, praxis, and practitioners—as the primary unit of analysis (Whittington, 2006). Whittington (2007) extended these 3 Ps to a 4 Ps framework through the inclusion of “profession”. This author draws on more focused definitions from the marketing as practice framework, as CSM research is closely related to both the strategy and marketing research streams (Skålén et al., 2022). By adopting the practice theory framework, this author utilizes a more strategic and organizational perspective on CSM compared to the existing works. Figure 1 provides a visual representation of this framework. The following section highlights the use of this framework by describing the foci of the individual manuscripts presented in this dissertation.

Figure 1

Visual dissertation overview, adapted from Skålén et al. (2022) and Whittington (2006).



Manuscript 1 mainly addresses how a combination of the practices and practitioners can be used to derive a functional definition of CSM. Inductively, the authors found that the extension of the practice theory framework to the 4Ps is relevant in the context of CSM, as this function should be enacted by practitioners carrying out CSM activities in a professional capacity. This particular approach was selected to take advantage of the diversity and multitude of theoretical and methodological perspectives for analyzing new constructs. However, the simplest and most revealing framework is that of practice theory, as it allows the authors to compare constructs on a fundamental level by analyzing what people do (practices) and who enacts them (practitioners) to draw lines to the other relationship marketing constructs. This is especially relevant because recent research has failed to conclusively distinguish CSM from other constructs (Ulaga & Kowalkowski, 2022). Praxis was considered to be out of the scope of Manuscript 1 because analyzing divergent praxis would add too much complexity without providing sufficiently new insights.

However, the changes that led to the emergence of CSM also led to the development of new, refocused practices and tools. The customer health score is a crucial practice that has already been described in seminal CSM literature. By analyzing the customer health score praxis of several companies, the authors were able to reconstruct and redefine the customer health score as a proactive and dynamic customer segmentation indicator that can be used to trigger proper practices and praxis to avoid churn and grow the customer base. As Cusumano et al. (2015) suggested, these new practices contribute to the increased resilience and higher revenue and profit potential of everything-as-a-service business models.

Finally, Manuscript 3 builds upon the functional definition of CSM. Specifically, it builds upon the application of practice theory to define CSM as function and/or capability in Manuscript 1 based on a very granular understanding of CSM practices, practitioners, praxis, and profession. This enabled the granular investigation of the organizational embeddedness of CSM, which was essential to understanding the reciprocal and dynamic relationship between firms and customers. Ultimately, this led to an increased understanding of how the organizational characteristics of CSM reduce the barriers to customer centricity and enable a dynamic marketing capability that helps to achieve long-term financial performance for firms that have implemented CSM practices.

III. Summary of this dissertation

The crucial aspects of each manuscript are summarized in Table 1. The following section presents the key results, methods, and contributions of each manuscript.

Manuscript 1

This manuscript shows that CSM is a unique macropractice and function that can be clearly differentiated from related relationship marketing constructs such as CRM, CXM, CEM, and KAM. The key insight is that, of the three relationship marketing stages, CSM focuses on maintaining and enhancing the relationship between the firm and the customer. Specifically, CSM focuses on managing post-sales customer relationships. The aforementioned constructs also have their own distinct focus and are thus complementary in the management of the everything-as-a-service business model. CSM is now a required function in the everything-as-a-service business model, as customer retention is crucial due to the ease of switching vendors in subscription-based models; this necessitates a more substantial investment in the maintenance and enhancement phase of relationship marketing. In this study, the authors applied a discovery-oriented approach consisting of a literature review of relationship marketing practices (based on 49 papers on the relevant constructs) and extended these results to CSM practices with ten customer success manager interviews.

This study was the first to adopt a theoretical practice approach for describing and demarcating CSM; the authors encourage scholars to build upon their research and extend its insights to their own relationship marketing constructs. The authors demonstrate that practice theory is helpful for the investigation of “old wine in new bottles”. The authors also combine theoretical (integrative literature review) and empirical approaches (expert interviews) to identify the origin of CSM in practice, thus providing a theory-based view of CSM without neglecting managerial relevance (Aguinis et al., 2022; Homburg, 2021). In addition, the authors adopted a practice-based research agenda structured around the 4 Ps of practice,

praxis, practitioners, and profession (inductive findings). Specifically, the existing marketing-as-practice agenda described by Skálén et al. (2022) was extended and provides concrete advice for scholars who are studying the implementation of a specific phenomenon. Furthermore, this allows CSM scholars to conduct relevant managerial research that addresses the scholarly interest of previous research agendas without compromising their theoretical backing (Hochstein et al., 2021; Hochstein et al., 2020).

The authors also provide managers with a functional definition of CSM, especially in terms of how to set up its remit and coordinate it with the operationalization of relationship marketing within their organization. This leads to the efficient organization of all relationship marketing functions and capabilities. Managers within companies that are transitioning to an everything-as-a-service business model are the most significant beneficiaries, as this research allows them to get a head start on their implementation of CSM activities. The authors were also the first to inductively identify the need for a CSM profession based on practical expertise. Managers should consider allowing their customer success managers to obtain CSM certifications to highlight their professional background. Likewise, certification providers can use the conclusions of this study to help design their curricula.

Manuscript 2

The study investigates an essential micropractice of CSM, the customer health score (CHS). It describes the CHS as a dynamic and proactive segmentation tool that triggers the practices described in Manuscript 1 to maintain and enhance customer relationships, which helps to retain and grow customers within the context of the everything-as-a-service business model. This paper is based on a literature review that shows that customer loyalty, its mediators, and its antecedents provide sufficient theoretical backing for the CHS. Finally, the authors iterated upon the CHS through discussions with 16 customer success managers, specifically with regard to the loyalty constructs in the context of cloud computing and the everything-as-a-service model. This resulted in the discovery of a new metric: the sentiment assessment, which is, to the best of our knowledge, the further operationalization of supplier-perceived relationship quality.

This study contributes to the CSM literature by drawing upon the customer loyalty literature to develop and empirically test a theory-based CHS framework. The authors show that the CHS could serve as a lead indicator for CSM activities, answering the call by Pansari and Kumar (2017) for more research on leading indicators that can be used to guide practices toward better customer engagement and the prevention of customer churn.

Another contribution of this study is to the segmentation literature. Specifically, it uses the suggestions provided by Mora Cortez et al. (2021) to establish the CHS as a micro-segmentation technique by factoring in customer-specific variables. Therefore, the CHS is a continuous, proactive, and dynamic segmentation that can be applied post-sales. This gives the CHS a specific purpose and addresses a main criticisms in the business-to-business segmentation literature (Boejgaard & Ellegaard, 2010; Mora Cortez et al., 2021; Müller et al., 2018). Furthermore, the authors establish the CHS as an alternative or an extension to oft-criticized metrics such as the net promoter score (Keiningham et al., 2007; Morgan & Rego,

2006; Pingitore et al., 2007; van Doorn et al., 2013). According to Baehre et al. (2022) the net promoter score is not perfectly suitable for predicting loyalty; thus, extending it with the CHS may be helpful. If further studies can show that the CHS can enable superior performances compared to the net promoter score, the CHS may become the preferred alternative. This conclusion was qualitatively supported by the interviewees .

Manuscript 2 helps managers to set up or further develop their CHS assessments using factors and corresponding operationalizations whose influence on loyalty has already been reported in the academic literature. Managers are also provided with relevant criteria for the selection of CHS components, such as data availability, data automatability, and customer development tracking while excluding components of global character. In addition, managers receive insights into the CHS developmental process. CHS should be initially developed using their “gut feelings” (customer success sentiment and/or supplier-perceived relationship quality) before optimizing the indicator using historical data. Historical data can also be utilized upfront if available. However, managers should avoid overengineering CHS to allow for root cause analysis. Thus, customer success managers can trigger appropriate practices based on the insights provided by CHS to avoid churn, grow their customer base, and ensure the long-term success of the company.

Manuscript 3

The final manuscript investigates the organizational embeddedness of the CSM function identified in Manuscript 1. The paper classifies the configuration of the organizational characteristics on a scale of low to moderate to high. The organizational characteristics investigated are as follows: centralization, integration, interdependence, specialization, and formalization. The study shows that CSM can help overcome customer-centric barriers and also acts as an adaptive organizational capability. Customer-centricity and adaptive organizational capabilities are necessary to maintain financial performance during a complex digital transformation. Thus, CSM is established as a strategic function within the everything-as-a-service business model. This study adopted an “empirics first” approach, which assesses the organizational embeddedness of CSM using an abductive methodology (Dubois & Gadde, 2002) to explore how CSM is embedded in an organizational framework.

This study contributed to the field of business strategy and organization by filling the gap between the micro- and macro-organizational understanding of CSM. It showed that everything-as-a-service business models and contingencies inherently create a targeted fit of structure and strategy (Lee et al., 2015). Furthermore, the author's findings regarding CSM's role as an adaptive organizational capability (Day, 2011), as well as a means by which customer-centricity barriers can be overcome (Shah et al., 2006), have contributed to answering longstanding, open, and ever more relevant questions in the marketing literature on how businesses can become more customer-centric.

The author advises managers to embed the CSM function, allowing them to articulate its benefits to customers and their employees, who also profit from this, as it streamlines their understanding of their focal role. As the everything-as-a-service business model has still not yet matured, many companies are considering substituting their product-focused businesses

with services (Cusumano et al., 2015), and the full breadth of CSM's applicability outside of everything-as-a-service business models has yet to be explored. In such cases, the insights provided by this manuscript may be even more applicable, helping to convince uncertain managers about the potential benefits.

Table 1*Summary of the dissertation.*

	Manuscript 1	Manuscript 2	Manuscript 3
Title	Is customer success management a new relationship marketing practice? Demarcation and definition based on practice theory	Dynamic & proactive segmentation of post-sale customer relationships in B2B subscription settings: The customer health score	Customer success management - closing a capability gap in the customer-focused structure toward customer centricity in B2B service contexts
Research Question	How is customer success management defined, and how is it distinguished from existing relationship marketing constructs based on practice theory?	What is the theoretical justification for using CHS as a segmentation method in B2B markets; what are the relevant factors that constitute the CHS?	How is customer success management embedded into a customer-focused structure?
Data	A literature review of CSM, CRM, CEM, CXM, and KAM (a total of 49 research articles) 10 semistructured interviews	A literature review on customer loyalty (a total of 22 research articles) 16 semistructured interviews	10 explorative semi-structured interviews 4 Case Studies with 3–4 semistructured interviews each
Methodology	Integrative literature review Qualitative empirical analysis	Integrative literature review Qualitative empirical analysis following an autonomous counting approach	Case study research design, including qualitative empirical analysis with abductive, systematic combining methodology
Results	A definition of CSM as a function through the lens of practice theory The clear demarcation between CSM and other relationship marketing constructs	The empirical definition of CHS based on the literature including the first mention of sentiment analysis	A description of the configuration of organizational characteristics in the context of CSM
Academic Contribution	The first investigation and definition of CSM in the context of practice theory	A description of CHS as a dynamic and proactive loyalty-based segmentation method	Revealed that CSM can overcome customer-centricity barriers and close the marketing capability gap
Managerial Contribution	A detailed, practical description of CSM and advice for implementing the CSM profession	A detailed description of the boundary conditions of CHS as well as advice on how to set up CHS and its relevant factors	Guidelines for the organizational setup of CSM

IV. Future avenues of research

In summary, this thesis provides a practice theory-based definition of CSM and creates a foundation on which further investigations can be conducted with regard to how CSM contributes to the superior performance of the everything-as-a-service business model (Cusumano et al., 2015). There are three primary avenues by which the CSM phenomenon can be further explored: 1) an expansion of business-to-business perspectives; 2) exploring whether a business-to-consumer perspective exists; and 3) a consideration of whether the core function of CSM can be exercised in consumer-to-consumer activities.

Business-to-business: Manuscript 1 provides an extensive research agenda structured along the 4 Ps of practice theory. This author would like to highlight their thoughts on future research in the business-to-consumer and consumer-to-consumer context, which may yield some interesting insights. These thoughts depart from the current, almost pure business-to-business focus, of CSM research.

Business-to-consumer: During their investigation of CSM practices in an attempt to distinguish it from constructs such as CRM, CXM, and CEM, which are also heavily established in the business-to-consumer domain, the authors realized that these constructs shared a significant overlap with CSM. They also discovered that CSM practices could potentially be implemented in business-to-consumer contexts. However, in further follow-up discussions with business-to-consumer practitioners, the author did not find evidence for a specific CSM function in business-to-consumer companies. Thus, when attempting to apply a broader understanding of CSM as a capability, different functions may exercise CSM in the context of business-to-consumer subscription businesses. For example, CSM could be embedded in products through recommendation engines at Netflix, convincing consumers of the product's value by showing them the most engaging movie based on their personal

preferences. Furthermore, “how to” guides sent via e-mail from the marketing function ensures that the consumer knows how to most efficiently use the product. These practices allow Netflix to help its consumers extract the most value from the video-on-demand platform. However, whether the consumer's desired value is sufficiently delivered is debatable. The implementation of CSM practice in multiple business-to-consumer functions aligns with the concept of the dispersion of marketing (Workman et al., 1998) and could, therefore, be an avenue for future study. However, the author acknowledges that acquiring the data necessary for this would require the investigation of complex case studies with several frontline, marketing, and product teams at multiple firms.

Consumer-to-consumer: Another exciting thought derived from our exchange with practitioners was the concept of community-led CSM, which refers to using a web-based community of customers to take over the practices of CSM. This allows consumers to guide each other on how to extract the most value from the offerings purchased. An example of such a community-led CSM is the Salesforce Trailblazer community. Another web-based community that guides product usage includes user forums that can be found in business-to-consumer contexts, such as the support forums for technical products such as Microsoft Office. Finally, community-based CSM activities would allow for the benchmarking of companies by consumers, as the information on the value provided would be openly available and would allow the company that provides the most value (as assessed by the community) to retain the most customers. This would fulfill the customer retention goals of CSM. Community-led CSM could thus be a concept that is applicable in both business-to-business and business-to-consumer contexts, with the company not being the operator/practitioner of CSM. However, how and to what extent these communities can take up the role of CSM practitioners is also an exciting avenue of future research, also determining if something old (user forums) is rebranded as something new (community-led CSM).

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VIII. Manuscript 1: Is customer success management a new relationship marketing practice? A review, definition and future research agenda based on practice theory

Is customer success management a new relationship marketing practice? A review, definition and future research agenda based on practice theory

Abstract

Customer success management (CSM) is a new relationship marketing (RM) construct ensuring the value realization of customers. The research has critiqued the lack of differentiation of CSM from other RM constructs, such as customer relationship management (CRM), customer experience management (CXM), customer engagement management (CEM), and key account management (KAM). We conduct an integrative literature of RM constructs. Additionally, we apply the practice theory to capture the construct CSM. This study defines CSM and describes which constructs focus on which activities. The ten in-depth qualitative interviews reveal that CSM centers on the RM stages of maintenance and enhancement. KAM focuses on initiation and enhancement. Thus, CSM and KAM have one-to-one practitioner-customer relations. In contrast, CRM, CXM, and CEM cover all RM stages in one-to-many practitioner-customer relations. We embed the theoretical implications and limitations in an agenda for future research with implications for managers on implementing and developing CSM.

Keywords: Customer Success Management, Relationship Marketing, Practice Theory, Customer Engagement & Experience Management, Customer Relationship Management, Key Account Management

IX. Manuscript 2: Dynamic & proactive segmentation of post-sales customer relationships in B2B subscription settings: The customer health score

Dynamic & proactive segmentation of post-sales customer relationships in B2B subscription settings: The customer health score

Abstract

Dynamic post-sales segmentation is critical in complex relationship management situations. Dynamic relationship management corroborates this view by calling for investigating more routine interactions to ensure post-sales retention for customers. The burgeoning customer success stream adds to these literature gaps and calls for proactive engagement of customers to gauge loyalty, especially in everything-as-a-service business model where retention is critical to success. Considering the gaps, we suggest that the customer health score (CHS), often used by customer success practitioners, can function as a dynamic post-sales segmentation indicator. Based on a literature review on customer loyalty and 16 in-depth customer success practitioner interviews, we propose a framework for CHS that includes its building blocks, boundary conditions, and its purpose to trigger actions from customer success managers for customer retention and growth. We conclude with the theoretical and managerial implications of our study.

Keywords: Customer Success Management, Customer Health Score, Churn, Retention, Segmentation, Business-to-Business, Dynamic Customer Relation Stages

X. Manuscript 3: Customer success management - closing a capability gap in the customer-focused structure toward customer centricity in B2B service contexts

Customer success management - closing a capability gap in the customer-focused structure toward customer centricity in B2B service contexts

Abstract

Customer success management (CSM) is an organizational function that is essential to service-oriented business-to-business industries (everything-as-a-service) as it allows for the proactive management of post-sale customer relationships. CSM also improves customer retention and cross-upselling, which are crucial imperatives of these business models. Driven by accelerating servitization and the digital economy, both managers and researchers have prioritized gaining an understanding of CSM while knowing little about its organizational embeddedness. We investigated the role of CSM in customer-focused structures through the lenses of organizational characteristics, shared focus on relational outcomes, customer centricity, and long-term performance. By conducting cross-company explorative interviews with ten customer success managers (CS Managers), four case studies with leading suppliers (in total 15 interviews), and qualitative content analysis, we find that CSM exhibits moderate centralization, high integration, high modularity, moderate-high interdependence, moderate formalization, and low-moderate specialization. Modularity and formalization help to mediate the high integration to moderate-high interdependence observed in these systems, while moderate centralization ensures the prioritization of customer retention by directly reporting to the C-level. Low-moderate specialization enables a high integration, allowing CS Managers to orchestrate resources strategically. Our research constitutes an exploration of a phenomenon to ensure long-term financial performance. We show that CSM organizational characteristics can help to overcome customer-centricity barriers and close the marketing capability gap. This information can be used to advise managers on CSM setups.

Keywords: Customer Success Management; Organization Characteristics; Customer Centricity; Marketing Capabilities; Marketing Strategy; Empirics First Approach