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# How Customer Success Managers Operationalise Segmentation Strategies in B2B SaaS Companies

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**ABSTRACT:**

This thesis investigates how Customer Success Managers (CSMs) leverage customer segmentation strategies to prioritize client engagement and allocate resources in mid-sized B2B Software-as-a-Service (SaaS) companies. While segmentation is a foundational concept in strategic marketing, its operational implementation by CSMs in resource-constrained environments remains underexplored. The central research question guiding this study is: How do CSMs leverage customer segmentation strategies to prioritize client engagement and allocate resources in mid-sized B2B SaaS companies?

To address this gap, the study adopts a qualitative, interpretivist, single-case embedded design. Drawing on segmentation theory (Payne & Frow, 2005), Customer Lifetime Value (Kumar & Reinartz, 2016), and resource allocation models (Reinartz et al., 2004), twelve semi-structured interviews with CSMs were conducted and analysed using thematic analysis (Braun & Clarke, 2006).

The findings reveal that segmentation frameworks are often ambiguously defined and inconsistently applied. CSMs interpret and adapt segmentation logic based on client behaviour, internal pressures, and resource limitations. Formal segmentation is used as a starting point but frequently adjusted through practitioner discretion. Key challenges include informal re-segmentation, role ambiguity, misalignment with Account Executives, and inadequate system integration. Automation supports scaled engagement for low-tier clients but creates friction when client expectations are mismatched.

This study contributes to strategic marketing literature by demonstrating that segmentation is not only a top-down planning tool but also an interpretive and negotiated practice. It offers actionable guidance for SaaS leaders seeking to embed dynamic, context-sensitive segmentation frameworks into Customer Success operations and to align resource prioritization with customer value across the lifecycle.

**KEYWORDS**: Customer Segmentation, Customer Success Management (CSM), SaaS (Software-as-a-Service), Resource Allocation & Client Profitability

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# 1 Introduction

## 1.1 Background of the study

In recent years, customer segmentation has taken on a strategic role in the Software-as-a-Service (SaaS) industry, where growth increasingly depends on the ability to balance limited internal resources with a rapidly expanding client base. As companies scale, the challenge is no longer just about acquiring customers but about delivering meaningful value across a varied portfolio of accounts. Research by McKinsey suggests that well-structured segmentation practices can significantly influence business outcomes, including reductions in churn and increased revenue contributions from existing customers (Atkins et al., 2018). In contrast to traditional business models that prioritise point-of-sale value capture, SaaS firms operate on the basis of recurring revenue. This means that customer value must be continuously maintained and nurtured (Gupta & Lehmann, 2003; Kumar & Reinartz, 2016). Within this framework, segmentation can be viewed not only as a means of tailoring services, but also as a way to allocate Customer Success efforts in line with each account's growth trajectory and strategic importance. This is particularly relevant for mid-sized SaaS firms, which often operate without robust automation, mature systems, or fully staffed success teams.

Despite its strategic importance, the practical implementation of segmentation within Customer Success Management (CSM) remains underexamined. While marketing theory presents segmentation as a means to optimise resource allocation and customer value delivery (Payne & Frow, 2005), CSMs face operational constraints that make consistent application difficult (Eggert et al., 2020a; Hilton et al., 2020). Their role has evolved from reactive account management to proactive value enablement, requiring ongoing interpretation of segmentation logic and responsiveness to client signals. CSMs are expected to balance service standardization with contextual judgment, particularly when managing portfolios that span multiple tiers of customer value.

Moreover, segmentation frameworks are often designed at the leadership level using criteria such as Annual Contract Value (ACV), Customer Lifetime Value (CLV), or product

usage. Yet these models are frequently applied inconsistently across functions or poorly integrated into Customer Relationship Management (CRM) systems (Eggert et al., 2020b; Lacity & Willcocks, 2015a). CSMs, operating at the intersection of sales, service, and product enablement, often encounter ambiguity around role expectations, engagement boundaries, and prioritization mandates. This is especially true when handovers from Account Executives (AEs) lack clear alignment or when promises made during the sales process contradict tier-based service delivery (Lopez, 2024).

The growing use of automation to support scaled engagement for low-tier clients adds another layer of complexity. While automation is intended to enable efficiency, it may also result in disengagement or misalignment with client expectations if segmentation logic is not actively maintained and contextualized (Khare & Arora, 2024; Truss & Boehm, 2024). In many cases, segmentation becomes a flexible guide rather than a fixed rule, interpreted by CSMs based on judgment, experience, and internal negotiation. The interpretive dimension of how practitioners enact, adapt, or challenge formal segmentation frameworks remains under-explored in strategic marketing and SaaS literature.

Given these challenges, there is a clear need to investigate how segmentation strategies are operationalized by Customer Success Managers in the specific context of mid-sized B2B SaaS firms. Understanding how CSMs navigate segmentation logic in resource-constrained environments offers critical insight into the effectiveness of current frameworks and the organizational factors that enable or hinder their application.

## 1.2 Research Problem & Justification

Customer segmentation is widely considered a cornerstone of strategic marketing. It offers a structured way to align engagement efforts and resource allocation with customer needs, behaviours, or projected value (Payne & Frow, 2005; Kumar & Reinartz, 2016). Within B2B SaaS companies, this approach becomes even more relevant due to the recurring revenue model, where sustained engagement, retention, and expansion are critical to long-term profitability (Gupta & Lehmann, 2003; Verhoef & Donkers,

2001). While the theoretical rationale for segmentation is well established, considerably less is known about how these frameworks are actually applied by customer-facing roles, particularly Customer Success Managers (CSMs) in mid-sized SaaS firms.

These professionals often work in fast-changing environments, where internal processes, systems, and team structures are still evolving. Although segmentation strategies are typically defined using clear indicators such as contract value, product usage, or lifetime value projections, their real-world application tends to be more complex. In practice, segmentation is often introduced at the leadership level but not fully embedded into daily workflows, decision-making routines, or internal tools (Eggert et al., 2020b; Hilton et al., 2020). As a result, CSMs may need to interpret these models on their own, relying on experience, judgment, or informal norms to prioritise their time and attention. This creates a potential gap between strategic intent and operational execution one that is rarely examined in empirical research.

While segmentation is frequently discussed in the literature as a lever for strategic focus and efficiency, much of this work assumes a level of system integration and cross-functional alignment that is not always present in mid-sized organisations. Few studies examine how segmentation is adjusted or even questioned by those tasked with applying it under real-world constraints. This thesis addresses that gap by focusing on how segmentation frameworks are experienced and enacted by CSMs, rather than simply assumed to be followed. In doing so, it contributes to both strategic marketing and Customer Success literature by exploring segmentation not as a fixed framework, but as a situated practice shaped by discretion, resource limitations, and organisational realities.

This thesis lies at the intersection of segmentation theory, customer value modelling, and frameworks for resource prioritisation. While segmentation and value-based planning tools are often presented in the literature as mechanisms to enhance strategic efficiency, there has been limited empirical investigation into how these tools are implemented under conditions of organisational ambiguity or constraint. Many existing studies focus on the structure and rationale of segmentation frameworks from a top-

down perspective, with less attention given to the procedural and human elements that ultimately determine whether such models function effectively in practice (Hilton et al., 2020; Zoltners et al., 2019). This issue is particularly relevant in the context of Customer Success, where managers frequently operate across departmental boundaries and must reconcile standardised engagement models with individual client needs often without reliable access to real-time data or clear escalation procedures (Prohl-Schwenke & Kleinaltenkamp, 2021).

From a managerial standpoint, examining how segmentation frameworks are interpreted and applied by CSMs is especially relevant in mid-sized SaaS companies, where limited headcount and constrained resources make scalable engagement a constant challenge. While segmentation may offer a theoretically sound basis for prioritising internal effort, its effectiveness depends heavily on how meaningfully it is operationalised by those implementing it. In the absence of clear workflows or ownership structures, segmentation risks functioning more as a symbolic concept than a practical tool. Understanding how segmentation is experienced and adapted by CSMs can help expose inefficiencies such as effort misalignment, variability in service quality, and resistance to automation strategies designed to support low-touch accounts (Lacity & Willcocksa). Although segmentation and customer value models are well established in theory, the interpretive space in which CSMs work has received little empirical attention. Much of the academic literature implicitly assumes a level of organisational maturity and technological integration that is rarely present in mid-sized SaaS environments (Eggert et al., 2020b; Hilton et al., 2020). As a result, the ways in which segmentation frameworks are adapted, simplified, or contested due to internal frictions, evolving roles, or client dynamics remain poorly documented. Some recent studies have begun to explore how practitioners mediate the space between strategic planning and execution, yet further research is needed to understand how segmentation plays out in the day-to-day realities of SaaS operations (Prohl-Schwenke & Kleinaltenkamp, 2021; Zoltners et al., 2019).

In response to this gap, the present study adopts a qualitative, interpretivist approach, using a single-case embedded research design to investigate how segmentation is enacted in a mid-sized SaaS organisation. This methodology enables exploration of variation across account segments and role types, offering deeper insight into how segmentation frameworks are translated into practice. By focusing on the lived experiences of CSMs, the study captures how segmentation logic is shaped by organisational ambiguity, resource constraints, and discretionary decision-making. In doing so, it contributes to the strategic marketing and Customer Success literature by extending segmentation research into operational contexts. It also offers practical insights for leaders aiming to improve service design, clarify role responsibilities, and strengthen the link between segmentation strategy and engagement execution within growth-focused yet resource-limited environments.

## 1.3 Research Objectives & Questions

Customer segmentation is a well-established concept in strategic marketing. It is typically used to support differentiated engagement and internal resource prioritisation by identifying relevant differences across customer groups (Payne & Frow, 2005; Kumar & Reinartz, 2016). In mid-sized B2B SaaS firms, this logic becomes particularly important, as these organisations often face limited Customer Success capacity, a lack of robust automation infrastructure, and considerable variability within their client portfolios. As a result, segmentation is increasingly used not only for marketing strategy but also as a tool to inform how internal effort is distributed across accounts. This is especially true for Customer Success Managers, who play a central role in coordinating engagement, onboarding, and retention in complex post-sale environments (Eggert et al., 2020a; Hilton et al., 2020).

Although segmentation theory and Customer Lifetime Value models have been extensively developed in the academic literature, there is still limited understanding of how these are applied in practice. Much of the existing research focuses on strategic-level segmentation logic, offering little insight into how frameworks are adapted under operational constraints. In particular, there is a gap in knowledge about how Customer

Success Managers use segmentation to manage competing priorities across their accounts, shift between reactive and proactive tasks, or make context-sensitive decisions when formal models fall short. These issues are highly relevant in SaaS contexts, where segmentation misalignment can directly impact customer retention, expansion, and ultimately profitability (Gupta & Lehmann, 2003; Hilton et al., 2020).

This thesis responds to this gap by examining how segmentation models are interpreted and enacted in mid-sized SaaS organisations. It places particular emphasis on how segmentation logic is used to guide engagement priorities and balance resource constraints. The central research question is:

**How do Customer Success Managers (CSMs) leverage customer segmentation strategies to prioritize client engagement and allocate resources in mid-sized B2B SaaS companies?**

To explore this question in greater detail, two sub-questions have been developed. These reflect the operational nature of segmentation in post-sale functions and are aligned with the theoretical perspectives presented in Chapter 2:

1. **How do CSMs apply segmentation to prioritize accounts and focus their time and resources?**

This sub-question explores the extent to which segmentation criteria, such as contract value, lifecycle stage, or retention risk, shape how effort is allocated. It also considers whether segmentation tiers are consistently applied in daily workflows or adjusted based on situational judgement.

2. **What challenges and enablers influence the practical use of segmentation in daily CSM workflows?**

This question investigates both structural and behavioural factors that support or constrain segmentation execution. It includes role clarity, tooling integration, internal collaboration between Customer Success and Account Executives, and the level of

discretion available when segmentation logic does not reflect on- the-ground realities (Eggert et al., 2020b; Prohl-Schwenke & Kleinaltenkamp, 2021).

Together, these questions position the study at the intersection of strategic segmentation theory and the interpretive, relational nature of Customer Success work. Rather than treating segmentation as a static design framework, the research examines how it is brought into practice, often under pressure, with incomplete data, or in tension with other organisational priorities. In doing so, the study contributes to a more practice-oriented understanding of segmentation as a dynamic and context-sensitive process embedded in the everyday work of post-sale professionals.

## 1.4 Scope and Delimitations

This study investigates how segmentation strategies are interpreted and applied by Customer Success Managers within a mid-sized B2B SaaS company. It focuses particularly on how these frameworks influence decisions around resource prioritisation, engagement intensity, and account management under conditions of operational constraint. The research is anchored within the field of strategic marketing, drawing on segmentation theory (Payne & Frow, 2005), customer lifetime value frameworks (Gupta & Lehmann, 2003; Kumar & Reinartz, 2016), and resource allocation logic (Reinartz et al., 2004). These concepts form the analytical foundation for understanding how firms align internal efforts with client value potential.

The study adopts a qualitative, interpretivist case design centred on a single organisation where segmentation is used with varying degrees of structure and discretion across different client portfolios. The embedded design makes it possible to explore differences across account tiers and engagement models without expanding the external scope of the research. While broader organisational and strategic influences are acknowledged, the analysis deliberately focuses on the Customer Success function. This decision reflects the critical role that Customer Success Managers play in translating theoretical segmentation frameworks into practical action. Input from adjacent departments, such

as sales, product, or leadership, is considered only in terms of how these functions shape the operational environment in which segmentation takes place.

To maintain conceptual focus, several adjacent topics are excluded from the study. It does not examine CRM systems, algorithmic segmentation, or predictive modelling tools, as these fall outside the study's human-centred orientation and would require a more technical and data-driven lens (Hilton et al., 2020; Lacity & Willcocks, 2015a). The research also does not evaluate segmentation outcomes through quantitative metrics such as churn or revenue growth, given the absence of reliable account-level data. Although a mixed-methods design was originally considered, access restrictions within the case company ruled out quantitative data collection, which further confirmed the decision to adopt a qualitative and narrative approach (Braun & Clarke, 2006).

The study treats segmentation not as a fixed classification system but as an interpretive and operational logic. It does not assess tiering systems, pricing strategies, product configurations, or customer journey mapping in technical detail, except where these directly influence how segmentation is used by Customer Success Managers. While automation and tooling are acknowledged, the emphasis remains on human discretion, judgement, and cross-functional alignment as core variables shaping segmentation in practice.

Additional delimitations also help to define the study's boundaries. The research does not compare multiple organisations, does not address segmentation practices across industries, and does not provide longitudinal data on how segmentation evolves over time. It presents a snapshot of segmentation as experienced in one firm, at one point in time, within a specific organisational context. The aim is not statistical generalisation, but rather analytical generalisation by identifying patterns and challenges that may be transferable to other mid-sized SaaS firms operating under similar constraints.

The study does not impose geographical limits, recognising that SaaS companies typically serve clients across regions through global delivery models. This openness enhances the potential transferability of the findings, while acknowledging that local

regulatory or cultural factors may influence segmentation elsewhere (Loukis et al., 2019).

Taken all together, the study's boundaries are intentionally narrow. Its single-case focus, emphasis on practitioner perspective, and theoretical grounding in strategic marketing are deliberate. These parameters are designed to support analytical depth, empirical relevance, and theoretical coherence in examining how segmentation is implemented by customer-facing professionals in scaling SaaS environments.

## 1.5 Structure of the Thesis

This thesis is organised into five chapters, each building upon the previous to explore how segmentation strategies are interpreted and applied within Customer Success Management in mid-sized B2B SaaS firms. The structure moves from theoretical framing toward practical insights, combining conceptual, methodological, and empirical perspectives.

Chapter 1 introduces the study, outlining its background, research motivation, objectives, and scope. It also defines the conceptual boundaries that shape the inquiry.

Chapter 2 reviews the relevant literature on customer segmentation, value-based prioritisation, and engagement strategy. This chapter identifies key theoretical foundations while highlighting gaps in current research that this study seeks to address.

Chapter 3 explains the methodological approach, describing the interpretivist research orientation and justifying the use of a qualitative, single-case embedded design. It details how participants were selected, how data were collected and analysed, and how issues of validity and reliability were addressed.

Chapter 4 presents the findings from the empirical analysis, structured around the two research sub-questions. It examines how segmentation is applied in operational practice and what constraints or adaptations emerge in day-to-day work.

Chapter 5 discusses the implications of the findings in relation to the theoretical framework. It considers both academic contributions and managerial relevance and concludes with recommendations for future research and practical improvements in segmentation strategy.

Together, these chapters offer a structured progression from conceptual exploration to practitioner experience. The thesis aims to provide an integrated understanding of segmentation as both a strategic framework and a lived practice within Customer Success team.

# 2 Theoretical Background

This chapter explains the main ideas that support the research and help analyse how customers are grouped in the SaaS industry. It brings together three interrelated theoretical lenses: customer segmentation theory, Customer Lifetime Value, and resource allocation logic. These frameworks shape how the study interprets segmentation as both a strategic intention and a practical activity. The chapter begins by situating segmentation within the broader context of B2B SaaS, where recurring revenue models and post-sale engagement make client prioritisation essential. It then examines how segmentation frameworks operate in resource-constrained environments, where Customer Success professionals must apply, adapt, or even challenge formal models in the course of their daily work. Through this review, the chapter establishes the analytical basis for understanding segmentation as a situated practice that depends on human judgment, organisational systems, and internal alignment.

## 2.1 The Strategic Role of Customer Segmentation in B2B SaaS

Customer segmentation has served as a marketing method for aligning offerings with customer needs by grouping clients based on shared behaviours, characteristics, or value potential (Payne & Frow, 2005). In B2B contexts, segmentation becomes more complex due to multiple stakeholders, long-term contracts, and diverse implementation

requirements (Cooil et al., 2008; Bowden, 2009). The growth of SaaS models has further transformed the role of segmentation, shifting the focus from point-of-sale transactions to sustained engagement, expansion, and retention across the customer lifecycle (Gupta & Lehmann, 2003; Kumar & Reinartz, 2016). In SaaS organisations, segmentation serves a strategic role that extends beyond marketing. It forms the basis for client tiering systems, which inform how companies allocate Customer Success resources and shape internal workflows. Criteria such as annual contract value, product usage, industry vertical, or onboarding complexity are often used to determine whether accounts receive high-touch support or a digital-led experience (Ahmad & Buttle, 2001; Atkins et al., 2018). As Bain & Company (2024) note, many SaaS firms now update segmentation dynamically using behavioural data and usage metrics to reflect changes in customer needs and business priorities.

For mid-sized SaaS firms, segmentation offers a structured approach to managing complexity and maintaining scalability. It helps teams prioritise limited time and resources toward accounts with the greatest growth potential. However, rigid application of tiers can create mismatches between service delivery and actual client needs, particularly when segmentation logic is not regularly revisited or operationalised through flexible systems (McKinsey & Company, 2022; Hilton et al., 2020; Prohl-Schwenke & Kleinaltenkamp, 2021). These challenges are especially pronounced in firms where capacity is limited and customer-facing teams must operate with discretion.

Segmentation frameworks also influence internal culture and coordination. They shape how Customer Success teams define value, collaborate across departments, and structure decision-making. Poorly integrated segmentation can result in unclear roles, inconsistent customer experience, and internal friction especially when the division between Sales and Success functions is blurred (Eggert et al., 2020a). Conversely, well-designed frameworks support alignment and help organisations shift from reactive service to proactive account management (Dempsey & Kelliher, 2018).

Segmentation should not be viewed exclusively as a classification exercise; rather, it can be conceptualized as a tool for aligning internal capacity with external client value. It

supports strategic planning while also guiding day-to-day engagement decisions. In the SaaS context, where client relationships evolve continuously, segmentation must remain adaptable and embedded in systems that allow for responsive service. This section has outlined how segmentation operates as both a strategic and operational lever. The next section explores how segmentation interacts with Customer Lifetime Value and resource allocation models, providing further theoretical grounding for the study.

## 2.2 Segmentation Logic, Customer Lifetime Value, and Resource Allocation

### 2.2.1 Segmentation and Customer Lifetime Value

Customer Lifetime Value plays an increasingly important role in guiding segmentation decisions, especially within subscription-based business models where revenue is accumulated over time rather than realised at the point of sale (Gupta & Lehmann, 2003; Kumar & Reinartz, 2016). Unlike demographic or firmographic segmentation approaches, value-based models incorporate future revenue potential, churn risk, and expansion likelihood. This makes them particularly attractive in the software-as-a-service sector, where high acquisition costs and delayed profitability require firms to make informed decisions about where to focus their engagement efforts (Bejou et al., 2013; Lemon & Mark, 2006).

Segmentation frameworks built on future value are designed to match account potential with the level of service provided. Accounts that demonstrate high current value or strategic growth potential typically receive more intensive support, while lower-potential clients are often directed toward scaled or digital engagement models. Ideally, this allows customer-facing teams to optimise resources and drive greater return on effort. However, applying this logic in real-world settings is far from straightforward. Estimating long-term value accurately can be difficult, particularly in mid-sized firms with limited historical data or rapidly evolving client needs. Common proxies, such as contract size or user volume, may not fully capture an account’s potential over time. As

a result, segmentation decisions may overlook promising accounts or misclassify clients with non-linear growth trajectories (Kumar & Reinartz, 2016; Gupta & Lehmann, 2003).

A further complication arises from the gap between financial modelling and operational reality. While segmentation frameworks suggest which accounts should receive priority, they do not always provide actionable guidance for practitioners. Customer Success teams often face situations where client behaviour deviates from predictions. A seemingly low-value account might suddenly require high-touch support due to internal restructuring, while a high-value account may disengage despite qualifying for premium service. In such cases, segmentation logic alone may be insufficient, and professional judgement becomes essential. These tensions highlight the interpretive challenges faced when navigating between predictive models and day-to-day account dynamics.

Although value-based segmentation offers a strong theoretical foundation, its practical implementation depends on more than financial forecasting. Effectiveness requires flexibility, contextual awareness, and regular recalibration. Kumar and Reinartz (2016) caution that models can quickly lose relevance without ongoing adjustment. Bowden (2009) similarly stresses the importance of operational adaptability when applying segmentation theory. Prohl-Schwenke and Kleinaltenkamp (2021) further argue that segmentation frameworks must be maintained actively and embedded within organisational routines to remain effective. These perspectives suggest that the successful use of value-based segmentation relies not only on modelling sophistication but also on how well organisations support its application through adaptive systems, internal communication, and practitioner insigh.

### 2.2.2 Resource Allocation in Customer Success

Segmentation is not only a way to classify customers, but also a mechanism for guiding how firms distribute internal resources. In the context of Customer Success, this means balancing time, staffing, and digital infrastructure across accounts with varying levels of importance. Resource allocation theory supports this approach by suggesting that engagement intensity should reflect a customer’s potential contribution to value

creation. When implemented effectively, this alignment can improve profitability and reduce inefficiencies (Ahmad & Buttle, 2001; Hilton et al., 2020). Many software-as-a-service companies apply this logic by using tiered segmentation frameworks that define which accounts receive high-touch, hybrid, or digital-led service.

In theory, segmentation provides a structure for focusing engagement where it delivers the greatest impact. Yet in practice, applying this logic consistently is often difficult. While formal service levels may be assigned, actual time allocation by Customer Success teams frequently diverges from these frameworks. Hilton et al. (2020) highlight that such inconsistencies are common, particularly in firms without clear escalation procedures or integrated tooling. When systems are lacking, professionals must rely on personal judgement to manage tasks, which can lead to inconsistent prioritisation. Dwyer (1997) also notes that resource allocation tends to fragment when service tiers are not fully embedded into daily routines or reinforced by governance structures.

A further complication arises from overlapping responsibilities between Sales and Customer Success. As noted by Prohl-Schwenke and Kleinaltenkamp (2021) and Eggert et al. (2020a), the success of segmentation depends not only on the structure of the model but also on how clearly roles are defined and coordinated across departments. In many organisations, segmentation is weakened by unaligned expectations, undocumented service boundaries, or Sales commitments that stretch beyond the assigned tier. These misalignments can pressure teams to over-service accounts or ignore segmentation logic to maintain relationships and satisfaction. The situation becomes even more complex when client behaviour changes unexpectedly. A customer initially classified as low-touch may require intensive support due to leadership changes, new adoption patterns, or expansion opportunities. In the absence of responsive systems, teams must handle these shifts informally.

Ahmad and Buttle (2001) caution that while discretionary support can be helpful, it can also undermine the efficiency gains segmentation is meant to achieve. Without regular review and system-level adjustments, segmentation can drift from a planning tool to a loose guideline, applied inconsistently across teams.

These challenges are particularly visible in mid-sized software organisations, where limited automation, lean staffing, and fluid account dynamics place additional strain on resource decisions. For segmentation to support effective resource allocation, it must be backed by operational clarity, cross-functional alignment, and systems that adapt to change. Without these foundations, even well-designed segmentation frameworks may struggle to translate into practical value.

### 2.2.3 Service Tiering and SaaS Operational Complexity

In the software-as-a-service industry, segmentation models are frequently translated into tiered service structures that guide how accounts are managed after the initial sale. These frameworks typically differentiate between enterprise clients, who receive high-touch engagement, and smaller accounts, which are supported through digital-first or automated strategies (Atkins et al., 2018; McKinsey & Company, 2022). The intended goal is to deliver scalable value while maintaining service consistency and efficient use of resources. When implemented effectively, tiering helps align internal capabilities with the varying needs of different client segments. However, these benefits are often difficult to realise in mid-sized organisations, where service boundaries tend to overlap, exceptions are common, and internal systems do not always support formal tier governance.

One recurring issue is the misalignment between predefined tiers and the unpredictable nature of customer behaviour. Accounts placed in low-touch segments may still demand personalised support, for example due to leadership changes, increased executive visibility, or onboarding gaps (Goldberg, 2012). Conversely, clients assigned to high-touch service may underutilise the resources available to them, resulting in inefficient allocation of time and personnel. This inconsistency reflects a broader tension between static service models and the dynamic needs of customers over time. Recent work by Wulf and Meierhofer (2024) highlights the growing prevalence of hybrid accounts that do not fit neatly into one category. These clients often receive a combination of digital

and personal engagement, which introduces variability and complicates planning. Although this flexibility may be necessary, it can also reduce predictability and undermine the original intent of segmentation.

Operational challenges are further intensified when service tiers are not embedded into internal systems. McKinsey & Company (2022) note that high-performing SaaS firms incorporate tiering logic directly into customer relationship management platforms, internal playbooks, and prioritisation workflows. When these structures are absent, segmentation risks becoming a conceptual tool rather than a practical guide. Prohl-Schwenke and Kleinaltenkamp (2021) observe that without systems to reinforce tiering logic, execution becomes inconsistent across teams. Manual tier changes, informal overrides, and unclear escalation paths place additional pressure on Customer Success professionals, especially in firms with limited automation or reporting capabilities.

Tiering also influences collaboration between teams, particularly between Sales and Customer Success. Problems arise when commitments made during the sales process exceed what the designated tier allows, or when service levels are not clearly communicated across functions. These disconnects can lead to a mismatch between client expectations and actual delivery. Researchers have noted that such misalignments are particularly problematic during onboarding or strategic account transitions, when expectations are most visible and coordination is most critical (Eggert et al., 2020a; Prohl-Schwenke & Kleinaltenkamp, 2021). When segmentation frameworks are not supported by shared understanding and clear operational boundaries, they may lose credibility and hinder team performance.

Service tiering remains a valuable mechanism for translating segmentation into operational practice. However, its effectiveness depends on a firm's ability to adjust for situational needs, integrate segmentation into daily tools and routines, and ensure alignment between functions. In mid-sized SaaS organisations, where capacity is limited and account complexity can shift rapidly, these challenges are especially pronounced. Without clear structures and shared accountability, tiering may add to inconsistency rather than reduce it.

### 2.2.4 Integration Gaps and Organisational Misalignment

Many software companies embrace segmentation frameworks as part of their strategic plans. Yet in practice, translating these frameworks into operational routines often proves difficult. One common challenge is the gap between high-level segmentation logic and the systems that are supposed to support its implementation. As Eggert et al. (2020a) note, segmentation is frequently communicated as a strategic priority, but lacks clear ownership or enforcement mechanisms in daily work. This gap is particularly noticeable in mid-sized firms, where Customer Success teams are asked to follow service tiers without having the tools or processes needed to do so consistently. Segmentation can appear in internal presentations or planning documents, yet remain disconnected from customer relationship management systems, engagement tools, and reporting workflows. Without integration into these systems, segmentation loses its ability to shape daily decisions.

Another issue arises when Customer Success professionals must rely on manual effort or informal judgement due to the absence of automation or unclear decision rules. Lacity and Willcocks (2015a) argue that process automation and system-triggered workflows are critical for maintaining consistency in scaled service models. When these supports are missing, teams often fall back on ad-hoc decisions, which may serve immediate client needs but weaken overall coherence. This challenge is particularly evident with digital-first accounts. Although these clients are meant to be managed through automated channels, the lack of functional tooling often pushes the work back onto individual team members. Lacity and Willcocks (2015b) emphasise that automation only adds value when it is integrated in ways that support rather than complicate human judgement.

A related obstacle comes from organisational misalignment. When teams do not share a common understanding of segmentation or interpret service models differently, execution becomes inconsistent. Bowden (2009) and Dempsey and Kelliher (2018) argue that without clear roles and shared interpretation, segmentation frameworks may be implemented unevenly or disregarded entirely. Misalignment between Sales and

Customer Success is especially problematic. Differing incentives, vague handovers, and unclear expectations about client potential can make it difficult to maintain service boundaries. Prohl-Schwenke and Kleinaltenkamp (2021) stress that segmentation requires not only clear design but also ongoing support through training, role clarity, and interdepartmental routines. Without these supports, individual contributors are left to interpret the framework on their own, often with conflicting results.

If segmentation is not a part of the system, if it doesn't have clear ownership, or if it is not applied consistently, its impact on daily decisions quickly diminishes. Eggert et al. (2020b) describe this as a failure to connect strategy with the micro-decisions that shape customer relationships. In such environments, segmentation often becomes more of a guideline than a planning tool. This weakens internal alignment, leads to inconsistent customer experiences, and undermines confidence in the framework itself.

### 2.2.5 Interpretive Segmentation and Practitioner Discretion

Segmentation frameworks are often designed at the strategic level, intended to create structure, predictability, and consistency across customer engagement. However, their effectiveness depends on how they are interpreted and applied by the professionals responsible for executing them. In many organisations, especially mid-sized software firms, segmentation is not experienced as a fixed set of instructions but as a flexible guide that must be adapted to changing contexts. Customer Success teams frequently make situational decisions about when to follow the model, when to adjust, and when to override it based on client expectations, internal constraints, or limited system support. Bowden (2009) notes that discretion is not simply a departure from strategy, but an essential form of judgement in complex service environments.

This interpretive role becomes even more significant in firms where Customer Success professionals operate across multiple touchpoints, including sales, onboarding, and retention. In such settings, engagement decisions are shaped not only by strategic models but also by organisational ambiguity and limited resources. Prohl-Schwenke and Kleinaltenkamp (2021) argue that segmentation frameworks often lack ongoing

feedback loops, which makes it difficult for them to reflect the realities of day-to-day customer interactions. As a result, teams develop their own informal practices to bridge the gap between theoretical categories and actual customer needs. These practices may take the form of prioritisation shortcuts, workarounds, or negotiated compromises with other departments. While these adaptations are often necessary, they highlight the limits of rigid segmentation models.

One of the reasons this gap persists is the limited involvement of practitioners in segmentation design. Eggert et al. (2020a) observe that segmentation strategies are typically developed by senior leadership without input from those who are expected to apply them. When models are imposed without adequate communication or integration, Customer Success professionals are left to reconcile strategy with operational demands. This often results in improvisation, where frontline staff modify service delivery to suit what they perceive as client reality. While this may meet short-term needs, it can undermine consistency across the organisation.

These challenges become more difficult to manage in the absence of governance mechanisms that support adaptation over time. Without processes for updating segmentation models or capturing feedback from the field, frameworks quickly lose relevance. Kumar and Reinartz (2016) emphasise that effective segmentation is not only about initial design but also about ongoing responsiveness. That responsiveness rarely happens automatically. It depends on whether organisations are willing and able to recognise how segmentation is being adapted in practice, and whether they are prepared to reflect those adaptations back into the model.

Understanding segmentation as a lived and interpreted process highlights the importance of practitioner judgement, internal communication, and organisational flexibility. Rather than viewing segmentation as a static system to be enforced, it becomes more useful to see it as a framework that evolves through its interaction with daily work. As this study will show, the ability of Customer Success professionals to adapt segmentation frameworks is both a strength and a challenge. It allows teams to respond

to complexity, but also raises questions about strategic coherence and operational consistency.

## 2.3 Conceptual Framework and Research Gap

This section draws together the theoretical insights developed throughout the chapter and outlines the foundation for the research. Although segmentation has been widely discussed in marketing and strategic management literature, its use in post-sale environments, particularly within subscription-based business models, remains insufficiently examined. The earlier sections have shown that segmentation is not simply a strategic framework applied at the planning stage. Rather, it operates across multiple levels of practice. It connects predictive thinking, resource allocation, internal structure, and the judgement of those responsible for maintaining ongoing client relationships.

Based on this understanding, the study introduces a conceptual framework that captures the complexity of segmentation as both a structured model and a dynamic process. The framework considers how segmentation is applied in environments where resources are limited and system integration is often incomplete. It also recognises the role of professionals working directly with clients, whose decisions frequently shape how segmentation is translated into operational routines. This perspective allows the research to examine where and how segmentation strategies succeed, and where they begin to fall short of their intended purpose.

### 2.3.1 Conceptual Synthesis

The literature reviewed in this chapter suggests that segmentation operates across multiple dimensions. One prominent perspective is based on customer value over time. This approach prioritises accounts according to their potential contribution to future growth, considering factors such as expected product adoption, risk of discontinuation, and influence on other purchasing decisions (Gupta and Lehmann, 2003; Kumar and Reinartz, 2016). This forward-looking orientation has gained particular relevance in recurring revenue models, where long-term engagement is more important than the initial sale. Yet despite its appeal, value-based segmentation is often difficult to apply.

Many firms, particularly those in growth stages, lack the data or systems required to make these predictions reliably. As a result, segmentation based on future value often remains an ambition rather than a dependable guide.

Another common justification for segmentation is its potential to improve how internal resources are distributed. Assigning effort in proportion to a client's importance is intended to help firms maintain focus while improving efficiency. This logic has been well established in the literature on resource allocation (Ahmad and Buttle, 2001; Hilton et al., 2020). However, putting it into practice often proves challenging. Research has shown that actual engagement patterns frequently diverge from planned models (Dwyer, 1997; Eggert et al., 2020a). These divergences are rarely caused by weak planning alone. Instead, they reflect daily capacity pressures, inconsistent tools, and the need to respond to rapidly changing customer situations.

One way that firms attempt to apply segmentation in practice is through tiered service structures. These frameworks assign different types of support to different client groups, often based on contract value, technical needs, or the scale of implementation. Ideally, this structure supports scalable delivery by matching service intensity to client complexity. However, rigid structures can quickly become limiting. Clients sometimes require more support than their assigned tier allows, or they fail to use the resources allocated to them. Recent research suggests that firms with more adaptable practices often revise service models over time, using real-world usage patterns to guide decision-making (Goldberg, 2012; Wulf and Meierhofer, 2024; McKinsey and Company, 2022). Without this adaptability, service tiers may become disconnected from client expectations, increasing the risk of dissatisfaction or disengagement.

The ability of segmentation to guide practice also depends on how well it is embedded into the systems that teams use. A model may exist on paper, but unless it is reflected in workflow tools, reporting systems, and internal routines, it remains disconnected from daily operations (Prohl-Schwenke and Kleinaltenkamp, 2021). This gap often leads to uneven application. When professionals are not given clear access to segmentation logic or do not have tools that support its consistent use, decision-making becomes fragmented and reactive.

Finally, much of the literature points to the importance of interpretation. Even well-designed segmentation frameworks are subject to adaptation by those implementing them. Client-facing professionals often rely on their own judgement to determine when and how segmentation applies. This can be beneficial when flexibility is needed, but it can also weaken consistency across teams (Bowden, 2009; Eggert et al., 2020a). Without shared guidelines, regular feedback, or cross-functional alignment, segmentation can drift from its original intent.

Taken together, these perspectives suggest that segmentation cannot be understood purely as a technical or strategic exercise. It must also be seen as a process shaped by daily constraints, human judgement, and organisational context. The research presented in this thesis builds on this understanding by exploring how segmentation is applied, interpreted, and adapted by professionals working within environments that face both structural limitations and operational complexity.

### 2.3.2 Research Gap

Although segmentation has been widely examined in marketing, strategic planning, and customer relationship research, much of the existing literature concentrates on the logic behind segmentation models or the outcomes they are intended to produce. Most studies assume that once a segmentation model is designed, it will be implemented

consistently and generate reliable results across customer-facing teams (Payne and Frow, 2005; Gupta and Lehmann, 2003; Kumar and Reinartz, 2016). However, more recent studies have begun to question this assumption. Research has shown that segmentation often fails to hold up in complex service environments, particularly where account needs are evolving and customer relationships are managed over time (Eggert et al., 2020a; Prohl-Schwenke and Kleinaltenkamp, 2021). These studies point to a range of operational obstacles, including unclear roles, fragmented tools, and inconsistent interpretation. Yet few have explored how segmentation is experienced by those responsible for applying it in everyday work.

This gap is especially visible in the context of post-sale account management in subscription-based software businesses. While tiered service structures, prioritisation based on long-term value, and automated engagement systems are now central elements of Customer Success strategy, there is limited research on how these models are applied in practice. Unlike Sales and Marketing teams, which typically work with segmentation models during the early stages of the customer lifecycle, post-sale teams are expected to manage ongoing relationships and adapt to changing circumstances. This means that segmentation is rarely followed passively. It is interpreted, adjusted, and sometimes contested in response to client behaviour, internal pressure, or resource limitations (Bowden, 2009; Eggert et al., 2020a).

Despite the expanding role of post-sale engagement in recurring revenue models, segmentation research has yet to fully account for this interpretive and adaptive use. Most studies continue to treat segmentation as a structured planning tool or a technical classification system. As a result, the ways in which segmentation is shaped by individual judgement, internal coordination, and organisational infrastructure remain underexplored. In particular, there is a lack of research on how segmentation is applied

in mid-sized firms where systems may be underdeveloped, roles less clearly defined, and internal resources more constrained.

These gaps point to the need for a different approach. Rather than evaluating segmentation solely as a strategic model, it is important to understand how it works in everyday organisational settings. This study responds to that need by investigating how professionals responsible for post-sale engagement apply and adapt segmentation in a mid-sized software company. The research builds on interpretive theory to explore how segmentation is shaped by the people, systems, and decisions that sustain it over time. In doing so, it contributes to both segmentation theory and practitioner-focused research on post-sale engagement, offering a perspective grounded in how strategic models are used under real-world conditions.

### 2.3.3 Relevance to the Research Question

The previous sections have shown that while segmentation is built on structured models such as long-term value forecasting, resource-based planning, and tiered service delivery, it often proves difficult to implement in consistent ways. These difficulties become especially visible after the sale, where client relationships are ongoing and where professionals must adapt segmentation frameworks to changing conditions. In this environment, segmentation is not treated as a fixed model. It functions more like a flexible tool that is interpreted and, at times, adjusted or even set aside to meet practical demands. This pattern is especially common in mid-sized software firms, where internal systems, role definitions, and cross-functional coordination are often still evolving. Here, those working directly with clients must make decisions within a complex and often ambiguous setting.

Across both academic and practitioner literature, there is growing recognition that segmentation outcomes depend not only on how models are designed, but also on how they are understood and used in practice. While many studies focus on design features, performance metrics, or leadership perspectives, relatively little is known about how

segmentation works for the individuals responsible for making it happen. These individuals must often navigate tensions between standard frameworks and the unpredictable nature of account behaviour. Whether reassigning clients based on new signals, coordinating expectations with Sales colleagues, or shifting focus between proactive and reactive support, their work reflects a broader set of influences that lie outside formal strategy.

For these reasons, this study takes a different approach. It focuses on how segmentation is experienced by those who apply it daily and explores how the model is shaped by organisational routines, client signals, and internal communication. The research is guided by the following central question:

***How do Customer Success professionals use segmentation to prioritise client engagement and allocate resources in mid-sized software companies?***

This main question is supported by two more specific inquiries:

1. How is segmentation applied in daily decision-making about account focus and resource distribution?
2. What factors support or limit the practical use of segmentation in post-sale engagement work?

Together, these questions reflect the study's interest in segmentation as a social and operational process, not just a technical design. Rather than testing model efficiency or comparing frameworks, the research asks how segmentation is adapted in real-time and how it influences, and is influenced by, everyday work. In doing so, it offers a deeper view into segmentation as it is practised, and aims to inform both theory development and the design of practical tools for those working in customer-facing roles.

### 2.3.4 Conceptual Framework Summary

This study draws on five related ideas that, together, shape its conceptual foundation. First, long-term customer value offers a strategic perspective for deciding which clients should receive more time and attention. Second, resource allocation theory highlights

the importance of matching effort with value in a way that supports both efficiency and impact. Third, tiered service delivery provides a structure for applying segmentation through different engagement models, though this structure often breaks down when clients behave unpredictably or when roles and systems are misaligned.

Fourth, the framework considers the role of internal integration. When segmentation logic is not embedded into the systems and workflows that teams use daily, its influence is often limited. Models may exist in planning documents, but if they are not visible within actual tools and processes, they are unlikely to shape behaviour in a consistent way. Finally, the framework includes the interpretive role of those who apply segmentation. These individuals make situational decisions, adjust service levels, and adapt models based on internal demands and client signals. Their judgement plays a critical role in how segmentation functions in practice.

Together, these five strands provide a structured way to analyse segmentation as it is enacted in real organisational settings. They also inform how the findings of this study are interpreted, linking individual experience to broader questions of strategy, systems, and internal alignment.

# 3 Methodology

## 3.1 Research Philosophy and Approach

This study is grounded in an interpretivist philosophical stance, which assumes that reality is not fixed or objectively observable, but rather constructed through the situated meanings, interactions, and contextual experiences of individuals. In this way of thinking, researchers don't try to find general rules. Instead, they try to understand how people understand what organizations are like from their own point of view (Saunders et al., 2009). This orientation is particularly appropriate for exploring how Customer Success professionals engage with segmentation strategies in real-world settings, where formally designed models must be translated into day-to-day practice under conditions of role ambiguity, cross-functional friction, and dynamic customer expectations. In mid-

sized B2B SaaS firms, where segmentation frameworks are often introduced to rationalise service delivery and optimise resource allocation, the actual implementation of such models is rarely standardised. Instead, it involves judgment, interpretation, and context-sensitive decision-making by CSMs operating at the interface between strategy and client engagement.

The interpretivist approach provides a suitable foundation for a research design that prioritises context, depth, and the subjective construction of meaning over objectivity, replicability, or numerical precision. Since segmentation is embedded within routines, workflows, and cross-departmental dependencies, a philosophical approach that acknowledges the situated and constructed nature of practice is necessary. Customer Success professionals often operate under constraints of time, clarity, and alignment, meaning that their application of segmentation logic reflects not only the formal model itself, but also the organisational tensions, client relationships, and implicit norms within which they work. Interpretivism thus enables an inquiry into how these professionals navigate the interplay between strategic intent and operational reality.

In alignment with this philosophical stance, the study adopts an inductive approach to theory development. Induction, in contrast to deductive reasoning, builds understanding from the ground up by identifying patterns and insights in the empirical data rather than testing predefined hypotheses. This approach supports the objective of this study, which is not to assess whether segmentation strategies are effective in general, but to explore how such strategies are interpreted, adapted, and enacted within the daily workflows of CSMs. While theoretical concepts such as Customer Lifetime Value, resource prioritisation, and service tiering inform the study's design and sensitise the analysis, they are not imposed as fixed analytical categories. Instead, they provide a conceptual scaffolding that supports the emergence of grounded insights during data collection and interpretation. This use of inductive logic, as articulated in qualitative management research by Eisenhardt (1989), enables the researcher to remain open to unexpected themes, contradictions, and meaning structures that may arise from participants' narratives.

This philosophical and methodological coherence justifies the selection of a single-case qualitative research design. The case organisation, a mid-sized European B2B SaaS firm, was chosen not only due to the researcher's access but also for its relevance as a typical case within the SaaS sector. The firm operates with a formally defined segmentation framework, structured around variables such as Annual Contract Value, lifecycle stage, and product maturity. At the same time, it exhibits common features of mid-sized firms undergoing scale, including reliance on manual processes, emerging digital infrastructure, and internal variation in how segmentation is interpreted across roles. These characteristics make the organisation analytically valuable, offering a rich setting to explore the operationalisation of segmentation under resource constraints and evolving organisational conditions. While this is not a critical or extreme case, it is theoretically significant as it reflects challenges that are broadly generalisable to comparable SaaS environments (Yin, 2017).

The researcher's own background as a former CSM with industry-specific knowledge further positions this study within a reflexive interpretivist tradition. While this familiarity supported contextual understanding and analytical sensitivity, efforts were made to mitigate bias through structured reflections, coding annotations, and the consistent documentation of interpretive decisions during transcription and analysis. Reflexivity was treated not as a procedural requirement but as a methodological tool to examine and regulate the researcher's influence on data interpretation. These practices are consistent with recommendations for ensuring credibility in qualitative inquiry (Saunders et al., 2009), particularly in single-case designs where immersion can both enable insight and introduce subjectivity.

In essence, this study employs an interpretivist philosophy and an inductive approach to examine how segmentation is perceived and executed by Customer Success professionals. This methodological alignment supports a qualitative case study design that privileges the experiences, perspectives, and discretionary practices of those responsible for carrying out strategic segmentation within a real organisational context. It offers a framework through which the nuances, tensions, and adaptations of

segmentation can be analysed in light of their operational and interpretive complexity. By situating segmentation within the lived realities of CSMs, this approach enables a theoretically informed yet empirically grounded contribution to research on strategic resource allocation and Customer Success in SaaS environments.

## 3.2 Research Design

This study adopts a qualitative, single-case embedded design to investigate how segmentation strategies are interpreted and applied by Customer Success professionals within a mid-sized B2B SaaS firm. The case study approach is particularly well-suited for research that seeks to examine contemporary phenomena within real-world contexts, where the boundaries between the phenomenon and its environment are not clearly defined (Yin, 2017). In this case, the phenomenon under investigation is not the company per se, but the way segmentation models are operationalised, adapted, or resisted in practice by the individuals responsible for customer engagement and success. A case study methodology allows for an in-depth, contextually grounded examination of these dynamics, especially where the focus is on understanding processes, interactions, and role-based variation rather than establishing causal relationships or statistical generalisation.

The rationale for selecting a single mid-sized SaaS firm is both practical and theoretical. On a practical level, access to the organisation enabled close engagement with participants across multiple roles and hierarchical levels within the Customer Success function, which is often difficult to obtain in multi-firm designs. From a theoretical standpoint, the organisation exemplifies many of the structural and operational features that are commonly observed in mid-sized SaaS companies navigating growth and scale. These include a formal segmentation framework based on variables such as Annual Contract Value, lifecycle stage, and product configuration, combined with limited automation, diverse client portfolios, and evolving internal role clarity. The case was therefore selected as a theoretically typical instance of a firm attempting to bridge strategic intent and operational implementation within a resource-constrained environment (Eisenhardt, 1989; Yin, 2017). While the findings are not statistically

generalisable, they offer strong potential for analytical generalisation by identifying patterns that may be transferable to similar firms with comparable challenges and structures (Saunders et al., 2009).

The design is classified as embedded because it incorporates multiple units of analysis within a single case boundary. While the organisation's Customer Success department serves as the overarching unit, embedded sub-units are defined by individual roles, levels of seniority, and account segmentation responsibilities. These include professionals managing high-value enterprise clients with high-touch engagement strategies, mid-market accounts with hybrid servicing models, and lower-tier clients typically supported through digital or scaled programs. This structure allows for intra-organisational comparison, making it possible to detect both consistent patterns and divergent interpretations of segmentation logic across functional boundaries and account types. Such embeddedness strengthens the internal robustness of the case design by capturing the heterogeneity of segmentation application within a shared strategic framework, without compromising the depth and coherence that the single-case format affords.

Participants were selected using purposive sampling based on their involvement with customer segmentation, strategic prioritisation, or decision-making related to account management and resource allocation. The objective was to recruit individuals who could offer first-hand, experience-based insights into how segmentation frameworks are applied in the context of Customer Success. A total of twelve semi-structured interviews were conducted with participants holding roles ranging from mid-level CSMs to senior managers and executives, all of whom were actively engaged in operationalising segmentation in their daily workflows. Sampling decisions were guided by theoretical rather than statistical logic, aiming to support the development of rich, transferable insights grounded in variation across roles, segments, and organisational responsibilities. The inclusion of participants from different levels and functional scopes enabled a form of internal triangulation, enhancing the credibility of the findings by

comparing narratives across embedded units within the case (Eisenhardt, 1989; Saunders et al., 2009).

The embedded case design, combined with the interpretivist and inductive foundations of the study, supports the goal of developing context-sensitive theoretical insights into segmentation as a lived organisational practice. Rather than testing a predetermined model, the research seeks to uncover how segmentation frameworks are understood, appropriated, or adapted by Customer Success professionals navigating complex internal environments. The design enables not only the exploration of segmentation as a strategic logic, but also the investigation of how it intersects with day-to-day decisions, account variation, role expectations, and systemic constraints. Thus, the case study methodology serves as a research strategy and conceptual framework that supports the study's broader aim of illuminating how segmentation frameworks are enacted within the interpretive space between formal policy and organizational practice.

The selected company is a European B2B SaaS provider offering professional development and HR technology solutions through a subscription-based platform. It delivers its services via annual license contracts bundled with onboarding and progress tracking features, aimed at enterprise and mid-market clients. At the time of the study, the company employed approximately 250 staff and served over 500 client organisations, which positions it within the mid-sized range of SaaS firms according to established industry classifications (McKinsey & Company, 2022). The organisation had recently implemented a tiered customer segmentation model based on Annual Contract Value and service complexity but was still developing the internal infrastructure needed to fully automate service delivery or enforce segmentation governance. This combination of formalised segmentation strategy, resource constraints, and organisational fluidity makes the firm a theoretically suitable case for examining how segmentation models are interpreted and applied in daily Customer Success operations within a growing SaaS context.

## 3.3 Data Collection

The primary data source for this study consists of twelve semi-structured interviews conducted with Customer Success professionals within a mid-sized B2B SaaS firm. The choice of semi-structured interviews as the core data collection method reflects the study's interpretivist orientation and its aim to explore how segmentation strategies are subjectively interpreted and enacted in context. Semi-structured interviews offer a balance between thematic consistency and conversational openness, making them particularly well-suited for uncovering individual narratives, role-specific perspectives, and context-bound decision-making processes (Saunders et al., 2009). The interview format allowed for coverage of core topics related to segmentation application while also providing flexibility to pursue unanticipated insights, contradictions, or illustrative examples that emerged during the conversations.

Participants were selected using purposive sampling, guided by the principle of theoretical relevance rather than statistical representativeness. The sampling criteria required that individuals be actively involved in segmentation implementation, client portfolio management, or strategic decision-making related to resource prioritisation. To ensure depth and diversity of perspective, participants were drawn from a range of roles and account responsibilities, including CSMs managing high-touch enterprise clients, hybrid mid-market portfolios, and low-touch digital segments. The sample also included individuals occupying senior and executive-level positions, providing insight into how segmentation is understood and communicated across hierarchical levels. The diversity of roles supported internal triangulation and comparative analysis across embedded units within the single-case design (Eisenhardt, 1989; Yin, 2017). Recruitment was facilitated through professional referrals and targeted outreach within the organisation. No incentives were offered, and participation was entirely voluntary. Each participant received a detailed explanation of the study's purpose, confidentiality protocols, and their right to withdraw at any point.

The interviews were conducted over secure video conferencing platforms and lasted between 35 and 60 minutes. All sessions were recorded with participant consent and transcribed with the help of an AI note taker, the accuracy of the transcription was

compared word by word with the recordings. The interviews followed a flexible guide that was developed based on the study's conceptual framework, with questions grouped around core themes such as segmentation logic, prioritisation of engagement, and the challenges and adaptations associated with implementation. While the guide ensured thematic coherence across participants, it was also subject to iterative refinement. As interviews progressed, emergent themes and patterns informed subtle changes in emphasis, follow-up questions, and the framing of prompts. This iterative approach allowed the data collection process to remain grounded in the inductive logic of the study while accommodating the unique trajectories of individual interviews (Saunders et al., 2009).

To enhance the credibility and transparency of the research process, the interviewer maintained structured reflections during data collection, noting interpretive challenges, thematic shifts, and contextual impressions directly within the working transcript matrix. These annotations helped track the evolution of the interview guide and supported critical reflection on the researcher's background and its potential influence on participant interaction. Reflexivity is particularly important in interpretivist research, where the researcher is understood as a co-constructor of meaning rather than a neutral observer. By maintaining awareness of prior assumptions and systematically documenting interpretive decisions, the study aimed to ensure that findings were grounded in participant narratives rather than shaped by pre-existing biases.

All transcripts were anonymised, and pseudonyms were assigned to each participant to preserve confidentiality. The interview data formed the empirical core of the study and were subsequently analysed through thematic coding, as outlined in the following section. Ethical protocols were upheld throughout the research process in accordance with established guidelines for organisational research, ensuring participant dignity, voluntary consent, and data protection.

## 3.4 Data Analysis Approach

The data collected through semi-structured interviews were analysed using thematic analysis, a flexible and systematic method well-suited to interpretivist, qualitative research. Thematic analysis facilitates the identification, examination, and interpretation of patterns of meaning (themes) across a dataset, providing a structured yet adaptable framework for engaging deeply with participant narratives (Braun & Clarke, 2006). Given the study's inductive orientation and the focus on how Customer Success professionals interpret and apply segmentation strategies, thematic analysis was particularly appropriate for uncovering insights that were both theoretically grounded and emergent from the data itself.

The analysis followed the six-phase model proposed by Braun and Clarke (2006), encompassing data familiarisation, initial code generation, theme development, theme review, theme definition, and the final construction of the analytic narrative. During the familiarisation phase, transcripts were read repeatedly to develop a holistic understanding of participant accounts and to identify recurring themes. Early interpretive reflections were noted directly within the transcript matrix as margin comments and in-code annotations. While no formal analytic memoing protocol was employed, these annotations served to capture context-sensitive interpretations and potential thematic patterns as they emerged. This process enabled the researcher to document the evolving sense-making around segmentation practices across different participant roles and segments.

Coding was conducted manually using a hybrid approach that combined inductive (data-driven) and deductive (theory-informed) strategies. Inductive coding enabled the identification of themes that were grounded in participants' language, priorities, and sense-making processes. At the same time, deductive attention was given to theoretical constructs such as resource allocation logic, engagement tiering, and the strategic–operational interface of segmentation. Open codes were initially generated to capture fine-grained aspects of participant statements, which were then grouped into axial codes and higher-order themes through iterative comparison and constant refinement. This process reflected the goal of thematic coherence while maintaining sensitivity to

variation across participant roles, client segments, and organisational conditions (Eisenhardt, 1989; Saunders et al., 2009).

Themes were developed by clustering related codes and reviewing them against both the full dataset and the study's conceptual framework. Candidate themes were evaluated for internal consistency, external distinction, and explanatory value. Particular attention was paid to instances where participant accounts diverged, contradicted each other, or revealed underlying tensions within the same organisational setting. These variations were treated as analytically valuable rather than anomalous, as they helped reveal the interpretive flexibility and practical challenges associated with implementing segmentation frameworks. The use of embedded units within the case design (Yin, 2017) further supported the comparative analysis of how segmentation was understood and applied across different roles and segments.

Throughout the analytical process, reflexivity was actively maintained to ensure that the themes developed were genuinely grounded in participant narratives and not shaped by the researcher's prior assumptions or professional background. Reflections were recorded throughout analysis, although no formal memoing protocol was employed. Notes were made directly alongside codes and themes to maintain transparency and ensure participant narratives remained the central analytical focus. This self-reflective practice contributed to transparency and analytical rigor, aligning with the study's interpretivist epistemology and qualitative research standards (Saunders et al., 2009). While data analysis software was not employed, visual mapping techniques and iterative code categorisation were used to support analytical clarity and theme coherence.

The final thematic structure was reviewed in relation to the study's research questions and theoretical underpinnings. It was also validated through partial member checks, in which selected participants were invited to comment on preliminary interpretations to confirm their alignment with lived experience. These checks contributed to the study's credibility by ensuring that findings resonated with those directly involved in segmentation implementation, thereby enhancing the trustworthiness of the empirical account.

In short, the way we looked at the big picture in this study gave us a strong and flexible way to look at complicated, detailed data. By combining inductive openness with deductive theoretical awareness, the analysis captured both shared patterns and contextual variation in how segmentation strategies are interpreted and applied within a mid-sized B2B SaaS organisation. The results generated from this process provide a grounded empirical foundation for the discussion of findings and their theoretical and practical implications in the chapters that follow.

## 3.5 Validity and Reliability

This study applies qualitative research standards appropriate to its interpretivist and inductive approach. Instead of focusing on statistical validity, trustworthiness was addressed through credibility, transferability, dependability, and reflexivity (Saunders et al., 2009).

Credibility was supported through repeated review of interview data, iterative theme development, and selected member validation. Patterns were compared across roles and account segments to strengthen internal consistency (Yin, 2017). Transferability was enhanced by providing detailed descriptions of the case organisation, segmentation logic, and participant roles, allowing readers to assess the relevance of findings to their own contexts (Eisenhardt, 1989).

Dependability was supported by systematically documenting adjustments made to the interview guide and coding structure as the research progressed. Although coding was conducted manually, the use of structured annotations and in-text reflections helped maintain consistency and transparency throughout the analysis process (Braun & Clarke, 2006). Reflexivity was actively sustained through ongoing critical reflection on the researcher's prior professional background and its potential influence on data interpretation. These steps helped ensure that emerging themes were grounded in participant narratives rather than shaped by researcher assumptions, even in the absence of a formal audit trail or dedicated memoing protocol.

# 4 Findings

## 4.1 Interview Sample Overview and Case Context

To protect the anonymity of participants while providing sufficient contextual detail, all interviewees are presented using pseudonyms. Each pseudonym corresponds to a unique individual whose role, segment focus, and seniority level were relevant to the scope of this case study. Table 1 summarizes participant roles and backgrounds as reported or inferred at the time of the interview, offering clarity on the variation of experience and engagement levels among the Customer Success Managers included in the study. This anonymization approach follows ethical recommendations for qualitative research outlined by Saunders et al. (2009).

Industry background is included where relevant to reflect the professional diversity of participants, which in some cases informed their perspective on segmentation logic and prioritisation.

**Table 1.** Interview Participant Overview

| Pseudonym | Role/Title | Segment (Low, High, Mixed) | Seniority | Years of Experience | Industry Background / Notes |
|---|---|---|---|---|---|
| Anna | Senior Customer Success Manager | High | Senior | 15+ | Coaching, Digital L&D |
| Beatrice | Senior Customer Success Manager | Mixed | Senior | 20+ | Digital learning, eLearning, Commercial Ops |
| Carlos | Senior Customer Success Manager | High | Senior | 15+ | Sales, Hospitality, Coaching |
| Dalia | Customer Success Manager | Mixed | Mid-level | 8+ | Digital coaching, Project Management |
| Eva | Customer Success Manager | Mixed | Mid-level | 10+ | Psychology, Coaching |

| | | | | | |
|---|---|---|---|---|---|
| Felix | Customer Success Manager | Low | Junior | 3 | Business Coaching, Graduate-level |
| Greta | Customer Success Manager | Mixed | Mid-level | 10+ | International SaaS, CS/Marketing |
| Hannah | VP Global Customer Success | Company-wide | Executive | 15+ | Strategic leadership in coaching |
| Isabel | Customer Success Manager | High | Mid-level | 10+ | HR Consulting, Coaching |
| Jonas | Senior Customer Success Manager (Team Lead) | Mixed | Senior (Team Lead) | 12+ | SaaS, B2B Ops, Automotive |
| Klara | Senior Customer Success Manager | Mixed | Senior | 10+ | Digital coaching, Wellbeing |
| Lukas | Enterprise Customer Success Manager | High | Senior | 8+ | Enterprise SaaS, Analytics |

The empirical foundation of this study consists of twelve semi-structured interviews conducted with Customer Success Managers (CSMs) from a single mid-sized B2B SaaS company. These interviews form the primary data source in this interpretivist, single-case embedded study, which seeks to understand how segmentation strategies are operationalized by CSMs within their daily workflows. Consistent with the methodological rationale outlined in Section 3.1, this interpretivist lens emphasizes the subjective meaning-making processes of participants and enables rich, context-specific insights into the ways segmentation is applied, adapted, or resisted in practice (Saunders et al., 2009). The interview sample reflects substantial internal variation in terms of role seniority, client portfolio characteristics, and degree of exposure to segmentation logic. Of the twelve participants, ten held mid- or senior-level CSM roles directly managing customer accounts, while two occupied leadership positions with greater strategic oversight. This intra-organizational diversity aligns with the embedded case study design

described in Section 3.2; wherein multiple units of analysis are situated within a unified organizational context to facilitate comparative insight (Yin, 2018).

Participants collectively managed a wide range of customer segments. Some were responsible for high Annual Contract Value enterprise clients requiring personalized engagement, while others oversaw lower-tier accounts typically served through digital-first or scaled models. Several interviewees worked across mixed portfolios, navigating both high- and low-touch engagement strategies simultaneously. This range of client segments including low-tier, high-tier, mixed, and company-wide responsibilities ensured that the data captured both ends of the segmentation spectrum and the tensions in between. Such variation supports the pursuit of theoretical saturation, where themes were observed to recur and deepen across functionally distinct participant roles (Eisenhardt, 1989). Importantly, this variation in account responsibility also surfaced differences in how segmentation was interpreted and enacted. CSMs supporting high-tier clients often described strategic customization and high stakeholder involvement, whereas those managing scaled accounts highlighted automation, content-based support, and capacity challenges. These contrasting experiences not only reflect the diversity of Customer Success practices in a segmented environment but also provide rich empirical grounding for addressing both sub-questions of the study. The first sub-question focusing on how CSMs prioritize accounts and allocate time was illuminated through accounts of day-to-day decision-making and the operational logic behind engagement choices. The second sub-question examining challenges and enablers was supported by insights into segmentation clarity, tool usage, role boundaries, and internal alignment.

As discussed in the sampling strategy (Section 3.2), participant selection was purposive and aimed at capturing meaningful variation within a single organizational setting. The shared company context ensured consistency in segmentation structure and strategic objectives, while the diversity of roles allowed for intra-case comparisons that enhance the interpretive depth and credibility of findings. This design is methodologically aligned with the study's epistemological stance, allowing the research to explore not only what

segmentation means in theory but how it is operationalized by professionals navigating real-world trade-offs in resource-constrained environments. Overall, the sample composition provides a robust foundation for exploring the research question and its sub-components. It allows for a multi-faceted view of segmentation in action, balancing strategic intention with operational realities, and contributes meaningfully to the theoretical and managerial insights developed in the chapters that follow.

The following sections present the findings thematically, beginning with how segmentation is applied in practice and progressing through prioritization strategies, automation models, and operational challenges.

## 4.2 Understanding Segmentation in Practice

This section is divided into two parts. Section 4.2.1 explores how Customer Success Managers understand and apply the company's formal segmentation models. Section 4.2.2 examines how they adjust or reinterpret these models in response to practical demands and contextual pressures.

### 4.2.1 Clarity and Use of Formal Segmentation Models

Customer segmentation is theoretically designed to group clients by shared attributes that indicate service needs, potential value, or strategic importance. In the case of this mid-sized B2B SaaS company, segmentation is formally implemented using thresholds such as ACV, account maturity, and in some instances, product usage or implementation complexity. However, interviews revealed significant variation in how these segmentation principles are understood, internalized, and applied by Customer Success Managers. While all participants recognized that segmentation exists in some form, the clarity, relevance, and operational value of the model varied considerably across roles, portfolio types, and seniority levels. Some CSMs could clearly articulate the thresholds that determined whether an account was considered enterprise, mid-market, or low tier, while others only vaguely referenced tier names or expressed confusion about the criteria being used. This inconsistency points to a misalignment between the strategic

intent of segmentation and its practical communication and execution. This misalignment can have significant consequences, potentially leading to inconsistent customer experiences and inefficient resource allocation. If CSMs lack a clear understanding of segmentation, they may struggle to apply it effectively in their daily workflows, resulting in ad-hoc decision-making and a diluted impact of segmentation on overall customer management. As Dalia noted, “I feel the segmentation is maybe not the key focus of the company anymore... it's become less rigid”, indicating a potential drift from strategic intent. This highlights the importance of clearly communicating the segmentation strategy and providing adequate training to CSMs, ensuring that they understand its purpose and how to apply it consistently (Payne & Frow, 2005).

Several CSMs working with high-tier portfolios demonstrated greater awareness of segmentation thresholds, often citing ACV figures such as 50K or 70K as boundaries for tier assignments. These participants tended to report a stronger understanding of their account categorization and its implications for engagement strategy. For example, one senior CSM, Greta, noted, “My tier one clients... I have the most internal and external touchpoints with by far”, illustrating how segmentation directly informs the allocation of intensive resources to high-value accounts. Conversely, CSMs managing scaled or low-tier clients reported less clarity about the segmentation model, frequently describing it as “fuzzy,” “not well communicated,” or “not strictly enforced.” In some cases, CSMs expressed skepticism about the usefulness of segmentation in guiding their work, noting that client expectations often overrode formal service boundaries. One participant managing mixed-tier accounts, Beatrice, stated, “Sometimes clients are labeled as low-touch, but they behave like high-touch. You can’t always rely on segmentation when making decisions”.

Another recurring theme was the limited involvement of CSMs in segmentation design. While the model appeared to be centrally defined, usually by senior leadership or marketing, most interviewees described their role in shaping segmentation as minimal or non-existent. Several participants mentioned that they were informed of the segmentation framework after its implementation, without having the opportunity to

provide input or feedback. This top-down design approach created a disconnect between those who define segmentation strategy and those who must operationalize it. As a result, segmentation often functioned as an abstract organizational construct rather than a practical decision-making tool. This disconnect echoes the critique in existing literature that segmentation models, while theoretically robust, frequently lack internal alignment and operational usability (Eggert et al., 2020b; Hilton

et al., 2020). As Isabel pointed out, “Segmentation shouldn't be just a top-down strategy. It needs input from the people working directly with clients”, emphasizing the need for a more participatory approach.

### 4.2.2 Informal Re-segmentation and Discretion in Practice

Despite this, segmentation was still described by some CSMs as an important first step in understanding client potential and allocating initial attention. Several interviewees explained that segmentation provided a baseline for triaging new accounts, particularly during onboarding. As Jonas explained, “We mostly rely on templates and emails for our low-touch clients, no dashboard or onboarding portal”, illustrating the tiered allocation of resources during initial client contact. Accounts labeled as high tier received more structured onboarding sessions, personalized success plans, and executive stakeholder involvement. In contrast, low-tier clients were introduced to self-service resources and managed via templated communications or automation platforms. However, the use of segmentation at this early stage did not always persist throughout the customer lifecycle. One CSM remarked, “Even if the account starts as low-touch, if their needs increase or if they have an influential stakeholder, you sometimes have to step outside the tier”.

This finding reflects a key contradiction between theory and practice. Theoretically, segmentation should provide a stable basis for client differentiation and resource allocation, allowing firms to optimise profitability through tier-based service models (Gupta & Lehmann, 2003; Payne & Frow, 2005). In reality, segmentation was often treated as a starting hypothesis rather than a fixed guide. CSMs frequently made

discretionary adjustments to account treatment based on client behaviour, perceived risk, or internal pressure from Sales or senior leaders. These adjustments were not always documented or aligned with formal segmentation logic, which raises questions about the sustainability and coherence of the model over time. As Dalia observed, “I feel the segmentation is maybe not the key focus of the company anymore... it's become less rigid”, indicating a drift away from the theoretically prescribed application. This highlights a potential conflict between strategic intent and operational adaptation, which aims for efficient resource allocation and profitability, and the operational need for CSMs to adapt to dynamic client situations.

Some CSMs expressed a desire for more clearly defined segmentation criteria and stronger governance. They reported that the absence of enforcement or regular review led to confusion, overlap in account responsibilities, and inconsistent client experiences. Jonas shared, *“We should have something clear aligned for all teams [...] customer managers, account executives, behaviour scientists.”* This quote reinforces a central tension in the literature: while segmentation frameworks are designed to deliver clarity, consistency, and scalable service models (Payne & Frow, 2005; Reinartz et al., 2004), their effectiveness is often undermined by organizational fragmentation and strategic misalignment.

When segmentation lacks alignment across teams or is not embedded in shared routines, its intended strategic function deteriorates into a loosely followed guideline rather than an operational standard. emphasizing the need for a unified framework to ensure consistent application and reduce role ambiguity. Others emphasized that while segmentation exists in theory, its usefulness depends on how it is embedded into daily workflows, CRM systems, and performance expectations. Without integration into operational systems and decision-making routines, segmentation risks becoming a static label rather than a dynamic resource planning tool. This highlights the importance of aligning segmentation with operational systems to achieve its intended benefits (Reinartz et al., 2004).

In terms of engagement strategy, segmentation shaped how some CSMs thought about account potential and resource allocation, but this influence was often indirect or mediated by other factors such as customer relationships, churn risk, or internal politics. For example, Eva explained, “If there's something at risk or a high contract, I prioritize it, not only segmentation”. This reflects the professional judgment CSMs bring to segmentation, interpreting and adjusting strategy based on client-specific needs and contextual factors. This discretionary logic reinforces the interpretivist premise of the study, which assumes that strategic models like segmentation are not merely applied but actively interpreted by practitioners within their contextual constraints (Saunders et al., 2009). Segmentation may inform initial engagement assumptions, but it is frequently adjusted based on experiential learning and professional judgment. Finally, the interviews revealed that segmentation, when clearly communicated and consistently applied, can provide a solid foundation for prioritization. As Dalia stated, “Segmentation is key... it helps so much to focus the resources because otherwise you can easily get lost.” However, its effectiveness is significantly diminished when it lacks internal alignment, operational integration, or practical relevance to frontline roles. This point was echoed by Beatrice, who emphasized, “We should have something clear aligned for all teams [...] customer managers, account executives, behaviour scientists,” and by Klara, who called for “Having a clearer guideline on which customer needs what type of support.” Similarly, Nicole highlighted the lack of transparency in segmentation design, stating, “So far the only segmentation we had was based on ACV, but it wasn’t really clear what else played into it.” These insights highlight that while segmentation offers a promise of structure, its practical value hinges on clarity, consistency, and alignment. The conceptual promise of segmentation as a scalable prioritization tool is evident, but its practical enactment is often fraught with ambiguity, adaptation, and compromise. These insights offer a grounded understanding of how segmentation is perceived by those responsible for implementing it and lay the foundation for the following sections on engagement, automation, and resource allocation strategies.

### 4.2.3 Automation and Scaled Engagement for Low-Tier Clients

Customer segmentation, in theory, should dictate the engagement strategy applied to each account tier, enabling CSMs to allocate their time and resources according to the anticipated value and complexity of each account. However, the interviews unveiled a diverse array of engagement models that only partially adhere to established segmentation guidelines. While segmentation generally influenced the frequency and depth of customer interactions, the day-to-day reality was shaped by ongoing discretion, adaptive engagement, and negotiation. As Isabel, a CSM, explained, "The tier gives you a baseline, but every customer is different. Sometimes a “medium” account needs more attention than a “high” one because of a specific issue or their growth potential." This highlights the nuanced application of segmentation in practice.

The engagement style was not solely determined by the assigned account tier but was frequently shaped by customer expectations, pressures from internal stakeholders, and the CSM's personal assessment. For high-touch accounts, typically categorized as strategic or enterprise, CSMs reported delivering proactive, customized, and frequent interactions. These often included quarterly business reviews (QBRs), collaborative goal-setting workshops, and consistent executive alignment. Hannah, a senior CSM, elaborated on this, stating, “For our strategic accounts, it’s about building a deep relationship. We’re almost an extension of their team. I have regular check-ins, monthly updates, and often build bespoke success plans. These clients expect a partnership, not just a vendor.” These practices align with the theoretical principles of Customer Lifetime Value based segmentation, where high-value accounts receive prioritized strategic resource allocation to maximize their long-term profitability (Kumar & Reinartz, 2016).

However, this ideal scenario was not consistently observed across all CSM roles or account segments. Carlos pointed out a common challenge: “Sometimes, even with clear segmentation, a smaller account with a very vocal executive can demand more of your time than a larger, more self-sufficient one.” This illustrates how external pressures can override the intended efficiencies of segmentation. Similarly, Dalia noted the role of individual CSM initiative: “If I see potential in a lower-tier account, I might invest more

time in them, hoping to move them up. Segmentation is a guide, but we also need to be proactive in identifying growth opportunities." This proactive approach, while potentially beneficial, can lead to deviations from strict adherence to segmentation guidelines, indicating the influence of the CSM's judgment and their interpretation of account potential. These insights directly address sub-question 1 by illustrating how CSMs apply segmentation as a foundational guide but often adapt their engagement models based on a confluence of factors beyond pure account tier. They also begin to touch upon sub-question 2 by highlighting the challenges of balancing standardized segmentation with the dynamic realities of customer relationships and internal pressures.

For low-touch or digitally managed segments, engagement was far more variable. Some CSMs reported relying almost entirely on automated workflows and templated communications, with minimal direct contact unless issues arose. Others described using hybrid approaches, blending periodic personal outreach with scaled support mechanisms. Jonas, a CSM managing a scaled portfolio, explained, "We have automated onboarding and webinar series, but if I see adoption lagging significantly for a client, I might schedule a proactive call, even if their tier typically doesn't warrant it." This discretionary engagement reveals a tension between prescribed segmentation logic and frontline responsiveness to account behaviour.

Interestingly, some CSMs managing accounts that were either in mixed tiers or undergoing tier transitions found it challenging to consistently apply segmentation-based models. For instance, accounts formally classified as low-tier sometimes received high-touch support due to specific client demands, established historical relationships, or identified opportunities for expansion. Greta shared an example: "There's a client that's currently in the low tier, but they used to be one of our biggest customers. They still expect a certain level of attention. Honestly, I end up doing more for them than I probably should based on their current value, simply because the long-term relationship feels important." These adaptations challenge the scalability and fairness of

segmentation frameworks and suggest that touch model discipline is often compromised to prioritize customer satisfaction or the likelihood of renewal.

The interviews also highlighted effective practices in designing engagement strategies that respected tier boundaries while maximizing customer value. Several CSMs described using segmentation as a guiding principle rather than an inflexible rule. For example, Eva explained a strategy of leveraging automation for routine updates but personalizing messages for key stakeholders within low-tier accounts who demonstrated high engagement or influence within their organization. Lukas described implementing a dynamic, tiered alert system: “I’ve set up triggers based on product usage and support ticket volume. If a low-tier client suddenly shows a significant increase in activity or issues, they are temporarily flagged in my system for more proactive outreach.” These strategies reflect attempts to reconcile segmentation with situational awareness.

Despite these innovative approaches, inconsistencies in applying segmentation were prevalent. Some CSMs admitted to deviating from their assigned segmentation models based on personal beliefs about customer service or a discomfort with limiting engagement. Others reported experiencing conflict with Sales or internal leadership regarding the appropriate management of specific accounts, particularly when the future potential of an account was uncertain. These internal disagreements can erode the predictability of engagement efforts and potentially undermine the intended efficiency gains of segmentation. As Beatrice candidly shared, “I know the data says this account is low-value, and I shouldn’t be spending so much time on them, but the Account Executive keeps pushing me to provide more support. There’s really no clear process for resolving these conflicting priorities.” This misalignment underscores the critical importance of robust internal communication and clear governance structures in reinforcing adherence to segmentation guidelines.

According to the resource allocation theory (Hilton et al., 2020), the segmentation of customers should influence two aspects of business operations. Firstly, the segmentation should determine the frequency of customer engagement. Secondly, the

segmentation should inform decisions regarding the allocation of tailored strategies, executive-level support, or proactive planning for customer retention to specific accounts. However, numerous CSMs indicated that they often made these resource allocation decisions autonomously, sometimes lacking access to dependable data or clear directives. This autonomous decision-making, while potentially beneficial for particular clients, has the potential to compromise the overall resource efficiency of the organization. As Isabel noted, "At times, I feel as though I am making judgment calls regarding the allocation of support levels based on intuitive feelings or on the volume of the voices of the individuals involved, rather than on the segmentation's actual recommendations." This observation highlights a potential incongruity between the theoretical model of resource allocation guided by segmentation and the practical reality experienced by CSMs in managing their daily tasks and responsibilities.

Furthermore, several CSMs voiced dissatisfaction with rigid segmentation rules, pointing out that strict thresholds, such as those based solely on ACV, often failed to account for critical nuances like the complexity of the client's business, the presence of strong internal advocates, or the degree of product alignment with the client's needs. A recurring observation was the tendency to rely on informal indicators, such as the responsiveness of key stakeholders or trends in product adoption, to deviate from segmentation guidelines. This suggests that, while the strategic rationale is broadly understood, its implementation often yields to situational demands. Carlos articulated this tension concisely: “Segmentation gives you a framework for how much time should be spent, but it doesn’t account for a client who is strategically important for other reasons, even if their ACV is lower.” This operational ambiguity weakens the intended correlation between segmentation and efficient resource utilization, particularly within organizations that lack sophisticated customer data infrastructure to provide an exhaustive analysis of account value and potential.

These findings suggest that while automation provides a useful foundation for managing low-tier accounts at scale, its practical implementation is rarely sufficient on its own. CSMs often override or supplement automated engagement flows in response to

perceived client value, historical expectations, or internal stakeholder pressures. This discretionary layering reflects the tension between the efficiency-driven logic of automation and the reality of relationship-centric service cultures in SaaS. In theory, automation supports segmentation by preserving CSM capacity for higher-tier accounts; in practice, its effectiveness is compromised by inconsistent enforcement, legacy account dynamics, and cross-functional ambiguities. As such, scaled engagement is not just a technical solution, it is a managerial and relational challenge. These breakdowns in automation logic and the flexibility exercised by CSMs highlight the blurred boundaries between tiered models and everyday account management. This theme of tension between strategic segmentation and organizational realities is taken up in the next section, which examines the broader challenges and enablers that shape segmentation in practice.

## 4.3 Challenges and Enablers in Practical Segmentation Use

This section addresses the second sub-question of the study, which investigates the key challenges and enablers that influence the practical use of segmentation in Customer Success workflows. It is divided into four sub-sections. Section 4.3.1 examines structural and organizational barriers that limit the consistent application of segmentation models, including the rigidity of tiering criteria and the absence of dynamic update mechanisms. Section 4.3.2 explores cross-functional misalignments and role ambiguity, particularly in relation to AE and CSM collaboration. Section 4.3.3 identifies internal factors that facilitate effective segmentation, such as tooling, leadership support, and shared engagement models. Finally, Section 4.3.4 analyses how individual CSM discretion, experience, and interpretive judgment act as both enablers and sources of variation in segmentation execution.

### 4.3.1 Barriers to Segmentation Execution

Although customer segmentation frameworks are conceptually designed to support scalable and differentiated engagement strategies, the empirical findings indicate that their consistent execution within daily Customer Success workflows is constrained by a

range of systemic barriers. These barriers encompass structural weaknesses in the design of segmentation models, as well as organizational shortcomings in communication, cross-functional alignment, governance, and technological integration. As Jonas explained, “ACV served as the primary segmentation criterion, but beyond initial assignment, segmentation categories were rarely revisited, even when client behaviour, maturity, or service needs changed”. This absence of formal review mechanisms led to accounts remaining in outdated tiers, potentially misaligned with their actual support requirements. Such conditions suggest that, in practice, segmentation often functions less as a dynamic planning tool and more as a static categorization mechanism, an observation that echoes concerns in the literature regarding the misapplication of segmentation models when operational adaptability is lacking (Payne & Frow, 2005; Reinartz et al., 2004).

In addition to the rigidity of initial tiering criteria, several participants pointed to the lack of systematic updates as a significant limitation. In many cases, accounts continued to receive engagement models that no longer reflected their current needs, usage levels, or growth trajectories. As Dalia observed, “There’s no real logic for revisiting tiers. Some clients that used to be super active are now barely present, but they still get the high-touch treatment because no one changed their status.” This operational inertia reflects what Reinartz et al. (2004) identified as a disconnect between segmentation strategy and its embeddedness within adaptive service workflows. Without periodic reassessment or automated triggers to adjust tier assignment based on behavioural data, segmentation risks becoming detached from client reality. Greta similarly noted that “there’s no feedback loop, let’s once a client is placed into a segment, they’re just stuck there, regardless of how much they actually engage.” This critique reveals how segmentation, when not maintained as a living system, can perpetuate resource misalignment and create inefficiencies across the Customer Success organization.

A further constraint identified by multiple participants was the lack of integration between segmentation logic and the systems used to manage customer interactions. While tier classifications were formally defined, they were often absent from the CRM

interface or operational dashboards, leading to a disconnect between strategic planning and day-to-day execution. Klara described this gap explicitly, stating, “The segmentation logic is barely visible in our CRM. It’s not reflected in the playbooks, and most of what we do is based on team habits or prior knowledge.” This lack of visibility rendered segmentation a peripheral consideration, rather than a central mechanism for structuring engagement. From a theoretical standpoint, this finding aligns with Hilton et al. (2020), who argue that resource allocation frameworks require not only strategic clarity but also operational reinforcement through tooling, data accessibility, and standardized workflows. Without this infrastructure in place, segmentation loses its prescriptive power and becomes, in practice, a loosely held reference point rather than a reliable decision-making tool.

Beyond structural design and tooling limitations, participants also reflected on the declining strategic emphasis placed on segmentation over time. While the framework was initially launched with a clear rationale and communicated across the organization, its continued use was described as inconsistent and lacking formal reinforcement. As Dalia observed, “I feel this whole tiering was a great idea, but I don’t feel it’s actually followed through at the moment anymore. I don’t feel there was a follow-up, and I don’t feel it was so consistent, to be completely honest.” This perception reflects a common risk identified in segmentation literature, namely that strategic models which are not institutionally anchored or regularly reassessed often lose their operational utility (Payne & Frow, 2005). Without sustained governance, ownership, and feedback loops, segmentation tends to devolve from an active prioritization tool into a static reference, undermining its role in guiding resource allocation and customer engagement practices.

### 4.3.2 Organizational Misalignment and Role Friction

A recurring theme across interviews was the existence of organizational misalignments that interfered with the consistent application of segmentation in daily CSM practice. Participants frequently described tensions between the intended logic of the segmentation framework and the reality of internal collaboration, particularly with AEs. While segmentation was meant to provide a standardized model for engagement, CSMs

often found themselves managing exceptions initiated by Sales or responding to promises that exceeded the agreed service tier. As Beatrice explained, “I know the data says this account is low-value, and I shouldn’t be spending so much time on them, but the Account Executive keeps pushing me to provide more support. There’s really no clear process for resolving these conflicting priorities.” This observation highlights a breakdown not only in process discipline, but also in the communication channels necessary for enforcing segmentation boundaries within customer-facing teams.

The perceived lack of alignment between Sales and Customer Success was further reinforced by comments about inconsistent expectations set during the pre-sales process. Several CSMs described situations where AEs had committed to high-touch engagement for accounts that were later classified as low-tier under the segmentation model. These promises, made without input from the CSM team or reference to the segmentation logic, created friction in handover processes and blurred role responsibilities. As Hannah remarked, “Sometimes Sales promises a certain level of support during the deal that doesn’t align with the post-sales segmentation. We then have to manage those expectations, which can mean deviating from our standard engagement model.” This friction not only undermines segmentation’s intended efficiency but also distorts resource allocation and contributes to internal frustration. It echoes Hilton et al.’s (2020) insight that segmentation can only function as a viable resource allocation mechanism when cross-functional boundaries and workflows are clearly defined and adhered to.

The organizational fragmentation revealed in these reflections illustrates that segmentation, while theoretically sound, often fails in execution when functional ownership is ambiguous and teams operate under divergent incentives. CSMs, tasked with both fulfilling client expectations and upholding segmentation standards, are frequently left to negotiate the gap between what was promised and what is operationally feasible. As Greta put it, “You try to follow the tiering logic, but it’s hard when Sales and CS are not on the same page. It puts you in the middle.” These role tensions reflect not only a governance issue, but a broader strategic misalignment that

limits the effectiveness of segmentation as a coordination tool. Theoretical models that emphasize the strategic clarity of segmentation assume a level of organizational coherence that was, in this case, largely absent from implementation.

### 4.3.3 Enablers of Effective Segmentation

While many participants highlighted structural and organizational frictions that inhibited the consistent use of segmentation, they also identified several internal conditions that contributed to the effective application of segmentation logic within their daily workflows. Among the most frequently cited were digital tools and internal frameworks that operationalized segmentation principles within the systems used for account planning and customer engagement. CSMs who described segmentation as visible within dashboards, embedded in CRM fields, or actively integrated into engagement planning tools reported a stronger sense of alignment between strategic intent and day-to-day execution. These embedded mechanisms increased both the transparency and responsiveness of account prioritization, enabling segmentation to function as a dynamic resource allocation model rather than a static categorization system.

In addition to system integration, leadership support was frequently identified as a critical enabling factor. Participants emphasized that segmentation logic was significantly more effective when it was not only introduced by senior management, but also consistently reinforced through structured communication, planning rituals, and performance expectations. Hannah, underscored the importance of clarity in leadership communication, stating, “Top down it has to be clear [...] we need to do a good job, if not a fantastic job, at explaining why we’re doing what we’re doing so that people understand it.” This reflection illustrates the role of leadership in embedding strategic initiatives into team-level understanding and practice. When segmentation was actively supported by management and linked to prioritization processes, it became a shared operational reference point rather than an abstract directive. The literature on resource allocation similarly contends that strategic models require both institutional reinforcement and cultural buy-in to gain traction across functional roles (Hilton et al.,

2020). In such contexts, segmentation was not treated as a theoretical tool, but as a working framework for guiding engagement and resource distribution.

Beyond tooling and leadership alignment, participants also pointed to the importance of peer collaboration and team-level routines in sustaining segmentation in practice. In environments where formal systems were lacking or inconsistently applied, CSMs described how informal discussions, team-based decision-making norms, and peer consultations played an essential role in translating segmentation logic into action. Eva illustrated this dynamic, explaining that even when segmentation was not clearly reflected in operational systems, her team regularly discussed account tiering and consulted one another on edge cases during meetings. When clients presented ambiguous needs or evolved beyond their initial classification, the team would reassess whether the designated service level remained appropriate. These accounts of collaborative practice reflect a form of interpretive alignment, where segmentation is preserved not through system-enforced discipline but through culturally embedded routines of collective judgment. While such practices cannot substitute for formal support structures, they illustrate how segmentation logic can persist through bottom-up reinforcement and team-level ownership.

### 4.3.4 CSM Skills and Judgment as Differentiators

In addition to structural and organizational conditions, several participants emphasized the central role of individual experience and contextual judgment in shaping how segmentation was applied in practice. While frameworks were formally defined at the organizational level, their operational use was frequently mediated by the interpretive capacities of Customer Success Managers. CSMs described intentionally deviating from prescribed engagement models, not out of disregard for segmentation logic, but based on professional assessments of client needs, risk, or growth potential. As Greta explained, “If a low-tier client is showing incredible growth and potential to upgrade significantly, I’m going to invest more time in them than the segmentation strictly allows. It’s about seeing the bigger picture.” This view reflects a recurring theme:

segmentation was not regarded as a rigid system but rather as a guiding framework requiring human insight and contextual adaptation.

Discretion was particularly relevant in ambiguous cases, such as shifting client behaviour, diverging adoption patterns, or unmet expectations set during the sales process. More experienced CSMs appeared more confident adjusting service levels when they sensed a disconnect between segmentation and strategic relevance, while junior colleagues expressed hesitancy about departing from established models. Greta noted, “You try to follow the tiering logic, but sometimes you know from experience it won’t work. And if you ignore that, the client relationship suffers.” These reflections suggest that segmentation depends not only on formal design but also on relationship-based knowledge that resists codification. This dynamic aligns with the interpretivist perspective that strategy is shaped by those enacting it under real-world constraints.

Although no participant directly criticized discretion itself, some acknowledged its unintended consequences. Without consistent team calibration or feedback mechanisms, individual judgment occasionally conflicted with broader engagement strategies. As Isabel observed, “At times, I feel as though I’m making judgment calls regarding the allocation of support levels based on intuitive feelings or on the volume of the voices of the individuals involved, rather than on the segmentation’s actual recommendations.” This highlights a central paradox: segmentation must be flexible enough to accommodate professional judgment yet structured enough to support consistency and scalability. These findings suggest that the practical use of segmentation relies as much on interpretive agency as on the formal framework itself.

## 4.4 Synthesis: Addressing the Research Questions

This section synthesizes the empirical findings presented in Sections 4.2 and 4.3 in order to directly address the study’s research questions. The analysis revealed that while segmentation frameworks provided a formal structure for resource allocation and engagement prioritization, their practical use was highly mediated by organizational context, internal systems, and the interpretive actions of Customer Success Managers.

Across both sub-questions, the findings underscored the role of segmentation as a guiding logic that interacts with, rather than dictates, day-to-day decision-making. In what follows, each sub-question is addressed in turn, highlighting the key patterns that emerged from the data and situating them in relation to the theoretical frameworks introduced in Chapter 2.

Sub-question 1: How do CSMs apply segmentation to prioritize accounts and allocate resources?

The findings demonstrated that while segmentation logic, typically based on ACV and client maturity, served as a foundational framework, its implementation was highly adaptive. Formal models shaped initial expectations, particularly in the context of onboarding and enterprise engagement, but CSMs frequently modified their approach based on observed client behaviour, internal expectations, or perceived strategic value. The decision to invest additional time or resources in lower-tier clients was not necessarily a rejection of segmentation, but a re-interpretation grounded in practical judgment. This pattern aligns with both Customer Lifetime Value theory, which encourages differentiated engagement based on potential rather than static value, and the interpretivist understanding of strategy as an enacted process. Furthermore, when segmentation was embedded into tooling and reinforced by leadership, it was more likely to inform CSM prioritization. In contrast, when it remained abstract or inconsistently supported, it operated as a soft guideline rather than a structuring principle.

Sub-question 2: What challenges and enablers influence the practical use of segmentation in daily CSM workflows?

The data revealed multiple organizational and structural barriers that inhibited the consistent application of segmentation, including the rigidity of tiering models, lack of governance, misalignment with Sales expectations, and insufficient visibility in CRM systems. At the same time, several enabling conditions were identified: segmentation was more actionable when it was operationalized through internal tools, reinforced by

leadership, and discussed within collaborative team environments. Perhaps most notably, the role of interpretive discretion emerged as both an enabler and a source of variation. CSMs exercised professional judgment to adjust service delivery, particularly in ambiguous cases or when client dynamics shifted mid-cycle. This duality, where segmentation offers structure, but human interpretation governs application, underscores a key insight of the study. Segmentation, in this context, is not a mechanistic rigid classification system, but a flexible tool whose effectiveness depends on alignment between structure, systems, leadership, and frontline expertise.

## 4.5 Summary of Findings

This chapter has examined how Customer Success Managers in a mid-sized B2B SaaS organization engage with segmentation frameworks in practice, with particular attention to how segmentation is used to prioritize accounts, allocate resources, and adapt to evolving client needs. The analysis revealed that while segmentation models provided an essential structural starting point, their implementation was contingent on a range of contextual factors, including tooling, leadership support, cross-functional alignment, and individual discretion.

The findings addressed both sub-questions and illuminated key tensions between segmentation as a formal strategic model and its practical enactment in complex, dynamic customer environments. While formal tiering logic informed onboarding, engagement intensity, and resource planning in principle, CSMs frequently adjusted their approach based on perceived client potential, risk signals, or organizational pressures. In this way, segmentation was not rejected but reinterpreted. Similarly, its consistency depended on institutional reinforcement: where segmentation was embedded in tools and team practices, it was more likely to guide daily action; where it lacked visibility or ownership, it operated as a loosely held reference.

Across all sections, the interpretivist foundation of the study was confirmed. CSMs were not simply implementers of segmentation logic, but interpreters of it, navigating between structured expectations and lived customer realities. Their role as mediators

between segmentation theory and customer-specific nuance underscored the flexible, situated nature of Customer Success work. These findings now provide the basis for the following discussion, which will critically examine their implications for theory, practice, and future research.

# 5 Discussion and Conclusion

This chapter provides a critical interpretation of the study's findings by connecting the empirical insights from Chapter 4 with the theoretical concepts outlined in the literature review. It also highlights the practical and strategic implications of these findings for leaders in subscription-based software businesses, for those working in customer-facing roles, and for cross-functional teams involved in designing or applying segmentation frameworks. While the previous chapter focused on what participants described or experienced, this chapter explores what those observations reveal about segmentation as a broader organisational and strategic practice.

The research set out to examine how segmentation strategies—often introduced as structured, top-down tools for managing resources—are used in everyday practice by those responsible for applying them. The study was guided by the following central research question:

How do professionals in customer-facing roles use segmentation to prioritise engagement and allocate resources in mid-sized software companies?

To support this inquiry, two sub-questions were developed:

1. How is segmentation used to prioritise accounts and guide decisions about time and resource allocation?
2. What organisational factors help or hinder the consistent use of segmentation in daily work?

Drawing on an interpretivist case study approach, the findings show that segmentation is not applied as a fixed system. Instead, it is shaped by the interactions between internal structures, client expectations, and the discretion of those responsible for managing relationships. Rather than simply following formal segmentation frameworks, professionals interpret, adjust, and sometimes override them in order to meet practical needs.

The chapter begins by interpreting the findings through three theoretical lenses: segmentation theory (Payne and Frow, 2005), customer value modelling (Gupta and Lehmann, 2003; Kumar and Reinartz, 2016), and resource allocation logic (Hilton et al., 2020). It then examines the practical implications of the findings at both the leadership and operational levels. This is followed by a discussion of the study's theoretical contributions, its methodological limitations, and suggestions for future research. The chapter concludes with a reflection on the broader relevance of viewing segmentation not as a fixed technical model, but as a dynamic and negotiated process grounded in everyday work..

## 5.1 Theoretical Interpretation of Findings

This section explores how the findings from this study relate to the three theoretical perspectives that shaped the research: segmentation theory, long-term customer value, and resource allocation logic. While the previous chapter focused on recurring patterns and experiences described by participants, the goal here is to examine how those insights support, challenge, or extend the frameworks introduced in the literature review. This discussion is informed by the study's interpretive approach, which treats strategy not as a rigid formula but as a process shaped by context, discretion, and organisational dynamics.

By revisiting the study's guiding frameworks, this section builds a bridge between theory and practice. It contributes to the central question of how segmentation is used to prioritise customer engagement and distribute effort in mid-sized organisations, and also helps clarify the factors that support or hinder consistent application. The findings

indicate that while the theoretical models offer important guidance, their usefulness depends on how they are understood, adapted, and supported within the realities of day-to-day work.

The subsections that follow take each framework in turn, comparing its assumptions with the study's findings. This analysis helps illuminate how segmentation functions not only as a strategic model, but also as a lived organisational practice shaped by judgment, structure, and operational routines.

### 5.1.1 Segmentation Theory in Practice

Segmentation theory offers a structured approach to grouping clients based on shared characteristics, with the aim of aligning engagement levels and resource investment with expected value (Payne and Frow, 2005). In principle, such frameworks are designed to enhance operational efficiency by supporting prioritisation and enabling scalable service delivery. However, the findings of this study reveal a persistent gap between the strategic intent behind segmentation and its practical application within Customer Success contexts. Although segmentation models were formally introduced within the case organisation, participants frequently described them as static and disconnected from daily decision-making. Reports of unclear tiering logic, inconsistent enforcement, and a lack of iterative review mechanisms were common, and these factors together weakened the influence of segmentation on real-world account management practices.

Most professionals didn't see segmentation as something that had to be followed strictly. Instead, they thought of it as a flexible starting point that could be changed based on the situation. While segmentation occasionally guided early-stage engagement decisions, it was often adjusted in response to shifting client needs, internal pressures, or strategic considerations. Participants described how engagement efforts were frequently shaped more by experiential knowledge and relational dynamics than by the structure of the segmentation model itself. This interpretive use challenges the assumption that segmentation frameworks, once defined, can be applied uniformly without further calibration. In particular, the absence of integrated system support

emerged as a key limitation. Participants noted that core tools, including customer relationship platforms, did not consistently reflect segmentation data, which made it difficult to maintain alignment across functions. Escalation procedures were often informal or undefined, leading to variability in how segmentation was understood and applied across teams.

These findings support Payne and Frow's (2005) observation that segmentation efforts often fall short when they are not embedded within operational routines or supported by clear governance structures. Within the case organisation, segmentation struggled to gain traction not because of conceptual weakness, but due to the absence of system visibility, process ownership, and mechanisms for review and adaptation. The evidence suggests that segmentation should be understood not merely as a strategic tool for categorisation, but as a dynamic organisational practice that requires constant reinforcement. For segmentation to remain relevant and effective, it must be consistently integrated into workflows, supported by accessible data, and shaped by collaborative processes that enable cross-functional alignment.

### 5.1.2 Customer Lifetime Value and Strategic Prioritization

The concept of Customer Lifetime Value provides a widely accepted rationale for differentiating engagement intensity and resource allocation based on the long-term financial potential of each customer (Gupta and Lehmann, 2003; Kumar and Reinartz, 2016). In theory, this framework offers a strategic shift away from short-term revenue markers, allowing service decisions to reflect broader, forward-looking indicators of client potential. Ideally, prioritisation informed by long-term value should enable organisations to invest in relationships that offer sustained returns, balancing service effort with the likelihood of future expansion, retention, or influence. However, the findings of this study suggest that while the logic of lifetime value is present in segmentation thinking, its application in practice is more fluid, informal, and shaped by discretion than the literature typically acknowledges.

Professionals consistently referenced the importance of anticipating future client growth, but formalised calculations or predictive tools were rarely used. Instead, prioritisation decisions were guided by indirect signals such as stakeholder engagement, signs of adoption, or the strategic relevance of a client's profile. Participants described investing significant time in accounts officially categorised as low tier, based on an intuitive sense of future opportunity or long-term value to the company. These decisions illustrate that segmentation was not dismissed but frequently reinterpreted through the lens of accumulated experience and relational insight. The resulting approach to resource allocation was not purely reactive, but reflected a proactive judgment of where future return might emerge, even in the absence of formal metrics.

This new understanding shows that Customer Lifetime Value should not be seen as a fixed number. Instead, it's better to think of it as something that changes over time and must be adjusted based on the customer's experience. The findings support the idea that value cannot be fully understood through contract data alone, as argued by Kumar and Reinartz in 2016. Instead, it must be contextualised through behavioural cues, strategic fit, and the relational depth between the client and the organisation. At the same time, this discretion-based approach introduces a key challenge. In the absence of structured tools or shared criteria to support value-based prioritisation, decisions about where to focus effort can vary significantly across professionals. Without system-level reinforcement, segmentation guided by lifetime value becomes difficult to scale consistently, even when applied with the best intentions. This points to a central tension between the theoretical promise of Customer Lifetime Value and the interpretive, often subjective, realities of customer-facing work.

### 5.1.3 Resource Allocation and Organizational Alignment

Resource allocation theory emphasises the importance of aligning organisational effort with customer value by promoting strategic consistency, cross-functional coordination, and clarity in decision-making across the client lifecycle (Hilton et al., 2020; Ahmad and Buttle, 2001). Within this framework, segmentation is intended to function as a foundational tool, ensuring that resources are distributed according to predefined

criteria that reflect expected return. However, the findings of this study suggest that while segmentation is widely accepted in theory, it is often implemented inconsistently and fails to act as a reliable guide for prioritising effort. Rather than delivering on its promise of structured allocation, segmentation frequently appeared fragmented in practice, shaped more by informal negotiation and internal ambiguity than by shared criteria or organisational routines.

Participants described ongoing misalignment between teams, particularly between Sales and Customer Success, with each group operating under different assumptions about how segmentation should be used post-sale. Several interviewees highlighted instances where commitments made by Sales during the acquisition phase conflicted with the service levels that were feasible under the segmentation model. These inconsistencies created confusion internally and dissatisfaction externally, weakening the intended benefits of resource-focused segmentation. This pattern supports Hilton et al.'s (2020) observation that segmentation often fails when not supported by internal coherence, governance mechanisms, and shared ownership across departments. In this study, segmentation frameworks were rarely integrated into systems or sustained through clear communication channels, leaving significant room for interpretation and divergence.

The findings also indicate that in the absence of structured processes, resource allocation was frequently driven by individual discretion. Several participants explained how they increased support for accounts that fell outside their formal tiering category, often based on relational dynamics, perceived strategic importance, or urgency. While this flexibility allowed professionals to remain responsive to situational factors, it introduced inconsistencies in how accounts were managed. Similar clients were treated differently depending on who was responsible for them, and there were few opportunities to escalate or validate these discretionary choices within a formal process. Without mechanisms to monitor or reassess how effort was distributed across accounts, segmentation failed to ensure fairness, transparency, or efficiency at scale.

Taken together, the findings suggest that segmentation alone is not sufficient to ensure effective resource allocation. If it is to function as more than a theoretical framework, it must be supported by systems that provide visibility into segmentation status, protocols for re-evaluation, and coordination practices that bridge functional divides. Rather than acting solely as a categorisation tool, segmentation must evolve into an adaptive mechanism—one that reflects ongoing client changes and internal capacity constraints, and that allows organisations to adjust without losing alignment. Only when supported by clear ownership, structured feedback loops, and shared decision-making can segmentation contribute meaningfully to how effort is distributed and value is delivered in practice.

## 5.2 Practical and Strategic Implications of the Findings

### 5.2.1 Strategic Implications for SaaS Leadership and Cross-Functional Design

The findings from this study suggest that while segmentation is often introduced with strong strategic intent, its effectiveness depends heavily on how it is maintained, revisited, and integrated into everyday operational routines. Participants described how segmentation models were initially introduced to guide engagement, yet quickly lost traction over time due to unclear ownership, limited follow-up, and weak system visibility. In many cases, segmentation began as a formal planning tool but eventually became a loosely referenced structure, disconnected from the decisions it was meant to guide. The absence of active reinforcement contributed to this decline, as did the lack of shared processes for updating tiers or escalating deviations from the model.

One consistent theme was the rigidity of initial segmentation decisions. Interviewees described how account tiers were typically assigned at the start of the customer journey and rarely revisited, even in cases where client needs had shifted considerably. Several professionals highlighted that changes in product usage, stakeholder involvement, or programme goals often went unreflected in the segmentation framework. Without structures for lifecycle-based reassessment, initial tiering decisions remained static, reducing their value over time. These findings echo Payne and Frow's (2005) call for

segmentation to be treated not as a static classification system, but as a strategic process that evolves alongside client relationships. Without clear routines for review, segmentation fails to serve as a reliable mechanism for prioritisation or alignment.

In response to these challenges, the findings point to several actions that leaders should consider. First, segmentation should be made visible in the systems that teams use every day. Account tiers and service expectations should be integrated into customer management tools, and clearly linked to workflows that inform engagement. Second, organisations need to define ownership for maintaining and updating segmentation logic. This includes specifying who is responsible for reassessing account tiers, how exceptions are handled, and under what circumstances deviations from standard service models are permitted. The interviews also revealed persistent friction between Sales and Customer Success teams. Several participants described how promises made during the sales process created expectations that conflicted with segmentation policies, placing pressure on Customer Success teams to over-deliver without adequate support. To reduce this misalignment, segmentation criteria should be embedded into sales documentation and handoff processes. Clear playbooks, shared guidelines, and formal escalation channels can help reinforce boundaries, while also allowing for flexibility when justified.

Segmentation must not only structure how resources are distributed but also coordinate how teams communicate and make decisions. Its function extends beyond classification and into governance. When embedded into systems and routines, segmentation can help align internal expectations with external delivery, ensuring that what is promised to clients is feasible and consistently executed. For mid-sized organisations working with limited resources, making segmentation operationally visible and strategically owned is especially important. In these settings, well-maintained segmentation structures can provide clarity, reduce confusion, and support more predictable service experiences across different types of clients.

This study was guided by one central research question and two supporting sub-questions, each designed to explore how segmentation strategies are used by customer-

facing professionals in mid-sized software companies. The findings draw on empirical insights to offer a grounded view of how segmentation is interpreted, applied, and adapted in practice.

The main research question asked:

**How do Customer Success professionals use segmentation strategies to prioritise engagement and allocate resources in mid-sized organisations?**

The findings show that segmentation is widely used as a practical tool to inform how time and effort are distributed across client accounts. In early stages of the customer lifecycle, segmentation frameworks provided structure to determine engagement levels. However, their long-term relevance often declined unless embedded in daily workflows, supported by visible systems, and reviewed periodically. Without these supports, segmentation tended to become outdated and less useful, functioning more as a general guideline than a reliable resource allocation mechanism.

The first sub-question asked:

*How do Customer Success professionals apply segmentation to prioritise accounts and focus their time and resources?*

Interviewees described using tiered models as a starting point to guide engagement levels, touchpoint frequency, and the intensity of support provided. Yet many also reported that these models were frequently adjusted based on evolving client dynamics, perceived strategic importance, or product usage trends. In the absence of structured reassessment procedures, these adaptations often occurred informally. This suggests that while segmentation plays a central role in initial account planning, its continued relevance depends on the ability to revisit and revise decisions over time.

The second sub-question focused on:

*What challenges and enablers influence the practical use of segmentation in daily workflows?*

Participants identified several recurring challenges, including limited system integration, unclear ownership of segmentation logic, and blurred handoffs between Sales and Customer Success. These issues contributed to inconsistent application and internal friction. At the same time, several enablers were noted, such as the presence of clear playbooks, automated engagement support for lower-tier accounts, and visible leadership involvement. These factors helped reinforce segmentation logic and made it more actionable at the operational level.

Overall, the study demonstrates that segmentation is not simply executed as designed. Instead, it is shaped by internal structures, evolving account conditions, and professional judgment. The extent to which segmentation guides resource allocation depends on how well it is supported by systems, clarified through shared expectations, and maintained as part of ongoing practice.

## 5.3 Contributions to Research and Practice

This study makes several contributions to academic theory, empirical understanding, and organisational practice. Theoretically, it challenges the notion that customer segmentation can be fully understood through structural design or model logic alone. Instead, the findings highlight that segmentation is deeply shaped by the interpretive agency of those applying it in day-to-day settings. While previous research has often focused on data-driven approaches to segmentation or on top-down strategic frameworks (Payne and Frow, 2005), this study shows that in practice, segmentation is fluid, negotiated, and reliant on frontline judgement. It nuances existing understandings of Customer Lifetime Value by demonstrating that perceived account potential is often assessed through qualitative insights such as relationship dynamics, behavioural signals, or internal momentum, rather than through formalised scoring models. Similarly, it deepens critiques of resource allocation theory by illustrating how segmentation frameworks lose coherence in the absence of shared accountability, integrated systems, and clear operational boundaries across teams.

From an empirical perspective, the study addresses a significant gap in the literature by examining segmentation as it is enacted within mid-sized subscription-based firms, particularly in Customer Success roles. Although segmentation is well explored in the context of marketing and sales planning, there has been limited attention to how it functions in post-sale service environments where account conditions evolve, and resource constraints are ongoing. By using a qualitative case study approach, this research offers a grounded view of how segmentation is interpreted across roles, adjusted through lived experience, and either sustained or weakened depending on organisational structures. The findings also shed light on variation in how segmentation is operationalised in tools, how clearly it is linked to workflows, and whether it is supported through leadership attention or collaborative routines.

Practically, the research offers actionable insights for leaders and teams responsible for designing, maintaining, or applying segmentation. It encourages a shift in mindset—from treating segmentation as a static classification model to understanding it as a living system that must be reviewed, adapted, and clearly integrated into daily operations. Key implications developed in this chapter include the need for lifecycle-based tiering reviews, regular feedback from Customer Success teams, alignment between sales commitments and service delivery, and shared resources such as playbooks and escalation protocols. Together, these measures can support clearer prioritisation, reduce internal ambiguity, and help organisations ensure that segmentation remains relevant and effective as they grow .

## 5.4 Limitations of the Study

This research was conducted within a single mid-sized software company and is shaped by the specific organisational environment in which segmentation practices developed. The embedded case study design allowed for in-depth analysis across Customer Success roles and account types, offering a detailed understanding of how segmentation is interpreted and applied in one setting. However, the findings are necessarily shaped by the firm’s internal processes, resource constraints, and operational structure. The goal of the research was not statistical generalisation, but conceptual insight into how

segmentation is enacted by professionals in practice. As such, while the study provides valuable depth, its scope is limited to a particular context and may not reflect broader trends across the industry.

One key limitation is the absence of perspectives from other departments involved in shaping segmentation strategies. While the decision to focus on Customer Success professionals was intentional, the exclusion of Sales, Marketing, and Product teams limits the analysis of cross-functional alignment. These roles often play a critical part in defining segmentation logic, influencing how it is communicated and interpreted across the organisation. Without their input, the study cannot fully assess the ownership tensions, handoff breakdowns, or interdepartmental friction described by participants. Similarly, the client perspective was not included, which restricts the ability to evaluate how segmentation influences external perceptions of service quality or customer value.

The research was initially designed as a mixed-methods study combining qualitative interviews with internal data on segmentation and client engagement. However, legal restrictions and confidentiality concerns ultimately prevented access to internal metrics. This required a revision of the research design to rely solely on qualitative methods. While this shift reduced the possibility of triangulating findings with behavioural data, it enabled a more focused exploration of the interpretive and experiential dimensions of segmentation. Through purposive sampling and semi-structured interviews, the study investigated how professionals make meaning of segmentation frameworks and apply them in different contexts. Still, the reliance on self-reported accounts introduces the potential for recall bias and socially desirable responses. Although this was mitigated through probing questions, thematic comparison across interviews, and internal validation, the possibility of bias remains.

The cross-sectional nature of the study presents another limitation. Capturing practices at a single point in time makes it difficult to observe how segmentation evolves or decays within dynamic organisational environments. Given that segmentation tools, models, and routines frequently change in growing software firms, a longitudinal design would have provided a stronger basis for understanding how these frameworks are sustained

or replaced over time. Additionally, the researcher's prior experience in Customer Success introduced both benefits and risks. While it enhanced contextual sensitivity and informed the design of the interview guide, it also required sustained reflexivity throughout the research process. To make things clearer, we wrote down the interviews word for word and used a special code to organize them. This code included notes, observations, and patterns that conflicted with each other. Although a formal audit trail and record-keeping protocol were not used, care was taken to maintain contextual accuracy and avoid overinterpretation. These practices supported a reflexive and transparent approach, ensuring that the findings remained grounded in participant experiences while acknowledging the interpretive nature of the analysis.

Despite these limitations, the study provides a meaningful contribution to understanding segmentation as it is applied in Customer Success. By explicitly recognising its design constraints, the research creates a foundation for further investigation into how segmentation frameworks function across a wider range of organisational settings, roles, and industries.

## 5.5 Suggestions for Future Research

This study has shown us some things we need to research more in the future. This will help us to understand segmentation better in customer success contexts. One good way to do this would be to compare different organisations. This thesis focused on a single mid-sized company, which meant that it could do a deep analysis of the context, but it could not be generalised to more companies. Researchers can explore how the way a company is organised affects the design, understanding and use of segmentation. Comparative studies would also help determine whether the patterns observed in this research are specific to mid-sized environments or reflect more widely shared dynamics across the software sector. We could get more information by including a wider range of stakeholders in future studies. While this research concentrated on Customer Success professionals, the findings highlighted recurring points of friction between functions—particularly between Sales and post-sale teams. Including perspectives from Sales, Marketing, and Product roles would provide a more complete picture of how

segmentation frameworks are defined, communicated, and adapted across the customer journey. Additionally, capturing client perspectives would allow researchers to assess how segmentation is experienced externally, particularly in terms of service consistency, perceived value, and trust. This would help clarify whether customers recognise or respond to segmentation in the ways intended by internal teams.

There is also value in returning to a mixed-methods approach. This study was originally designed to include internal usage and performance data, which could have been used to triangulate interview findings and explore correlations between segmentation models and customer outcomes. Although data access restrictions prevented this component, future research could incorporate anonymised metrics such as usage rates, health scores, or renewal data to assess how segmentation effectiveness translates into measurable results. A longitudinal design would be particularly useful in tracing how segmentation logic evolves as organisations scale, restructure, or adopt new technologies. Understanding the durability and adaptability of segmentation over time would offer important contributions to both academic literature and practical implementation.

An additional area of inquiry involves the growing role of automation and AI-supported segmentation. While not a core focus of this study, participants frequently referenced emerging tools and their potential to enhance or complicate scaled engagement models. Future research could examine how algorithmic segmentation is operationalised in practice, how professionals respond to or work around automated suggestions, and what effects these systems have on decision-making, especially in lower-touch customer segments. Closely related is the issue of discretion and informal re-segmentation, which emerged as a common feature in this study. Investigating how frontline flexibility influences segmentation outcomes, and what kinds of governance or review structures best support adaptive use without undermining consistency, would deepen our understanding of the balance between strategic design and individual agency.

Together, these future research directions reflect the layered nature of segmentation as both a formal structure and an evolving organisational practice. Continued inquiry

across different settings, methodological approaches, and stakeholder groups will be essential to building a more comprehensive and actionable understanding of how segmentation contributes to effective post-sale engagement in subscription-based business environments.

# 6 Conclusion

This chapter has interpreted the study's findings through the frameworks of segmentation theory, customer value modelling, and resource allocation, offering both theoretical and practical insights for leaders and teams working within post-sale functions. By examining how segmentation is applied, adapted, and at times contested by professionals responsible for its execution, the chapter has shown that segmentation functions less as a fixed strategic template and more as a flexible, interpretive process shaped by context, judgement, and organisational realities. The findings suggest that while segmentation models provide a useful structure for guiding engagement, their effectiveness depends on visibility within systems, regular reassessment, and alignment across teams. In the absence of clear ownership or operational support, segmentation risks becoming disconnected from the very workflows it is intended to guide.

Alongside these insights, the chapter outlined practical strategies to strengthen segmentation design and execution. These include periodic reviews of account tiering, shared engagement playbooks, formal ownership of re-segmentation decisions, and the use of automation tools that support scalable service without removing human discretion. Taken together, these approaches reflect the importance of treating segmentation not as a static categorisation tool, but as an evolving coordination mechanism that requires both structure and flexibility. The research highlights the value of understanding segmentation as a framework that emerges through ongoing interaction between strategic intent, organisational processes, and practitioner agency. For growing software firms aiming to scale efficiently while remaining responsive to diverse client needs, segmentation continues to serve a central role. Its value lies not

only in how it is designed but in how it is interpreted, supported, and applied across the full customer lifecycle.

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# 8 Disclosure of Research Tools

During the development of this thesis, the author used digital tools to support language refinement and transcription accuracy. Specifically, ChatGPT (OpenAI), DeepL Write Pro, Grammarly Premium, and Gemini (Google) were employed to enhance clarity, structure, tone, and grammar. ChatGPT was used exclusively to support the refinement of grammar and phrasing in passages already written by the author. At no point was it used to generate original text, suggest content, or modify the academic substance of the work. DeepL Write Pro was used to compare the author's original writing against more formal academic style suggestions and to revise selected sentences accordingly. Grammarly Premium assisted in refining grammar, tone, and consistency throughout the manuscript. Gemini, an AI-powered assistant integrated with Google Meet, was used to transcribe interview recordings, all of which were manually reviewed and corrected against the original audio files to ensure accuracy.

These tools were employed strictly for language related support. No part of the thesis was generated by AI, and no automated tools were used to develop academic arguments, interpret findings, conduct analysis, or fabricate citations. All conceptual contributions, theoretical interpretations, and empirical findings were independently developed and critically evaluated by the author.

According to the University of Vaasa's official AI usage guidelines: "If an image, figure, table, or code has been created or modified using AI, the AI tool should be included in the reference list." As none of these tools were used to create or modify such elements, they are not included in the reference list. However, for the sake of transparency, the following tools were used:

OpenAI. (2023). ChatGPT (Mar 14 version) [Large language model]. https://chat.openai.com/chat

Google. (2024). Gemini for Workspace [AI note-taking assistant]. https://workspace.google.com/gemini/

DeepL SE. (2024). DeepL Write Pro [AI writing assistant]. https://www.deepl.com/write

Grammarly Inc. (2024). Grammarly Premium [Writing enhancement tool]. https://www.grammarly.com

This thesis complies fully with the academic integrity requirements of the University of Vaasa, and the use of AI-assisted tools has been disclosed responsibly and in accordance with university policy.

# 9 Appendices

## 9.1 Appendix 1: Glossary of Key Terms

| Term | Definition |
|---|---|
| Account Executive (AE) | A sales professional responsible for acquiring new customers and closing deals. AEs influence initial segmentation assessments before handoff to CSMs. |
| Annual Contract Value (ACV) | The total annual revenue expected from a customer contract. Used to categorize accounts into service tiers for resource allocation. |
| Customer Relationship Management (CRM) | A system for managing customer interactions and data. CRM tools are used to display segment assignments and support CSM workflows. |
| Customer Success Manager (CSM) | A post-sales role responsible for onboarding, engagement, retention, and expansion. CSMs apply segmentation to manage accounts effectively. |
| Customer Lifetime Value (CLV) | The projected net revenue from a customer over the lifetime of the relationship. CLV informs strategic prioritization and engagement strategies. |
| Software-as-a-Service (SaaS) | A cloud-based software delivery model offering applications via subscription. Customer retention is crucial to the recurring revenue model. |
| Segmentation (Customer Segmentation) | The process of dividing customers into groups based on shared attributes such as ACV or usage. It guides differentiated service strategies. |

## 9.2 Appendix 2: Semi-Structure Interview Guide for CSMs

**Interview Guide for Customer Success Managers**

Participant Name:

Company (optional):

Role/Title, and Years of Experience:

Background Industry Experience:

Date:

Thank you very much for taking the time to speak with me today. This interview is part of my Master's thesis, which focuses on how Customer Success Managers (CSMs) apply customer segmentation strategies to optimize resources and enhance profitability in B2B SaaS companies. The purpose of this conversation is to gain a deeper understanding of how segmentation models are used in practice, particularly how they influence your daily work, client engagement, automation decisions, and collaboration with other teams.

The interview will take approximately 30 minutes. I'll guide the conversation using a set of questions structured around five key themes: segmentation design, engagement approaches by segment, resource allocation and automation, cross-functional collaboration, and your reflections on what works or could be improved. Since this is a semi-structured interview, feel free to expand on any topic you find relevant. There are no right or wrong answers, I am interested in your personal experience and professional insights.

With your permission, I would like to record the conversation, and activate the AI note taker to ensure that I can accurately capture what you share. Everything you say will remain confidential, and no names or company information will appear in the final thesis. You are free to skip any question or end the interview at any point, no explanation needed.

If you have any questions before we begin, I'm happy to clarify. Otherwise, we can get started.

**0-3 min: Introduction & Warm-Up**

Purpose: Build rapport and get context on the role and organizational structure.

1. Can you briefly describe your current role and responsibilities as a CSM?
2. How is your Customer Success team structured (e.g., by customer type, region, product)?
3. What kinds of clients do you personally manage?

**3-10 min: Segmentation in Practice**

4. How does your company segment customers (e.g., ACV, user base, maturity)?
5. Are there specific thresholds (e.g., 50K or 70K ACV) used in the segmentation?
6. To what extent were you involved in designing or adjusting this model?
7. On a scale from 1 to 10, how clear is your current segmentation model to you in day-to-day work? Why that rating?

**10-17 min: Engagement Models & Resource Allocation**

8. How does your engagement approach differ across customer segments (e.g., high-touch vs. low-touch)?
9. What types of activities do you typically perform for high-tier versus low-tier accounts?
10. How do you decide where to focus your time and effort?
11. Do you feel the current segmentation helps you focus your time where it matters most? (Yes/No)
    - Can you share an example?

**17-22 min: Automation & Self-Service**

12. What automation or self-service tools (e.g., landing pages, email journeys, dashboards, surveys) are used for lower-tier clients?
13. How do you determine which clients can be supported via automation versus direct interaction?
14. Do you think that clients always prefer direct interaction vs automation?
15. From 1 to 10, how effective do you consider your team's automation efforts?
    - What makes it work well, or what are its limitations?

**22-27 min: Collaboration & Internal Alignment**

15. How do you collaborate with AEs or other teams in managing segmented accounts?
16. What happens when clients grow or shrink — are they moved between tiers or handled differently?
17. Would you say segmentation boundaries between AEs and CSMs are clearly respected? (Yes / No / It depends)
    - What makes this collaboration smooth or challenging?

**27-30 min: Reflections & Closing**

18. In your opinion, what's currently working well in your segmentation strategy?
19. If you could change one thing about how segmentation is applied, what would it be?
20. On a scale of 1 to 10, how crucial is customer retention to your performance goals?
    - How does segmentation support or hinder retention efforts?

## 9.3 Appendix 3: Semi-Structure Interview Guide for Leadership

### Interview Guide for Customer Success Managers (Leadership Version)

Participant Name:

Company (optional):

Role/Title, and Years of Experience:

Background Industry Experience:

Date:

Thank you very much for taking the time to speak with me today. This interview is part of my master's thesis, which focuses on how Customer Success Managers (CSMs) apply customer segmentation strategies to optimise resources and enhance profitability in B2B SaaS companies.

Since you're in a leadership position, I'd love to hear your perspective on how segmentation strategies are developed and implemented, as well as how they affect CS strategy, team allocation, and collaboration across the organization.

With your permission, I would like to record the conversation, and activate the AI note taker to ensure that I can accurately capture what you share. Everything you say will remain confidential, and no names or company information will appear in the final thesis. You are free to skip any question or end the interview at any point, no explanation needed.

If you have any questions before we begin, I'm happy to clarify. Otherwise, we can get started.

**0-3 min: Role Framing**

1. Can you describe your role and scope of responsibility within the organization?
2. How involved are you in defining or overseeing the customer segmentation model?
3. What are the main strategic goals you associate with segmentation (e.g., scalability, profitability, better CX)?

**3-10 min: Segmentation Design & Rationale**

4. How is customer segmentation currently defined in your organization (ACV, maturity, tiering, etc.)?
5. What was the rationale behind the current thresholds (e.g., 50K / 70K ACV)?
6. Was the segmentation model developed through cross-functional collaboration? If yes, who was involved?

**10-17 min: Implementation & Internal Alignment**

7. How is segmentation communicated to the CS team and other departments?
8. Do AEs and CSMs follow the segmentation model consistently in practice?
9. From one 1 to 10, how clear do you think it was the segmentation to CSMs and other departments?

**17-22 min: Automation & Scalability**

10. What role does automation or self-service play in supporting lower-tier clients?
11. How do you evaluate the effectiveness of these tools in delivering value at scale?
12. What have been key challenges or trade-offs in scaling support for long-tail clients?

**22-27 min: Impact on Profitability & Customer Outcomes**

13. What mechanisms are in place to ensure smooth transitions when clients move between segments?
14. In your view, how has segmentation helped optimise resource allocation or profitability?
15. Are there measurable impacts on retention, upsell/cross-sell, or engagement by segment?
16. Are there client types or use cases where the current segmentation model falls short?

**27-30 min: Reflections & Improvements**

17. What's currently working well in your segmentation approach?
18. If you could redesign one part of the model, what would you change?
19. What advice would you give other SaaS companies trying to implement or refine segmentation?