Customer segmentation leads to productive and profitable engagements

The best practice

Customer success professionals instinctively want to deliver exceptional service to all their customers. And although high-touch interactions can be an important component of customer success, the reality is that most teams simply cannot deliver white glove service to every customer.

Enterprise customers are assigned senior CSMs and are offered white-glove service.

SMB customers are serviced by customer support and managed through automated plays.

Effective customer success teams categorize their customers into distinct segments and offer the level of service that matches best to the customers' need and their value to the business.

How Brazen did it

Virginia-based Brazen develops business chat software that looks to make personal interactions efficient and scalable. Their customers use their product for events like recruiting sessions, job fairs, and industry expos.

As Brazen's customer base grew in size and complexity, their customer success team could no longer reasonably service all their customers with the same level of attention.

In response, Brazen segmented their customers based on complexity and contract value:

- "High Touch": larger contracts and more complex needs,
- "Low Touch": smaller contracts and straightforward implementations
- "Pliot / Short Term": accounts with a short runway and intense short-term needs, and
- "Strategic": accounts that have a special or strategic value to the business.

Each segment had its own engagement schedules and deliverables, with a unique mix of 1:1 and automated engagements.

How you can get started

Customer segmentation does not mean cherry picking certain customers and ignoring the rest. The segments should balance the needs of the customer to be successful, the customer success team to be productive, and the business to be profitable.

Like Brazen, you need to consider for each customer segment:

- The important one-to-one interactions you need to deliver,
- The touchpoints that can and need to be automated,
- Mapping the required interactions at the various points of the customer lifecycle,

The number of segments a business should support will vary, but each one will need an engagement model that combines various degrees of components above.

Touch choices are part of this segmentation progress, especially around profitability, so it is very likely you will need to continuous refine and adjust your segmentation.
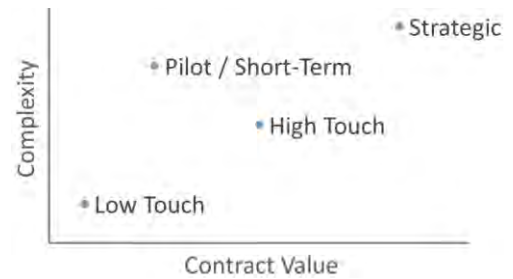
It has long been our goal to segment our customers so our small team of customer success managers can handle our growing and varied user base. It took us getting our data in order and a good technology platform to get here, but now we're ready to go!

Ginny Manocha
Vice President of Customer Success
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Ask ChurnZero how we can support the segmentation of your customers and manage your engagement strategy around each one, like we did with Brazen.