Strategic segmentation: How customer value shapes relationship management in B2B markets

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ABSTRACT,
In today's highly competitive B2B landscape, customer relationship management is no longer a one-size-fits-all approach. This thesis explores how value-based segmentation shapes relationship management strategies within B2B companies. By combining theoretical frameworks with qualitative data from 31 expert interviews across diverse industries, this research reveals that most firms actively differentiate their customer treatment based on value segmentation, using models such as RFM, macro-micro segmentation, and customer lifetime value (CLV). High-value clients typically receive preferential treatment such as personalized communication, pricing advantages, and operational flexibility, while baseline service levels are maintained for lower-tier customers. The findings show that value segmentation not only enhances CRM efficiency and customer satisfaction but also drives company performance through optimized resource allocation and strategic alignment. This research bridges a gap in the literature by integrating customer value into practical CRM applications and offers actionable insights for managers seeking to optimize their customer-centric strategies in B2B environments.

Ai statement
"During the preparation of this work, I Tobias Maddi van Krugten, used ChatGPT to formalize and improve the academic writing of this research. After using ChatGPT, I Tobias van Krugten, reviewed and edited the content as needed and take full responsibility for the content of the work."

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Keywords
B2B customer segmentation, Customer relationship management (CRM), Value-based Segmentation, Customer lifetime value (CLV), Customer portfolio management, Relationship quality, Customer value.

1. Introduction

The growing competitive intensity of the modern business environment compels businesses to adopt strategic approaches that enhance their capacity to serve customers effectively. Customer treatment has become a key part of business operations. Numerous firms have realized that strong customer relationships are integral to strong business performance. Customer relationship quality significantly influences a company's performance due to its direct effect on sales and overall profitability (Lasrado et al., 2023, p.1075). Mishandling these relationships could have severe consequences. Firms have been rapidly incorporating customer relationship management (CRM) to treat customers appropriately. Companies must consider customer needs and expectation when producing and selling their goods to ensure good perceived customer value (Wedel & Kamakura, 2000, pp.3-5). Customer relationship management has emerged as a key strategic priority which has been broadly accepted within most industries as it offers support towards gaining a competitive advantage (Eichorn, 2004, p.175). Effective CRM practices which improve service quality fosters long-term benefits such as customer loyalty, repeat purchasing, and trust, these benefits could lead to enhanced company performance through referrals, cross-selling, and upselling (Alkhurshan and Rjoub, 2020, pp.7,16-18).

According to Thakur and Workman (2016, p.4099) to achieve the most effective and beneficial result for the companies, customer relationship management should be based on the segmentation data. They argue that companies should segment their customers based on their value to the company, measured against the cost to serve, for the company to determine how beneficial keeping the relationship is. Several customers are inherently not beneficial as they require lots of attention and resources, while the profitability of the client is low. To give such customers the same treatment as a customer that requires minimum effort while maintaining a high profit margin would be very inefficient business management of the company (Thakur & Workman, 2016, p.4097).

The RFM theory supports the theory of (Thakur & Workman, 2016), this theory also suggests splitting the customer base of a company into 5 segments based on the value they are expected to produce over time (Karacan et al., 2021, pp.3-5). This procedure measures a customer's purchase history, based on the recency, frequency, and monetary value of their purchases a future value is calculated. The customers who perform better in this measurement are the customers who should receive more attention, as they are more important for the progress of the company. Companies are able to make informed decisions about where to spend resources, helping to align relationship management decisions with the business objectives.

In current practice, the integration of segmentation into customer relationship management not only supports decision making but also enables greater personalization and efficiency. Due to recent developments, companies are more reliant on data to decide their customer strategies, and the ability to accurately differentiate and manage customer segments will become even more critical. As a result, this segmentation will not merely be a marketing tool, but a foundational element of effective relationship management and business success.

1.1 Problem statement

This research aims to investigate whether companies are using value-based segmentation to adjust their relationship management strategies and what the consequences are for their customers as well as the benefits for themselves. Companies often perform differentiation in customer relationship management, either intentionally or unintentionally. Through previous research, however, it has been argued that differentiation based on customer value could be beneficial for the companies (Thakur & Workman,2016, p.4099; Karacan et al, 2021, p.11; Kumar & Reinartz, 2016, pp.58-60). Most companies are not intentionally creating relationship management strategies based on customer value, which is a missed opportunity for profitability and efficiency.

While value-based segmentation has been discussed in various literature works, its practical implications for customer relationship management (CRM) strategies remain unexplored. Existing literature primarily examines segmentation and CRM as separate concepts, with limited empirical insights into how companies align their segmentation efforts with relationship strategies based on customer value. Furthermore, there is a lack of clarity regarding the impact such practices have on both customer outcomes and firm performance.

1.2 Research question

Following the established research gap, the research question this study aims to answer is as follows:

"How does customer segmentation influence relationship management strategies in B2B markets?"

To aid in answering the main research questions, three sub-questions have been established to assist in gathering the information necessary to answer the research question. These sub-questions will be answered through desk research and qualitative interviews. From the answers to the sub-questions, a conclusion will be drawn for the research question. The selected sub-questions are:

1. *What types of customer segmentation approaches are commonly used in B2B settings?*
2. *How do companies treat high-value customers differently from lower-value customers?*
3. *What are the consequences of value-based segmentation in relationship management affect company performance?*

1.3 Contributions

This research aims to contribute to both academic literature and managerial practice by addressing a notable gap in the integration of customer segmentation and customer value into customer relationship management within B2B markets. These topics have all been well-researched individually, but the overall research lacks empirical research into the consequences of customer segmentation based on the value it has on a company's customer relationship management.

From an academic perspective, this study synthesizes and extends existing theoretical frameworks to generate an integrated understanding of how segmentation influences relationship management strategies. Using theoretical frameworks such as the micro-macro segmentation approach of (Powers & Sterling, 2008), the relationship quality model of (Hennig-Thurau et al., 2002), and the customer value framework theorized by (Thakur & Workman, 2016) to build a comprehensive understanding of the current practices. The literature research allows for a strong base of frameworks, combining this with qualitative data from interviews with professionals in B2B companies, this research will offer empirical insights into how segmentation is implemented into relationship strategies in real-life scenarios. This will allow the creation of a foundation regarding the efforts companies make regarding relationship management.

From a Practical standpoint, this study offers knowledge and actionable guidance for companies that are seeking to optimize the allocation of time and resources for relationship management. B2B firms operate in environments with constrained time and resources, so the effective allocation of these is critical for positive business outcomes. Providing an understanding about which customers warrant a high-interaction relationship strategy and which do not is critical (Thakur & Workman, 2016, p.4099). This research will highlight what strategies companies could implement to give preferential treatment based on customer value or importance. This study aims to provide companies with an understanding of how uniform customer treatment can lead to inefficient business operations.

2. Literature search

2.1 Segmentation

Business-to-business segmentation has become an important part for companies in recent years (Cortez et al., 2025, p.1). Segmentation is a method for companies where they examine and group their potential buyers into subgroups. This assists the companies in their targeting and differentiating the marketing mix for specific customers to maintain an optimal cost/benefit ratio (Mitchel & Wilson, 1998, p.443). According to Thakur and Workman (2016, pp.4097-4098), the segmentation process helps companies understand the customers' relative importance by analyzing their total sales and profits. These Business-to-business segmentation processes are often very in-depth and specific due to a small customer base with large, important customers. In these markets, single customers are very important as they make up a large part of the company's revenue. Effective management of segmentation requires B2B firms to prioritize among them, allocating resources, tailoring the marketing mix, and making internal adjustments (Freytag & Clarke, 2001, p.474). B2B customer segmentation is performed by most companies due to its strong benefits. Within the B2B markets, there are two main segmentation methods used.

According to Wei et al. (2010, p.4200) the most frequently adopted technique is the RFM model. The RFM model consists of three parameters, including recency of the last purchase (R), frequency of the purchases (F), and the monetary value of the purchases (M) (Hosseini & Shabani, 2015, p.112). In this model, the usual procedure is to collect and prepare data based on each factor, which is then divided into five subsets. The recency score measures the interval between the most recent transaction time and the analysis time (days or months); that is, the lower the number of days, the higher the score of recencies. For frequency, the database is sorted by purchase frequency (the number of purchases) made in a certain period. The definition of monetary is defined by the dollar value that the customer spent in this time period or by the average dollar amount per purchase or all purchases to date Karacan et al., 2021, pp.3-5).

These factors receive a rating according to the dataset that the companies have access to. They are placed in a subset with a maximum rate of 5 and a minimum rate of 1. Each customer receives three different scores for each factor, which are then added, and the highest segment is based on the top 20 quintile of customers based on the ranking out of 5. The next segment is filled with the 20 quintiles below the initial segment and so forth to fill all five segments (Wei et al., 2010, p.4202). Through these scoring methods, companies aim to predict their customers' future behaviour (Miglautsch, 2000, p.67). The RFM model is an important cost-effective method in acquiring important customer behaviour analysis (Miglautsch, 2000, pp.67-70). The method is very effective in realizing a customer's importance to the company through its segmentation process.

The macro-micro segmentation method of (Powers & Sterling, 2008) is a different approach to segmentation, which is also used by many companies. The macro-macro approach is a two-stage approach in which the customers are initially segmented according to the broad, also referred to as macro criteria (e.g., industry, size, geographical location). After the initial segmentation, the clusters are divided by "micro" criteria related to the buyer's behaviour, needs, and decision-making attributes (Powers & Sterling, 2008, pp.171,176). This method was designed by Powers & Sterling (2008, p.171) to link firmographic data with buyer-level data. As noted by Liu et al. (2020, p.598), various segmentation practices suffer from a lack of differentiation and incomplete insights. This problem is the cause of the follow-up micro segmentation performed. Weinstein (2011, pp.672-673) argues that the approach proposed by Powers and Sterling (2008) assists in bridging the gap between demographics and needs-based data. The combination of the firmographics with segment-specific decision criteria creates a segmentation approach that involves more actionable segments for the performing company.

The application of this approach typically begins with macro-level segmentation consistent with industry standard criteria such as industry, size, or location. This initial segmentation allows the company to define the initial market boundaries, with the aim at reducing the potential companies to analyse further as the micro level segmentation is time and cost consuming. The micro segmentation phase is marked by collecting primary data on decision-making behaviour, product preferences, or buying criteria through targeted surveys, interviews, or CRM analytics (Powers & Sterling, 2008, pp. 173-175). The outcome of this approach is very useful as according to Powers and Sterling (2008, pp.174-176) the Micro macro segmentation method enabled firms to realign their sales strategies with better targeted messaging, which resulted in improved customer responsiveness and stronger sales conversion rates (Powers & sterling, 2008, p.174).

2.2 Customer relationship management

Customer relationship management (CRM) dictates the strategies companies use in handling different customer relationships. Within business-to-business companies, this is a critical part of business as each sale could take weeks or months of negotiation and contact before a deal is agreed on. Relationship management is an important strategy for achieving higher firm performance, as due to the risks and uncertainties involved in the B2B context, relationship management paves the way for creating a positive situation for both the buyer and seller (Lasrado et al. 2023, pp.1075-1076). The idea of customer relationship management is not new; however, it has become much more useful in recent years due to developments in companies' software technology, allowing for a bigger database of customer information (Chen & Popovich, 2003, pp.4-5). Over the last decades, CRM has become increasingly useful and in-depth as B2B relationships have become more complex. Due to technological advancements over the years, firms have gained more ways of engaging with their customers, individualizing offerings, and building relationships, which has led to relationship management becoming a vital part of business management and firm performance (Vieira et al., 2014, p.86). B2B firms rely on CRM analytics to guide decisions about segmentation, targeting, and relationship-building across customer accounts. This implies that understanding each customer's value and the quality of the relationship is paramount to CRM success (Stein et al.,2013, pp.857-858).

One core framework for this is the customer portfolio management (CPM) theory of Thakur & Workman (2016, p.4095), which links the customer relationship management directly to the value the customer generates. The theory of Thakur & Workman (2016, p.4095) suggests that customer relationship management decisions should be made using information from customer portfolios. This allows the company to understand which portfolios are worth developing, retaining, or eliminating from their customer base. Within this theory, the company should adjust its CRM activities based on the value of the customer. (Thakur & Workman, 2016, pp.4096-4097) suggest a customer portfolio management matrix (Figure 1) to determine the effort and service the company should provide to its customers.

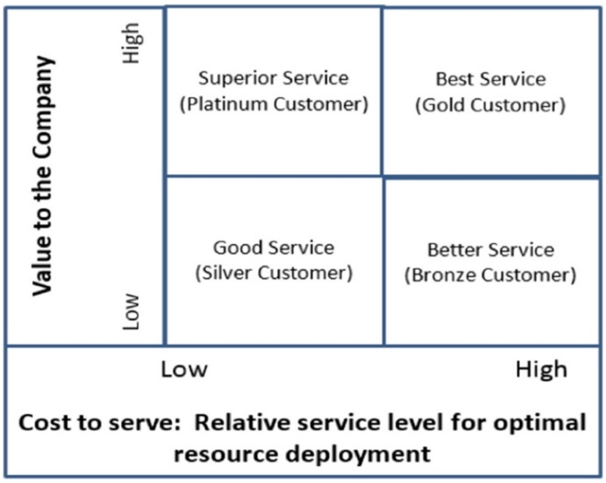

Figure 1. Customer Portfolio Management (CPM) matrix. (Thakur & Workman, 2016, p.4096).

This matrix is filled according to two values of the customer: (a) the value of the customer to the company, (b) the cost to serve the customer (Thakur & Workman, 2016, p.4097). After the company has gathered this data, their customers are to be segmented into four different groups: (a) Bronze customers, (b) silver customers, (c) gold customers, and (d) platinum customers (Thakur & Workman, 2016, p.4097).

In this theory and matrix the customers are ranked from worst (bronze) which describes customers who have low-value to the company while simultaneously requiring a high cost to serve to best (platinum) which describes customers which has a high-value to the company while requiring low cost to serve (Thakur & Workman, 2016, p.4097). This CPM matrix assists companies to better understand how firms can manage the customer portfolios by showing which are worth retaining and which require less attention in order to maximize the profits of the firm while effectively using its resources (Thakur & Workman, 2016, pp.4097-4098).

The relationship quality theory of (Hennig-Thurau et al., 2002, pp.239-243) is another theory that values relationship management as a vital part of a company's development. The relationship quality model explains that creating a better relationship quality offers various CRM beneficial outputs. Through the integration of relational benefits (e.g., confidence benefits, social bonds, or special treatment) aligned with trust and satisfaction, the company can predict higher loyalty and retention of the customers. (Hennig-Thurau et al., 2002, p.242) emphasizes the importance of relationship quality in achieving customer satisfaction and loyalty.

The theory of (Hennig-Thurau et al., 2002) is closely related to the Commitment trust theory by (Morgan & Hunt, 1994) and shares various similarities. The commitment-trust theory suggests that even though there are several contextual factors that contribute to company success, the most important are relationship commitment and trust (Morgan & Hunt, 1994, pp.23-24). According to Morgan and Hunt (1994, p.22), this theory encourages marketers to work at retaining relationship investments, resist attractive short-term alternatives, and view high-risk actions as prudent. Through this encouragement, companies will realize higher efficiency, productivity, and effectiveness in relationships as well as company success when commitment and trust are present (Morgan & Hunt, 1994, p.22). By considering trust and commitment, the relationship efforts will lead directly to cooperative behaviors that are conducive to marketing and company success (Morgan & Hunt, 1994, p.24).

2.3 Customer value

Within the business-to-business markets, the concept of customer value has evolved from being strictly based on the transactional value into a multileveled asset that shapes long-term growth, marketing investments, and customer relationship decisions. Kumar & Reinartz (2012, p.4) define customer value as "the economic value of the customer relationship to the firm expressed based on contribution margin or net profit". Companies should align their relationship management efforts to maximize the overall value derived from customer interactions. According to Friend and Johnson (2014, pp.654-655). A company should strive to minimize negative outcomes and optimize the positive outcomes from its customer relationships. This strategic approach implies that greater attention and resources should be allocated to customers who offer a higher value or lower risk to the company. (Payne et al., p.472) Proposed a definition of the customer value proposition (CVP) that states "A customer value proposition (CVP) is a strategic tool facilitating communication of an organization's ability to share and offer a superior value package to targeted customers". This definition highlights the importance of adjusting the value proposition of the company based on sharing resources effectively with the company's targeted customers.

The most important model that supports this viewpoint is the customer lifetime value model (CLV). CLV refers to the net present value (NPV) of all future earnings that are expected from a customer over a set duration of the relationship (Buttle & Groeger, 2015, p.2). Companies are able to use CLV as a metric to understand what contributions a customer brings to the table and can formulate a strategy based on their worth (Kumar & Reinartz, 2016, pp.40-41).

CLV is a method that helps firms realize long-term strategies by implementing customer loyalty, repeat purchase behavior, and potential relationship duration. With the help of the customer lifetime value calculation, firms are able to align their strategies according to the value. Through CLV efforts, companies are better able to manage their costs, revenues, and profits, creating a better return on investments (ROI) (Kumar & Reinartz, 2016, pp.40-41). This better performance is due to the firm knowing which customers are worth retaining, allowing for an effective use of marketing resources. In addition to the CLV model, the concept of customer equity offers a broader perspective on the customer. Customer equity is defined as the total of the discounted lifetime values summed over all of the firm's current and potential customers (Rust et al. 2004, p.110). This approach sees two possible calculations, the first considers all CLV calculations and realizes the average lifetime value of a customer, which is then multiplied by the number of customers (Kumar & George, 2007, pp.157-158). The second approach calculates all individual CLV's and then sums these values to determine the total customer. Customer equity helps companies treat their customer relationships on the basis of them being a strategic financial asset (Rust et al., 2004, pp.123-124).

3. Methodology

3.1 Research method

The chosen research type for this thesis is the qualitative method. This methodology was used to collect and identify the methods used by companies to segment their customers and in turn, what effects the segmentation efforts have on the treatment of said customers. Qualitative research is a methodology that creates a deeper understanding of the social enquiry due to its emphasis on depth and richness of the context in which it is performed (Lim, 2024, p.200). The data collection for this research method included both secondary data in the form of desk research and primary data by performing interviews. The qualitative interview method was selected due to this giving the best understanding of the interviewees' subjective understanding, meaning, or sense-making processes within the company regarding segmentation and relationship management (Cassel, 2015, pp.15-17). The primary goal of the interviews was to obtain First-hand insights into the consequences of segmentation on customer relationships in B2B companies. To ensure a comprehensive understanding, interviews were conducted across a diverse range of organizations, including both product-based and service-oriented firms. Participants represented various professional roles, but all of them possessed a clear understanding of their company's segmentation practices. The interviews conducted followed a semi-structured format, guided by a set of main questions while allowing for follow-up questions. This structure allowed the interviewer flexibility in gaining the right insight about the themes of the interview and respond to interviewees' answers correctly, making the interview flow efficiently and clearly.

3.2 Sampling

The sampling part of the research methodology was performed in a way to ensure qualitative research. The aim of the creation of the data set was to achieve well-structured and in-depth information regarding the consequences of segmentation on relationship management. To achieve this well-structured and researched data set, a total of 31 interviews were conducted. These interviews consist of a diverse range of companies.

Interviewees were purposely selected based on the nature of the company as well as their roles and competencies within their respective departments. Before looking into possible participants, the company was checked to fit the desired business context of Business-to-business. For the selection process of the specific participant, the primary criterion was that each interviewee possessed substantial knowledge and experience related to the organization's customer segmentation practices. This criterion was essential to ensure that the insights gathered from the interviews were both relevant and informed by practical experience.

To encourage openness and minimize potential response bias, all participants were assured complete anonymity, both personally as well to their company affiliation. Ethical consideration was essential for creating a secure environment in which interviewees felt comfortable sharing detailed information about the company's segmentation strategies and customer relationship practices. The selection of participants followed a purposive sampling approach. This approach is best suited for this qualitative research as it aims to explore specific information-rich participants to achieve in-depth information (Etikan et al., 2016, p.4). Through the targeting of individuals with expert-level knowledge in segmentation, the research sought to ensure the validity and richness of the collected data.

3.3 Data collection

The primary data for this research were the interviews with professionals in segmentation in B2B businesses. This data was collected through 31 semi-structured interviews. Interviews were chosen as the form, as a qualitative approach was selected to be the most useful for the research. According to Kvale and Brinkman (2009, p.11), qualitative interviews are essential for a researcher to achieve a strong understanding of the real-life experience of the interviewee. This type of data collection allows for an in-depth exploration of the subject at hand, enabling the researcher to gather rich, detailed data that would not be available through other methods. The interviews aimed to determine whether companies use value-based segmentation to influence their relationship management and in which ways the companies enact this influence in terms of different treatment.

The interviews were set up in a semi-structured manner. An interview guide (see Appendix D) was created, centered around a main question relevant to the study's objective. In addition to the main question, a few sub-questions were included to allow the interviewer to obtain answers to strengthen the initial answer to the main question. As the interview was semi-structured, the interviewer was able to ask follow-up questions based on the answers given when they saw an opportunity for gathering more in-depth answers. This meant that not all interviews were handled in the same manner. This meant that the interviewer had to adjust their interview strategies according to the interviewee's personality and answering strategies.

To perform the interviews responsibly and to gather reliable data from participating professionals, several methods were used. The most important method to allow respondents comfort in answering questions that could include sensitive information regarding the company was giving the interviewee and their represented company full anonymity. This was done by not using any data that could link the data to the interviewee or the company. To ensure that the interviewee would trust this, we also disclosed the well-thought-out data storage and deletion plan to all participants. Besides this, another method to gather reliable data was the well-thought-out follow-up questions. By asking for in-depth answers to follow-up questions, the interviewees are encouraged to answer more truthfully and accurately to the questions (Bergen & Labonté, 2020, pp.786-788).

Prior to conducting interviews, desk research was performed to ensure familiarity with segmentation and CRM frameworks. This preparation enabled more effective questioning and interpretation of responses during interviews.

3.4 Data analysis

The interviews that were conducted were all recorded to allow them to be transcribed, allowing for better availability and efficiency for the analysis of the data. The collected and transcribed data were then analysed using a thematic analysis. In this widely used qualitative method of analysis, the data is used to systematically identify and analyse recurring patterns or themes within the data (Braun and Clarke, 2006, pp.18-19). By using this method, the researcher reads through the transcripts to code various segments of the text that have meaningful ideas or concepts. These concepts are then grouped into broader or specific themes. Roberts et al. (2019, p.1) describe this approach as a form of pattern recognition where those that emerge from the data are then used as categories for the analysis. The thematic analysis allows the researcher high flexibility and is accessible due to the method not relying on a single theoretical framework. By using qualitative data, the researcher can yield a rich and detailed, yet complex account of data (Clarke & Braun, 2016, pp.297-298).

A researcher will begin the thematic analysis approach by using open coding on all gathered transcripts with potentially relevant information. Open coding is done by reading through all data line-by-line and labelling (coding) all passages that seem important or interesting. This highlights all explicit and implicit ideas or methods used by the companies interviewed as potential themes. This stage of the analysis looks at parts of the data that could be relevant to the research questions or the already analysed literature regarding the broad theme of the research (Roberts et al., 2019, P.4).

The researcher reviews all data for each theme, naming the themes and categorizing them into broader categories such as segmentation criteria, consequences for the customer. After all codes have been made and marked throughout all transcripts, the researcher can analyse the patterns. By analysing the patterns and connecting this to existing literature, the researcher can conclude from these results (Roberts et al., 2019, Pp.4-5).

4. Results

The thematic analysis of the qualitative data acquired through 31 interviews revealed various insights into three main patterns in companies' business strategies. These patterns align with the three sub-questions. The results of the analysis from the interviews follow the three themes: segmentation practices, relationship management, and company performance.

4.1 Segmentation

Table 1

Mentioned method	**Description**	**Aligned quote**
Revenue or Turnover	Customers are categorized by current sales volume or total revenue contribution.	"We have three price categories: Category 1: revenue < €100k, Category 2: €100k–€300k, Category 3: > €300k." (Interview 9, Personal communication, 2025)
Future growth potential	Customers expected to grow are prioritized, even if current value is moderate.	"Highest value to the company, either through high profitability, strategic positioning, or future growth potential" (Interview 23, Personal communication, 2025)
Contractual engagement	High-value customers often have formal long-term contracts linked to specific commitments	"With high-value customers, you have a real contract… you offer much more support." (Interview 18, Personal communication, 2025)
Customer ranking systems	various companies use A to E or Gold to Bronze systems to formalize treatment tiers	"We use a ranking system — Key Account, then A, B, C, D, E." (Interview 10, Personal communication, 2025)
Customer behaviour	Factors like loyalty, ease of cooperation and communication styles matter	"Fun too. That's also a factor… Does the client deliver on time? No fuss constantly by How is the customer toward our employees. (Interview 30, Personal communication, 2025)
Segmentation flexibility	Adjusted regularly due to market shifts, crisis, or new tech	"Segmentation is alive… you have to refresh and adapt based on external factors." (Interview 1, Personal communication, 2025)

Table 1 shows the various answers given during the interviews regarding the segmentation based on the customer value or treatment effort. These answers will be discussed and analysed based on their total occurrence during the interviews and the narrative created across all interviews.

During the interviews, the first line of questioning was about the segmentation practices performed by the companies. Due to B2B industries being very competitive and they require precise attention to customers companies must perform segmentation strategies to assure customer alignment with the company.

Through the analysis of the interviews, it became clear that all B2B companies are involved in segmenting their customers. The most basic form of segmenting is used by all companies and does not require much strategy, as all companies' initial segmentation is done based on the geographic location and company industry. This assists companies in ensuring they can serve the customer as well as that the customer is interested in the product or service provided.

This data analysis helped in making more in-depth methods of segmentation become clear. Companies have various strategies for segmenting their customers. From the interviews, the analysis revealed that most of the companies analysed used value calculation for their current or potential customers. This estimation varied across the companies. Several companies only looked at the current value that the customer brings in in terms of order volume and frequency. One of the companies bases its value segmentation solely on the revenue the customer creates. These customers would then be segmented into three revenue brackets, using these brackets as indicators for support and pricing strategies.

Another segmentation strategy used multiple times by companies from the research is calculating the future value or potential of the customer. As interviewee 11 (Personal communication, 2025) explained, "current turnover and future growth potential" are key to segmenting their customers into their ranking tiers (a, b, c, d). Another interviewee explained separating their clients into gold, silver, or bronze. Both of these explain the usage of specific rankings of the customer base to see how much value they bring to the company. After using these, they adjust their strategies accordingly, with gold or A customer's receiving priority over Bronze/D customers.

Numerous of the interviewees explained that the segmentation strategy is a continuous process which needs refreshing of the determination of the customers every once in a while. This is due to customers growing or having difficult times. When a customer is doing well, they will be able to spend more money and require more products or services, which leads to them possibly requiring more attention or demanding better service. Depending on the industry of the company, the segmentation gets refreshed either monthly or in various cases every 3 years. For companies that calculate future potential, it is critical to keep these segmentation results up to date as they need to ensure the customer's performance still aligns with the estimated current or future value.

4.2 Relationship management

Table 2

Mentioned method	**Description**	**Aligned quote**
Differentiated contact intensity	High-value clients get contacted more frequently, and more personal as well as quicker response times	"What changes is the amount of hours and contact. A top client might want weekly meetings and 30 hours per month. A smaller client might need only five." (Interviewee 11, Personal communication, 2025)
Customized support & consultancy	Key clients get business consulting, training support or priority advice	"High-value customers… get educational size, marketing activities, PR." (Interviewee 18, Personal communication, 2025)
Exclusive access to events	Companies prioritise high-value customers for events such as congresses, promotional campaigns, or innovation previews	"We sometimes go with doctors to international congresses." (Interviewee 16, Personal communication, 2025)
Flexible delivery and logistics	Priority shipping, stock allocation, and faster service for key accounts	"If you look at delivery times we will always see if we can do something in between, because anyone who has taken the decision that they want to buy that, yes they want it done as soon as possible." (Interviewee 13, Personal communication, 2025)
Pricing benefits	Key customers are put in lower pricing tiers or receive discounts	"Repeat clients expect for example, certain levels of benefits and discounts," (Interviewee 21, Personal communication, 2025)
Senior contact person	More experienced staff gets assigned to key accounts	"High-value clients with complex operational needs receive dedicated cash management specialists" (Interviewee 25, Personal communication, 2025)

Table 2 shows the list of answers given during the interviews about the effects value segmentation has on their relationship management. These answers will be analysed based on their impact and frequency during the interviews, and the narrative that was created across the interviewees.

Consistent with value-based segmentation, nearly all companies describe a degree of differentiated treatment in relationship management. In most of the firms, high-value customers receive a form of enhanced service levels or contractual benefits.

The most noticeable form of benefits for the customers is the contractual benefit of discounted pricing. This benefit, however, is not one of the most popular used benefits as it's not always the most profitable way of gaining high-value customer satisfaction. A common way of giving sharper prices is by offering a sharper price on bulk orders. Bigger companies will often benefit most from this, and these big companies are usually also the higher value customers due to their large demands. When selling a large part of the stock at once, the profitability of the sale stays high. Besides discounts on large orders, certain companies base their pricing strategy on the revenue brought in by the company as a base. Interviewee 9 (Personal communication, 2025) mentioned “Bigger customers get sharper prices… Yes. We have three price categories: Category 1: revenue < €100k, category 2: 100k >200k, Category 3: > €300k.”. This segmentation approach allows the company to communicate the benefit of being a high-value customer to the clients, providing a financial incentive for spending more. Being a high-value client also has benefits in payment schedules, as with key accounts, the company might allow for a longer payment plan to satisfy the customer’s needs.

In addition to more lenient pricing strategies, high-tier customers are also likely to receive more personalized service or more attention. Using this preferential treatment is more common but is also harder to track. According to most respondents, the company does use differentiated treatment for high-value customers. Although in several instances, this is done subconsciously without a recognized strategy. The differentiated treatment of high-value customers can show itself in various manners. The most commonly used is the amount of contact between the company and the customer. High-value customers are approached more often, informed about offerings, the status of the product delivery, or just keeping in contact in a personal manner. This method is used to build a personal relationship with the client, making them more loyal to the company and less likely to change their mind about an order or switch to a competitor for a future purchase. When talking about lower value client’s interviewee 4 (Personal communication, 2025) explained, “They do not need that much closeness, they do not require that frequent of a visit, and you do not have to be there constantly”. While another company, which uses a tiered system based on the customer’s value to the company based on the revenue, explained, “Two years ago, the company decided to stop paying attention to the Tier 3 customers altogether. We just discarded them” (Interviewee 5, Personal communication, 2025). This meant that such customers of lower value would not be contacted but instead would have to contact the company themselves if they wanted to purchase their product. The amount of contact also relates to another treatment difference, as various companies assign better or more experienced salespeople to customers of higher quality. These different contact persons allow for better quality conversations, giving the customer a comforting feeling about the company. Talking to someone who understands the market, as well as the customer, helps in gaining trust towards the company, so putting the best people on high-valued customers is essential in establishing a strong bond.

Another often mentioned method of treatment was in the company’s willingness to reduce delivery time and overall flexibility towards a customer’s requests. Flexible delivery time only applies to product-based companies, but within this business, it is a popular and effective method in gaining customer trust and satisfaction. Respondent 14 (Personal communication, 2025) noted, “if a customer says ‘we want to have (the delivery) earlier’ then we do try to do that. We are quite flexible in that respect”. The usage of this method does introduce operational risk in the form of preferential treatment, as when one order is pulled forward, another is pushed back. This could cause penalties from the companies whose project was delayed as explained by interviewee 14 (Personal communication, 2025), “if you pull one project forward that can affect another project. You have to deal with penalty clauses in projects.”. This enables companies to only act on requested earlier delivery when it is financially viable for them, causing this differentiated treatment to only exist to help high-value customers. The increased flexibility does not only concern the delivery time but also the overall adherence to requirements, demands, and sudden changes as well. If a customer wants certain aspects included in contracts, then a high-value customer is much more likely to receive them rather than a low-value client.

The last often mentioned differentiated treatment between high and low-value customers is exclusive access to special events. These are events such as business consultancy visits, invitations to promotional events, marketing collaborations, or invitations to industry-specific congresses or training days. These methods of treatment are special for customers to receive, as they are very limited. These methods are costly or require much effort, which is why these events are reserved for customers who contribute meaningfully to the company. “Preferred customers might receive early access to product launches, exclusive packaging, or promotional experiences not available to others” (Interviewee 27, Personal communication, 2025).

All the methods mentioned during the research indicate that companies do offer their higher-value customer’s better service. This special treatment shows itself in numerous different forms. Although they treat high-value customers slightly better, numerous companies stated that they do aim to treat all customers with respect and perform a satisfactory level of service: “Every client gets high-quality service… What changes is the number of hours and contact” (Interviewee 11, Personal communication, 2025). Better treatment for high-value customers mostly does not harm the experience of other customers. While companies do distribute their resources differentially, they always aim to maintain baseline service across all customers. The results show that segmentation processes of the companies have a great impact on CRM investments. High-value customers typically receive additional attention in the form of personalized events and operations, lenient credit terms, and tailored communication strategies. Though these high-value customers receive preferential treatment, low-value customers receive a baseline service and support with few extras.

4.3 Company performance

Customer relationship management based on value segmentation not only includes consequences for the customers themselves, but it also has consequences for the company. The segmentation and CRM strategies based on customer value are often chosen as they are expected to provide positive company results. During the research, numerous interviewees expressed that the company achieved positive results from value-based segmentation. These positive effects expressed themselves to the company in various ways.

The Positive effect of value-based segmentation for the company that was mentioned most by the interviewees was better resource allocation. By concentrating the company’s efforts on top segments, companies reported the ability to better plan and deploy resources more effectively. Interviewee 10 (Personal communication, 2025) noted that segmenting customers based on value rankings “helps us set priorities. We can plan our actions and allocate resources in advance, and we avoid overloading the organization with requests from customers who aren’t that relevant to us.”. Better resource allocation helps the company realize better efficiency within the company. Focusing on larger projects or customers reduces wasted resources. “Differentiation allows us to focus our resources effectively” (Interviewee 24, Personal communication, 2025). Assigning resource priority to key accounts allows companies to plan their strategies better. Certain companies use forecasting to plan their stock availability, adjusting this around the demands of higher-value clients . "Stock availability depends on the forecast the customer gives us… key accounts usually get priority" (Interviewee 10, Personal communication, 2025). This priority is based on the company's production cycle. The products of certain companies take a long time to complete, so forecasting is important. Customers do not always have the same demands every month, so when there is a difference in stock demand, the company will give priority to its most important or valuable clients. The segmentation processes help the company in pre-committing to the stock way in advance of when this stock will be ready. By segmenting customers based on their purchasing value, they are better able to create a forecast for demand.

Value-based segmentation was also credited for improving company performance by focusing on profitable relationships. Segmentation could help the company reduce investments in customers which are not helpful to the company, as interviewee 27 (Personal communication, 2025) explained: "Differentiating customers enables us to tailor our investments and efforts where they'll have the most impact". When a company carefully researches and segments based on factors such as profitability, customer size, or customer revenue, then the investments are much more likely to grant a strong return. Investing in customers that either have high current value or potential future value allows the company to look at the long-term sustainability of the company.

5. Discussion

5.1 Data interpretation

5.1.1 Segmentation

By combining the findings from the desk research with the insights provided by the 31 qualitative interviews, several key conclusions can be drawn. The findings of the interviews show a consistency between theoretical frameworks and practical experiences. This consistency provides a strong foundation for understanding how customer segmentation shapes the Relationship management strategies in B2B environments and the consequences that ensue for both the customer as well as the company. Throughout the 31 interviews, it became evident that the value-based segmentation is widely practised but also creates a blueprint for CRM implementation in numerous companies.

The first aspect of the research that was analysed was the segmentation strategies by participating B2B companies. All the participating companies explained that they are using segmentation processes. When analysing the given answers, it became clear that there are numerous differences in the design and handling of the segmentation processes. A few companies did not specifically mention the usage of value-based segmentation. The strong majority, however, did use value-based segmentation. The first segmentation method looked at in the analysis was the current value of the customer. Current customer value is calculated by looking at the total revenue produced by the customer. The value created would be measured by the order value and the frequency of purchases over a certain period. This method is an easy and accessible way for the company to understand the customer's value, as it only requires a simple calculation from data already available to the company. The method closely resembles the RFM model (Wei et al., 2010, p.4200; Hosseini & Shabani, 2015, p.112), which evaluates the recency, frequency, and monetary value of customer purchases. These are factors that most firms can easily quantify using their existing CRM database. The integration of RFM in the real-life examples from the research aligns with the literature of Wei et al. (2010, p.4200), who state that the most often used method of value segmentation is the RFM method. Through the interviews, it became clear that most companies do use this method due to its easily usable and accessibility. The interviewee, however, did not mention the RFM model by name, nor did they mention the calculation of the RFM model that included the score for recency of the customer's last purchase.

Through the RFM segmentation method, companies can enhance the future buying behaviour calculations of their customers, helping them in realizing the future potential of the client (Miglautsch, 2000, pp.67-68, 71). The added value of these predictions aligns with the strategic prioritization logic described by Kumar and Reinartz (2016, pp.40-41). This calculation of the potential value derived from the RFM method is a very common segmentation technique used by the interviewees. As explained by several interviewees, the calculation of the future value allows the company to design a long-term strategy, keeping future high-value customers on board.

Besides the Implementation of the RFM model, several companies also used the Macro-micro segmentation method of (Powers & Sterling, 2008), which starts with macro-level attributes such as geography or industry. This allows for creating a broad customer base. After the initial segmentation, the customer segmentation is refined using behavioural and needs-based micro-criteria (Weinstein, 2011, pp.672-673). This second layer of segmentation gives the company data about buying or decision-making behaviour. This dual-layered approach was appreciated by companies for enabling more actionable insights, especially in complex B2B environments where firmographics alone is insufficient (Liu et al., 2020, p.598). Several firms also reported regularly updating their segmentation models in response to the constantly changing customer behaviours, business priorities, or market conditions. The time between updating segmentation data varies across the companies. Various companies recalibrate their customer segments annually, while others adapt more frequently, especially in response to external disruptions like COVID-19 or internal changes such as staff turnover. This supports the arguments made by Hafez (2023, pp.10-11), who emphasizes that companies perform better when using adaptive, real-time segmentation methods.

5.1.2 Relationship consequences

During analysis of the interviews, the results showed that segmentation has direct and tangible implications on the relationship management strategies employed by the companies. Firms that systematically differentiated their customers based on their current or potential value to the company often based their customer treatment on segmentation tiers. During the interviews, it became clear that most of the companies performed differentiated treatment towards high-value customers. Through the segmentation processes, the high-value customers were identified, and with the help of these efforts, the companies could decide on relationship decisions. High-value customers were much more likely to receive discounted pricing, more or better contact, participation in exclusive events, or other preferential treatment. These practices are in line with the theory of customer portfolio management of Thakur & Workman (2016) and the relationship quality framework by Hennig-Thurau et al. (2002). Both theories emphasize the need for companies to base their relationship strategies on customer value. These theories explain that companies ought to give higher-value customers better treatment as a way of increasing company performance.

Several companies assigned experienced account managers to high-value customers to strengthen relationships and tailor services more effectively. These experienced representatives know the market as well as the company and customer more in-depth and are therefore better at recognizing the needs of the customer. By understanding the customer, company, and the market inside out, the sales representative is better able to cater to the needs of the customer, giving better feedback and offering the customer better overall service. Besides this, these experienced employees are more likely to be able to give the customer preferential treatment due to their role within the company, where other departments trust this person. The relationship between an experienced sales representative and the customer aligns with the commitment-trust theory of Morgan & Hunt (1994) they argue that by experiencing a high level of commitment and feeling a high level of trust between the customer and company then the customer will feel more secure and is less likely to switch partners. This allows the company to keep hold of its most important clients by assigning better personnel to higher-value clients.

Despite the regularly occurring differentiated treatment, numerous interviewees stressed the importance of maintaining a baseline level of service for the customers who are not seen as key accounts. While the frequency and depth of interactions varied by segment, firms generally still sought to uphold consistent standards to protect brand integrity and avoid alienating smaller accounts. This balance between the efficiency of prioritising high-value customers and the fairness of baseline treatment of other customers adds nuance to the existing theories regarding value-based segmentation.

5.1.3 Company performance

There are several reasons why companies choose to adopt relationship management strategies according to their value segmentation. Segmentation strategies contribute to the company having more efficient business operations. Through the findings of the interviews, several business effects were found, caused by the segmentation strategies. Several interviewees reported that using clearly defined value-based customer segments enabled them to prioritize workloads, allocate marketing and operational resources more effectively, and forecast demand with greater precision. By prioritizing the high-value customers in their resource investments, they achieve a higher return on their investments. This segmentation method helped the companies concentrate investment strategies on the most profitable or strategically important relationships. This improved investment strategy allows companies to achieve greater returns on investment as well as reducing unnecessary expenditure. The better performance on the return of investments due to better cost and revenue management aligns with the customer lifetime value model from (Kumar & Reinartz, 2016, pp.40-46)

Besides the better performance due to better cost and revenue management, this strategy also allows companies to reduce their potential risk from investments as they invest their time and resources into customers with either high current value or customers that could become a valuable client in the future. According to (Friend and Johnson, 2014), this method of business decisions is optimal for a company as companies should aim at maximizing positive outcomes and minimizing negative outcomes by reducing risks.

Certain interviewees did report that companies should not completely turn all of the focus on high-value customers due to the risk of neglecting smaller clients. Keeping in touch with smaller customers could become beneficial to the company in the long term. Constant evaluation of customers in current business practices, as well as their potential future, is critical. Keeping a strong portfolio balance consisting of smaller companies as well as high-value companies is an important aspect of business operations. This balancing act echoes the logic behind the customer equity theory by Rust et al. (2004, pp.123-124), which promotes maximizing the total value of all customer relationships.

5.2 Conclusion

The goal of this paper was to find how companies are using segmentation to differentiate their relationship strategies. The central research question that the paper aimed to answer was:

"How does customer segmentation influence relationship management strategies in B2B markets?"

By performing desk research into all aspects involved in the research question, as well as conducting qualitative interviews with experts in the field of segmentation and relationship management, a clear overview was created. Through the desk research, the current theoretical models were discovered, and by analyzing all the interviews, the practical evidence of these strategies was discovered. By combining these two, this paper highlights that value-based segmentation is a fundamental driver of relationship management strategies in business-to-business markets. Companies routinely classify customers into high, medium, and low segments based on value-related criteria (e.g., revenue, growth potential, strategic importance). Using this segmentation, the companies tailor their CRM strategies accordingly. High-segment customers tend to receive prioritized treatment through dedicated account managers, discounted pricing, faster service, or more contact. While this paper also found that companies still give lower segment customers a standard level of service and support.
In answering the research question, the result is that segmentation does shape various aspects of relationship management, as it determines various levels of support. Firms recognize the necessity of differentiating the treatment of customers to find the allocation of their resources that is most effective and profitable. Segmentation provides companies with a roadmap that allows them to execute their CRM strategy as effectively as possible.

5.3 Practical implications

The findings from this report offer several critical insights for b2b managers. This research has analysed important frameworks and theories, as well as practical information from 31 b2b companies. According to this research, companies should first formalize their segmentation frameworks based on the value analysis of their customers. This framework should then periodically be checked to ensure up-to-date information. Firms that readapt their value-based segmentation are better able to adapt CRM resources during market shifts or growth periods. Secondly, managers of b2b companies should use the discussed customer benefits (e.g., discounted pricing, flexible terms, priority delivery) to allocate resources according to their high-value segmentation. These benefits should be used interchangeably, and providing the right benefit to the right customer is critical. This should be based on the customer's needs, which can be enhanced by assigning a senior salesperson to key accounts. To maintain overall customer satisfaction, firms should maintain systematic engagement with smaller clients to prevent attrition.

This study highlights the value of aligning segmentation efforts with organizational objectives. As the report highlights various methods in value estimation, a company should align these according to its goals. When a company aims for long-term company growth, firms might segment on future potential rather than current size.

Finally, ensuring fairness and transparency is important. While segmentation service is a critical part for efficient business operations, firms should keep acting rationally for all clients to avoid the perception of bias, potentially causing the loss of customers. trust and commitment are important aspects of business and should be kept as priorities. By leveraging segmentation data to guide the CRM strategies, managers can ensure that limited resources are deployed where they matter the most, ultimately enhancing customer satisfaction and company performance.

5.4 Theoretical implications

This study advances scholarly understanding of the segmentation and CRM interface in a B2B setting, combining existing theories of both subjects as well as the current limited research combining them. Through thorough research of the existing literature and combining it with qualitative interviews, this study supports and refines the existing frameworks. It empirically validates the concepts of customer portfolio management (Thakur & Workman, 2016) by showing how portfolio categories translate into managerial actions. The results reinforce the proposition that segmentation constructs based on value (profitability, potential, strategic) are key in determining a company's CRM processes and outcomes. Thus, linking segmentation theory to performance implications.

The findings suggest that segmentation models should explicitly account for dynamism and operational constraints. The concept of segmentation being dynamic suggests that current static segmentation theories require adaptation to incorporate how segmentation evolves with environmental changes. Evidently, the trade-off between focusing on key accounts and serving the entire customer base points to the need for more research into the consideration of a broader customer portfolio. Ultimately, by using real-world implementation details, this study offers a foundation for future theory development, such as refining relationship quality models to include segmentation-driven benefits or integrating resource allocation into customer value frameworks.

6. Limitations and future research

6.1 Limitations

Although this study was able to provide a well-researched foundation for the combination of segmentation and relationship management, there are a few limitations hindering the overall generalization and application across all industries. The study is based on desk research as well as 31 qualitative interviews. This does yield rich insights, but it limits the possible generalizability. The sample is diverse in industry as well as spread across international countries, and the research is not perfectly able to represent all B2B contexts. This study did not focus on the findings based on the industry sector, while certain sectors may interpret data, manage relationships, and segment differently. Besides this, the data relied on self-reported practice and perceptions of managers and other people employed at the interviewed company, and therefore did not measure the actual customer outcomes for satisfaction and loyalty. As this analysis focuses on the supplier firms' perspective, it does not explore the customer side of the relationship. These limitations suggest that while the research is qualitative, it lacks the customer perspective as well as potential industry differences.

6.2 Future research

Building on this study, there are several possible future research possibilities. The first possible avenue future researchers could approach is by building a quantitative validation of the results. Performing a larger number of interviews or surveys specifically targeting the relationship between segmentation practices, CRM activities, and firm performance could enhance the findings from this study. The enhancement of the current study quantitatively could also spread towards targeting the effects within specific industries or geographic locations. As the only target for the interviews in this study was professionals in segmentation processes in B2B companies, the results covered various industries and countries.

As mentioned by several interviewee's segmentation processes are always changing, although there is very little research regarding this. Future research could perform a longitudinal analysis of how segmentation strategies evolve. This study researched the effects of crisis within the environment, such as COVID-19, on the company's segmentation and relationship management, but did not expand its scope to the regular changes of these practices. Future research could target the responses to technological, economic, or small shifts, examining triggers and processes of segmentation revision.

Lastly, this research did not examine the financial and relational effects measurably. This study did find the consequences of value segmentation on the customers but did not research the effects it had on the customers, such as loyalty, satisfaction, or equity across different segments. This would require performing data collection from the customers themselves. By addressing these questions, researchers could further navigate the complex interplay between segmentation and customer relationship practices in B2B markets.

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Appendix

Appendix A – customer Portfolio management matrix

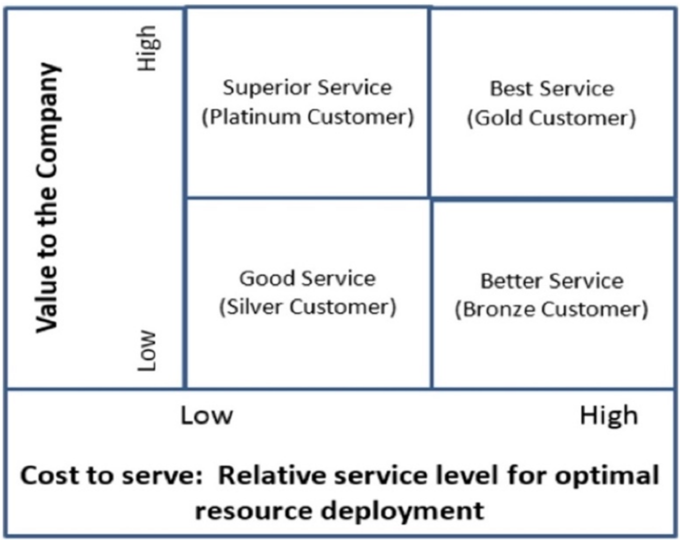

Figure. 1. Customer Portfolio Management (CPM) matrix. (Thakur & Workman, 2016, p.4096).

Appendix B – Table 1 overview of the mentioned criteria used by companies to segment their customers.

Table 1

Mentioned method	**Description**	**Aligned quote**
Revenue / Turnover	Customers are categorized by current sales volume or total revenue contribution.	"We have three price categories: Category 1: revenue < €100k, Category 2: €100k–€300k, Category 3: > €300k." (Interviewee 9, Personal communication, 2025)
Future growth potential	Customers expected to grow are prioritized, even if current value is moderate.	"Highest value to the company, either through high profitability, strategic positioning, or future growth potential" (Interviewee 23, Personal communication, 2025)
Contractual engagement	High-value customers often have formal long-term contracts linked to specific commitments	"With high-value customers, you have a real contract… you offer much more support." (Interviewee 18, Personal communication, 2025)
Customer ranking systems	various companies use A to E or Gold to Bronze systems to formalize treatment tiers	"We use a ranking system — Key Account, then A, B, C, D, E." (Interviewee 10, Personal communication, 2025)
Customer behaviour	Factors like loyalty, ease of cooperation and communication styles matter	"Fun too. That's also a factor… Does the client deliver on time? No fuss constantly by How is the customer toward our employees. (Interviewee 30, Personal communication, 2025)
Segmentation flexibility	Adjusted regularly due to market shifts, crisis, or new tech	"Segmentation is alive… you have to refresh and adapt based on external factors." (Interviewee 1, Personal communication, 2025)

Appendix C – table 2: overview of the mentioned methods of preferential treatment for high-value customers

Table 2

Mentioned method	**Description**	**Aligned quote**
Differentiated contact intensity	High-value clients get contacted more frequently, and more personal as well as quicker response times	"What changes is the amount of hours and contact. A top client might want weekly meetings and 30 hours per month. A smaller client might need only five." (Interviewee 11, Personal communication, 2025)
Customized support & consultancy	Key clients get business consulting, training support or priority advice	"High-value customers… get educational size, marketing activities, PR." (Interviewee 18, Personal communication, 2025)
Exclusive access to events	Companies prioritise high-value customers for events such as congresses, promotional campaigns, or innovation previews	"We sometimes go with doctors to international congresses." (Interviewee 16, Personal communication, 2025)
Flexible delivery and logistics	Priority shipping, stock allocation, and faster service for key accounts	"If you look at delivery times we will always see if we can do something in between, because anyone who has taken the decision that they want to buy that, yes they want it done as soon as possible." (Interviewee 13, Personal communication, 2025)
Pricing benefits	Key customers are put in lower pricing tiers or receive discounts	"Repeat clients expect for example, certain levels of benefits and discounts," (Interviewee 21, Personal communication, 2025)
Senior contact person	More experienced staff gets assigned to key accounts	"High-value clients with complex operational needs receive dedicated cash management specialists" (Interviewee 25, Personal communication, 2025)

Appendix D – interview guide

Main topic of the question	Interview question
1. How do they segment (models used, barriers and challenges)	1.1 How do you segment your customers? Sub-questions (in case they are needed): • Do you differentiate? • How does it compare with other companies? • What about other criteria? Geographic? Product/Service? • What are the key benefits? • What are the challenges faced with implementation and application?
2. How do they build/ manage customer portfolios (models used, barriers and challenges)	2.1 How do you differentiate among individual customers? 2.2 How do you utilize Customer Portfolio Management (CPM) models to segment. Sub-questions: • How does it compare with other companies? • What about other criteria (e.g., customer loyalty, demand nature, cost vs benefit of serving customers)? • What are the key benefits? • What are the challenges faced with implementation and application?
3. Buyers and seller interactions - individual level (personal). Is it always a rational process?	3.1 Are their customers you like to work with (individuals)? How would the personal relation influence your efforts? Sub-questions: • Were you ever in a situation where. (think more)
4. Segmentation consequences: external	4.1 Which are the consequences from differentiating customers? How do you treat them differently, then? how do externalities affect the segmentation Sub-questions: • How does your company adjust its relationship management strategies based on High-value and low-value customers? • Innovation, delivery (e.g., in allocation situation, lack of capacity), react to complaints, prices, news products, market share, how often engage…. • Think about Covid, any different customer treatment?
5. Segmentation consequences: internal	5.1 Which are the consequences from differentiating customers? How do you engage with them internally, within your firm? Sub-questions: • What do you do for good customers, e.g., if they want to rush an order, if there are problems, if they have special requirements? (You as the agent for your customer) • Engagement with other functions in your firm
6. Software support	6.1 Do you use any software for supporting your customer segmentation efforts? 6.2 Do you have any software for customer portfolios (individual customers)? Sub-questions: • If yes, can you tell me what kind of system or software you use? • Which features does it have? • Which other solutions do you know / other firms might use?
7. How do they identify bad customers? (Customer churn and business risk)	7. How do you identify bad customers that you want to stop serving? Deprioritize? Sub-questions:

	• Could you describe the different methods or tools used in the company to identify such customers. • Are there any indicators or signals used to predict when a customer is at risk of leaving the company? • Could you explain to what extent customer segmentation has an impact on mitigating or reducing this risk?

Appendix E – Interviewee number and description

Interviewee number	Position (Background) of the interviewee	Description
1	CEO	international strategic consulting agency specialized in market research, focused on decision-making and business growth
2	CEO	consulting agency.
3	---	Energy company.
4	Price and Promotion effectiveness manager	Beer company (sells to restaurants).
5	Collaboration sales specialist	Develops, manufactures, and sells networking hardware, software, telecommunications equipment.
6	Premier Banking Manager	Bank
7	CEO	Software developing agency.
8	Account manager	Sells jeans to retailers
9	Owner	Sells Orthopaedic shoes to retailers
10	Data management specialist	Develops and manufactures precision linear motors for companies.
11	Project manager	Marketing Agency
12	Loyalty marketeer	Provides microloans, coaching, and training to entrepreneurs
13	International sales manager	offers efficient biomass technologies
14	International sales manager	Provides High pressure valves to companies in the energy industry
15	Channel sales director	Software company that supplies production and supply chain solutions
16	Sales manager	Sells medicine and pharmaceutical machines
17	Contract advisor	Consultancy and engineering firm
18	Vice president corporate marketing	sale of hair cosmetics
19	Managing director	Sells paper and decoration products
20	Partner	Global management consulting firm
21	Vice president business development	Biotech company
22	Delivery lead	Consulting

23	Trade Activation Manager	Manufactures and sells cigarettes, tobacco and other nicotine products including electronic cigarettes.
24	Commercial Department manager	Dynamic international tobacco business based in Azerbaijan offering competitive private cigarette brands for export, modern license manufacturing, comprehensive trademark development service, as well as high-quality tobacco leaf.
25	Cash management chapter lead in corporate banking department	Provides a range of innovative banking services to corporate, small, and medium-sized businesses, individual entrepreneurs, and individuals.
26	Market Manager at ITG	Tobacco company, with a diverse portfolio of products including cigarettes, cigars, fine-cut tobacco, and next-generation products like vapes and heated tobacco.
27	Officer Manager for Azerbaijan market	Energy drink company
28	CEO	Financial service provider. Offering various products. Mortgages, insurance, financing, and additional consultancy. Offers advice and on financial and legal matters.
29	CEO	A courier company specialized in delivering parcels along fixed routes for major logistics providers. The company handles daily shipments for both private and business customers and operates on a contract basis with larger players in the delivery market. Couriers follow predetermined routes and schedules, with reliability, speed, and customer service as top priorities. The company acts as a link between distribution centres and end recipients, focusing on efficiency and accurate delivery.
30	Senior manager	An accounting firm that provides financial services to medium-sized businesses. The company offers support with bookkeeping, annual reports, tax returns, and financial advice. Working closely with clients, the firm ensures compliance with regulations and helps improve financial performance. With a focus on accuracy, reliability, and clear communication, the firm acts as a trusted partner in managing and optimizing business finances.
31	Director	A food wholesale company specializing in the distribution of products across Europe for the Middle Eastern market. The company supplies a wide range of goods, including spices, grains, canned foods, and specialty items tailored to cultural preferences. It serves retailers, restaurants, and other food businesses, ensuring timely delivery and consistent quality. With a strong logistics network and deep understanding of regional tastes, the company acts as a reliable bridge between European suppliers and Middle Eastern consumers.

Appendix F – Informed consent form

Informed consent form

Title of study: Segmentation in B2B companies
Researcher:
Institution: University of Twente
Contact information:

Introduction

You are invited to participate in a research study exploring how companies perform and manage segmentation, how it effects relations, how "bad" customers are identified and controlled.

Your participation is entirely voluntary. Before deciding whether to participate, please read the information below carefully. Feel free to ask any questions.

What Does Participation Involve?

- You will take part in a semi-structured interview lasting approximately 45–60 minutes.
- The interview will be conducted [via Zoom/Teams/in person], at a convenient time.
- Topics covered will include:
    - Customer Segmentation: How your company segments its customers and the models used.
    - Customer Portfolio Management (CPM): How CPM is applied in segmentation and decision-making.
    - Personal Relationships in B2B: The role of individual preferences in managing customer relationships.
    - Differentiation Strategies: How customers are treated differently based on segmentation, and the internal engagement required.
    - Technology & Tools: Whether and how software is used to support customer segmentation.
    - Customer Prioritization: How your company identifies and deprioritizes "bad customers" or customers it may stop serving.
- The interview will be audio-recorded for transcription and analysis.

Confidentiality and data protection

Your responses will be kept strictly confidential and anonymized in the final analysis.

Any identifying details (such as your name or company) will be removed before publication.

Only the researcher will have access to the raw data.

Data will be securely stored and deleted after Research has been completed following institutional guidelines.

Your Rights

- Participation is entirely voluntary.
- You may withdraw at any time without providing a reason.
- You may choose not to answer any question that makes you uncomfortable.

Potential Risks & Benefits

- **Risks:** There are no known risks beyond the standard confidentiality considerations.
- **Benefits:** Your insights will contribute to a better understanding of segmentation's role in B2B relationship management, potentially benefiting industry practices.

Consent Statement

I, ______________________________, confirm that:

- I have read and understood the information provided.
- I understand that my participation is voluntary and that I can withdraw at any time.
- I agree to the interview being recorded and my responses being used for research purposes.

Participant's Name: ___________________________

Signature: __________________________________
Date: _____________________________________

Researcher's Name: __________________________

Signature: __________________________________
Date: ___________________________________

Table 3 interviewee stance regarding strategic segmentation

Interviewee number	Quote
1	“Segmentation is alive…. you have to refresh and adapt the segmentation based on external factors”
2	“Through this kind of project with this visibility, then you know, so there's a certain number of variables that help us determine how strategic is this project within this client. And within this industry”
3	“We definitely do when managing existing client portfolios and focusing on customer retention. In that case, we categorize clients as low, medium, or high-value-based on factors like the number of contracts they have with us and how long they’ve been in our portfolio.”
4	“If you were a better client because you consumed more from us, the number of boxes you could get for free was higher. If you were a client who bought less, or if you were a competitor’s client who hadn’t bought any of our references, no action or compensation was directed to you”
5	“That’s how it was, and we had separate teams. I was in Tier 1, and other colleagues were in Tier 2 But two years ago, the company decided to stop paying attention to the Tier 3 customers altogether.”
6	“Yes, segmentation exists across the entire banking industry. I mean, the external agents, the competition, how does it affect our segmentation? Well, almost everyone has it segmented."
7	“I think it's essential. I think you have to do customer segmentation. You have to decide which clients you want to work with.”
8	“Yes, high-value customers get a bit of extra attention. It’s not a big difference everyone gets good service—but they may get credited faster or more flexibility.”
9	“Bigger customers get sharper prices and more stable turnover. Smaller customers are more unpredictable week to week, which affects planning and production.”
10	“We start by looking at value, but also at future potential. Our account managers visit clients and assess their needs. If a customer has a lot of potential, they’ll get assigned a key account manager in addition to their regular account manager.”
11	“Every client gets high-quality service. What changes is the amount of hours and contact. A top client might want weekly meetings and 30 hours per month. A smaller client might need only five.”
12	“The score affects the onboarding process; high scores go faster.
13	“For a customer who does something regularly, we will always make time. Indeed, if you look at delivery times we will always see if we can do something in between”
14	“The top twenty clients we have at that time of how they perform and uh in terms of margin So how profitable uh is that client? But also what is the load in the organization?”

15	“Then we take another look of yes, what is, how big is the customer? What? Based on annual sales? Then we say yes, it either goes to the direct sales team or it goes into the channel, the sales channel it goes into and then it also comes back to me.”
16	“For those doctors a bit of sponsorship for congress visits, but we have agreed on that. That's not for everyone. That small, that TC five doctor in a small local hospital is less likely to take us to a big international congress than the important leading consultant in Amsterdam.”
17	“We often have to deal anyway with p projects that you do run somewhat in the longer term. But yes, more attention is being paid to those kinds of projects. They are also given more thought. Do we want to tender for them or not? And actually always the projects where several contracts can come from. We actually always want to do that, because then you are assured of a lot of contracts.”
18	“No, of course you treat them differently, because of course you know you have also customer contracts now with high-value customer, you have a real contract where you engage on the on the business value, you're going to achieve against certain counter performance.”
19	“So that's very important to define each customer in order to allocate the limited resources in the company so all resources are limited as we know, so the, the, the personnel, the budget and everything. So, on we invest More money and time and. In these customers where we see the highest potential and then we where we get the big the biggest turn back.”
20	“The segmentation itself, if you segment for potential and you differentiate which of the customers have a growth potential versus the profitability potential, result already in very significant different actions, right? That starts from indeed the pricing within the legally compliant way”
21	“Repeat clients expect for example, certain levels of benefits and discounts, and not only money wise, but also other benefits. And there we are we are happy, or we are open to discuss that with them and give them some extra benefits.”
22	“The more revenue, the more important the customer is. The margin is of course going hand in hand with that, right. So that would be that would be connected.”
23	“By differentiating customers, it helps us to focus our efforts on those who bring the highest value to the company, either through high profitability, strategic positioning, or future growth potential. Based on the ROI and strategic segmentation, we develop different action plans for different customer types. High-performing outlets, especially those in key accounts with a high consumer footfall, receive more frequent and elaborate support ranging from exclusive trade marketing campaigns to inventory support and promotional incentives.”
24	“Clients with high lifetime value and growth potential receive deeper support—more strategic planning, custom promotions, and often prioritized logistics or marketing collaboration. On the other hand, clients with lower value or growth outlooks may be managed with more standardized procedures.”
25	“Differentiating customers allows us to optimize our efforts and resources. For example, high-value clients with complex operational needs receive dedicated cash management specialists, customized reporting tools, and tailored onboarding processes. Their feedback is often directly integrated into our product development cycles.”

26	“Differentiation allows us to tailor our approach across various consumer expectations. Some segments, for example like older, and loyal consumers, want stability. For them, we maintain legacy formats and avoid design or any type of new changes. But for example, younger and more experimental consumers want frequent innovation from us. For them, we release updated packaging, modern flavors, and alternative formats.”
27	“Preferred customers might receive early access to product launches, exclusive packaging, or promotional experiences not available to others.”
28	“a large customer generally has a greater need for eventually selling the time, for our time, where a smaller customer is already helped with much less time. So that's definitely where we made distinctions. Look, if those ratios start to get skewed, then we do try to draw the conclusion of yes this is not the right way.”
29	“it's all about efficiency. Ad hoc means less volume and higher rates. No regular driver means less efficiency.”
30	“But customers who have a higher claim value and fewer write-offs, those always get priority.”
31	“Think of a product like [anonymous brand], if it’s running low, we’re going to look very strategically: which customer gets what’s still available until we’re back in stock. So yes, there is a difference in treatment, so to speak – or an extra favour factor for the big customers. Because actually the whole company [anonymous wholesale] is set up, all the processes are set up, on wholesale. So rather wholesale products and as little as possible to the supermarket.”