

# Repositioning the customer support services: the next frontier of competitive advantage

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advantage

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## Abstract

**Purpose** – This paper aims to analyze the present status of customer support services (CSS) and advocate the re-positioning of support services from an administrative cost center to a strategic profit center. Authors demonstrate how customer support or after sales services can be a source of competitive advantage and revenue generation for firms.

**Design/methodology/approach** – The study adopts a conceptual approach grounded in theoretical foundations of service dominant logic, customer loyalty and customer centricity along with practical illustrations from the industry.

**Findings** – Following the tenets of theory, review of existing research and analysis of the industry practices, the authors propose a new framework to enable the repositioning of customer service function. The key propositions include establishing customer support as separate business unit and insights center, introducing a new role of a C-level chief customer support officer to lead the customer support unit, adopting a customer-centric culture and process, enabling frontline IT support and investing in frontline employee skills development.

**Research limitations/implications** – Academics should examine the potential of customer support, where the strategic importance is low at present, leading to customer dissatisfaction. The new approach and positioning of customer support calls for a new direction for research in this area focusing on enablers, challenges and further implications. To succeed in this competitive era, firms should be conscious of the value of customer service and undertake concrete actions to generate value for all stakeholders.

**Practical implications** – Industry can use the new framework and re-position CSS of the organizations. The CSS unit can be different from other business units in the organizations. The CSS would evolve and emerge from the live customer insights. CSS unit can be managed by the C level chief CSS officer. Customer-centric culture would be developed and front line processes can be made customer-oriented by the officer. Thus, this paper and framework would provide new customer-centric directions to the organizations for effective functioning.

**Originality/value** – This is the original piece that has emerged from the experience and expertise of the authors.

**Keywords** Customer loyalty, Competitive advantage, After sales service, Customer centric, Customer support, Customer support service, Re-positioning, Service dominance logic, Aftersales, Customer centricity, Service dominant logic, Loyalty

**Paper type** Conceptual paper

## 1. Introduction

The purpose of this paper is to analyze and advocate that customer support or the aftersales service is a key differential advantage, which is hard to replicate by competition.



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Unfortunately, customer support has been a neglected area, often relegated to operations and considered a cost center (Sterling and Lambert, 1989; Sheth, 2007), when it truly a very strategic resource and can be a good revenue or a profit center.

Historically, marketing has focused on presales activities such as branding, positioning, pricing and distribution of products and services, so that selling becomes easier, which is an expensive resource especially in business markets such as pharmaceuticals and capital equipment market such as factory machinery. It is also expensive in consumer markets because the manufacturer has to surrender margins to powerful retailers such as Amazon, Walmart and Target and provide slotting fees for the shelf (display) and promotional dollars (White *et al.*, 2000).

What has been consistently absent in the markets is the role of post-sales customer support such as delivery, installation, maintenance, financing, response to complaints and other questions that customers have after the purchase, while using the product. This is also because markets focus on the buyer and not the user. On the other hand, customer support focuses on the user and not the buyer (Sheth *et al.*, 1999).

As Peter Drucker (1954) very wisely stated, the purpose of business is to create and retain customers. While marketing, promotion and selling are key to customer acquisition, post sales customer support is key to customer retention (Kumar *et al.*, 2017). In mature economies, most products and especially services are repeat businesses. Customers become lifelong patrons, especially in services such as telephone, banking and medical services until there is a change in the company due to mergers and acquisitions, operational and IT changes or due to changes in company's strategic direction. Support is the key function to maintaining and enhancing loyalty and patronage (Murali *et al.*, 2016).

Recent understanding and use of customer lifetime value (CLV) (Kumar *et al.*, 2017) indicates how valuable a customer is, based on the total revenue generated over the life of the customer. In the USA, CLV for a family is estimated to be at \$500,000 over 25 years for supermarkets and may cross one million dollars for super retailers such as Amazon, Walmart, Alibaba and Flipkart, who as one stop shop market exchanges, offer appliances, consumer electronics, over the counter drugs and pharmacy products (Sheth, 2017). In addition, Amazon Prime now offers services such as video streaming and entertainment products and services. Alexa as a personal and digital assistant takes care of home repair and maintenance services.

However, it is ironic that, there are few chief executive officers who have risen from the ranks of customer support. It is also ironic that we do not have a (CCSO) as a member of the top management cabinet, comparable to the Chief Financial Officer (CFO), Chief Human Resources Officer (CHRO) or Chief Revenue Officer (CRO). In business-markets, however, there are exceptions to the above observation. At Caterpillar, customer support is a key revenue generator. They offer a four-hour guarantee to fix equipment problems in the field, anywhere in the world as a part of the service contract. This is also true in most capital goods industries such as equipment and machinery.

Customer support is also becoming a very profitable business. At one time, at Sears Roebuck, the two most profitable items in its merchandise group were financing and extended service warranties. They generated 64% of the net profits of the merchandise division (Lele and Sheth, 1987). The old business model of the razor and blade (where razor is free and blade generates the margin) is often the case in automobile, appliances and other durable goods. Indeed the razor and blade principle is also prevalent in the printer business and in the general office equipment business.

In this paper, we will suggest the key steps to reposition customer service in the organization so that it becomes strategic and revenue or profit division in the company. The

objective is to make the organization customer centric, where customer is in the center of focus of all functions.

This is relatively straightforward in business-to-business (BtoB) market where companies organize a key account management (KAM) and dedicate cross-functional resources ranging from information technology (IT), Service, Contracts, Logistics and Supply Chain to Customer Support. In the consumer markets, this is generally manifested by the distributor or the retailer, as a customer with the common objective to serve the end consumer (shopper) better.

The main difference we will recommend is that the KAM may be based in the customer support division and not in the sales division. In addition, customer support reports directly to the chief operating officer or the president of the company.

Though past researchers have established a firm grounding through their studies on various aspects of customer service, there exists a research gap around strategic direction for customer service. Hence, this paper aims to address it by conceptualizing the repositioning of customer support services (CSSs). Based on the theoretical foundations of service dominant (SD) logic, this paper presents seven recommendations, which can facilitate the transformation of customer support from an administrative, cost center to a strategic profit center.

The remaining of the paper is structured as follows. Section 2 presents an overview of the existing literature around customer support along with the theoretical grounding based on SD logic, customer loyalty and customer centricity. Then Section 3 introduces the conceptual framework and solution to reposition customer support function. Finally, in Section 4, the study is concluded with inclusions of academic and managerial implications, along with the directions for future research.

## 2. Review of the literature

In the era of empowered customers, firms are increasingly discovering the importance of CSS. This paper aims to provide further impetus to the transformation of customer service. This section reviews the existing academic landscape of customer support along with the theoretical concepts of SD logic, value creation and customer centricity.

### 2.1 Customer support

Customer support or after sales service is very important for businesses (Spencer-Matthews and Lawley, 2006). Watkins Liniment offered a “first of a kind” money back guarantee to customers, in 1868. However, almost 150 years later, the prevalent competitive global market and dynamic economic environment has necessitated firms to monitor customer experience around goods, services and support. The emergence of experience economy (Pine and Gilmore, 1998) and SD logic (Lusch and Vargo, 2006) have catapulted the prominence of customer support as a foundation of greater experience leading to strong relationships (Sheth, 2011) and competitive advantage (Lusch *et al.*, 2007).

Customer support augments the value of the products and services (Levitt, 1983), leading to better experience. The sum of the experiences across service incidents leads to customer’s perception of a firm. These experiences include their need fulfillment and emotional dimensions (Spencer-Matthews and Lawley, 2006). Perceived service and support quality has a significant influence on the overall brand image (Dean, 2007), loyalty and customer retention (Potter-Brotman, 1994). Hence, customer support should ideally hold a substantial strategic mind-set in organizations (Rigopoulou *et al.*, 2008). Ironically, despite this strategic importance, firms perceive customer service as an administrative cost center and often outsourced to third party vendors.

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From the academic perspective, though customer support research has seen substantial progress, a majority of the studies concentrate on operational dimensions including definition, measurement, challenges and importance. There is a lacuna for studies that outline the comprehensive views on delivering and managing the customer support to realize the full potential (Weiss, 1999; Spencer-Matthews and Lawley, 2006). This paper intends to bridge this gap, after a brief analysis of the existing theories and frameworks. The sections below provide an overview of the existing studies on customer support.

Customer support is the precursor for customer satisfaction (Berezan *et al.*, 2013), that refers to customer's assessment of the performance of a firm, products or services (Johnson and Fornell, 1991). Researchers have established persuasive evidence about the association between the customer service, customer satisfaction and brand loyalty (Sharma, 2012). Rigopoulou *et al.* (2008) have established the link between the quality of support and satisfaction, which can influence the customer-firm relationships and the behavioral intentions of the customer. Satisfied customers are a proven route to competitive advantage (Müller, 1991; Lele and Sheth, 1987). Hence, customer service and competitive advantage has been well-researched (Lele, 1997; Verstrepn *et al.*, 1999). Akbar *et al.* (2010) indicates that superior service to customers is indispensable to a firm's long-term sustainability, owing to competitive advantage, customer loyalty, word of mouth (WoM) and repeat purchases (Sharma and Lambert, 1990). Superior support services can thus contribute to profitability (Crotts and Ford, 2008). However, there exists an absence of comprehensive models, which an organization can follow to gain competitive advantage and overall profitability. Kurata and Nam (2010) have established that the customer support models, designed with the aim of profit maximization, are not the optimal way to provide maximum satisfaction to the customers. This finding accentuates the fact that future research on customer service should be based on value creation toward all stakeholders, along with the in the present gamut of performance-oriented studies.

In general, several scholars have identified the performance measurement, processes and systems for customer service at different echelons. The focus on strategy (Levitt, 1983; Lele, 1997), satisfaction of stakeholders (Neely *et al.*, 2002) and process-centric approaches of performance management and measurement (Seuring, 2002) have been widely discussed. Cavalieri *et al.* (2007) devised a performance framework for customer support to enable firms to match strategic requirements to organization metrics. Saccani *et al.* (2006) provide a clear depiction of the realistic practices in customer support along with the performance measurement, which has not been sufficiently focused on by the earlier research. However, key concepts and metrics around customer centricity and CLV have not featured as a central component in the existing frameworks. Lele (1997) advocated that customer needs based framework, with technology components for sustainable competitive advantage is cost effective and customer centric. Further research is required to integrate the key components of existing models and frameworks with organizational transformations involving process and people.

### *2.2 Frontline employees and the company culture*

Employees represent the businesses from the customers' point-of-view (Berry, 2009) which affect the customers' experience (Hausknecht and Langevin, 2010) and value with the brand promise (Sirianni *et al.*, 2013). Although support employees plays a significant role in the service delivery and enhancement of the overall experience, they remain under appreciated. Several studies have focused on the human resource challenges outlining how the employees are always under paid, poorly trained, overworked and highly stressed (Dagger *et al.*, 2013). They also have occupational stress such as poor working conditions, low work-related social status and abuses from the dissatisfied customers. Similarly, a research study found that more

than 50% of customer service employees had high level of depression, anxiety and stress (Oh *et al.*, 2017). Dissatisfaction among the employees gets reflected when they deal with the customers. The research studies across decades have emphasized on the importance of technical and behavioral training and development for customer support employees (Jackson and Sirianni, 2009; Dagger *et al.*, 2013). The older system of production-line approaches has significant control of systems and processes within the organization, leading to a mechanical atmosphere. The frontline employees need to be empowered for decision-making based on the customer needs (Gilmore, 2001). Process transformation is vital here, as the product-oriented era has led to the development of service frameworks based on the firm’s perspectives (Bolton *et al.*, 2014). In the traditional support scenario, the customer connects with the firm, provides all the details and goes through the standard processes (Markeset and Kumar, 2005). As the customer support teams work in silos, information exchange and decision-making do not happen in the most optimized way. In the era of big data and technology, customers expect firms to anticipate user needs and offer recommendations and customized services, similar to the approach adopted by ecommerce companies such as Amazon. Bringing about these changes demands investment in terms of time, effort and money. Hence, firms need to be guided toward a strategic change, which can generate additional revenue opportunities and other benefits. Therefore, there exists a dire need for contemporary research to establish a strategic change for customer support leading to sustainable advantage.

To understand the key orientation toward customer-centric support services, we are adopting the theoretical foundations from SD logic, customer centricity and customer value.

### 2.3 Theoretical framework

CSS have become the inevitable component all business in the experience economy. Existing studies outlined in the literature review specify that, customer support is set up as a “should have” entity in many organizations. Firms do not focus on optimizing the potential of a customer support function as a profit generating strategic center, capable of being a source of strong relationships and competitive advantage. Hence, this study focuses on developing a conceptual framework for repositioning customer support function from the basic tenets of SD logic (Vargo and Lusch, 2004).

Figure 1 illustrates the key areas of changes we propose to transform CSS.

2.3.1 *Service dominant logic.* Early age marketing centered on goods, known as goods dominant (GD) logic (Lusch and Vargo, 2011). American marketing association demarcated marketing as the commercial activity, which directs the goods and services from the producer to the consumer. After the Second World War, the market orientation approach was adopted, where customer needs were assessed and good were mass-produced to meet those needs. Thus, while the GD logic was dominant, customers were segmented, targeted,

Conventional		Contemporary
Good Dominant Logic	← Approach →	Service Dominant Logic
Goods	← Focus →	Services
Operand	← People →	Operant
Standardized	← Process →	Personalized
Legacy	← Technology →	Transformative
Firm Centric	← Value Creation →	Customer Centric
Product and Market Centric	← Culture →	Customer Centric

Figure 1.  
Transition of CSS

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promoted, distributed and captured with the notion of value distribution (Lusch *et al.*, 2007). SD logic focuses on value propositions centered on customers. This necessitates collaborative processes involving customers, partners and employees at multiple levels for value creation. According to the SD logic, the four Ps are aligned with the service flow such that, product is a form of service offered through an object, promotion is the conversation with the customer, price is the value proposition and place is the value network (Lusch and Vargo, 2006). While GD logic focuses on goods, SD logic superordinates services to products, providing sustainable competitive advantage. This advantage is the businesses' use of resources to develop the customer value (Rintamäki *et al.*, 2007). The value is the customers' independent sensitivities and appraisals of the total experiences (Helkkula and Kelleher, 2010), which leads to competitive advantage (Woodruff, 1997). Thus, the advantage and customer value is integrated with the value creation and delivery. SD logic relates to the customer value and specialized competencies that are exchanged for superior service quality that contributes toward satisfaction and behavior intention, eventually generating profit (Rintamäki *et al.*, 2007). Hence, the customer support strategy should be developed with the objective of value creation for all stakeholders.

2.3.1.1 Customer value. According to the tenets of GD logic, value is defined by the firm and is often embedded in the product or service. The SD logic, considers value from the customers' perspective as a functional outcome attained directly via the consumption (Vargo and Lusch, 2004). This indicates a shift from the concept of embedded value to "value in use". Mittal and Sheth (2001) explains value as the "missing link" in accomplishing customer loyalty. Value is added through the products and the services. The three main factors that enhance the customer value are performance, price and personalization. According to Mittal and Sheth (2001), these variables constitute the value space. Performance value develops through superior quality of products and services, innovation and relevant customization. Customers desire for products, which meet their requirements. Price value is the target cost. Customers consider the value that the businesses can offer at fair price. This is the genuine price, which the customers are willing to pay for the associated benefits, in conjugation with an expected level of performance value. Target costing along with the operations following the lean principles are the drivers for price value. Customer support can provide value to the customers by means of financing, target costing and mass customization. Personalization manifests through timely responses and ease of access. Value is developed through the actual experience via active participation (Prahald and Ramaswamy, 2004). Frontline information systems and customer insights can be the most powerful tools to understand customers and deliver the personalization value. However, the employees should be enabled and empowered to utilize technology and information to formulate the right approach to respond to customer service requests. Thus, through the value-creation approach, customer support can transform the business.

According to Belal *et al.* (2013), Omotenashi principle advocated by the Japanese, sustainable value develops through the foundation of superior customer service. Omotenashi represents a comprehensive value ethics to please the customers. Even though Omotenashi is similar to friendliness and hospitality, the concept also proposes a deeper acknowledgement for another person. Japan based automobile company Toyota delivers greater customer value through superior support and in depth recording and analysis of user experiences. The learning from the customer insights are employed to understand the product and service requirements of the customers. This helps the company to manage service design more effectively using lesser resources than the competitors, resulting in value creation. However, this creation of value is not a single sided activity, as value has to be co-created with customers through the service (Vargo and Lusch, 2004). Hence, the role

played by the employees becomes very critical to ensure positive experience and value creation across the customer journey.

2.3.1.2 Employee value. CLV is proportional to the functioning of multiple stakeholders of the firm, including employees, who are the vital contributors. The lifetime value of employees (ELV) can be an effective baseline metric while deciding on the resource allocation towards employee development programs. Employees with higher ELV will be knowledgeable, skilled and loyal to the company. They would possess the right attitude and skills to serve customers better, leading to higher CLV. Moreover, the SD logic, considers employees as the operant resources to create innovative knowledge and skills for the competitive advantage. Knowledge and skills drive the success of the business (Vargo and Lusch, 2004). SD logic mentions that value has to be co-created via collaborations among the stakeholders (Vargo and Lusch, 2004). Many businesses have re-invented themselves as the “service” organizations by considering employees as their resources. Leader should be a servant who serves the employees rather than management domination over employees. Employee-management interaction leads to development of trust and liberal work environment leads to innovative ways of providing services. Competence augmentation is via internal and external support training and educational program that provides competitive advantage to the businesses through satisfied employees. The Service Chain Profit Theory (SPCT) also strengthens this view. According to SPCT (Heskett *et al.*, 2015), the employees’ perceived job quality affects the standard of customer service. Owing to the high level of customer service employees’ turnover (Malhotra and Mukherjee, 2004), there is a dearth of experienced staff, as new resources need to be hired and trained regularly. This process brings down the efficiency and service level, which causes customer dissatisfaction (Spreng and Mackoy, 1996). Hence, customer support centers need to focus on employee satisfaction through job quality (Matzler *et al.*, 2004) for superior customer support experience. Focus and investment on employees is inevitable to drive customer-centric support and processes. This is practically illustrated by Rosenbluth International (Rosenbluth and Peters, 2002), where “employee first” attitude has resulted in outstanding service to customers, and ultimately firm’s success.

2.3.2 Customer centrality. Customer centrality, which necessitates customer placement within the epicenter of business strategy, is now considered as the Holy Grail for success. This is in stark divergence to the approaches centered on the products, which was dominant in the early years of industrialization (Shah *et al.*, 2006). Owing to the IT revolution and changing customer demands, focus has shifted from products to competition and then to customers (Sheth *et al.*, 2000). The basic tenets of product centrality focus on transaction and selling (Shah *et al.*, 2006). Whereas the paradigmatic shift to customer centrality advocates focus on relationships and value creation for all the stakeholders (Boulding *et al.*, 2005), the major focus areas of customer-centric firms include customer intelligence, interaction, involvement and integration (Lamberti, 2013).

According to Shah *et al.* (2006), customer-centricity is developed through continuous interaction with the customers and is based on the firm-customer relationships (Gummesson, 2008). To develop and enhance the relationship with the customer, trust between the firm and the customers is a vital factor (Jain, 2005). This trust develops through the adaptive learning about customers’ needs and preferences (Sun *et al.*, 2006) and appropriate interactions. The interactivity needs customer support to ensure customer centrality through superior experience. Howard Sheth’s theory also discusses the importance of experience in the buyer behavior model (Howard and Sheth, 1969). Customer experience is the important factor for value creation (Vargo and Lusch, 2004). Customer centrality thus forms the basis of customer experience, support and competitive advantage.

The brand Xiaomi, who entered the Indian Smartphone market in 2014, has dominated the market with close to 30% market share through innovation, pricing and after sales support services. Xiaomi is the highest in terms of CSS by a recent survey from RedQuanta ([Business Standard Web Team, 2018](#)). Though customer centricity is extensively discussed in the academic landscape, customer support contexts have been a gray area, which this research focuses on.

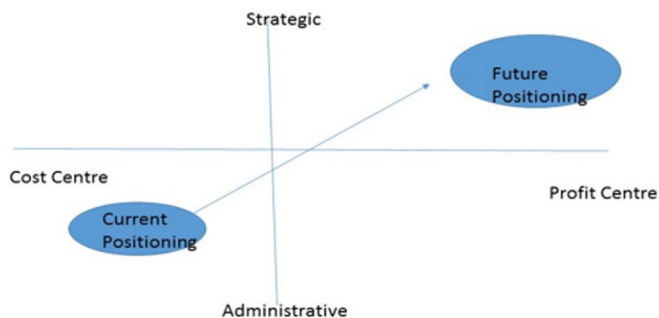
### 3. Repositioning the customer support services

Thus, drawing the theoretical foundations from the past literature, we propose the repositioning of customer service from administrative function to a strategic function. This shall enable firms to transform customer support to a profit center as explained in [Figure 2](#).

Here, we have suggested a two-dimensional shift to reposition CSS from a cost center to a profit center. Several BtoB companies including Siemens, General Electric, and Philips in their energy and medical device businesses have implemented the transformation. In fact, General Electric made acquisitions of several after sales services and created a separate GE Energy services division. Siemens aggregated worldwide after sales services revenue into a stand-alone global division in industrial automation with several billion dollars of global division.

As mentioned before, retailers such as Sears, Macy's, Target and more recently Walmart have included value added services such as credit cards, extended warranties and maintenance contracts. The best example is Best Buy, who bought a tech support company for installation and maintenance of customer electronics and computers. Amazon has a proven successful Amazon Prime prepaid service for free shopping and many value added services such as Amazon TV.

The second dimension is also key in repositioning the CSS. At present, customer support is an administrative function handling customer enquiry, complaints, merchandise return and payment related issues such as collection from the delinquent accounts. As an administrative function, customer support is often outsourced to a third party vendor (BPO companies such as Genpact). In addition, if managed internally, customer service often has the lowest paid frontline office technicians and service support with high turnover. Finally, the customers often have to wait a long time over the phone to get access to anyone. In short, what seems to be the most critical function in terms of customer contact and customer experience is the least because it is a cost center and considered as an administrative headache. We think it needs to reposition as a strategic function with a chief customer support officer reporting directly to the CEO or COO. Moreover, he or she should be a part of the top management team and provide user perspective in the strategic planning process. In



**Figure 2.**  
Future direction for  
CSS

Figure 3, we have provided several suggestions to elevate customer support as a strategic function with profit and loss responsibility.

### 3.1 Customer support as a standalone business unit

Customer support is a most important channel through which a customer continues a meaningful connection with a firm. Customer support is vital for a firm's competitive advantage. Hence, the logical path is to establish CSS as an autonomous business unit, endowed with revenue responsibilities, governance and processes. Ahmad and Butt (2012) have established that customer service forms a unique and separate measurement of consumer based brand equity (CBBE). This further strengthens the arguments toward the need for a separate business unit. This independent unit can support other business units such as marketing, quality, sales and product development. Importantly, this business unit can handle the critical function of KAM. The management of key accounts includes professionals who specifically assess the customer's requirements and helps to fine-tune the rest of the functions with a customer-centric approach. When customer support is empowered and enabled for KAM, significant improvements can be expected in the area of CRM. Such a unit should function as a separate profit center with its own budget and executives reporting to the CEO. Subsidiaries can also fully exploit profit centers and provide indication that businesses are performing well. Subsidiaries provide the value chain and freedom for structures. For example, HCL technologies started the BPO business after acquiring Apollo Contact Center. Wipro went with the strategic investment route as company invested in Spectramind while Mphasis effectively develop subsidiary for the BPO operations. However, for the successful functioning of the business unit, firms need to appoint a C level executive, to drive the customer centricity, revenues and competitive advantage.

### 3.2 Appoint a chief customer support officer

Customer support centers should appoint a chief customer support officer, CCSO. The CCSO should report directly to the CEO of COO, similar to the HR, Finance and Legal functions.

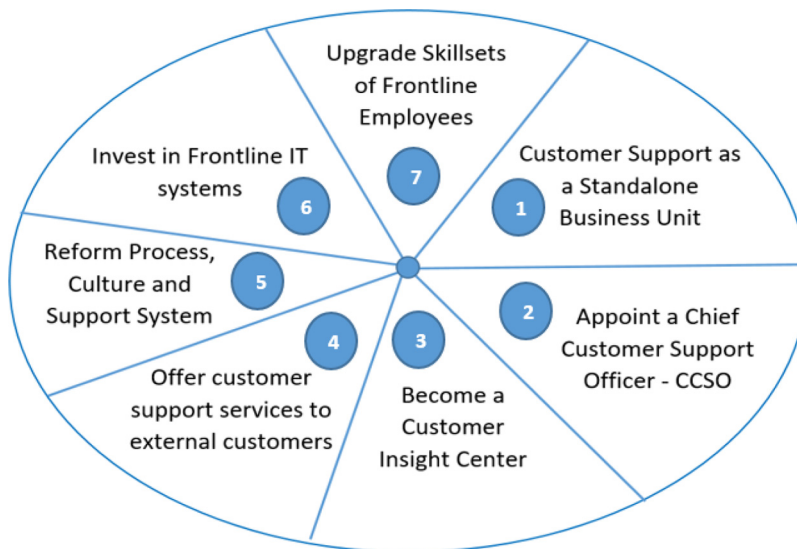


Figure 3.  
How to make  
customer support a  
strategic function

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Customers have become very demanding, competition has increased and competitive advantage is diluting. Strong relationships with the customers are required for competitive offerings. CCSO can address this through three main objectives (Bingham, 2009). First, drive profitable customer behavior. CCSO help the customers to spend more on value adding right products and services. CCSO should aim at profitable segmentation, loyalty, customer retention, and customer experience. Second, develop customer-centric culture. The culture leads to accountability and ownership at all various levels in the business. CCSO also sets the priority for the customer initiatives and identify most profitable deal for the company, which can generate high impact and drive customer value. Third, integrate customer and corporate strategy in the C-suite across the business. CCSOs provide customer perspectives that can help in developing corporate strategy while defining the customer portfolios, customer acquisition and retention with high value and loyalty. Loyal customers may not be eager to switch easily from the existing brands. Thus, the firm can grow their profits by increasing the price of a high quality product, gain repeat customers, decrease the marketing related expenses and grow with loyal customers, repeat business and word of mouth (Lele, 1997). Finally, to generate value under the leadership of CCSO, customer support center should be able to generate valuable insights.

### *3.3 Become a customer insight center*

The customer service organization collects information, archives and can conduct data analytics. Data mining techniques can extract the knowledge from the customer service activities. Strong insights can act toward customer-centric metrics including CLV (Verhoef and Lemon, 2013), generating personalized strategies to attract and retain customers. However, IT has to be managed effectively so that insights can be drawn from customer interactions (Navimipour and Soltani, 2016). Data warehousing and domain specific analytics can also help in this approach. For instance, SAS can help in identifying the customer data points, businesses can target and respond to these needs especially for the profitable customers effectively. e-CRM has become the most prominent information system that helps the organization to connect with the customers. The system facilitates in collecting, storing and analyzing the customer data and providing comprehensive views and insights about the customers. This is the useful information and value added knowledge about the customers. The data is about not only the purchasing patterns but also the attitude and preferences of the customers. However, customer support employees play a significant role as they receive the first hand information about the customers' needs (Lages and Piercy, 2012). Thus, an integrated customer-centric model with alignment of technology, human and business resources leads to the strengthening of the customer relationships through insights. Therefore, in the process, the customer support develop competencies, that enables them to offer the services for revenue generation.

### *3.4 Customer service business: offering to the outside world*

Customer service centers, supported by skilled employees, innovative technology and optimized processes have the potential to generate revenue by offering services to other firms. To enable such revenue generation, customer service centers should transform from captive units to commercial centers. This is how the company Electronic Data Systems (EDS) became successful after being bought by General Motors. Thus, customer service units become value centers. Venkataraman's (2005) theoretical aspect explains value center as an organizing concept, which integrates four dimensions; cost center, service center, investment center and profit center. The cost center is the operational area that aims at minimizing the risks while increasing the efficiency. Service center also minimizes the risk but the focus on developing business capabilities that can facilitate the business approaches.

On the contrary, investment centers focus on the long terms objectives that can develop new business. Finally, profit centers create and develop the services to the external market for making revenue and enhancing the valuable expense. To sum up, cost and service center components reduces the risks and investment and profit centers maximizes the opportunities to shape future of the businesses. If needed, the customer support centers can spin off as an independent unit. For instance, British airways is among the top first company to spin off the Indian outsourcing since 2002, which is now known as WNS services. General Electric also sold its outsourcing arm in 2005 for US\$500 million (Economic times, 2007). Thus, customer support centers can generate additional revenue opportunities, if transformations are made within the process, culture and support systems.

### *3.5 Internal transformation of processes, culture and systems*

Customer-centric processes are inevitable in this digital era. Payne and Frow (2005) elaborate five generic processes that the organization have to use to become customer-centric business. First, integration of customer and business strategy. Second, dual value creation process within the organization. Third, multichannel integrated process, which includes all the customers' touch points. Fourth, information management processes which integrates data collection and data analysis. Fifth, performance assessment, which aligns the action of the businesses with the performance. Hence, customer-centric business would require changes in the marketing metrics. To measure metrics, share of customer wallet, customer process, customer equity and customer relationship (Deighton, 1997) and customer-centric attributes should be used (Rust *et al.*, 2004). Importantly, these metrics would be effective only if the organizational culture imbibes customer centrality.

Customer-centric culture develops from the beliefs and mental models and framework of the employees. A customer-centric organization would develop customer advocates within the organization (Shah *et al.*, 2006). Additionally, time and effort investment from the senior executives is very important to drive the customer-centric culture in the organization. A customer-centric organization would coordinate all the functional activities aligned with customer value. Customer-centric organizations would need to practice internal marketing to ensure that the employees imbibe the organizational commitment that focuses on superior customer service experience (Mosley, 2007). Organizations ought to develop a service climate and culture for employees to delivery high quality customer service (Schneider and Bowen, 1995). The employees should experience the customer-centric values as well. Along with the changes in the company culture, the support system including the other stakeholders is vital for success of CSS.

Service based experiences co-developed because of the exchanges of the customer with multiple stakeholders, including suppliers, retailers and distributors. SD logic propagates the idea of generic roles, where actors are involved in mutual exchanges, where a customer is an equal participant in creating value (Ekman *et al.*, 2016). The experiences from customer service instances is developed from exchanges among varied actors in the wider market networks (Jaakkola and Alexander, 2014). The co-creation encompasses the supplier's action to develop better value propositions, for the customers. To achieve this, the company has to work in tandem with multiple stakeholders in the value network. For instance, Lusch *et al.* (2007) proposes how a retailer can be an effective integrator, as they have a larger and vital role in facilitating superior customer experience. Thus, the principles of SD logic can explain how a retailer can be customer experience generation partner (not just a part of the supply chain network). This change also ensures that the retailer gains a level of competitive advantage. In a similar way, for all companies should collaborate channel partners such as automobile dealers, insurance agents, resellers, system integrators, original equipment manufacturers and wholesale distributors. All these efforts should be sufficiently supported by the IT resources.

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### 3.6 Invest in frontline information technology systems

In this digital era, effective Frontline Information Systems (FLIS) is inevitable to manage lasting customer relationships through the support function (Parvatiyar and Sheth, 2001). The latest CRM tools and technologies can facilitate personalized interactions with the customers across service touch points. The customer data collected from the digital footprints as well as past interactions can open up vast possibilities for personalization. Additionally CRM tools are increasingly featuring AI components ranging from personal virtual assistants to automation facilities such as robotic process automation (RPA) which can immensely benefit the customer support teams. AI can also essay support roles for customer service departments, which includes query channeling, customer analytics and feedbacks on customer service agent's performances. For instance, Udacity, the leading learning platform, is using the AI to help the human agents to perform better. AI based chatbots can be used to support the customers through natural language processing (NLP) and Machine Learning (ML) based engagement by means of textual or voice based conversations. Various companies have adopted the messenger bots available via Facebook to deliver superior level of functions through AI based models (Modrzejewski and Rokita, 2018). A single bot can engage with more than a million customers and their support requests at a time. Axis Bank, a leading bank in India has reported that AI based automated customer support lead to increased efficiency with close to 75% shrinkage of the size of their teams (Axis Bank, 2019). Machine learning (ML) is also a key component of CRM products, to ensure that the features like the unique product recommendation of Amazon is no accessible to more organizations

As the customer support function strives to develop customer insights, the FLIS should enable enterprise wide information integration; rule based sharing along with data mining capabilities. Firms that focus on cutting-edge FLIS can attain higher levels of customer satisfaction. The customer support employees should also adequately trained in the technology and skills to ensure that the transformation is complete.

### 3.7 Upgrade skillsets of frontline employees

The conduct of the front line employees, primarily the interpersonal and technical skills influences customer perceptions (Homburg, Wieseke, and Bornemann, 2009). When the management requests the customers to explain their top of the mind recall, they mention the service and support employees, who manage the customer transactions. However, these employees are not at the top of the mind of the employers (Jackson and Sirianni, 2009). They are treated as expenses rather than the assets in the businesses. However, a customer-centric organization, striving to gain competitive advantage through customer support, cannot afford to ignore the employees, who are the operant resources based on the SD logic. The level of skills, competence and professionalism of the employees are key to attain customer satisfaction (Sheth, 1994). This demands diligent hiring, and regular functional training to develop their skills. The professional and competent employees can contribute to customers' psychological comfort level (Sheth, 1994). Moreover, with the strategic responsibility of KAM, specific relationship building skills have to be nurtured in the team. The KAM professionals ought to synchronize resources and actions across varied stakeholders.

KAM demands revenue-generation along with CRM, which calls for specialized skills (Guenzi *et al.*, 2007). Customers expects such professionals to anticipate future requirements and design all-inclusive solutions that can surpass competition, while maintaining trust and professional integrity. Hence, strategic customer support teams need to develop a range of skillsets covering, technical and operational knowhow, marketing expertise, financial and legal requirements (Guesalaga *et al.*, 2018). In short, employees have to be sufficiently equipped to become the value co-creators and decision makers.

We believe that the seven key steps outlined above can lead to a two-dimensional transformation of customer support to a customer-centric profit generating strategic function. As customer centricity becomes the religion for customer support, the end user satisfaction and the resulting competitive advantages can lead to growth. Additionally, the organizational capabilities honed for customer support can be invested in a multitude of areas such as customer insight generation and offering new services to the external world. This has key implications for the industry as well the academic fraternity.

#### **4. Implications, conclusion and future research**

In the golden era of service, the after sales support and experiences generated through customer support are extremely vital to satisfy and retain customers. The priority system of the business world, often assigns the lowest status to customer support in terms of strategic importance, process innovation and employee status and development (Sheth, 2007). However, as detailed in the above sections, customer support which is the key interconnecting node between a firm and customers. This unique positioning widens opportunities to generate more value form the customer support for all the stakeholders. The host of advantages from superior customer support includes customer satisfaction, retention and sustainable competitive advantage. However, customer support need to be transposed from the present level to a strategic function equipped with revenue generation possibilities.

This study proposes seven recommendations to guide the strategic repositioning of customer service. First, customer service should be set-up as an independent business unit, handling tactical functions such as KAM. The unit with revenue targets and budgets will extend vital support to other functions. Second, a Chief Customer Support Officer, reporting to the CEO should be on board to effectively lead the team that would achieve the key objectives through a customer-centric focus. Third, as customer service unit is close to the “customer pulse”, they can contribute strategic decision making in a firm through customer insights. Fourth, the improved and optimized customer support function can drive a new service line for the firm, by offering support services to other companies. This ensures additional revenue generation opportunities. However, these transformations call for internal shifts. Therefore, the fifth step focuses on ensuring a customer-centric culture, processes and systems in the organization. Sixth, the changes need to be augmented by superior frontline IT systems, which can work in tandem with the human resources. Seventh, the backbone of all the changes is the investment in the most important resources, the customer support professionals. These employees should be armed with the essential technical, functional and personal skills to provide the desired experience and support to the customers. These changes will help companies to gain the unique competitive edge. The transformation also leads to important opportunities for future research.

The research agenda for the future is visualized around three areas. First, from a strategic perspective, the inevitable re-design of the customer service will not be an easy path for firms. Hence, future studies should focus on enablers, challenges for such transformations, and develop appropriate frameworks for implementation. Such studies should include all the stakeholders, while emphasizing on the dyad approach with the customers and firms in future. As the transformation generates key customer insights, new business models should be developed based on the additional resources.

Second, from a technology standpoint, future research should address how IT would merge with customer support, leading to new business strategies, including cyber-human systems, where employees and machines will be working as a team. Technologies such as AI can play a significant role in analyzing training needs in real time, matching with available trainings including massive open online courses. There is a need for new thoughts and theoretical

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perspectives to explain such techno-enabled future of customer support, implications, challenges, and best practices. Third, researchers can provide vital human resources and cultural aspects of the model proposed in the study. As the chief customer support officer leads the proposed technical, functional, strategic and organizational changes, further research on the role and the corresponding dynamics with the other C-level executives will be important to explore. Similarly, the effect of adoption of customer centricity and technology adoption as a “co-worker” on employee personality calls for in depth research. Thus, we believe that this study has the potential to contribute significantly to practice and research.

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### Further reading

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