



Leveraging Customer Service Support to Enhance Brand Value and Corporate Performance: Evidence from the Fintech Industry



Vladimir Valerevich Syropyatov^{1*}, Igor Anatolevich Arenkov², Soman Sajid³, Daniyal Haider Mahar⁴

¹Postgraduate student of St. Petersburg State University, 62 Tchaikovsky Street, 191194, Saint Petersburg, Russia

²Doctor of Economics, Professor, Head of the Department of Enterprise Economics and Entrepreneurship of St. Petersburg State University, 62 Tchaikovsky Street, 191194, Saint Petersburg, Russia

³Graduate of St. Petersburg School of Economics and Management, marketing expert in IT company, 3 Kantemirovskaya Street, 194100, St. Petersburg, Russia.

⁴Postgraduate of St. Petersburg School of Economics and Management, 3 Kantemirovskaya Street, 194100, St. Petersburg, Russia.

ABSTRACT

Objective –This study investigates the role of customer service support (CSS) in co-creating brand value and enhancing corporate performance in the fintech industry. The research focuses on analyzing the impact of CSS on the customer journey from registration to first deposit.

Methodology – The study utilizes historical data analysis and A/B testing. Client data from a leading fintech company is analyzed to compare conversion rates between those who used CSS versus those who did not. An A/B test is then conducted using a specialized support team targeting clients who haven't made a deposit and had less than 2 chats with CSS.

Findings –Clients who used CSS before depositing had 5 times higher conversion rates. The A/B test found a 3.1 percentage point (9.3% relative) increase in conversion from using targeted support.

Novelty –This study provides new empirical evidence on the impact of CSS as a brand value co-creator in fintech, with a novel methodology to enhance corporate performance.

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1. Introduction

The financial technology (fintech) industry has experienced massive growth and disruption in recent years. As competition intensifies, fintech companies face increasing challenges in attracting and retaining customers in a crowded market (Nair et al., 2021). While marketing expenditures aimed at brand building are common, the critical role of customer experience is often overlooked.

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* Corresponding author: Vladimir Valerevich Syropyatov

E-mail: c4ward@ya.ru

Affiliation: Postgraduate student of St. Petersburg State University, 62 Tchaikovsky Street, 191194, Saint Petersburg, Russia

Providing an exceptional customer experience, with customer service support as a key touchpoint, can create substantial value for fintech brands. However, the specific impact of customer service support on consumer behavior and corporate performance in fintech remains poorly understood (Gulfraz et al., 2022).

This paper addresses the research gap by investigating the influence of customer service support on brand value and performance in the fintech context. The significance lies in delineating the potential of customer service as a brand value co-creator and lever for improved consumer conversion and operational efficiency.

The study utilizes a case study approach and data analysis from a leading fintech company, focused on the customer journey stage from registration to first deposit. By examining this crucial phase, practical insights are provided for enhancing performance. This research contributes to both theory and practice regarding the under-explored role of customer service in fintech brand building and performance management.

Research Problem: The research problem addressed in this paper is the need to understand the impact of customer support service as a brand value co-creator on consumer behavior and company performance in the fintech industry.

By exploring these research questions, the study seeks to elucidate the role of customer support service and its implications for both consumers and fintech companies.

This research contributes to the scientific and business communities by shedding light on an under-explored area and opening up possibilities for future studies. Moreover, it provides a practical approach for businesses to improve their operational performance by leveraging their existing customer support resources.

The paper is organized as follows. First, a literature review examines existing research on customer service support as a co-creator of brand value and its influence on clients. Next, the research methodology describes the case study approach, data sources, and analysis techniques which were used. Following this, the results of the historical data analysis and A/B testing are presented. The paper concludes with a discussion of key findings, implications for theory and practice, limitations, and directions for future research.

2. Literature Review

This study is framed using the theory of brand value co-creation (Prahalad & Ramaswamy, 2004). This theory posits that companies can collaborate with customers to co-create value for both parties. By providing personalized service and solutions, companies can enhance customer satisfaction and loyalty, leading to improved brand value.

Prior research has applied this theory to demonstrate how customer service quality and satisfaction drive value creation through increased trust, loyalty, and brand equity (Anderson & Mittal, 2000) (Rust & Zahorik, 1993). The current study extends this theoretical lens to the fintech context, filling a gap in understanding customer service specifically as a brand value co-creator.

The literature documents customer service support's significant positive impact on satisfaction, loyalty, brand image, trust, and overall brand value across industries (He & Li, 2010) (Kim et al., 2004) (Wikström, 1996). However, the role of customer service support as a brand value co-creator in fintech remains underexplored, presenting a gap this study addresses.

The proposed relationship between customer service support, value co-creation, and corporate performance indicators is consistent with brand equity theory (Keller, 2016). By testing this relationship empirically in fintech, this research provides new evidence and supports the applicability of brand value co-creation theory in this industry.

Customer Service Support as a Co-Creator of Brand Value. In the framework of the current study concept of Customer Service Support will be used the most relevant definition of this concept was described as Service which receive questions and inquiries from the customer and provides customer with an instant

information regarding the received inquiry (Stoilova, 2021). Customer service support plays a crucial role in the co-creation of brand value. According to (Prahalad & Ramaswamy, 2004), brand value co-creation refers to the process of customers and companies collaborating to create value for both parties. In the context of customer service support, customers and companies collaborate to create value through the resolution of issues, addressing customer inquiries, and providing personalized solutions. By providing exceptional customer service support, companies can improve customer satisfaction and loyalty, which in turn increases brand value (Zeithaml et al., 1996).

The impact of customer service support on brand value has been documented in the literature. According to (Anderson & Mittal, 2000), customer satisfaction, which is closely related to customer service support, has a positive impact on brand loyalty. The study found that satisfied customers are more likely to repurchase products and recommend the brand to others, ultimately leading to an increase in brand value. Similarly, (Rust & Zahorik, 1993) found that customer service quality has a positive impact on customer satisfaction and loyalty, which in turn leads to an increase in brand value. The study found that customer service quality was the most significant predictor of customer satisfaction and loyalty, highlighting the importance of customer service support in brand management. Moreover, According to (He & Li, 2010), customer service support has a significant impact on brand image, which ultimately affects brand value. Furthermore, customer service support has been found to markedly influence customer trust, which in turn affects brand value. According to (Kim et al., 2004), companies that provide excellent customer service support tend to have higher levels of customer trust, which leads to an increase in brand value.

Customer service support plays a critical role in brand value co-creation. Through exceptional customer service support, companies can enhance customer satisfaction and loyalty, ultimately leading to an increase in company profitability indicators as well as leading to an increase in brand value. The impact of customer service support on brand value has been well-documented in the literature, with studies showing that customer service quality, customer satisfaction, brand image, and customer trust are all closely linked to brand value (Anderson & Mittal, 2000) (Liu et al., 2020) (Kim et al., 2004) (Rust & Zahorik, 1993) (Wikström, 1996) (Zeithaml et al., 1996).

Therefore, it is essential for companies to prioritize customer service support as a means of co-creating brand value and improving company performance. By providing personalized solutions, resolving issues, and addressing customer inquiries, companies can collaborate with customers to create value for both parties (Prahalad & Ramaswamy, 2004).

However, there is a research gap in the scientific literature of a specific consideration of customer service support as a co-creator of brand value, and there is no detailed methodology in the literature for using this influence to increase a company's operational performance. This research gap will be addressed in the current paper by investigating the influence of customer service support on brand value co-creation and corporate performance within the fintech industry.

Influence of customer service support on clients. With the rise of social media and other online platforms, customers have more power than ever before to voice their opinions and influence the perception of a brand. Therefore, companies that provide excellent customer service can benefit from positive word-of-mouth marketing, increased customer loyalty, and enhanced brand value.

Customer service support plays a critical role in shaping the perception of a brand. A study by (Susskind et al., 2003) found that positive customer service experiences lead to higher levels of customer satisfaction, which in turn, leads to increased loyalty and repeat purchases. Additionally, a study by (Kandampully & Suhartanto, 2000) revealed that excellent customer service can create a sense of trust and confidence in a brand, leading to increased brand loyalty and advocacy.

Furthermore, research suggests that customer service support can also influence the perceived value of a brand. A study by (Bhatnagar, 2022) found that customers who receive high-quality customer service

perceive the brand as more valuable and are willing to pay more for its products or services. This indicates that customer service support can serve as a co-creator of brand value, enhancing corporate performance.

Moreover, customer service support can also impact the overall reputation of a brand. A study by (Sashi, 2012) found that customer service experiences can significantly influence the way customers perceive a brand's reputation, leading to positive or negative word-of-mouth marketing. This highlights the importance of providing excellent customer service to not only retain customers but also to attract new ones.

3. Research Methodology

Population and Sample. The study population comprises customers of a leading fintech platform in India. A sample of over 10,000 new users who contacted customer service support and created chats over a 1-year period was analyzed. This sample enables comparison of users who converted to make a first deposit versus those who did not after utilizing customer service support.

An additional sample of 3,369 users from India who had made 1 or fewer support inquiries and had no deposit was selected for the A/B test experiment. This sample represents the target population of users who engaged with customer service but did not yet convert.

Conceptual Framework. Based on brand value co-creation theory, the conceptual framework proposes that customer service support influences brand value and corporate performance indicators by improving customer satisfaction, trust, loyalty, and brand equity. This study empirically tests the proposed associations between customer service support, value co-creation, and corporate performance in the fintech context.

Business case. Motivated by the findings of the aforementioned studies, the authors initiated their inquiry into the feasibility of leveraging the impact of support. The study commenced by dividing the customer journey into distinct phases. Specifically, the customer journey on the Financial Technology platform of Company 1 was segmented into six stages, as illustrated in Figure 1.

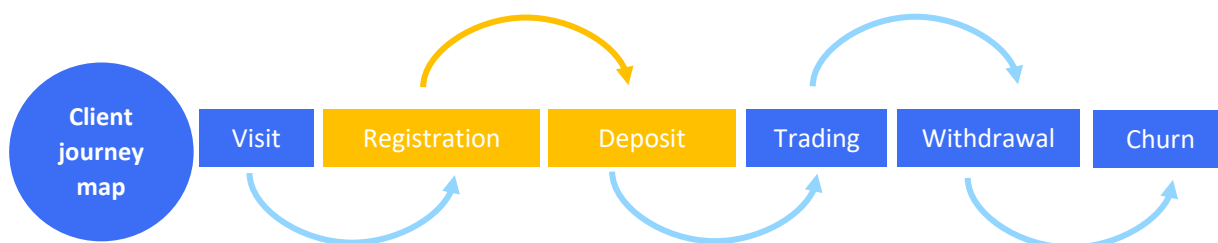


Figure 1. Client Journey map

Due to the availability of extensive historical data and the structured nature of the analysis, the moment of a client's transition from registration to the first deposit (hereinafter referred to as activation) was initially selected for study. The study collected data on clients registered during the calendar year from September 1, 2021 to September 1, 2022, and grouped them into cohorts based on their month of registration. The historical data revealed that clients who contacted support had over five times higher effectiveness in converting to a deposit on average - as shown in Figure 2.

Table 1. Client conversion from registration to activation during 1 year period

Registration month	% of clients activated without support contact	% of clients activated with support contact	In how many times conversion differs between clients who contacted support and who did not
9/1/2021	4.0%	15%	3.7
10/1/2021	3.3%	15%	4.6
11/1/2021	3.0%	17%	5.6
12/1/2021	3.4%	19%	5.7
1/1/2022	3.3%	19%	5.7
2/1/2022	3.7%	19%	5.1
3/1/2022	3.0%	15%	4.8
4/1/2022	2.3%	13%	5.6
5/1/2022	2.5%	13%	5.2
6/1/2022	2.4%	13%	5.6
7/1/2022	2.3%	14%	6.1
8/1/2022	2.1%	14%	6.8
9/1/2022	2.1%	15%	7.3

It can be assumed that people who contacted support were initially more interested in trading and purposefully came to the platform, but this does not negate the fact that if these clients had encountered a lack of support or poor quality of support, they might not have chosen the platform.

Undoubtedly, the number of individuals who did not engage with the chat prior to activation is several times greater than those who did, rendering absolute measurement meaningless. However, when we examine relative values, we observe consistent differences that cannot be explained by mere dispersion or any product-related issues. The relative figures obtained suggest that through support, we have been able to pinpoint a user cohort with over 5 times greater activation potential and interest in platform interaction. These data can serve as a basis for more precise targeting in marketing campaigns, in-platform activities, internal sales, email letters, and so on.

Further research focused on the category of customers who contacted the chat before making a deposit and studied the differences between the cohort who made a deposit after the chat and those who did not. In order to identify any patterns within the chats, it was decided to narrow down the study to one country, India. Within the same time period (calendar year), over 10,000 new users from India who created over 20,000 chats were studied. As a result of the chat analysis, it was found that chats of customers who activated after communicating with support, based on the median value (to discard outliers from the data), differ from those of customers who did not activate in the following quantitative characteristics:

The number of customer replicas is 1.23 replicas more

The chat length is 1.91 minutes longer

The number of agent replicas from customer support is 0.93 replicas more

Based on this data, a hypothesis was formed that the cohort of customers who did not activate after the chat lacked personalized communication from client service support. To test this hypothesis, a special support line was created for non-activated customers aimed at activating these customers.

Then an A/B test was conducted. The target audience for the A/B test was registered customers from India who had not made a deposit at the time of the chat. To optimize the support workload and potential effect, the cohort of these customers was narrowed down to those who had made no more than one support inquiry at the time of the chat.

Further analysis of historical data on the cohort of customers who made a deposit after communicating with support revealed that on average, 75% of customers make a deposit after 1-2 support chats, and further chats are potentially less effective than the first two - see Figure 3.

Table 2. Distribution of clients by how many chats they created before 1st deposit

Reg_m	Did dep after 1 st chat	Did dep after 2 nd chat	Did dep after 3 rd + chat
2022-09-01	48%	21%	31%
2022-08-01	47%	23%	30%
2022-07-01	49%	22%	30%
2022-06-01	48%	22%	30%
2022-05-01	53%	22%	25%
2022-04-01	52%	19%	29%
2022-03-01	52%	21%	27%
2022-02-01	56%	22%	22%
2022-01-01	53%	22%	25%
2021-12-01	56%	21%	23%
2021-11-01	58%	21%	20%
2021-10-01	60%	19%	21%
2021-09-01	54%	20%	26%

3. Results & Discussion

During the period from 14.11.2022 to 04.12.2022, the cohort of customers meeting the following criteria at the time of the chat with customer support was selected:

- Not having made a deposit
- Creating less than 2 chats with customer support
- Coming from the country for testing purposes

AB testing was conducted on the external platform "Amplitude". Clients were randomly divided into two groups in a 50/50 ratio. One group was directed to a specially trained line with personalized communication aimed at activating the client, while the other group was directed to the regular support line. During the

experiment, 3369 clients participated, 1657 of whom were in the control group and 1712 were in the test group. The conversion rate as of December 4, 2022 was 33.2% and 36.3% respectively. The absolute difference was 3.1 percentage points or 9.3% compared to the control group - see Figure 2.

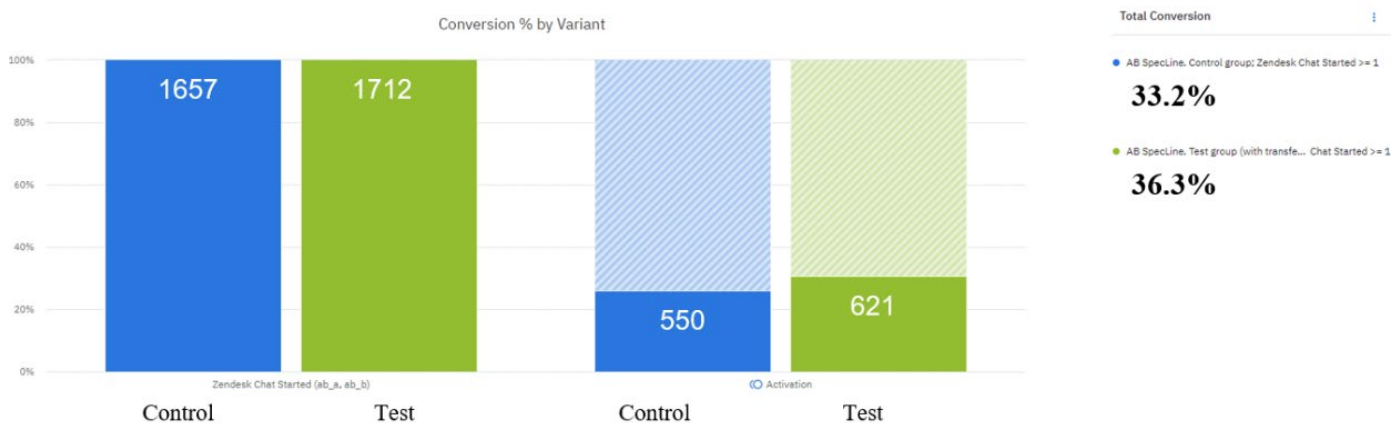


Figure 2. Final conversion in the test and control group of AB test

The experiment was stopped on December 4th, 2022, as a statistical significance of the differences between the control and test groups was reached - see figure 3. The level of significance was 97.1%

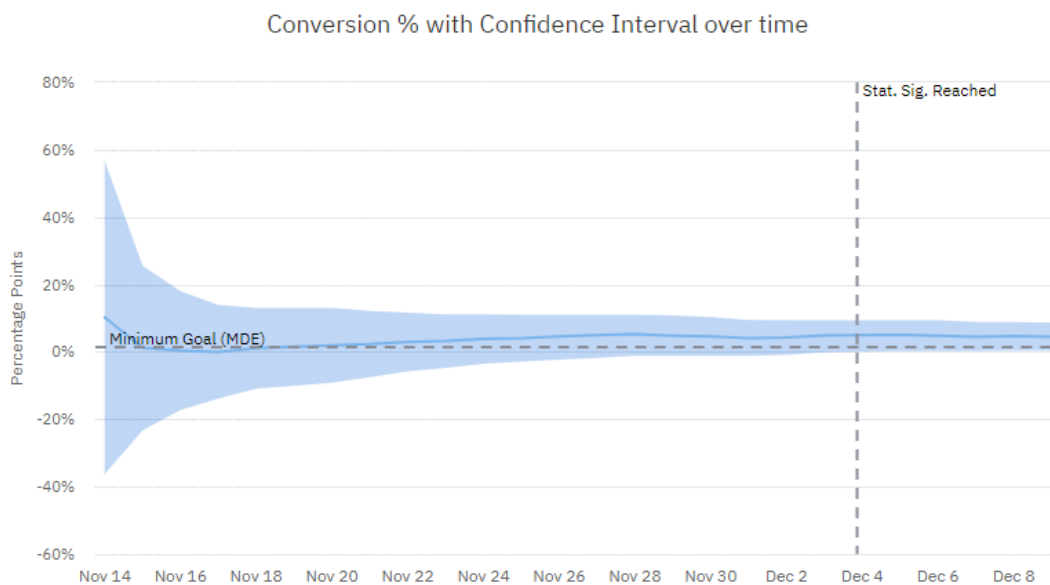


Figure 3. Conversion % with confidence interval over time

As a result of the experiment, the effectiveness of the special support line was recorded and its impact was extended to 100% of the clients. The authors managed to achieve a significantly more efficient conversion at a crucial stage of the customer journey by restructuring their existing customer support resources. This improvement is expected to have a positive impact on the company's general operational performance.

Consistency with previous studies. The key finding that customers who utilized customer service support had substantially higher conversion rates aligns with past research showing a positive impact of customer service on satisfaction, loyalty, and purchase behavior (Choi et al., 2019). (Anderson & Mittal, 2000)

(Susskind et al., 2003). The significant increase in conversion from the specialized customer service team also confirms previous findings on the positive effects of targeted, high-quality customer service interactions (Kandampully & Suhartanto, 2000).

Further analysis reveals that the positive relationship between customer service and key outcomes like satisfaction and loyalty holds globally across banking contexts. Research on Chinese banks has evidenced the significant positive impact of customer service on satisfaction and loyalty specifically in that setting (Liu et al., 2020). Additionally, a multi-country banking study identified customer service as a primary driver of loyalty, alongside store image and satisfaction, across diverse cultures (Aldlaigan & Buttle, 2002). These findings underscore the vital role of high-quality customer service as a differentiating factor for fintech brands worldwide. More cross-cultural research is needed to determine boundary conditions.

The research has consistently shown that customer service support is one of the most important brand value co-creators. Defining the need of the customer and delivering it to the customer lead to increased customer loyalty, and advocacy, which enhancing corporate performance. Therefore, companies that prioritize customer service support can benefit from increased brand value and customer loyalty, ultimately leading to improved business success.

4. Conclusion

To conclude, the present study employed a case study approach to examine the interplay between customer support service, brand value, and corporate performance within the fintech industry. By utilizing a combination of historical data analysis and AB testing, the results of this study suggest that customer support service is a crucial factor in influencing consumer behavior and improving operational performance. Specifically, clients who utilized support services were more likely to create a first deposit, and the establishment of a specialized support team for this stage of the customer journey resulted in a significant increase in conversion rates without the need for costly incentivization programs.

This study provides empirical evidence supporting the hypothesis that customer service support (CSS) significantly influences brand value co-creation and corporate performance in the fintech industry. The results indicate CSS is positively associated with increased customer conversion rates and operational efficiency.

The findings substantiate and extend theory on brand value co-creation (Prahalad & Ramaswamy, 2004) and brand equity frameworks (Keller, 2016) in an emerging fintech context. The data shows robust effects of CSS on consumer behavior and firm performance, consonant with models linking service quality to satisfaction, trust, and loyalty (Parasuraman et al., 1988) (Zeithaml et al., 1996).

While limited to a single company, the methodology is generalizable and replicable across settings. Further research should investigate boundary conditions and cultural variances. Longitudinal and qualitative approaches could enrich understanding of mechanisms. This study sets the foundation to advance scholarly inquiry at the nexus of CSS, branding, consumer behavior, and performance management.

Practically, the results demonstrate that investments in targeted, high-quality CSS can improve conversion rates and brand value without external incentives. Managers should leverage CSS as a strategic capability central to customer experience, brand equity, and competitive positioning. Optimization of support interactions early in the customer journey may have outsized impacts.

In conclusion, these findings reveal CSS as an underutilized lever for co-creating brand value and enhancing performance in fintech and beyond. They highlight avenues for academia and industry to further incorporate CSS into branding and customer experience strategies.

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