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Customer expansion

More value from existing customers

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RUGCIC 2010-01

ISBN 97890-811191-8-4





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Management summary

Customer expansion, more results from existing customers





What is customer expansion and why is it important for corporations?

- › Customer expansion means creating extra value by making existing customers buy more or increasing the usage of a product or service.
- › Expansion usually lowers the number of leaving customers.
- › Existing customers are often more willing to buy and they can be served at a lower cost than new customers.





Customer expansion is a multi dimensional construct using multiple instruments for growth

- › Direct Marketing is the most important instrument for companies to realize customer expansion.
- › Reaching and getting attention from the customer is crucial for success, therefore messages need to be delivered regarding the right product at the right moment for the right customer.
- › Certain trigger events (e.g. complaining, moving, having a baby, etc.) play an important role. Customer analytics can guide corporations to get this right.





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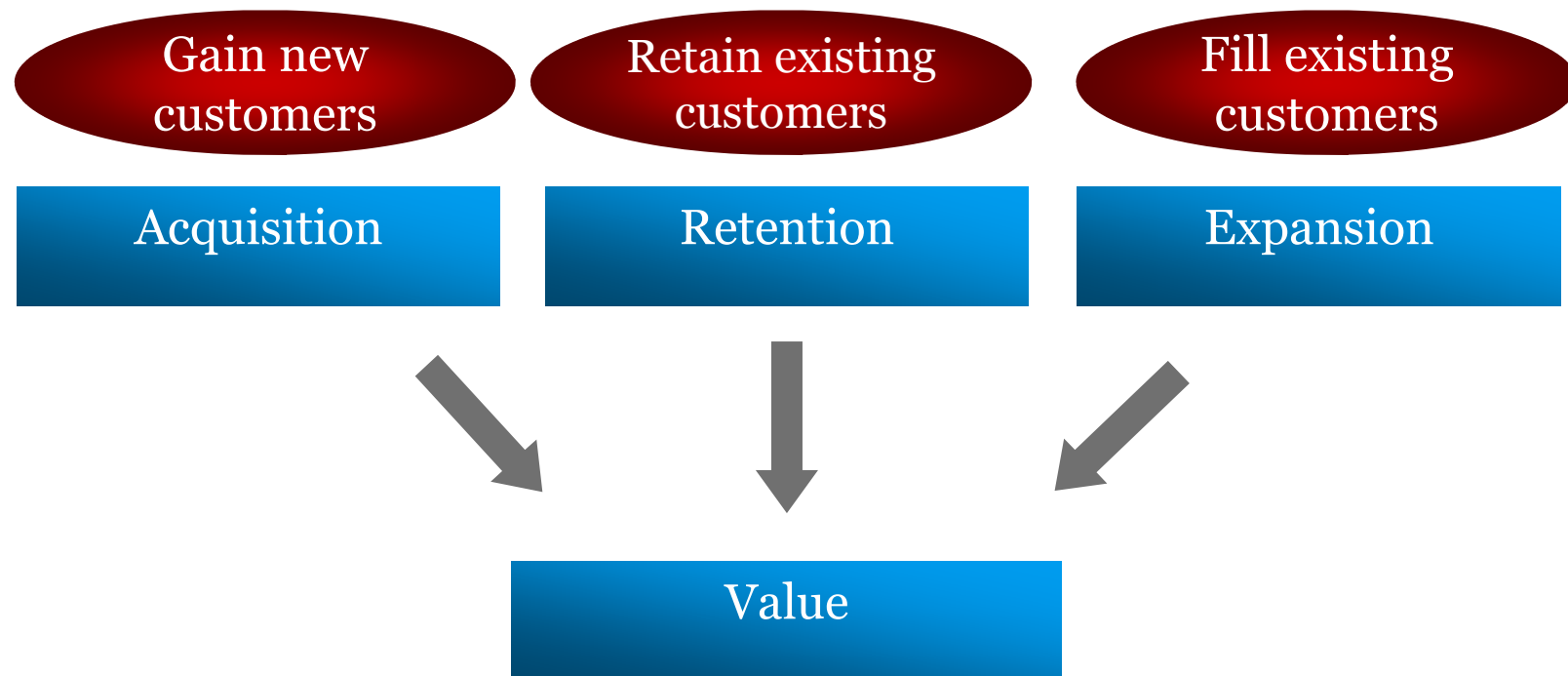
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Introduction



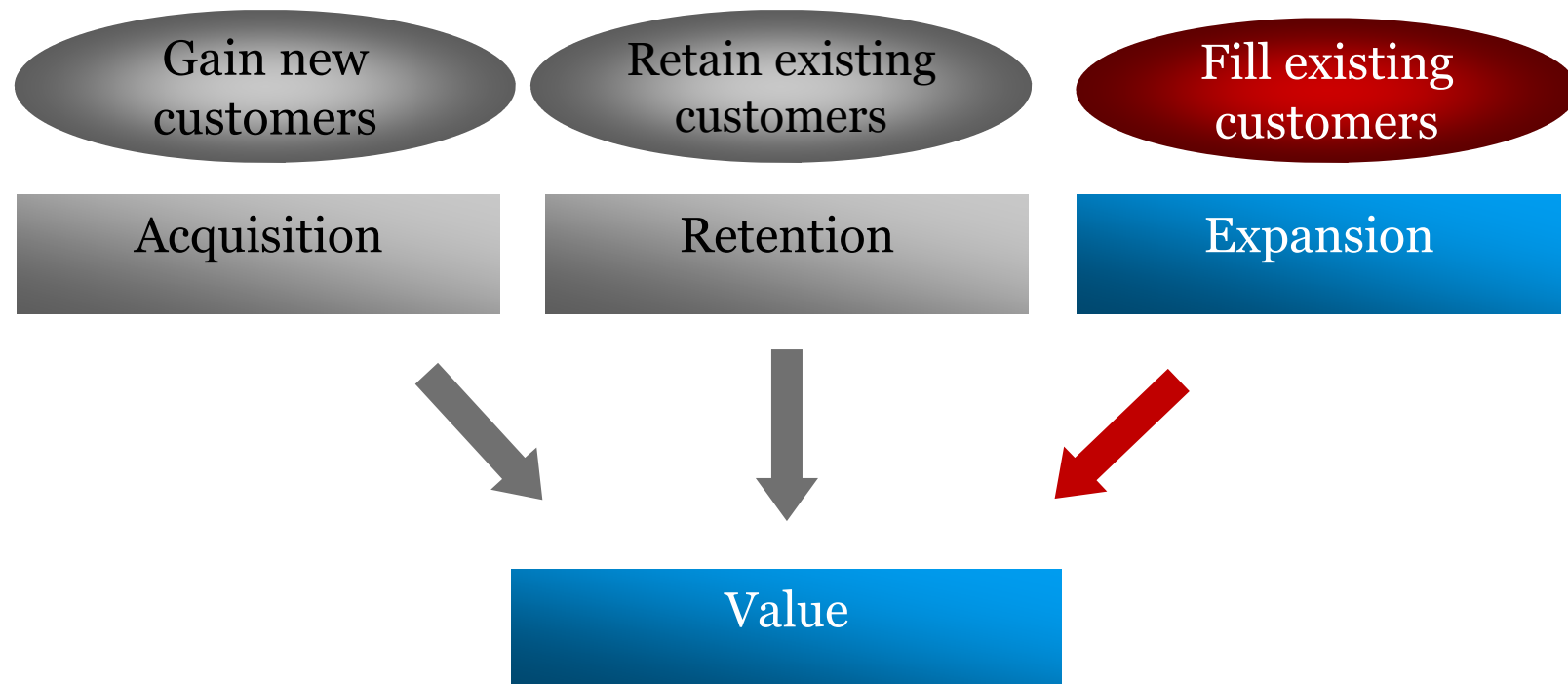


Customer value growth stems from three drivers





We will now focus on one: expansion





Customer expansion means:

Creating extra value by making existing customers buy more (or increasing the usage of a product or service).

Underlying corporate goals are usually:

- › Increase customer value.
- › Extending the breadth and depth of customer relations.
- › Improving turnover and profits.

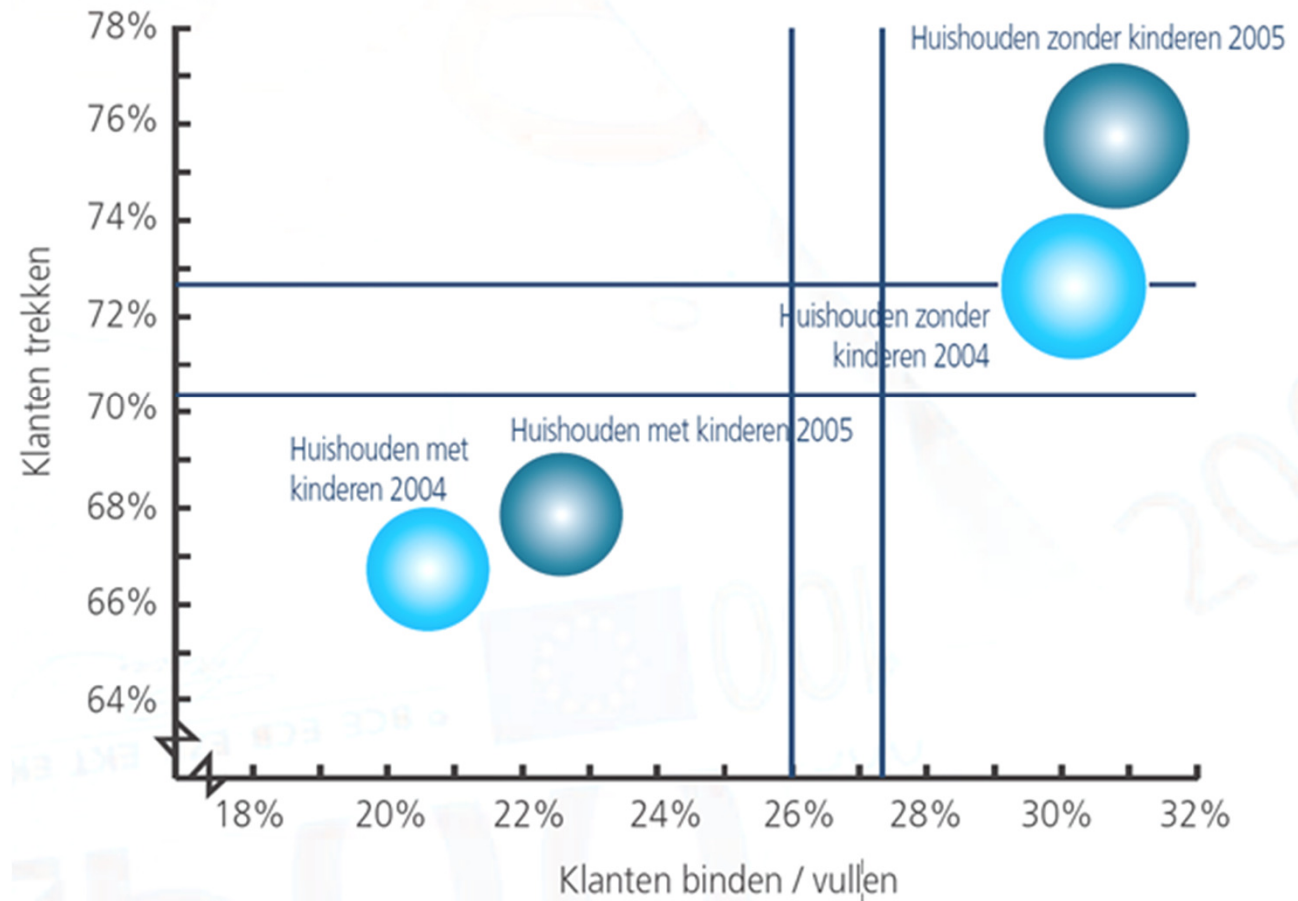




Example

Albert
Heijn
(Dutch
retailer)

Albert Heijn weet naast meer klanten te trekken ook de trouw te verhogen.
Inhaalslag onder huishoudens met kinderen.





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Dimensions and instruments

