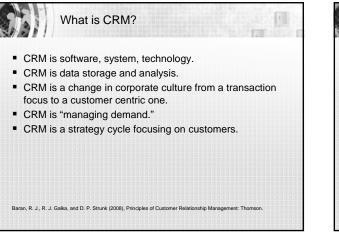
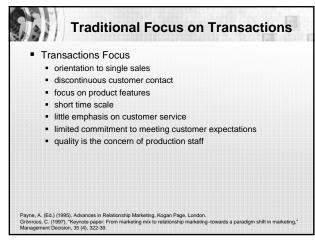


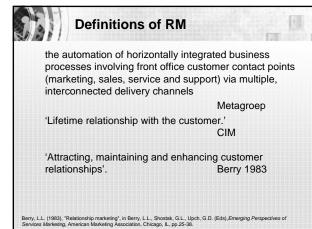
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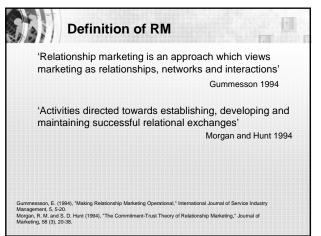
- Internet and the overall information technology infrastructure (Parvatiyar and Sheth 1999; Sheth 2002; Zineldin 2002)
- Rise of the Value Savvy Customer (VSC) (Day and Montgomery 1999; Palmer 2002; Shukla 2001)
- Increase in wealth and liberalization (Aijo 1996)
- Rise of global competition and market fragmentation (Day and Montgomery 1999; Hurrt et al. 2006)
- Increasing pace of innovation (Buzzell 1999; Day and Wensley 1998)
- Adoption of service centric market philosophy (Groonroos 1999, 2004; Vargo and Lusch 2004)

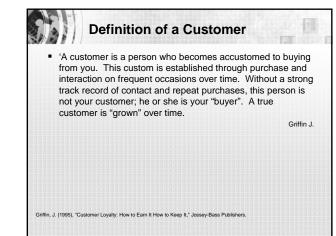


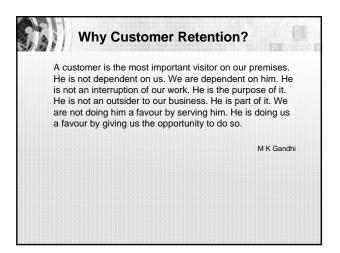


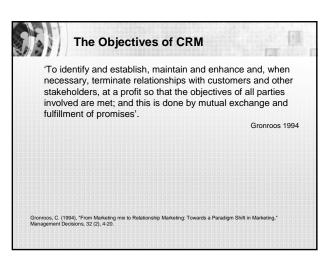


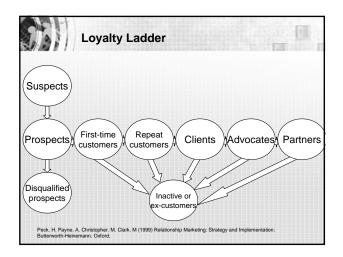


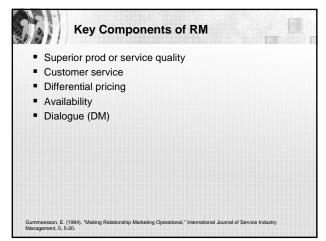


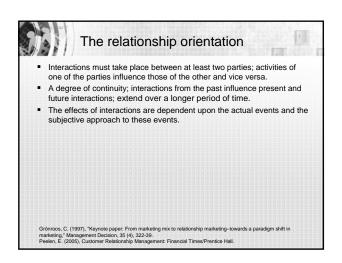


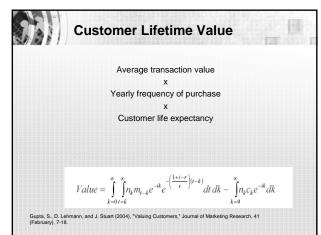












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Amazon	0.82	5.36	6.36	3.39	N/A
Ameritrade	1.62	1.40	1.49	1.09	370.00
Capital One	11.00	14.08	14.31	9.48	9.08
Ebay	1.89	15.85	19.45	13.67	112.02
E*Trade	2.69	3.35	4.49	2.71	N/A

Gupta, S., D. Lehmann, and J. Stuart (2004), "Valuing Customers," Journal of Marketing Research, 41 (February), 7-18.

mpact of In	• •	Retention, In Custon	Acquisition her Value	ı Cost a	nd Marg
	Customer Value (\$b)	% Increa	% Increase in Customer Value for a 1% improvement in		
	Base Case	Retention	Acquisition Cost	Margin	Discount Rate
Amazon	Base Case	Retention 2.45%	Acquisition	Margin 1.07%	
Amazon Ameritrade			Acquisition Cost	•	Rate
	0.82	2.45%	Acquisition Cost 0.07%	1.07%	Rate 0.46%
Ameritrade	0.82	2.45% 6.75%	Acquisition Cost 0.07% 0.03%	1.07% 1.03%	Rate 0.46% 1.17%