

# The Impact of Goal Enabling Technology Adoption on Customer Lifetime Value

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Cite as:

An Jake, Bonfrer Andre, Eckert Christine (2022), The Impact of Goal Enabling Technology Adoption on Customer Lifetime Value. *Proceedings of the European Marketing Academy*, 51st, (106499)

Paper from the 51st Annual EMAC Conference, Budapest, May 24-27, 2022



# The Impact of Goal Enabling Technology Adoption on Customer Lifetime Value

## **Abstract**

Service providers offer goal enabling technologies (GETs) to become more customer-centric. The popularity of GETs is based on the assumption that enabling customers to set service specific goals can improve both the service's value to the customer and the customer's value to the service. We use panel data from an investment services provider that introduced a GET to examine how customers who adopted GETs changed their behavior and customer lifetime value. The results based on a synthetic control matching method indicate that the introduction of GET increases customers' goal-congruent behavior which in turn improves customer lifetime value. The impact of GETs thereby depends on several goal characteristics, namely customers' perceived goal attainment difficulty, motivation, and commitment at the time of goal setting. An inverted U-shape for each of these goal characteristics is identified, allowing practitioners to personalize goals to optimize performance for customers and firms.

**Keywords:** *goal enabling technology; customer lifetime value; synthetic controls*

**Track:** Relationship Marketing