How Firms Grow With Their Customers

Thilo Kraft
Goethe University Frankfurt
BERND SKIERA
Goethe University Frankfurt, Germany

Cite as:
Kraft Thilo, SKIERA BERND (2026), How Firms Grow With Their Customers. *Proceedings of the European Marketing Academy*, 55th, (134172)

Paper from the 55th Annual EMAC Conference, Bath, United Kingdom, June 2-5, 2026

How Firms Grow With Their Customers

Abstract

This paper contributes to an emerging field of literature looking at firm growth paths. We seek to identify regularities in the growth paths of firms, as well as the impact these growth paths have on a firm's revenue growth. So far, theory suggests that firm growth is highly idiosyncratic, making sustainable growth the exception rather than the rule. Thus, it is challenging for managers to determine on which growth path the firm should focus in order to achieve sustainable growth. We propose a theoretical framework that outlines different growth paths with customers and reasons why or why not a firm can achieve those. The supporting empirical part is conducted using credit card data, which includes over 20 million U.S. consumers and encompasses 37 subindustries, comprising 622 firms. Using panel regression and Markov chains, this approach reveals systematic differences in growth paths, transition patterns, and growth implications across customer growth paths.

Track: Marketing Strategy & Theory