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Leveraging Customer Lifetime Value (CLV) for Strategic Marketing and Financial Performance Optimization

Henrique Moreira[1*], Isabela Silva[2], Roberto Barros[1], Jéssica Oliveira[2]

1. Universidade Federal do Rio Grande do Sul (UFRGS), Washington Luiz 855, CEP. 90010-460 Porto Alegre, RS, Brazil
2. Universidade Federal do Pampa (UNIPAMPA), Barão do Triunfo 1048, CEP. 97573-590 Sant'Ana do Livramento, RS, Brazil

Abstract

This research investigates how Customer Lifetime Value (CLV) and strategic marketing practices collectively influence the financial performance of organizations. The study adopts a mixed-methods approach, integrating quantitative analysis of customer transaction data with qualitative insights from a structured questionnaire to provide a comprehensive understanding. Out of 375 invited participants, 332 responses were deemed valid for analysis. Findings reveal that customers perceive CLV-related factors positively, showing strong agreement with initiatives such as product alignment, long-term engagement, loyalty programs, repeat purchases, and customer-focused services. The study demonstrates that CLV significantly impacts key financial outcomes, particularly market valuation as reflected in the P/E ratio. Based on these insights, organizations are advised to enhance customer relationship management, optimize marketing strategies, and maintain financial robustness to strengthen customer confidence and drive sustainable financial performance.

Keywords: Customer Lifetime Value (CLV), Organizational financial performance, ROA, ROE, P/E ratio

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Corresponding author: Henrique Moreira
E-mail ✉ henrique.moreira@gmail.com

Introduction

In today's competitive business environment, organizations continuously seek strategies to enhance marketing effectiveness and achieve sustainable growth. Within this context, Customer Lifetime Value (CLV) has emerged as a critical metric for strategic marketing success [1]. CLV quantifies the total value a customer contributes over the entire relationship with a company, including immediate transactions and the potential for long-term loyalty and profitability [2].

Despite extensive research on CLV, a key gap remains in understanding the complex interactions between CLV, strategic marketing practices, and organizational financial performance. This study aims to bridge this gap by providing both theoretical insights and practical guidance for business leaders and marketers. CLV has practical significance in shaping resource allocation, customer relationship management strategies, and overall business performance. By clarifying the relationships between CLV, strategic marketing, and financial outcomes, this research offers actionable insights for improving competitiveness in dynamic market contexts.

This paper explores the role of CLV in guiding marketing strategies, highlighting how organizations can leverage CLV insights to better understand customer behavior, tailor marketing initiatives, and make informed decisions that enhance long-term value creation. The research establishes a conceptual framework for CLV by defining its key components, including customer acquisition cost, retention rate, and average revenue per customer, and examining their implications for strategic decision-making.

A critical aspect of this study is the analysis of methodologies used to measure CLV. Traditional approaches, such as historical CLV and segmentation-based CLV, are considered alongside advanced techniques including predictive modeling and machine learning [3, 4]. By comparing these methods, the research evaluates their strengths, limitations, and practical applications. Additionally, factors influencing CLV—such as customer satisfaction, loyalty, engagement, and behavior—are examined to understand how marketing strategies shape value over the customer lifecycle. The study also considers the financial implications of CLV, demonstrating how it can enhance profitability, ROI, and long-term organizational performance.

Practical challenges of CLV implementation, including data availability, accuracy, and integration across functions, are also discussed. Moreover, the study highlights the potential for CLV application in digital marketing, social media, and omnichannel strategies, pointing toward opportunities for future research.

The paper is organized as follows: Section 1 introduces the study; Section 2 reviews relevant literature; Section 3 outlines the methodology; Section 4 presents results; and Section 5 provides conclusions and implications.

Literature Review

Conceptual framework

Customer Lifetime Value (CLV) is a critical metric for evaluating the long-term value generated by customers over the course of their relationship with a firm. It accounts for both initial purchases and subsequent transactions, providing insights into customer profitability and informing marketing strategies and resource allocation [5, 6].

Key components of CLV include Customer Acquisition Cost (CAC), which measures the expenses involved in acquiring a customer, including marketing, sales, and promotional activities [7]. CAC must be balanced against expected CLV to determine the financial viability of customer acquisition efforts. Retention rate, another crucial component, assesses the likelihood that a customer maintains their relationship over time. Higher retention rates indicate stronger loyalty and contribute to higher CLV [8]. Average revenue per customer measures the typical revenue generated per customer, capturing both purchase frequency and transaction value, and directly influencing CLV [9, 10].

The concept of CLV is grounded in marketing and economic theories. From a strategic perspective, it underpins customer acquisition, retention, and development strategies [11, 12]. The Resource-Based View (RBV) emphasizes leveraging firm-specific resources to enhance customer satisfaction and loyalty, thereby increasing CLV [13, 14]. Relationship Marketing theory highlights long-term, mutually beneficial customer relationships through trust, personalized interactions, and value co-creation [15, 16].

Financial implications of CLV are also explained through the Market-Based View (MBV), which links higher CLV to enhanced market valuation and sustainable financial performance, as organizations with loyal, high-value customers are better positioned to generate stable cash flows [12, 17].

Integrating these theoretical perspectives, the conceptual framework of this study examines the drivers and outcomes of CLV, including customer satisfaction, loyalty, and retention, and their effects on organizational financial performance. This framework informs the development of research hypotheses and guides the empirical analysis, providing both theoretical contributions and practical insights for strategic marketing and financial decision-making [18].

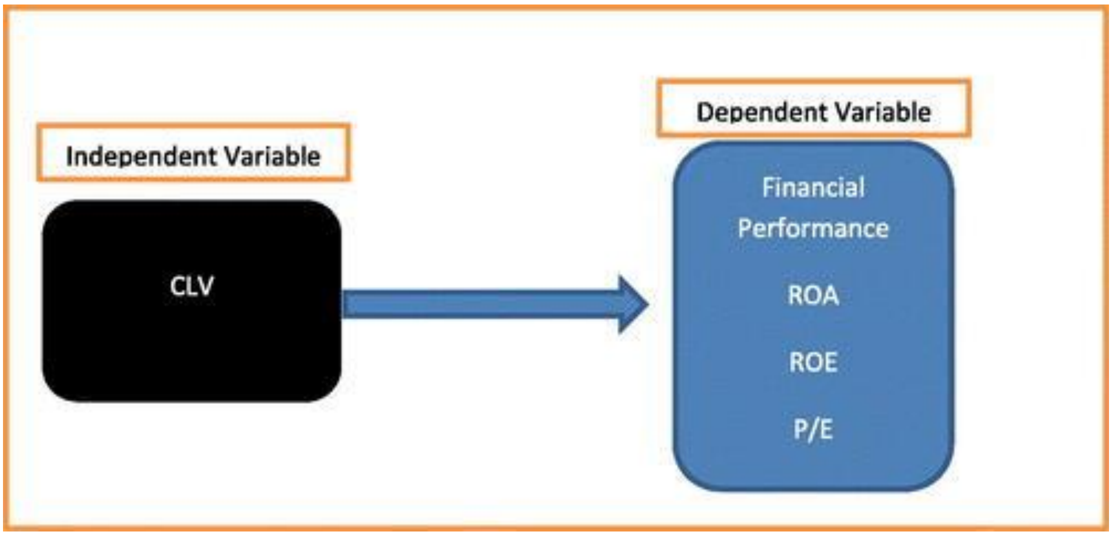

Figure 1. Study model

Theoretical foundations of CLV

The concept of Customer Lifetime Value (CLV) is grounded in customer-centricity and relationship marketing principles. CLV acknowledges that customers differ in their preferences, behaviors, and long-term value, and integrating these differences into CLV calculations enables organizations to design tailored marketing strategies and deliver personalized value propositions to specific customer segments [19].

CLV is a critical tool for guiding marketing decisions. It informs strategic planning, budget allocation, and customer acquisition approaches. By identifying high-value customers and focusing on nurturing long-term relationships, businesses can optimize marketing investments and enhance profitability over the customer lifecycle [11].

In essence, CLV provides a comprehensive measure of customer value and profitability throughout their relationship with the organization. Its key components—Customer Acquisition Cost, Retention Rate, and Average Revenue per Customer—offer a structured way to assess customer contributions. The theoretical foundations rooted in customer-centricity and relationship marketing highlight the importance of CLV in shaping marketing strategies and driving long-term value creation.

CLV measurement approaches

Estimating CLV requires various methodologies that account for customer behavior, purchase patterns, and potential future revenue [20]. Traditional approaches such as historical CLV and segmentation-based CLV offer foundational insights, while advanced methods like predictive modeling and machine learning provide improved accuracy and dynamic forecasting capabilities [1, 21, 22].

Historical CLV calculates future value based on past purchase behavior, including average transaction value and purchase frequency [7]. It is straightforward to implement but relies on the assumption that historical patterns predict future behavior, which may not always be accurate.

Segmentation-based CLV divides customers into distinct groups based on shared characteristics or behaviors, assigning each segment a tailored CLV. This enables targeted marketing strategies but demands robust data collection and analytical capabilities, which can be challenging for organizations with limited data infrastructure [4, 6].

Predictive modeling uses statistical techniques to forecast future customer behavior by analyzing variables such as demographics, transaction history, interactions, and market factors [23]. While more accurate than traditional methods, predictive modeling requires sophisticated analytics, large datasets, and expertise [24].

Machine learning methods further enhance CLV estimation by detecting complex patterns in large datasets, capturing non-linear relationships, and providing highly precise predictions [25]. These approaches, however, require extensive computational resources, data preprocessing, and technical proficiency.

Each approach has trade-offs. Historical CLV offers simplicity, segmentation-based CLV enables personalization, predictive modeling improves dynamic forecasting, and machine learning provides advanced insights. Selection of an appropriate method depends on data availability, organizational capabilities, and desired precision [15, 26].

Determinants of CLV

CLV is shaped by several factors that influence customer behavior, satisfaction, loyalty, and engagement, which in turn determine long-term profitability [21].

Customer behavior, including purchase frequency, transaction value, and product preferences, directly affects revenue potential. Analyzing these behaviors allows organizations to tailor marketing strategies that encourage beneficial actions and maximize CLV [7].

Customer satisfaction also plays a pivotal role. Satisfied customers are more likely to make repeat purchases, demonstrate loyalty, and generate positive word-of-mouth, thereby increasing CLV [8]. Similarly, customer loyalty contributes to recurring revenue, with loyalty programs, personalized communication, and superior service strengthening emotional connections and enhancing CLV [27].

Customer engagement, encompassing interactions, brand affinity, and active participation, is another key driver. Engaged customers are more likely to explore additional offerings, provide feedback, and advocate for the brand. Targeted engagement strategies—such as personalized marketing, social media initiatives, and community-building activities—help cultivate stronger relationships and improve CLV [25].

Marketing strategies significantly shape these factors by aligning initiatives with customer preferences, delivering exceptional experiences, and encouraging loyalty and engagement. Effective marketing not only attracts new customers but also nurtures existing relationships, maximizing value throughout the customer lifecycle. By continuously adapting marketing approaches to evolving customer needs, organizations can enhance retention and revenue generation, ultimately boosting CLV [11, 28].

In summary, CLV is influenced by customer behavior, satisfaction, loyalty, and engagement, all of which are shaped by strategic marketing initiatives. Understanding these dynamics enables organizations to enhance customer experiences, foster long-term relationships, and optimize value creation across the customer lifecycle.

Strategies to enhance customer lifetime value

Optimizing Customer Lifetime Value (CLV) requires organizations to implement marketing strategies that nurture enduring customer relationships and promote sustained revenue growth [1]. Key approaches include personalized marketing, robust customer relationship management (CRM) practices, loyalty and retention programs, and techniques such as upselling and cross-selling, all designed to maximize the long-term value of each customer interaction [21, 29].

Personalized marketing plays a central role in boosting CLV. By crafting tailored communications and offers aligned with individual customer preferences, firms can deliver highly relevant messages that increase engagement, strengthen satisfaction, and build loyalty, ultimately enhancing lifetime value [19]. For example, Amazon's product recommendations, based on past purchases and browsing behavior, drive repeat purchases and cross-selling opportunities, increasing CLV.

CRM systems provide a structured mechanism to track and manage customer interactions while fostering stronger, long-lasting relationships. By collecting and analyzing data on customer behavior, organizations can identify preferences, segment audiences, and deploy targeted marketing initiatives. CRM platforms enable personalized communication, process automation, and proactive service delivery, all of which strengthen customer satisfaction, loyalty, and retention. Salesforce exemplifies this approach, offering a centralized platform that supports personalized engagement and data-driven decision-making [19].

Retention-focused programs are also critical for maximizing CLV. By offering loyalty rewards, VIP benefits, and exclusive incentives, organizations can encourage repeat business and reduce churn. These initiatives reinforce customer loyalty, extend engagement duration, and drive additional revenue [25, 30]. The Starbucks Rewards program illustrates this strategy, rewarding repeat purchases and fostering sustained customer relationships.

Upselling and cross-selling complement these efforts by expanding customer spending. Upselling encourages customers to select higher-value options, while cross-selling introduces complementary products or services, increasing average transaction values and overall CLV [7]. Online retailers frequently employ these tactics, recommending related products to enhance the customer's purchase journey and drive incremental revenue.

For marketing strategies to effectively enhance CLV, firms must leverage a deep understanding of customer behavior and preferences. Using data analytics, segmentation, and behavioral insights, companies can identify high-value segments and tailor interventions to cultivate loyalty, retention, and engagement [11]. Emphasis should be placed not only on immediate sales but also on fostering long-term relationships that enhance the lifetime value of each customer.

Ongoing evaluation is essential to sustain CLV-focused strategies. By continuously monitoring metrics such as retention rates, satisfaction scores, and lifetime value, organizations can adjust marketing initiatives to evolving customer expectations, optimize resource allocation, and enhance strategic outcomes [8, 31].

In conclusion, enhancing CLV requires a combination of personalization, CRM, retention programs, and cross/upselling strategies, all aligned with long-term customer engagement objectives. When applied effectively, these strategies drive deeper relationships, higher revenues, and sustainable growth.

Financial significance of CLV

Customer Lifetime Value has profound implications for an organization's financial performance. By providing insights into the value generated by different customer segments, CLV can guide strategic decisions on resource allocation, budgeting, and marketing investments, ultimately improving profitability and long-term organizational growth [20].

CLV-informed resource allocation allows organizations to direct efforts toward customers who generate the greatest long-term value. By prioritizing high-value segments, companies can optimize resource deployment, focusing on initiatives that yield the strongest financial returns [25]. This approach ensures efficient use of resources and strengthens overall financial performance [32, 33].

Budgeting decisions can similarly be informed by CLV data. Predicting the future value of customers enables organizations to allocate budgets effectively across marketing, acquisition, and retention activities. This forward-looking perspective ensures that expenditure aligns with expected returns, increasing cost efficiency and supporting sustainable financial outcomes [34].

CLV insights also play a pivotal role in shaping marketing investment decisions. Evaluating the revenue potential of different campaigns and channels allows firms to focus on strategies that maximize lifetime value. By aligning marketing spend with high-CLV opportunities, organizations can improve returns on investment and strengthen overall financial results [32, 33].

In summary, understanding CLV equips organizations to make informed financial decisions regarding resource allocation, budgeting, and marketing investments, ultimately contributing to enhanced profitability, sustained growth, and long-term financial stability.

Financial implications of customer lifetime value

Properly managing Customer Lifetime Value (CLV) can significantly enhance an organization's financial outcomes. By prioritizing high-value customer segments and deploying strategic marketing interventions, firms can strengthen customer

retention, encourage repeat purchases, and expand opportunities for upselling or cross-selling. These actions increase the total revenue generated per customer, often exceeding the costs of acquiring and maintaining them, resulting in higher profitability and return on investment [19, 35].
Beyond immediate financial gains, a focus on CLV supports long-term business sustainability. Developing and maintaining strong customer relationships fosters loyalty, reduces churn, and ensures a more stable stream of revenues over time. By emphasizing lifetime value rather than short-term profits, organizations can build resilience, maintain competitive positioning, and secure sustainable growth in the marketplace [11].
In practice, insights derived from CLV analysis guide critical managerial decisions, including the allocation of resources, budget planning, and marketing investments. Organizations that align their spending with high-value customer segments and strategically invest in initiatives that maximize CLV are better positioned to improve profitability, ROI, and long-term financial stability.

Challenges in CLV implementation and future directions
While CLV offers a powerful framework for enhancing marketing effectiveness and financial performance, organizations face multiple challenges in its measurement and implementation.
One major challenge involves the availability and quality of customer data. CLV calculations rely on comprehensive information about past transactions, behavioral patterns, and customer preferences [36]. Organizations often struggle with incomplete or inconsistent data spread across multiple systems, which can reduce the reliability of CLV estimates [7]. Addressing these issues requires robust data collection, cleaning, integration, and governance practices to ensure accurate analysis.
Another key obstacle is embedding CLV insights across organizational functions. For CLV to be actionable, it must inform marketing, sales, and customer service strategies. However, departmental silos and weak collaboration can limit its practical utility [36]. Overcoming this requires fostering a customer-focused culture and implementing mechanisms for cross-functional coordination to translate CLV insights into actionable strategies.
Emerging technologies and advanced analytics provide opportunities to mitigate these challenges. Digital marketing and omnichannel customer engagement create rich data streams that can be leveraged for more precise CLV estimation. Machine learning and artificial intelligence tools allow organizations to identify patterns, forecast behavior, and enhance predictive accuracy [6].
Integrating CLV with Customer Experience Management (CEM) offers further potential. By combining CLV data with customer feedback and behavioral insights, organizations gain a holistic view of value creation, enabling targeted investments that improve customer satisfaction and retention over the long term [8].
Innovations such as blockchain and the Internet of Things (IoT) also offer promising avenues. These technologies improve data transparency, security, and traceability, while enabling personalized marketing approaches that enhance lifetime value and engagement [19, 37].
To effectively leverage CLV, organizations must invest in advanced analytics capabilities, integrate insights across departments, and encourage collaboration between marketing, data, and executive teams. By doing so, CLV can serve as a strategic tool to guide investment, optimize customer relationships, and improve financial performance.

Proposed hypothesis
H01: Customer Lifetime Value (CLV) does not significantly influence an organization’s financial performance (ROA, ROE, and P/E Ratio).

Methodology

This study employed a mixed-methods research design, integrating both quantitative and qualitative approaches to collect, analyze, and interpret data. The adoption of a mixed-methods framework is particularly appropriate for investigating Customer Lifetime Value (CLV) and marketing strategies, as it allows for a comprehensive examination of numerical trends alongside rich, experiential insights [38, 39]. Quantitative data facilitated the identification of statistical relationships and patterns, while qualitative analysis provided deeper understanding of customer perceptions, attitudes, and experiences. Combining these approaches enhances the robustness and validity of the findings, offering a holistic perspective on CLV and its implications for strategic marketing.

Qualitative data collection
Qualitative information was gathered using a customized questionnaire specifically designed for this study. Respondents evaluated their agreement with statements on a 5-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The questionnaire was designed to capture customer insights on perceptions, preferences, and experiences related to CLV and

marketing practices. This approach allowed for the exploration of nuanced opinions and attitudes that may not be fully captured through purely quantitative measures.

Quantitative data collection and sample
To ensure representativeness and statistical reliability, a sample of 375 participants was invited, of which 332 responses were deemed valid for analysis. This sample size is sufficient for conducting reliable statistical tests and generalizing findings to the broader population under study. Techniques such as random or stratified sampling were utilized to ensure diversity across industries and customer segments, enhancing the representativeness of the data. A high response rate further supports the reliability of the findings and reduces the risk of response bias.
Quantitative data were also obtained from customer transaction records, providing objective metrics for calculating CLV. A total of 600 purchase observations from loyal customers across the sampled organizations were included in the analysis. These data enabled a precise examination of spending patterns, repeat purchases, and overall customer value. Descriptive statistical techniques, including means, percentages, and standard deviations, were applied to summarize the data and uncover key trends.

CLV calculation
The formula for Customer Lifetime Value in this study was adapted from Berger and Nasr [40] and Donkers *et al.* [41]. This approach incorporates historical purchase behavior, average transaction values, and retention patterns to estimate the total value generated by a customer over the course of their relationship with the organization. The integration of transaction data with survey responses allows for a comprehensive understanding of both behavioral and perceptual drivers of CLV.

$$CLV = \sum_{r=0}^{T} = \frac{Profit\ i, t+r}{(1+d)} \qquad (1)$$

Where:
•*CLVi*: Customer Lifetime Value for customer *i*.
•*r*: Time periods into the future
•*Profit i*,*t*+*r*: Profit generated by customer *i* at time t+r
•*d*: Discount rate.
Data for this research were collected from multiple sources, including online surveys, company customer records, and financial statements (ROA, ROE, and P/E ratio). The quantitative information was analyzed using correlation and regression techniques to explore relationships between Customer Lifetime Value (CLV), marketing strategies, and organizational financial performance.

Ethical approval
Ethical clearance for the study was granted by the Faculty of Business Ethics Committee (Approval Reference: 10/04/2023-2024), following a review of the research plan and survey instrument to ensure compliance with ethical research standards.

Participant consent
All study participants provided written informed consent prior to participation. The study's objectives, procedures, and participants' rights were clearly communicated. Participants were assured of anonymity and confidentiality, and they were informed that they could withdraw from the study at any time without any repercussions.

Results

Instrument reliability
The internal consistency of the questionnaire was assessed using Cronbach's Alpha. The instrument comprised five sections: Customer Lifetime Value (CLV), Marketing Strategies, Factors Influencing CLV, Financial Performance, and Marketing Decision-Making, each measured with five Likert-scale items. The reliability coefficients were as follows: CLV = 0.782, Marketing Strategies = 0.724, Factors Influencing CLV = 0.801, Financial Performance = 0.756, Marketing Decision-Making = 0.714. These results indicate that all sections surpassed the generally accepted reliability threshold of 0.70 [42]. The average reliability across all constructs was calculated at 0.755, confirming consistent measurement across the instrument. For a more comprehensive validation of the tool, it is recommended that additional validity assessments accompany Cronbach's Alpha. **Table 1** provides a detailed overview of the reliability analysis.

Table 1. Values for reliability coefficients

Study fields	No. of Questions	Alpha Coefficient
Customer Lifetime Value (CLV)	5	0.782

Marketing Strategies	5	0.724
Factors Influencing CLV	5	0.801
Financial Performance	5	0.756
Marketing Decision-Making	5	0.714
Total	25	0.7554

Demographic variables

The demographic characteristics of the study community are illustrated in **Table 2**. The demographic features of the respondents were as follows:

Table 2. Demographic characteristics.

Variable	Group	Frequencies	%
Sex	Male	226	68
	Female	106	32
Total		332	100%
Age	18-24	28	8
	25-34	76	23
	35-44	118	36
	45-54	52	16
	55-64	34	10
	Over 65 years	24	7
Total		332	100%
Education Level	High School or Below	30	9
	Bachelor's Degree	205	62
	Master's Degree	69	21
	Ph.D. Degree	28	8
Total		332	100%
Monthly Income	Below 500 JD	73	22
	501– 1000 JD	198	60
	1001– 1500 JD	38	11
	1501- 2000	13	4
	Over 2000 JD	10	3
Total		332	100%

Demographic profile of respondents

The study analyzed demographic characteristics of 332 participants. Of these, 68% were male and 32% were female. Regarding age distribution, the largest proportion of respondents were 35–44 years old (36%), followed by 25–34 years (23%), and 45–54 years (16%). The remaining age groups included 18–24 years (8%), 55–64 years (10%), and 65 years and above (7%).

In terms of educational attainment, participants represented a variety of academic backgrounds. The majority held a Bachelor's degree (62%), followed by Master's degree holders (21%), and Ph.D. holders (8%). Respondents with a high school diploma or below accounted for 9% of the sample.

Monthly income distribution indicated that most participants earned 501–1000 JD (60%), while 22% reported incomes below 500 JD. Smaller proportions were observed in higher income brackets: 11% earned 1001–1500 JD, 4% earned 1501–2000 JD, and 3% earned above 2000 JD.

These demographic details provide a comprehensive view of the study population, offering context for interpreting their perspectives on Customer Lifetime Value (CLV) and marketing strategies.

Questionnaire results

The outcomes of the survey, covering Customer Lifetime Value (CLV), Marketing Strategies, Factors Influencing CLV, Financial Performance, and Marketing Decision-Making, are summarized in **Tables 3–7**.

Table 3. Customer Lifetime Value (CLV)

No		A. Means	S. Deviation	%	Order
1	The company consistently offers products/services that align with my needs and preferences.	3.50	0.57	70.28	5
2	I have a positive outlook on the long-term value I will receive from the company.	3.52	0.77	70.30	4
3	I am willing to make repeat purchases from the company in the future.	3.55	0.57	70.85	3

4	I believe the company values and rewards its loyal customers.	3.64	0.68	72.56	2
5	I perceive the company's customer service as effective and customer-oriented.	3.68	0.64	73.72	1

Table 4. Marketing strategies

No		A. Means	S. Deviation	%	Order
1	The company effectively communicates its brand message through marketing campaigns.	3.42	0.51	68.58	4
2	I find the company's marketing efforts to be relevant and engaging.	3.42	0.51	68.56	5
3	The company uses multiple marketing channels to reach its target audience.	3.64	0.56	72.56	3
4	I am exposed to the company's marketing efforts on a regular basis.	3.68	0.57	73.70	1
5	The company's marketing campaigns influence my purchasing decisions.	3.67	0.65	73.15	2

Table 5. Factors influencing CLV

No		A. Means	S. Deviation	%	Order
1	The company's loyalty program incentivizes me to make repeat purchases.	3.52	0.77	70.28	5
2	I feel a sense of emotional connection with the brand, leading to brand loyalty.	3.62	0.64	72.56	4
3	Positive customer experiences encourage me to remain loyal to the company.	3.73	0.67	74.85	3
4	The company's personalized offers and recommendations enhance my shopping experience.	3.78	0.61	75.44	2
5	I actively refer friends and family to the company based on my positive experiences.	3.91	1.01	78.29	1

Table 6. Financial performance

No		A. Means	S. Deviation	%	Order
1	The company's financial stability influences my confidence in its long-term success.	3.68	0.57	73.72	1
2	I believe the company is profitable and financially sound.	3.55	0.86	70.87	3
3	The company's financial performance positively reflects its customer value proposition.	3.58	0.66	71.42	2
4	Positive financial results encourage me to maintain a long-term relationship with the company.	3.32	0.67	66.28	5
5	I perceive the company as a financially secure and trustworthy brand.	3.41	0.66	68.00	4

Table 7. Marketing decision-making

No		A. Means	S. Deviation	%	Order
1	The company's marketing decisions are aligned with customer needs and preferences.	3.68	0.69	73.73	2
2	I trust the company's marketing team to make effective decisions.	3.47	0.62	69.13	5
3	The company's marketing investments positively impact customer satisfaction and loyalty.	3.55	0.62	70.87	4
4	The company's marketing decisions demonstrate a customer-centric approach.	3.78	0.76	75.44	1
5	I believe the company's marketing strategies are well thought out and data-driven.	3.68	0.57	73.72	3

Questionnaire results

Customer lifetime value (CLV)

Table 3 presents the mean scores, standard deviations, percentages, and rank of importance for each item in the CLV section, measured on a 5-point Likert scale.

The first item, regarding the company's ability to meet customer needs and preferences, received a mean score of 3.50, indicating moderate agreement. The standard deviation of 0.57 suggests responses were fairly consistent, with 70.28% of participants agreeing, ranking this item fifth in importance. The second item scored slightly higher (3.52) with a standard deviation of 0.77 and 70.30% agreement, placing it fourth. The third item, with a mean of 3.55 and standard deviation of 0.57, achieved 70.85% agreement, ranking third. The fourth item showed a mean of 3.68, a standard deviation of 0.64, and 72.56% agreement, making it the second most important. The fifth and highest-ranked item, assessing perceptions of effective and customer-oriented service, received a mean score of 3.68, standard deviation 0.64, and 73.72% agreement, indicating strong customer appreciation.

Overall, respondents generally expressed positive perceptions of CLV factors, particularly valuing the company's customer service. These results provide actionable insights for enhancing marketing strategies and customer-centric initiatives.

Marketing strategies

Table 4 summarizes responses regarding the company's marketing strategies. The first and second items, both measuring moderate agreement with a mean of 3.42, had approximately 68.58% and 68.56% agreement, ranking fourth and fifth, respectively. The third item received a mean of 3.64 with 72.56% agreement, ranking third. The fourth item achieved the highest mean (3.68) and 73.70% agreement, while the fifth item scored 3.67 with 73.15% agreement, ranking second.

These findings indicate that respondents perceive the company's marketing initiatives positively, highlighting their effectiveness in engaging customers, influencing purchasing decisions, and communicating brand value. The results underscore the importance of multi-channel marketing approaches for maximizing impact.

Factors influencing CLV

Table 5 presents responses regarding factors affecting CLV. The first item, assessing loyalty program incentives, received a mean of 3.52, 70.28% agreement, ranking fifth. The second item had a mean of 3.62 with 72.56% agreement, ranking fourth. The third item, focusing on positive customer experiences, scored 3.73 with 74.85% agreement, ranking third. The fourth item received a mean of 3.78 with 75.44% agreement, ranking second. The fifth item, regarding referrals of friends and family, obtained the highest mean (3.91) and 78.29% agreement, ranking first.

These results suggest that CLV is strongly influenced by positive customer experiences, loyalty programs, personalized offers, and word-of-mouth referrals. Businesses can leverage these insights to enhance customer retention, foster loyalty, and optimize marketing efforts.

Financial performance

Table 6 outlines responses related to financial performance perceptions. The first item, addressing the impact of financial stability on customer confidence, had the highest mean (3.68) with 73.72% agreement, ranking first. The second item scored 3.55 with 70.87% agreement, ranking third. The third item, linking financial performance to the customer value proposition, had a mean of 3.58 with 71.42% agreement, ranking second. The fourth item scored 3.32 with 66.28% agreement, ranking fifth, while the fifth item, concerning perceptions of financial security and trustworthiness, had a mean of 3.41 and 68.00% agreement, ranking fourth.

In conclusion, the findings indicate that respondents' perceptions of the company's financial performance play a critical role in shaping their confidence in the company's long-term stability and their willingness to maintain an ongoing relationship with the brand. Strong financial performance is linked to positive perceptions of the company's customer value proposition, reinforcing the view that the brand is financially secure and trustworthy. These insights emphasize that financial stability is a major factor influencing customer loyalty and trust. Organizations can leverage this understanding to enhance their financial performance and communicate stability effectively, thereby strengthening customer confidence and long-term engagement.

Marketing decision-making

Table 7 presents the results for the Marketing Decision-Making section, where respondents evaluated five statements regarding the company's approach to marketing decisions.

The first item, assessing alignment of marketing decisions with customer needs, received the highest mean score of 3.68, with 73.73% agreement, tying it for the top-ranked item. The second item, indicating moderate agreement with a mean of 3.47, had 69.13% of respondents in agreement, ranking fifth. The third item, which addressed the positive impact of marketing investments on customer satisfaction and loyalty, received a mean score of 3.55, with 70.87% agreement, ranking fourth. The fourth item, emphasizing data-driven marketing decisions, achieved a mean of 3.78 and 75.44% agreement, tying for the top rank. The fifth item, regarding the overall strategic quality of marketing initiatives, had a mean of 3.68 with 73.72% agreement, ranking third.

Overall, the results suggest that respondents place high value on a customer-focused, data-driven approach to marketing decision-making. They perceive that marketing strategies are well-aligned with customer preferences, informed by data, and positively impact satisfaction and loyalty. These findings underscore the importance of integrating customer-centric practices and analytics into marketing strategy to enhance customer perceptions, trust, and engagement, providing actionable guidance for optimizing marketing effectiveness.

Hypothesis outcomes

The regression analysis performed to understand the relationship between CLV and financial performance metrics is illustrated as follows:

Where:

$$Financial\ Metric\ i = \beta 0 + \beta 1 \times CLVi + \epsilon\mathrm{i} \qquad (2)$$

•*Financial Metric i* is the financial performance metric for observation *i*.

•*CLVi* is the calculated CLV for observation *i*.

•$\beta 0$ is the intercept term.
•$\beta 1$ is the coefficient representing the impact of CLV on financial performance.
•ϵi is the error term.
The regression results suggest a relationship between Customer Lifetime Value (CLV) and the financial performance metrics (Return on Assets - ROA, Return on Equity - ROE, and the Price-to-Earnings - P/E ratio). **Table 8** illustrate the key aspects of the results:

Table 8. Regression analysis

Regression Statistics						
Multiple R	0.172791					
R Square	0.029857					
Adjusted R Square	0.024974					
Standard Error	297.42					
Observations	600					
ANOVA						
Type	*Degree of freedom df*	*Sum of Squares*	*Mean Square*	*F-statistic*	*Significance F*	
Regression	3	1622538	540846.1	6.114113	0.000423	
Residual	596	52721351	88458.64			
Total	599	54343889				
Variables	*Coefficients*	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	1185.176	36.57	32.40	1.4E-133	1113.3	1257.008
ROA	−15.089	25.29	−0.59	0.551088	−64.77	34.5934
ROE	2.296	4.609	0.498	0.618463	−6.756	11.34988
P/E	3.607	0.985	3.660	0.000274	1.6718	5.54304

The R-squared value of 0.0299 suggests that the model accounts for only a small portion of the variation in financial performance metrics, with the adjusted R-squared slightly lower, indicating that the inclusion of CLV provides a limited contribution to explaining performance outcomes.
The intercept reflects the expected value of financial performance metrics when all predictors are zero, and its highly significant p-value (< 0.001) confirms the model's overall relevance. The regression coefficients are -15.0890 for ROA, 2.2969 for ROE, and 3.6075 for P/E. While ROA (p = 0.5511) and ROE (p = 0.6185) do not show significant relationships with CLV, the P/E ratio demonstrates a strong and statistically significant association (p < 0.001).
The ANOVA results indicate that the model as a whole is statistically significant (p = 0.0004), suggesting that the predictors collectively improve the model's explanatory capacity, even if individual contributions are limited.
Overall, the findings imply that CLV is meaningfully related to the Price-to-Earnings (P/E) ratio, but not to ROA or ROE within the current dataset. Although the model explains a modest amount of variance, its significance highlights the potential relevance of CLV in understanding certain financial performance outcomes. Interpreting these results requires attention to practical implications, the assumptions underlying the model, and the broader context of organizational performance.

Correlation Analysis

The correlation matrix **(Table 9)** provides a summary of the relationships among CLV, ROA, ROE, and P/E ratio, illustrating the strength and direction of associations between these financial indicators and customer value metrics.

Table 9. Correlation analysis

	CLV	*ROA*	*ROE*	*P/E*
CLV	1			
ROA	−0.08963	1		
ROE	−0.0811	0.884808	1	
P/E	0.171105	−0.45483	−0.46962	1

It was observed that the correlation between Customer Lifetime Value (CLV) and Return on Assets (ROA) is weakly negative (-0.0896), indicating a minimal tendency for higher CLV to correspond with slightly lower ROA. However, since the correlation is very close to zero, this suggests only a limited linear relationship. Likewise, CLV and Return on Equity (ROE) also exhibit a weak negative correlation (-0.0811), suggesting a minor tendency for increased CLV to be associated with slightly lower ROE, although the effect remains negligible. In contrast, the relationship between CLV and the Price-to-Earnings (P/E) ratio is positive (0.1711), suggesting a modest tendency for higher CLV to align with higher P/E values, though this correlation is not strong. Stronger associations were observed among the financial indicators themselves, with ROA and

ROE showing a strong positive correlation (0.8848), while ROE and P/E exhibit a negative correlation (-0.4548), reflecting robust linear relationships between these measures and indicating that firms with higher ROA typically have higher ROE.

Conclusions

Conclusions
The findings from this study carry important implications for both theoretical understanding and practical application.
From a theoretical perspective, the study enhances knowledge of CLV by exploring its complex interactions with strategic marketing practices and organizational financial outcomes. By integrating concepts from marketing, finance, and strategic management, the research provides a comprehensive perspective on the factors that drive CLV and the outcomes it generates. This study also addresses gaps in the existing literature by offering empirical evidence on how CLV factors influence both customer perceptions and financial performance, helping to clarify inconsistencies and fragmented insights found in prior studies. The use of a mixed-methods approach demonstrates the value of combining quantitative and qualitative data to achieve a more complete understanding of CLV, offering a model for future research in similar contexts.
In practical terms, the study provides guidance for managers and marketers. Understanding the drivers of CLV and their impact on financial performance can inform more effective strategic decision-making, allowing organizations to allocate resources efficiently and enhance marketing strategies. The findings also offer insights into improving customer relationship management, suggesting that initiatives aimed at increasing satisfaction, loyalty, and perceived value can boost CLV and overall business performance. Furthermore, by adopting CLV-focused strategies, firms may strengthen financial performance through optimized customer acquisition, retention, and development, potentially improving profitability and market valuation.
The analysis revealed that respondents generally hold favorable views regarding factors influencing CLV, with the effectiveness of customer service emerging as the most valued aspect, underscoring its importance in enhancing customer loyalty and lifetime value. Similarly, the company's marketing strategies were perceived positively, demonstrating effectiveness, engagement, and relevance, alongside the benefits of using diverse communication channels. Respondents also linked financial stability with confidence in the company's long-term success, highlighting the role of strong financial performance in reinforcing trust and supporting the customer value proposition. Additionally, participants emphasized the importance of customer-centric and data-driven marketing decision-making. Regression results indicated a significant relationship between CLV and the P/E ratio, whereas no significant associations were found between CLV and ROA or ROE. Overall, the model was statistically significant, suggesting that, collectively, the predictors contribute to explaining variations in financial performance. The correlation analysis further indicated that linear relationships between CLV and the financial metrics are generally weak, suggesting that additional factors or nonlinear dynamics may influence the interplay between customer value and financial outcomes, highlighting the need for further investigation.

Recommendations
To strengthen Customer Lifetime Value (CLV), companies should prioritize elevating the quality of their customer service by consistently delivering responsive, personalized, and customer-focused experiences. Implementing structured procedures for regularly evaluating and refining service strategies can help sustain high satisfaction levels, particularly since customer service was identified as the most influential CLV factor. Marketing efforts should be enhanced by maintaining continuous and engaging communication of brand messages across multiple channels, ensuring that campaigns remain relevant, interactive, and aligned with customer expectations to reinforce favorable perceptions.
Organizations should also capitalize on the key drivers of CLV, such as fostering positive customer experiences, providing tailored offers, and nurturing emotional connections with their customers. Strengthening loyalty programs, personalizing marketing initiatives, and creating strategies that deepen emotional engagement can collectively improve CLV and long-term customer retention. Emphasizing the company's financial soundness and clearly communicating stability can further build customer trust, while aligning financial outcomes with perceived value enhances credibility and strengthens loyalty.
Investing in employee development is essential, especially for staff involved in customer service and marketing roles. Providing training that equips employees with the skills to deliver exceptional customer experiences and effectively communicate the company's value proposition can significantly enhance CLV. Additionally, establishing regular channels for collecting and analyzing customer feedback allows companies to adapt strategies and offerings in line with evolving preferences, ensuring that customer expectations are consistently met.
For future research, examining additional variables and conducting longitudinal studies could offer deeper insights into the interactions between CLV, marketing strategies, and financial outcomes. The findings of this study provide a practical basis for managers and marketing professionals to align organizational strategies with customer priorities, promoting long-term customer loyalty and sustainable business growth.

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