A study on brand loyalty and customer lifetime value

Chang-Hsing Chang *
Department of International Trade
Overseas Chinese University
NOVA Southeastern University
No. 100, Chiao Kwang Rd.
Taichung 407
Taiwan, R.O.C.

Abstract

This study aimed to find out and identify the different factors that affect customers’ loyalty and their lifetime value toward a certain brand in the market. It also aimed to reveal the advantages of such loyalty and lifetime value to the company that is in charge of the product, service, or brand.

A survey questionnaire was given out to 20 people in order to answer the problems seen by the researcher. Also, an in-depth analysis of previous studies was done in order to evaluate the results of the conducted survey. The study revealed that customers take into consideration different factors, such as satisfaction and trust, in buying products. The researcher deemed it necessary that these factors are also took into consideration in terms of brand loyalty.

Keywords and phrases : Brand loyalty, consumer lifetime value, advantages, price, quality.

1. The problem and its background

There are numerous common misconceptions about brand loyalty nowadays. It is not only about the repeated purchase of a certain brand, but is also about the reasons behind such repetitive purchases. The reasons may be inclined towards the consumers’ choice and preferences or the effectiveness of the company’s strategies as they market their own brand.

It has been an accepted perception that loyalty takes account of some degree of inclination and commitment toward a certain brand in