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Non-Financial Factors Influencing Customer Lifetime Value in Saudi Online Fashion E-Commerce: A Quantitative Research*

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Abstract

The exponential growth of global e-commerce, particularly, in the online fashion sector, has increased the demand for customer-centric analytical frameworks. Customer lifetime value (CLV) is an important concept for identifying, evaluating, classifying, and allocating resources to customers based on the value they add to the organization. This, in turn, helps organizations to get most benefit from their customers. While traditional CLV models rely primarily on transactional and financial data, they often overlook behavioral, emotional, and social factors that influence customer decisions in digital markets. Despite progress in this area, research on the impact of non-financial factors on CLV remains limited, particularly in the context of fashion e-commerce. This study explores the non-financial factors affecting CLV in Saudi Arabia's online fashion e-commerce sector. A quantitative research methodology was employed, utilizing a questionnaire to collect 779 valid responses from customers who made online purchases and lived in Saudi Arabia. The theoretical framework and hypotheses were developed using relationship marketing theory. CLV was measured from the customer perspective using loyalty, usage quantity, and word-of-mouth dimensions. Both regression and correlation analysis were applied to test nineteen hypotheses derived from the literature. The results showed that customer trust and satisfaction, emotional connection, customer lifestyle, quality, product innovation, personalization, brand reputation, social media presence, convenience, accessibility, and demographic factors had a significant impact on CLV. However, customer age, price, brand experience, and influencer marketing showed no significant impact on CLV, and the related hypotheses were rejected. This research can contribute to a robust customer-centric predictive model that enhances the accuracy of CLV estimation using non-financial data, filling a critical gap in the existing literature.

Keywords: Customer Lifetime Value (CLV); Non-financial factors; Fashion e-commerce; Saudi Arabia.

Introduction

The rapid growth of digital technology and the widespread availability of internet connectivity have fundamentally reshaped the global business landscape. Among the most significant developments is the emergence and exponential growth of e-commerce, a form of commerce that leverages the internet to facilitate the selling and buying of services and goods (Morisada et al., 2019). By 2027, global e-commerce sales are expected to exceed $6 trillion, with the fashion sector contributing more than 30% of that figure, positioning it as a key driver of online retail growth (Statista, 2024).

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In the Middle East, and particularly in Saudi Arabia, the adoption of e-commerce has contributed to strengthening national strategic initiatives aimed at reducing dependence on oil revenues and diversifying the economy by encouraging digital entrepreneurship, innovation, and the growth of non-oil sectors (Al Hamli and Sobaih, 2023). Consequently, total e-commerce revenues in Saudi Arabia are expected to exceed $7.7 billion by 2028, and the country's fashion sector alone is growing at a robust compound annual growth rate of 14.7%, with projections indicating growth of up to $4.08 billion by 2027 (Statista, 2023).

While the fashion sector is growing fast, fashion e-commerce in Saudi Arabia faces several operational and strategic issues. Research shows that within a year, close to 60% of new online fashion customers in Saudi Arabia lapse, leading to reduced lifetime value and profitability (Alghamdi, 2023). For sustainable business growth, it is imperative to retain your customers and make the most out of long-term customer relationships under these circumstances (Dandis and Al Haj Eid, 2021).

With a sound customer lifetime value (CLV) estimation, companies can effectively overcome these challenges, enabling them to estimate the total net profit a company expects to earn from a customer throughout the entirety of the relationship (Ali and Shabn, 2024a). Traditional models for measuring CLV use transaction-based data which is based on frequency, recency and monetary value. However, such models often neglect the behavioral, emotional, and social dimensions that heavily influence consumer decisions in the digital age, especially in online fashion retailing (Ali and Shabn, 2024b, Dandis and Al Haj Eid, 2021).

To address this gap, this research focuses on customer purchasing behavior in e-commerce fashion in Saudi Arabia and targets the business-to-consumer (B2C) context. This study aims to enhance customer value, inform resource allocation, and ultimately support the strategic goals of fashion e-commerce businesses by identifying a set of important non-financial factors, previously underrepresented in the literature, that can affect CLV in the online fashion industry in Saudi Arabia.

This paper is organized into five sections, beginning with this introduction. After that, Section 2 presents the literature review. Next, Section 3 presents the research methodology. Then, Section 4 discusses the data analysis and statistical results. Finally, the conclusion is discussed in section 5.

Literature Review

This section begins with an overview of the concept of CLV, and then a discussion of the factors influencing CLV from the customer's perspective, with a focus on non-financial factors. Finally, we identify the current research gap.

Customer Lifetime Value

CLV is defined as the net present value of all future profits a customer will make during their relationship with the company. Therefore, CLV is a forward-looking indicator that goes beyond traditional customer profit calculators. It measures the long-term potential of customer relationships, taking into account customers' expected purchasing patterns (Ali and Shabn, 2024b).

CLV has traditionally been defined through financial metrics such as revenue or profitability. However, recent literature increasingly highlights the need to incorporate non-financial dimensions, especially when measuring CLV from the customer's perspective in digital and service-oriented markets like fashion e-commerce (Amendah et al., 2023). From the customer's perspective, loyalty, usage quantity, word of mouth (WOM), and purchase intention serve as CLV measurement dimensions (Mudjahidin et al., 2024, Dandis et al., 2022).

Non-Financial Factors Affecting CLV

The concept of CLV is not limited to transactional and financial indicators but is also influenced by a range of non-financial factors that shape customer perceptions, attitudes, and interactions over the long-term. Prior studies confirm that integrating non-financial factors allows for more customer-centric understanding of the value creation process, particularly in online retail environments (Dandis and Al Haj Eid, 2021, Mudjahidin et al., 2024, Dandis et al., 2022). In the context of fashion e-commerce, these factors become important due to the experiential, emotional, and socially driven nature of purchasing behavior. This study categorizes non-financial factors into five main groups: demographic factors, psychological and behavioral factors, social influence factors, quality factors, and convenience, accessibility, and price factors.

Demographic Factors

Demographic characteristics are commonly used to segment customers and understand variations in purchasing behavior and long-term value. Variables such as gender, age, income, education level, and marital status have been widely examined in CLV research across different industries (Bhattacharyya and Sarma, 2025, Kivrak and Akar, 2020). These factors influence customers' purchasing power, preferences, and engagement patterns, which in turn affect their lifetime value.

In fashion e-commerce, demographic factors play an important role due to differences in lifestyle, fashion awareness, and spending behavior among demographic groups (Khanijoh et al., 2020, Xiang, 2021). For example, income level may determine the frequency of purchases and product selection, while education level may affect brand awareness and sensitivity to product information. Although demographic variables are often considered static, prior studies suggest that they remain useful indicators of CLV when combined with behavioral and attitudinal data (Dandis et al., 2022, Manyanga et al., 2022).

Psychological and Behavioral Factors

Psychological and behavioral factors reflect customers' internal evaluations and emotional responses toward a brand or online platform. Customer satisfaction is one of the most widely studied factors of long-term customer value, as satisfied customers are more likely to repurchase, remain loyal, and recommend the brand to others (Ali and Shabn, 2024a, Rane et al., 2023)**.** Emotional connection further strengthens this relationship by fostering attachment and commitment that go beyond functional benefits (Raza et al., 2025)**.**

Customer lifestyle also plays an important role in fashion e-commerce, where consumers often select brands that reflect their identity, values, and self-image. When customers see that a brand is aligned with their lifestyle, they are more likely to maintain long-term relationships, thereby increasing CLV. Brand experience, which includes customers' sensory, emotional, and cognitive interactions with a brand, has also been highlighted as an important behavioral factor in online environments (Singh et al., 2023). These psychological and behavioral factors encourage ongoing interaction and creating long-term value.

Social Influence Factors

Social influence factors consider the impact of external social interactions and perceptions on customer behavior. In online fashion markets, purchasing decisions are often affected by brand reputation, social media presence, and customer trust (Açikgöz et al., 2024, Nabirasool et al., 2024). A strong brand reputation indicates reliability and quality, reducing perceived risk and encouraging repeat purchases (Bosco, 2023)**.**

Social media platforms have become essential channels for customer engagement, enabling brands to communicate directly with consumers and foster online communities (Oumayma, 2019). Trust, especially in e-commerce sectors, is a critical factor for long-term relationships, as customers must feel confident in transaction security, product authenticity, and service reliability (Septiani, 2025). Influencer marketing practically social proof has also considered as a main social influence mechanism; however, prior research presents mixed findings regarding its long-term impact on CLV, suggesting that its effectiveness may depend on context and consumer characteristics (Ologunebi, 2023, Weiser, 2024, Kivrak and Akar, 2020, Ariffin et al., 2021).

Quality Factors

Quality-related factors represent customers' evaluations of both products and services provided by online fashion retailers. Product quality is a basic determinant of customer satisfaction and repeat purchasing behavior (Mokammel, 2023). In addition, product innovation and personalization have gained increasing importance in digital retail environments.

Product innovation allows brands to differentiate themselves by introducing new designs, features, and collections that align with changing customer needs and preferences (Mat Amin, 2024). Personalization enhances customer experience by tailoring product recommendations, promotions, and content to individual needs, thereby increasing perceived value and engagement (Prakoso et al., 2023). High service quality, including efficient customer service, returns and exchanges policies, shipping costs, and product availability, further reinforces positive customer perceptions and positively impacts long-term CLV (Mirza et al., 2021).

Convenience, Accessibility, and Price Factors

Convenience and accessibility are important drivers of online shopping behavior, particularly in time-sensitive and experience-oriented markets such as fashion e-commerce (Zeqiri et al., 2023)**.** Factors such as ease of use, flexible payment options, fast delivery, and accessible product information reduce effort and enhance the overall shopping experience. Customers who find the online platform convenient are more likely to make repeat purchases and develop long-term relationships (Rane et al., 2023).

Price has traditionally been considered a key determinant of customer value; however, its impact on CLV is often context-dependent (Awaad et al., 2024)**.** In fashion e-commerce, customers may prioritize quality, brand image, and convenience over price alone, particularly when perceived value is high. As a result, while price sensitivity may influence short-term purchasing decisions, its effect on long-term customer value may be less pronounced compared to other non-financial factors (Fitria and Nurdiansyah, 2021, Rane et al., 2023).

Table 1. Summarizes previous studies that have discussed the non-financial factors that influence CLV worldwide.

Table 1. The non-financial factors that affect CLV

Factors	**Countries**	**Reference**
Demographics	UK, India, Turkey	(Ologunebi, 2023, Bhattacharyya and Sarma, 2025, Kivrak and Akar, 2020)
Customer Lifestyles	UK, Japan	(Ologunebi, 2023, Dahana et al., 2019)
Emotional connection	UK, Spain, Jordan	(Ologunebi, 2023, Pedreño Santos and Garcia-Madariaga, 2022, Ali and Shabn, 2024a)
Social proof and influencer marketing	UK, Germany, Turkey	(Ologunebi, 2023, Weiser, 2024, Kivrak and Akar, 2020)
Social Media Presence	China, Indonesia, Thailand	(Zhang et al., 2018, Dai et al., 2024, Sudirjo et al., 2023)
Brand reputation	Iran, Jordan	(Pourgholam et al., 2018, Dandis et al., 2022)
Customer Satisfaction	Spain, Iran, Bangladesh	(Pedreño Santos and Garcia-Madariaga, 2022, Mokammel, 2023, Dandis et al., 2022, Dandis et al., 2023)
Customer Trust	UK, Iran, Jordan	(Ologunebi, 2023, Pourgholam et al., 2018, Dandis et al., 2023)
Convenience and Accessibility	UK, Vietnam	(Ologunebi, 2023, Nguyen et al., 2021)
Product Innovation	China, Bangladesh, Indonesia	(Zhang et al., 2018, Mokammel, 2023, Setyaningrum, 2021)
Personalization	Jordan, Indonesia, India	(Ali and Shabn, 2024a, Suryati et al., 2023, Raz Saurabh Shubham, 2023)
Product Price	UK, Spain, Bangladesh, Egypt	(Ologunebi, 2023, Pedreño Santos and Garcia-Madariaga, 2022, Awaad et al., 2024, Mokammel, 2023)
Service Quality	Spain, Iran, Bangladesh, Jordan	(Pedreño Santos and Garcia-Madariaga, 2022, Pourgholam et al., 2018, Mokammel, 2023, Dandis et al., 2022, Dandis et al., 2023)
Product quality	Spain, Bangladesh, Egypt	(Pedreño Santos and Garcia-Madariaga, 2022, Awaad et al., 2024)
Brand Experiences	Spain, Jordan	(Pedreño Santos and Garcia-Madariaga, 2022, Dandis et al., 2023, Ali and Shabn, 2024a)

Gap Analysis

As shown in Table 1. Although many studies have investigated the non-financial factors that influence CLV, most of these studies either focus on a subset of these factors or examine contexts other than fashion e-commerce. Few studies have explored the relationship between non-financial factors and CLV in the Middle East, where cultural norms and rapid digital transformation influence customer purchasing behavior (Al-Tayyar et al., 2021). To the best of our knowledge, no studies addressed this topic in the Saudi Arabian online fashion sector. Therefore, this study proposes a framework that adopts customer perspective and examines all non-financial factors influencing CLV discussed above. In addition, the framework integrates three CLV dimensions-loyalty, purchase quantity, and WOM-, within the business-to-consumer (B2C) fashion e-commerce market in Saudi Arabia. The framework not only aligns with modern marketing analytics approaches, but also contributes practical insights into customer targeting, segmentation and retention strategies.

Research Methodology

This study is based on relationship marketing theory, which asserts that companies should not only look for ways to do business with customers, but should also ensure they establish long-term, profitable relationships with their target market (Steinhoff et al., 2019, Dandis et al., 2022). This theory highlights the importance of customer retention, loyalty, and trust, which is particularly critical for online fashion, where repeat orders are valuable drivers of long-term profitability (Khan et al., 2020). Nineteen hypotheses (H1-H19) were developed related to different non-financial factors to test the influence of demographic, psychological, social, quality, convenience, and price factors on CLV (as shown in Figure 1).

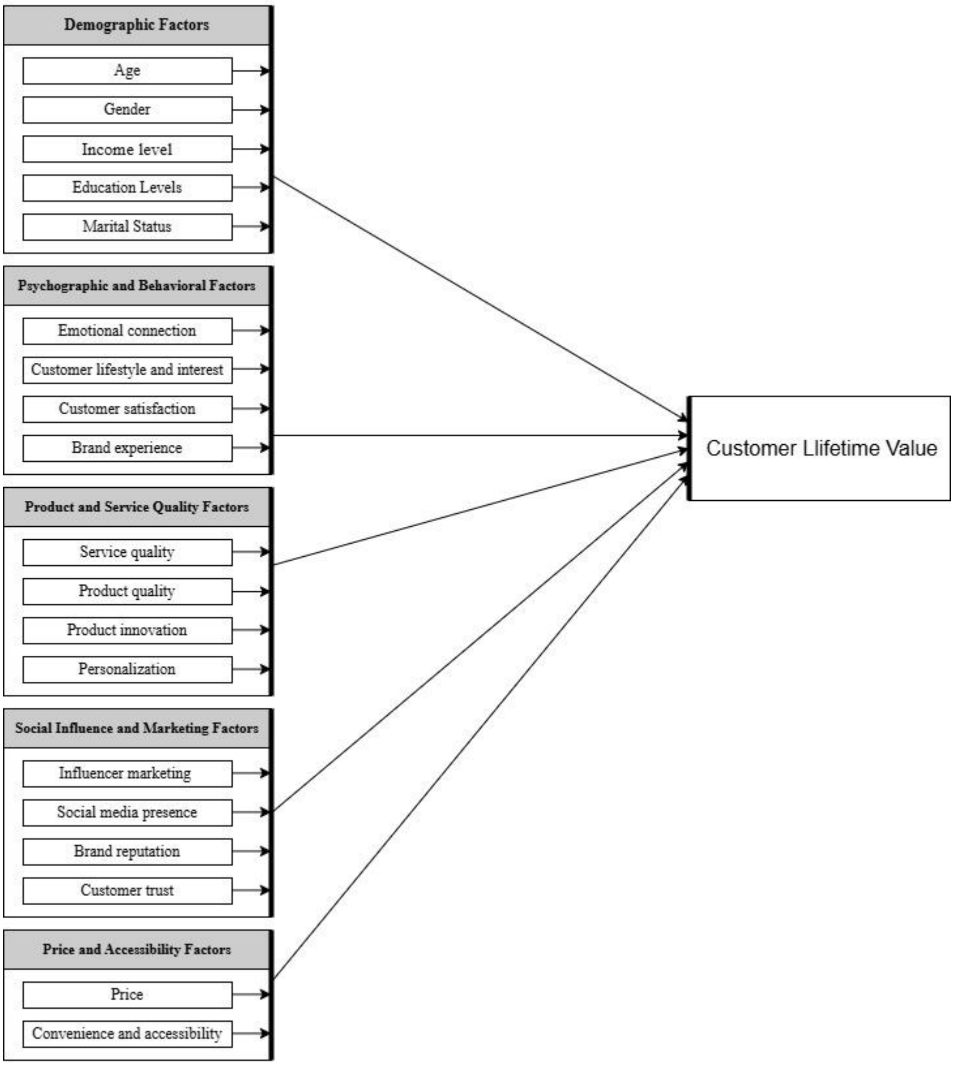


Figure 1. Theoretical framework.

Data Collection

To test the study hypotheses, data was gathered from a sample of customers who purchase fashion products online in Saudi Arabia. A questionnaire was created and used as the primary data collection tool using Microsoft

Forms. The questions were closed-ended and designed based previous work (Mudjahidin et al., 2024). For each factor or group of factors a question is provided as described in Table 2.

Table 2. A clarification of measurement items

Factors	**Question**	**Sources**
Customer satisfaction	Would the general feeling of satisfaction you feel with the brand affect your desire to repurchase?	(Dandis et al., 2023)
Customer trust	Does your feeling of trust in the online shopping platform increase your desire to repeat purchases?	(Dandis et al., 2023)
Emotional connection	Do you frequently purchase or engage with a brand if you feel an emotional connection to that brand?	(Ali and Shabn, 2024a)
-Personalization -Social proof and influencer marketing - Brand reputation - Media Presence	Which of the following factors influence your desire to purchase?	(Ali and Shabn, 2024a, Kivrak and Akar, 2020)
-Product quality -Product Price -Product Innovation	Speaking of products, which of the following factors influences your desire to purchase more products?	(Dandis et al., 2023, Awaad et al., 2024)
Convenience and Accessibility	Expected product delivery time	(Lan et al., 2021)
	Provides product information (such as size charts).	
	provides a variety of payment options.	
	Easy navigation between the website pages and clear classification of products.	
Service quality	Customer service efficiency	(Firmansyah and Ali, 2019)
	Exchange and return policy	
	Product shipping costs	
	Product availability	
Lifestyle and interests	Providing fashion products that express my personal identity.	(Dahana et al., 2019)
	Having certain occasions (such as holidays)	
	I have money available	
	Provides products that align with my values and interests	
Brand experience	If the brand makes a strong impression on my senses, such as attractive design.	(Dandis et al., 2023)
	When a brand evokes positive emotions, such as happiness or pride when wearing its products.	
	If the brand contributes to enhancing my creative potential.	
Loyalty	Are you planning to make additional purchases in the next few months?	(Mudjahidin et al., 2024)
Word of Mouth	Would you recommend the brand to your friends and family?	(Mudjahidin et al., 2024)
Usage Quantity	How frequently do you buy fashion products online during the month?	(Mudjahidin et al., 2024)

The questionnaire was distributed across social media platforms like WhatsApp, X, and Telegram for a period of one and a half months, between September 18 and November 2, 2024.

Data Analysis

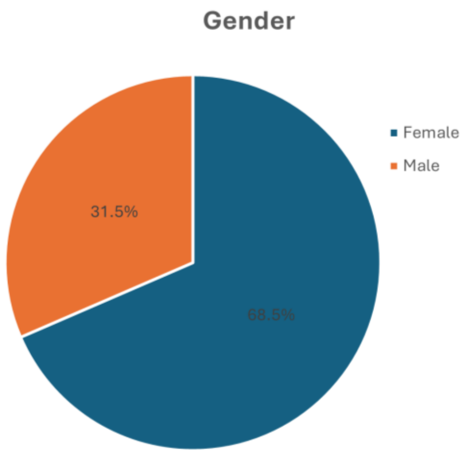
Data preprocessing involved converting categorical responses into numerical values. CLV was computed as the mean of loyalty, usage quantity, and WOM. This research used Pearson's correlation coefficient to explore the relationships between the variables. The theoretical framework hypotheses were tested using Ordinary Least Squares (OLS) regression to achieve the objectives of this study. In related studies, the significance level of 0.05 is used (Lan et al., 2021). P-values less than or equal to this significance level indicate a significant relationship, which means rejecting the null hypothesis.

Results and Discussion

In this section, we discuss data collection, analysis and statistical results, as well as the practical implications of this research.

Data Collection

The total number of responses received was 873. About 94 responses were excluded, including 10 responses from respondents residing outside Saudi Arabia, and 84 responses from respondents who do not purchase online. Therefore, our dataset consists of 779 valid and complete responses. Among 779 responses of 534 (68.5%) were female and 245 (31.5%) were male, with female respondents making up the higher proportion of the sample. The demographics factors (i.e., gender, marital status, age, educational level, and monthly income) statistical results are shown in Figures 2-6.



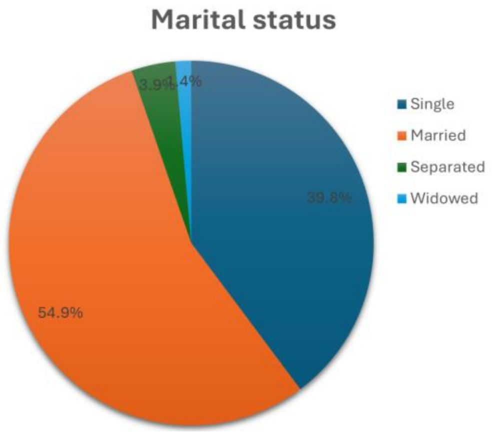
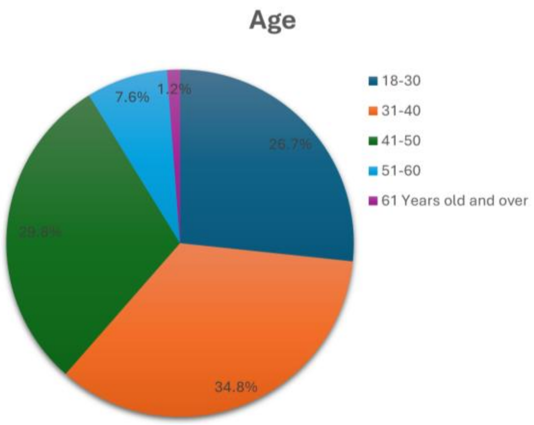


Figure 2. The gender percentage of customers.

Figure 3. The marital status percentage of customers.



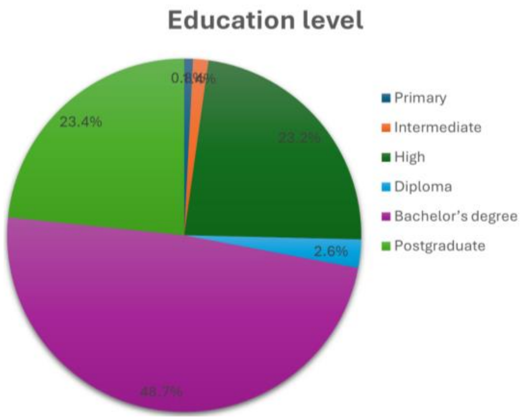


Figure 4. The age percentage of customers.

Figure 5. The educational level percentage of customers.

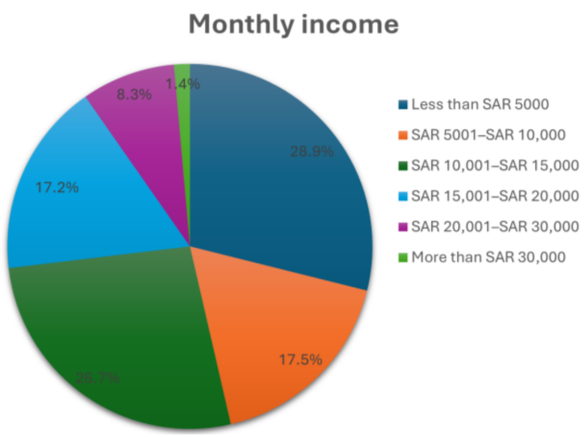


Figure 6. The monthly income percentage of customers.

Correlation Analysis

The heatmap in Figure 7 shows the results of Pearson's correlation analysis between the variables used in this study. Pearson's correlation coefficient between customer satisfaction and customer CLV shows that customer satisfaction is strongly positively correlated with CLV (r = 0.66). Additionally, there is a strong positive correlation (r = 0.61) between customer trust and CLV, meaning that as customer trust increases, CLV tends to rise. According to the results, there is also a strong positive correlation (r = 0.53) between emotional connection and CLV, meaning that the stronger the customer's connection to online fashion platforms, the higher their CLV. Conversely, there is a moderate positive relationship between CLV and each of the following: gender (r = 0.44), marital status (r = 0.34), and personalization (r = 0.34). On the other hand, there is a weak positive to other factors such as education level (r = 0.07), product quality (r = 0.26), brand reputation (r = 0.21), product price (r = 0.02), and CLV. In contrast, other variables showed either a moderately negative correlation with CLV, such as product innovation (r=-0.29) and personalization (r=-0.343), or a weak negative correlation such as age (r=-0.05), brand experience (r=-0.05), monthly income (r=-0.16), convenience and accessibility (r=-0.18), customer lifestyle (r=-0.22), and service quality (r=-0.22).

From the above, we conclude that CLV is affected by all the factors mentioned above, with customer satisfaction, customer trust, and emotional connection being the most influential factors, as they showed a strong positive correlation (r ≥ 0.5) with CLV.

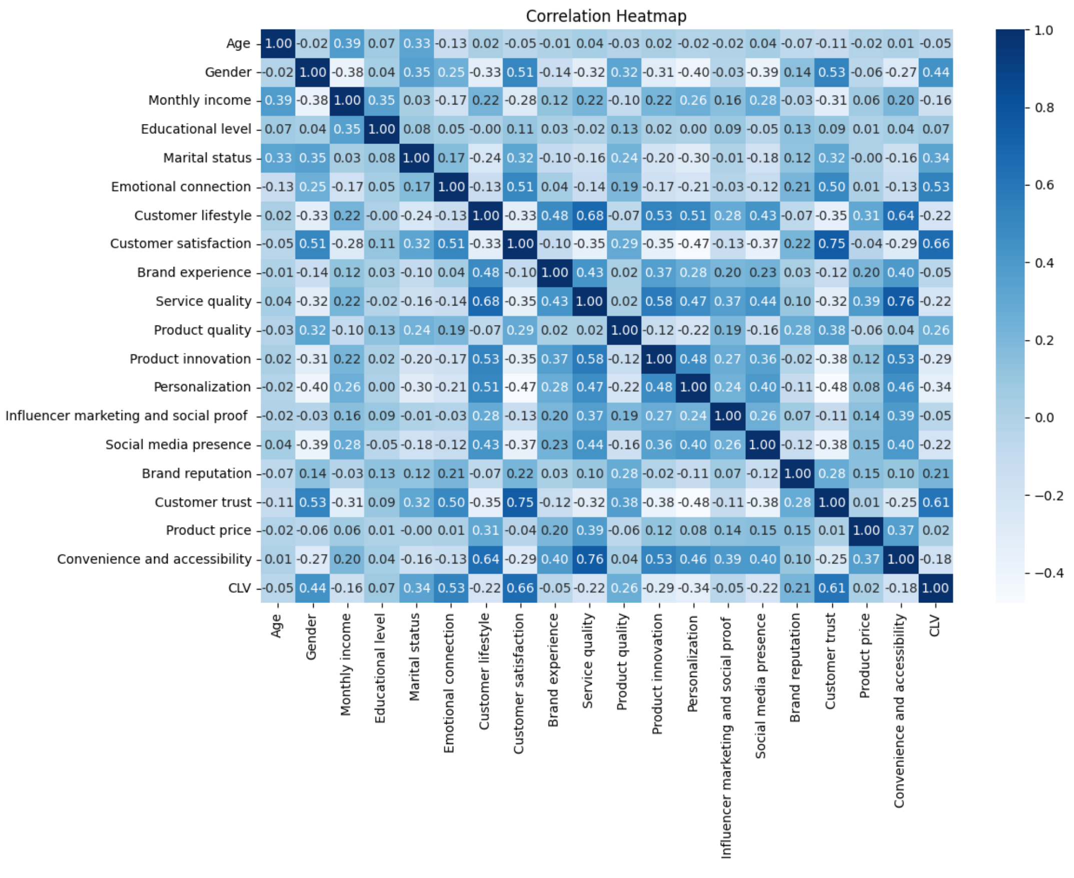


Figure 7. Heatmap of correlation analysis.

Regression Analysis

As this study suggested that CLV in the online fashion industry in Saudi Arabia is influenced by customer demographics, psychographic and behavioral, quality, social, and price and accessibility factors. The regression analysis results of these factors are discussed below.

Demographic Factors: The results (Table 3) showed that age has no effect on CLV in the online fashion industry in Saudi Arabia. However, gender, income level, education level, and marital status significantly impact the CLV in the online fashion industry in Saudi Arabia.

Table 3. The results of testing hypotheses H1 to H5.

Hypothesis	Path	Coefficient	Std Err	t-Value	p-Value
H1	**Age→ CLV**	**-0.024017**	**0.018481**	**-1.299540**	**0.194144**
H2	Gender → CLV	0.470387	0.034400	13.673902	2.6875E-38
H3	Income → CLV	-0.059315	0.012996	-4.564078	0.000006
H4	Education level → CLV	0.031817	0.015383	2.068292	0.038943
H5	Marital status → CLV	0.271385	0.027039	10.036885	2.2572E-22

Psychological and Behavioral Factors: As shown in Table 4, emotional connection, customer lifestyle and interest, and customer satisfaction significantly impacts the CLV in the online fashion industry in Saudi Arabia. However, there is no significant effect of brand experience on CLV in the online fashion industry in Saudi Arabia.

Table 4. The results of testing hypotheses H6 to H9.

Hypothesis	Path	Coefficient	Std Err	t-Value	p-Value
H6	Emotional connection → CLV	0.326152	0.018542	17.590105	1.4881E-58
H7	Customer lifestyle → CLV	-0.455427	0.073096	-6.230504	7.6151E-10
H8	Customer Satisfaction → CLV	0.392825	0.016180	24.278777	2.4418E-97
H9	**Brand experience → CLV**	**-0.141123**	**0.099115**	**-1.423828**	**0.154898**

Quality Factors: As indicated in Table 5, service quality, product quality, product innovation, and personalization significantly impact the CLV in the online fashion industry in Saudi Arabia.

Table 5. The results of testing hypotheses H10 to H13.

Hypothesis	Path	Coefficient	Std Err	t-Value	p-Value
H10	Service quality → CLV	-0.412265	0.066133	-6.233861	7.4612E-10
H11	Product quality → CLV	0.326296	0.043225	7.548742	1.2328E-13
H12	Product Innovation → CLV	-0.284566	0.034193	-8.322332	3.865E-16
H13	Personalization → CLV	-0.354701	0.034888	-10.166826	6.9959E-23

Social Factors: Table 6 shows that brand reputation, social media presence, and trust significantly impact the CLV in the online fashion industry in Saudi Arabia. However, there is no significant effect of social proof and influencer marketing on CLV in the online fashion industry in Saudi Arabia.

Table 6. The results of testing hypotheses H14 to H17.

Hypothesis	Path	Coefficient	Std Err	t-Value	p-Value
H14	Brand reputation → CLV	0.210140	0.034973	6.008680	2.8733E-9
H15	Social media presence → CLV	-0.217412	0.035040	-6.204743	8.9037E-10
H16	**Social proof and influencer marketing → CLV**	**-0.067919**	**0.053581**	**-1.267587**	**0.205325**
H17	Trust → CLV	0.366998	0.017122	21.434462	1.952E-80

Price and Accessibility Factors: Table 7 presents that while there is no significant effect of product price on CLV in the online fashion industry in Saudi Arabia, convenience and accessibility significantly impact the CLV in the online fashion industry in Saudi Arabia.

Table 7. The results of testing hypotheses H18 to H19

Hypothesis	Path	Coefficient	Std Err	t-Value	p-Value
H18	**Product Price → CLV**	**0.017571**	**0.040722**	**0.431472**	**0.666245**
H19	Convenience and accessibility → CLV	-0.348288	0.070253	-4.957595	8.767E-7

In summary, the results show that all hypotheses were supported except for four (H1, H9, H16, and H18). The demographic factors' results reveal that gender, income level, educational level, and marital status significantly affect CLV, whereas age does not. These results are partially consistent with study (Bhattacharyya and Sarma, 2025). However, the current study contradicts this prior work with respect to the impact of age and educational level. Psychological factors such as satisfaction, lifestyle, and emotional connection exhibited strong positive effects, which is consistent with previous studies (Naglaa Farid Hegaze, 2025, Rane et al., 2023, Dandis et al., 2022, Dandis et al., 2023), (Dahana et al., 2019), and (Ali and Shabn, 2024a, Raza et al., 2025), respectively. In contrast, brand experience was insignificant. This finding is consistent with (Dandis et al., 2023) but contradicts studies (Sina and Kim, 2019, Han et al., 2020), which reported a significant relationship between brand experience and CLV. Quality-related factors, including product quality, innovation, and personalization, significantly influenced CLV, in line with the findings of (Prakoso et al., 2023) , (Somalua et al., 2022, Dibie et al., 2019), (Raz Saurabh Shubham, 2023), respectively. In addition, service quality has a significant positive impact on CLV, consistent with the findings reported in (Dandis et al., 2023, Huang et al., 2019), but contradictory to those of (Dandis et al., 2022, Dandis and Al Haj Eid, 2021), which reported a negligible or opposite effect. Social factors such as brand reputation, social media presence, and trust were also significant, which is consistent with prior studies (Dandis and Al Haj Eid, 2021, Dandis et al., 2022), (Flikkema et al., 2019, Setyaningrum, 2021), and (Dandis et al., 2022, Dandis et al., 2023), while influencer marketing showed no effect, contradicting the findings of (Ariffin et al., 2021, Bansal and Muzatko, 2021). Price was insignificant, contrary to the findings of (Awaad et al., 2024), whereas convenience and accessibility significantly affected CLV, consistent with studies (Rane et al., 2023) and (Zeqiri et al., 2023).

Practical Implications

The results of this study provide practical implications for fashion e-commerce companies in Saudi Arabia to develop targeted strategies for customer retention and CLV maximization. By focusing on specific non-financial factors related to customer experience, quality, trust, and convenience, companies can build more accurate CLV predictive models and implement more effective customer relationship management strategies to enhance customer retention and long-term CLV. As the fashion e-commerce market in Saudi Arabia continues to grow, these implications will become increasingly valuable to companies seeking to achieve sustainable competitive advantages through customer-centric approaches.

In general, companies should consider building emotional connections with their customers through storytelling, aligning brand values, and delivering personalized experiences. In addition, investing in customer service excellence and trust-building mechanisms, such as transparent policies, secure payment systems, and reliable delivery services, will yield significant returns on CLV.

Conclusion

Many companies rely on CLV, a metric that takes into account the total net profit a company expects from a customer throughout their entire relationship. However, traditional CLV models typically use financial and transaction data, and do not include non-financial factors. Therefore, this research contributes to understanding the non-financial factors that can affect CLV in the fashion e-commerce sector in Saudi Arabia. The study identified fifteen important factors, while four factors did not show any significant impact. Customer satisfaction, trust, and emotional connection emerged as the strongest predictors of CLV, highlighting the importance of relationship-building in digital commerce.

The main limitation of this study is the small sample size as well as most of the questionnaire participants are female, which limits the results representation on Saudi population. In addition, the theoretical framework was built based on specific variables, and the results are limited to the online fashion sector in Saudi Arabia, which limits the possibility of generalizing the factors and results to other sectors or demographic areas.

Future research directions should include exploring more factors, integrating financial and non-financial factors, and expanding the scope of findings to include other emerging e-commerce markets in the Middle East and North Africa region, where similar cultural and economic factors may influence consumer behavior. The methodology and framework developed in this study can serve as a model for similar research in other geographical contexts and industrial sectors. Furthermore, developing machine learning-based models for predicting CLV would yield more advanced results.

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