

UDC 339.187

Chepelenko Anzhelika*Candidate of Economic Sciences,
Associate Professor,**Associate Professor of the Department of
Marketing**State University of Trade and Economics*

ORCID: 0000-0001-7794-2221

<https://doi.org/10.25313/3083-7782-2026-5-60>

LIFE CYCLES OF CONSUMERS AS A TOOL FOR MAXIMIZING THE POTENTIAL PROFITABILITY OF THE BRAND

Summary. Introduction. A critically important aspect of strategic operations in terms of planning, shaping and obtaining the economic and financial effect of a business is the effective management of the consumer life cycle. The ability to navigate every stage of the life cycle provides business with opportunities to improve the customer experience and, as a result, maximize potential profitability. Understanding and measuring LTV and CLV correctly (depending on the business model) provides an opportunity to help business actors adapt marketing efforts, optimize the costs of attracting and retaining consumers, identify and develop high LTV (CLV) segments, ensuring growth and sustainable brand success in a competitive market and allowing informed and strategic decisions.

Purpose. The purpose of the presented study is to analyze the life cycles of consumers in order to maximize the potential profitability of the brand.

Materials and methods. The study used analytical and evaluation studies by Growth Marketing Metrics [6], FirstPageSage [5,13], The American Customer Satisfaction Index [12,14] and scientific studies by Joosten David [9], Leblanc D. [10] and Taddeo J. [11], which can be the basis for analyzing consumer life cycles to maximize potential brand profitability and understanding further brand development. In the process of research, scientific methods of theoretical generalization and grouping were used (to systematize methods and methodologies); formalization, analysis and synthesis (for interpretation of analytical materials); logical generalization of results (formulation of conclusions).

Results. The scientific article examines the issue of the peculiarities of the analysis of consumer life cycles in order to maximize the potential profitability of the brand and proves that focusing on the vital value of regular consumers is focusing mainly on strategies focused on profit maximization. The conducted research shows that by increasing LTV, businesses have the opportunity to increase the budget in order to attract new consumers, outperform competitors and gain more market share coverage, which as a result allows them to retain consumers longer and leads to an overall increase in LTV.

Discussion. In further scientific research, there is a need to focus attention on the analysis and features of the use of conversion-oriented channels, and the attraction of potential consumers and retention that exists, as well as on algorithms for the formation of brand loyalty.

Key words: consumer life value (cost) (LTV and/or CLV), consumer engagement cost (CAC), brand effectiveness, brand loyalty, business strategy, brand strategy.



Copyright © The Author(s).

This is an open access article distributed under the terms
of the Creative Commons Attribution License 4.0
(<https://creativecommons.org/licenses/by/4.0/>)

Presentation of the main material. Main reason for declining business profitability and sometimes bankruptcy is to underestimate the importance of measuring critical metrics such as cost of consumer engagement (CAC) and reverse LTV monetization (CLV), the calculation and tracking

of which would enable business actors to discover that each new consumer who was attracted was actually bringing them closer to bankruptcy and understand what needs to be changed what behavior models to focus on and how to plan and make sales.

Analysis of recent research and publications. The study used analytical and evaluation research by Growth Marketing Metrics [6], FirstPageSage [5,13], The American Customer Satisfaction Index [12,14] and scientific studies by Joosten David [9], Leblanc D. [10] and Taddeo J. [11], which can be the basis for analyzing consumer life cycles to maximize potential brand profitability and understanding further brand development.

The purpose of the article is to analyze the life cycles of consumers in order to maximize the potential profitability of the brand.

Materials and methods. In the process of research, scientific methods of theoretical generalization and grouping were used (to systematize methods and methodologies); formalization, analysis and synthesis (for interpretation of analytical materials); logical generalization of results (formulation of conclusions).

In the process of research, scientific methods of theoretical generalization and grouping were used (to systematize methods and methodologies); formalization, analysis and synthesis (for interpretation of analytical materials); logical generalization of results (formulation of conclusions).

Business uses the stages of the consumer life cycle to adapt both the overall business strategy and brand strategies; improving interaction with consumers; increasing satisfaction and ultimately stimulating income growth through effective relationship management throughout the life cycle (Table 1).

Table 1

Tools for achieving brand efficiency by stages of the consumer life cycle

Stage	Tools for achieving efficiency
Awareness	Content marketing
	SEO
	Social Media Marketing
	Data-based targeting
	Paid instant impact advertising
	Multi-channel presence
	Cold outreach
	Market segmentation
Consideration	Assessment of potential consumers
	Targeting and personalized communication
	Interfunctional interaction between sales and marketing departments
	Product demonstration and interactive educational events
	Feedback and practical research to build trust
	Feedback for personalized interaction
Maximization of conversion	Optimized sales process
	Offer of individual pricing and adapted packages
	Clear message of value proposition
	Tools and resources to support sales
	Integration of consumer brand loyalty
	Interfunctional interaction between sales and marketing departments
Supporting brand loyalty through strategic engagement	Providing comprehensive information about products and/or services
	Proactive support (to maximize consumer life value (LTV))
	Brand loyalty programs
	Feedback to retain consumers
	Optimizing the consumer experience
Brand Loyalty/Advocacy	Creating a dynamic community around the brand (to expand and increase LTV)
	Referral programs (for expansion)
	Coverage of brand loyalty stories
	Systematic identification of potential brand lawyers
	Personalized gratitude to brand loyal consumers
	User-generated content

Source: summarized by author based on [1–5; 8; 12; 14]

Summarizing the information presented in Table 1, it is possible to note that the stages of the consumer life cycle provide an opportunity to understand the process of consumer evolution from passive viewers to brand advocates, who are the embodiment of effective life cycle management and a consistent strategy. Open and continuous communication and personalization is the leitmotif that connects the different stages of the consumer’s life cycle with the brand, ensuring a smooth transition from one stage to the next.

Understanding and optimizing milestones through technology and automation investments, data analysis, and strategic vision enable efficient scaling and customization of lifecycle management, providing flexibility and responsiveness.

Effective consumer life cycle management is a delicate interaction between consumer engagement and direct impact on the financial well-being of businesses, and the combination of carefully selected strategies and technological solutions and the optimization of each stage of the life cycle is the key to increasing brand loyalty, sustainable growth and increasing business profitability.

The vital value indicator (LTV and/or CLV) helps to define a plateau in the relationship between business and the consumer, the qualitative calculation of which makes it possible to identify changes and improvements that can increase brand loyalty, consumer satisfaction and costs, and a comprehensive approach to understanding and optimizing key interrelated indicators that determine business profitability (lifetime value (cost) of consumers (LTV), the cost of consumer engagement (CAC), consumer outflow ratio (CCR), cost of service (CTS), etc. can help identify opportunities to increase target audience brand loyalty and profit margins.

The LTV indicator is vital for business because it measures the contribution of consumers to a relationship with a specific business over the entire time of being a consumer and is applied to the entire consumer population, helps to make business decisions about the total customer base and is calculated as the ratio of annual sales revenue to the number of sales by various methods, such as historical LTV, predictive LTV, life expectancy LTV, cohort analysis and individual LTV.

The CLV or CLTV (Customer Lifetime Value) measure estimates the total value (value) (often revenue) that a particular business can expect from one customer over the entire duration of a relationship and takes into account purchase frequency, average order value and retention rate, providing a complete picture of the value of the customer base and each consumer, especially in e-commerce (is one of the important indicators of KPI). CLV (CLTV) is applied to specific consumers, helps rank individual consumers by different segments, and is calculated for individual (individual) consumers (a) (average costs over a certain period of time (usually a year).

LTV and CLV may be the result of past relationships or a projected estimate of future costs, and the way they are calculated may vary depending on the type of product (service), but is usually the product of the average annual cost of costs, their frequency and the duration of the consumer’s relationship with the business entity in years.

The methods for calculating LTV and CLV (CLTV) are similar and include the average annual cost to the consumer and the average duration of his relationship with the business entity (in years). The key difference is how costs and scale are calculated (CLV — one customer, LTV — all customers).

One of the good reasons for declining business profitability and sometimes bankruptcy is to underestimate the importance of measuring critical indicators such as cost to Acquire a Customer (CAC) and monetization (LTV), the calculation and tracking of which would enable business actors to discover that each new customer they attracted was actually bringing them closer to bankruptcy and understand what needs to be changed what behavior models to focus on and how to plan and implement sales (Fig. 1).

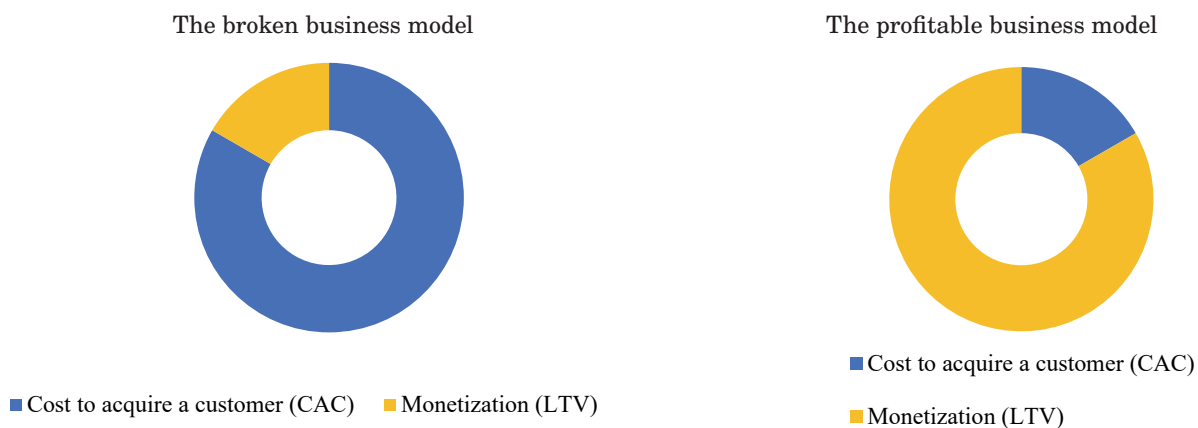


Fig. 1. The structure of the effectiveness of consumer involvement and their vital value (cost) according to business models

Understanding and measuring LTV and CLV correctly provides an opportunity to help business actors adapt marketing efforts, optimize the costs of attracting and retaining consumers, identify and develop high LTV (CLV) segments, ensuring growth and sustainable success in a competitive market and allowing informed and strategic decisions.

The ratio LTV: CAC is the main indicator of brand profitability, growth potential and overall business condition and “consumer quality”.

Calculation, monitoring and optimization of the LTV: CAC ratio (Table 2) is crucial for brand success, as it determines the effectiveness of marketing efforts and provides an opportunity to predict the long-term profitability of the brand.

Table 2

LTV: CAC coefficients and their characteristics

k LTV	Key Accents	Caution
$CAC = (\text{marketing costs} + \text{sales costs}) / \text{number of new consumers}$		
LTV = CAC levels (1:1) the cost of purchase is equal to the consumer's lifetime value	may seem like the brand is breaking even, when in fact it means that it is likely to lose money, because LTV: CAC only takes into account the marketing costs of the brand	the brand losing money when it takes into account taxes, shipping and other costs considered an unsustainable business model because profits are still missing
LTV is lower than CAC	1:1.25 = a brand spends more on acquiring a customer than it will ever do from that customer, even if only marketing costs are considered	high CAC damages long-term growth
	2:1	low LTV makes brand profitability difficult and can cause a sharp decline in the share price a low-profit model, in which it is worth reviewing the channels of attraction and getting rid of inefficient ones
LTV is higher than CAC (for example, 2:1–4:1)	if a brand has a 2:1 or 3:1 ratio, it can expect to earn 2 or 3 times more than it spent on acquiring a consumer	
	3:1 ratio is a general positive benchmark for investing in venture capital businesses (benefits may be higher or lower depending on the industry and the duration of the brand (business entity))	optimal ratio at the initial stage of business a ratio below this value can negatively affect business profitability and growth potential
	4:1 ratio may indicate the possibility of sustained growth and the possibility of increased marketing costs	it is considered a standard indicator, it speaks of effective marketing and payback of invested efforts optimal correlation is on the stage of increase of business
LTV is much higher than CAC (for example, 5:1+)	can be a great opportunity to expand advertising and marketing efforts	optimal correlation is on the stage of down-scaling of business

Source: summarized by author based on [6–7; 9–11]

The increasing density of the competitive environment, especially the industry environment, is driving brands to protect their customer base, especially for brands with high CACs relative to their LTV [13] (Table 3).

The data specified in Table 4 cover the period 2019–2024 and were obtained by FirstPageSage from organic marketing channels (68%) and from B2B firms (74%) [5].

When estimating the ratio ratio of LTV: CAC, it is worth noting that business entities (management) evaluate growth priority differently. While SaaS companies can grow without increasing physical infrastructure costs or inventory, resource-dependent industries cannot adjust to a similar growth pattern. If business is growing significantly and is concentrated on gross margins, the high ratio of LTV to CAC may be an allusion to the need to streamline business before expansion.

Instead, more mature business entities (managers) prefer to increase LTV (by expanding the range of products and services, improving or adding features and strengthening their reputation in the industry) and lower CAC (need to deliberately count on an annual basis (ideally as an annual moving average) to account for seasonal fluctuations.

In the absence of a time criterion, the value of LTV (CLV) may be inaccurate for classic e-commerce companies in the presence of the fact that the consumer withdraws from the application for unknown reasons (both objective and subjective), as a result of which an excessive number of averages of indicators strongly smoothes the final value, so LTV (CLV) in e-commerce, as a rule, is evaluated on the basis of gross profit.

Table 3

**Comparative measures of the ratio of LTV to CAC by 29 main industries
for the period 2019–2024 [13]**

Industry	LTV Benchmark	CAC Benchmark	LTV: CAC Ratio	
Commercial insurance	2, 975	595	5:1	
Education (higher education & colleges)	7, 118	1, 424		
Pharmaceutical industry	890	178		
Aerospace & Defense	3, 249	722	4, 5:1	
PCB (Printed Circuit Board) design & production	2, 223	491		
Legal services	4, 117	915		
Real estate	3, 160	791		
SaaS (B2B)	956	239	4:1	
Biotechnology	2, 774	694		
Business consulting	2, 622	656		
Construction	1, 396	349		
Cyber security	1, 712	429		
Financial services	3, 692	923		
Industrial IIoT (Industrial Internet of Things)	2, 680	673		
Medical equipment	2, 512	628		
Software development	3, 042	763		
Aviation	2, 721	778		3,5:1
Engineering	1, 972	566		
IT and managed services	2, 039	583		
Automotive	2, 076	692	3:1	
Electronic commerce	255	84		
Environmental services	1, 485	495		
HVAC (Heating, Ventilation, and Air Conditioning) services	1, 140	380		
Production	2, 351	784		
Oil and gas	2, 570	857		
Transport and logistics	1, 752	584		
Entertainment	823	329	2, 5:1	
SaaS (B2C)	583	233		
Sunny energy	1, 178	471		

Consequently, the CAC is maintained within sectoral benchmarks and its increase could significantly affect the overall rate of return, which highlights the need for these two indicators to be considered continuously in combination.

FirstPageSage's research also indicates that significant improvements in the ratio of LTV to CAC in the long term are observed when organic marketing is used dominantly to create potential customers, while using a combined approach (organic and paid marketing channels) is generally appropriate for the short-term period at the beginning of the product (service) life cycle [5].

Calculation, monitoring and optimization of the LTV: CAC ratio is critical to brand success, as it determines the effectiveness of marketing efforts and provides the ability to predict long-term brand profitability, and the LTV: CAC ratio is the main indicator of brand profitability, growth potential and overall business status and "consumer quality".

When estimating the ratio ratio of LTV: CAC, it is worth noting that business entities (management) evaluate growth priority differently. While SaaS companies can grow without increasing physical infrastructure costs or inventory, resource-dependent industries cannot adjust to a similar growth pattern.

Conclusions and prospects of further researches (discussion). Focusing on the vital value of regular consumers is a focus mainly on profit-maximizing strategies.

According to Growth Marketing Metrics, the probability of selling to a new potential consumer is 5–20%, but the probability of selling to an existing consumer is 60–70%.

Since CAC is an indicator of business investment in consumer relations (attracting a new consumer), LTV helps measure and maximize the return on such investment (ROI), the LTV: CAC ratio gives a clear idea of the return on such investment and the identification of the most valuable consumers in relations with whom it is worth investing more resources to increase the level of satisfaction and loyalty, defining strategic and tactical approaches, advertising campaigns (promotions) to increase customer loyalty and retention and test methods to improve consumer interaction with lower LTVs. Identifying consumers with lower LTV allows for a targeted effort to improve their experience, retention rates, to use LTV as a variable to create marketing segments.

Open and continuous communication and personalization is the leitmotif that connects the different stages of the consumer's life cycle with the brand, ensuring a smooth transition from one stage to the next.

Effective consumer life cycle management is a delicate interaction between consumer engagement and direct impact on the financial well-being of businesses, and the combination of carefully selected strategies and technological solutions and the optimization of each stage of the life cycle is the key to increasing brand loyalty, sustainable growth and increasing business profitability.

ДОДАТКОВА ІНФОРМАЦІЯ

ФІНАНСУВАННЯ: Автори не отримували фінансування для цього дослідження.

ЗАЯВА ПРО ДОСТУПНІСТЬ ДАНИХ: Не застосовується.

КОНФЛІКТ ІНТЕРЕСІВ: Автори заявляють про відсутність конфлікту інтересів.

References

1. Qualtrics. (2026). *2026 Consumer Experience Trends Report*. Retrieved from https://www.qualtrics.com/ebooks-guides/customer-experience-trends/?utm_lp=blog_consumer-experience-trends-2026
2. Chepelenko, A. M., & Tserkovnyy, S. M. (2024). Estimating brand value: A rating approach. *International Scientific Journal "Internauka". Series: Economic Sciences*, (7). <https://doi.org/10.25313/2520-2294-2024-7-10149>
3. Chepelenko, A. (2025). Prerequisites and methods of strategic influence of brands on consumer behavior and formation of brand strategy. *European Science*, 3(sge44–03), 66–75. <https://doi.org/10.30890/2709-2313.2025-44-03-014>
4. NielsenIQ. (2025, September 29). *Consumer Outlook: Guide to 2026. Data-driven insights to power CPG manufacturer and retailer growth in the year ahead*. Retrieved from <https://nielseniq.com/global/en/insights/report/2025/consumer-outlook-guide-to-2026/>
5. FirstPageSage. (2025). *Customer Acquisition Channels, Compared and Ranked*. Retrieved from <https://firstpagesage.com/seo-blog/customer-acquisition-channels-compared-and-ranked/>
6. Growth Marketing Metrics. (n.d.). *Growth Marketing: Predictive Optimization, CAC & LTV, Growth Marketing Metrics*. Retrieved from <https://www.growthmarketingmetrics.com>
7. Graphly Documentation. (n.d.). *How to Set Up the Interval Lifetime Value Report*. Retrieved from <http://docs.graphly.io/article/261-transactional-lifetime-value>
8. Rajagopal, S. (2025, September). *IDC MarketScape: Worldwide Customer Experience Strategy Consulting Services 2025 Vendor Assessment* (IDC Report No. US52973025). IDC. Retrieved from https://my.idc.com/getdoc.jsp?containerId=US52973025&utm_medium=rss_feed&utm_source=alert&utm_campaign=rss_syndication
9. Joosten, D. (2024). *Customer Lifetime Value (CLV)*. GrowthLoop. Retrieved from <https://www.growthloop.com/university/article/customer-lifetime-value>
10. Leblanc, D. (2021). *LTV: CAC Ratio for Brands*. Daasity. Retrieved from <https://www.daasity.com/post/ltv-cac-ratio>
11. Taddeo, J. (2024). *Mastering Profit in Business by Optimizing CAC, LTV, CCR, and CTS*. Universal Creative Solutions. Retrieved from <https://www.universalcreativesolutions.com/insights/post/mastering-profit-in-business-by-optimizing-cac-ltv-ccr-and-cts>
12. American Customer Satisfaction Index (ACSI). (2025). *The ACSI® Is the Only National Cross-Industry Measure of Customer Satisfaction That Represents the U.S. Economy*. Retrieved from https://theacsi.org/?option=com_content&view=article&id=148&Itemid=213
13. FirstPageSage. (2025). *The LTV to CAC Ratio Benchmark*. Retrieved from <https://firstpagesage.com/seo-blog/the-ltv-to-cac-ratio-benchmark/>
14. American Customer Satisfaction Index (ACSI). (2025). *U.S. Overall Customer Satisfaction*. Retrieved from <https://theacsi.org/the-acsi-difference/us-overall-customer-satisfaction/>

Дата першого надходження статті до видання: 26.04.2026

Дата прийняття статті до друку після рецензування: 23.05.2026

Дата публікації: 30.05.2026

Чепеленко Анжеліка Михайлівна
кандидат економічних наук, доцент,
доцент кафедри маркетингу
Державний торговельно-економічний
університет

ЖИТТЄВІ ЦИКЛИ СПОЖИВАЧІВ ЯК ІНСТРУМЕНТ МАКСИМІЗАЦІЇ ПОТЕНЦІЙНОЇ ПРИБУТКОВОСТІ БРЕНДУ

Анотація. Вступ. Критично важливим аспектом стратегічних операцій щодо планування, формування та отримання економічного та фінансового ефекту бізнесу є ефективно управління життєвим циклом споживачів. Вміння орієнтуватися на кожному етапі життєвого циклу надає бізнесу можливості для покращення клієнтського досвіду та, як наслідок, максимізації потенційної прибутковості. Розуміння й коректне вимірювання LTV та CLV (залежно від моделі бізнесу) дає можливість допомогти суб'єктам бізнесу адаптувати маркетингові зусилля, оптимізувати витрати на залучення й утримання споживачів, виявляти й розвивати сегменти з високим LTV (CLV), забезпечуючи зростання та стійкий успіх бренду на конкурентному ринку та дозволяє приймати обґрунтовані та стратегічні рішення.

Мета. Метою представленого дослідження є аналіз життєвих циклів споживачів задля максимізації потенційної прибутковості бренду.

Матеріали й методи. У дослідженні використано аналітичні та оцінювальні дослідження Growth Marketing Metrics [6], FirstPageSage [5,13], The American Customer Satisfaction Index [12,14], та наукові дослідження Joosten David [9], Leblanc D. [10] and Taddeo J. [11], які можуть бути основою для аналізу життєвих циклів споживачів задля максимізації потенційної прибутковості бренду та розуміння подальшого розвитку бренду. В процесі здійснення дослідження було використано наукові методи теоретичного узагальнення та групування (для систематизації методів та методологій); формалізації, аналізу та синтезу (для інтерпретації аналітичних матеріалів); логічного узагальнення результатів (формулювання висновків).

Результати. У науковій статті розглянуто питання особливостей аналізу життєвих циклів споживачів задля максимізації потенційної прибутковості бренду та доведено, що зосередження на життєвій цінності постійних споживачів є зосередженням переважно на стратегіях, орієнтованих на максимізацію прибутку. Проведене дослідження свідчить про те, що збільшуючи LTV, бізнес має можливість збільшити бюджет задля залучення нових споживачів, випередження конкурентів та більшого охоплення частки ринку, що в результаті дозволяє довше утримувати споживачів та призводить до загального збільшення LTV.

Перспективи. В подальших наукових дослідженнях є необхідність зосередити увагу на аналізі й особливостях застосування каналів, орієнтованих на конверсію, та залучення потенційних споживачів й утримання що існує та на алгоритмах формування бренд-лояльності.

Ключові слова: життєва цінність (вартість) споживачів (LTV та/або CLV), вартість залучення споживачів (CAC), ефективність бренду, бренд-лояльність, стратегія бізнесу, бренд-стратегія.