The effects of e-mail marketing on brand loyalty.

Author: Ron Hoogma
Supervisor: I. van der Lans
Co-reader: I. de Hooge
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The effects of e-mail marketing on the brand equity, focussing on brand loyalty

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Abstract

This literature study aims at linking brand loyalty and e-mail marketing effects together and by doing to bring two areas of research together and determining research gaps. From the results an extended model of brand loyalty and the effects of e-mail marketing on the brand loyalty is presented. In this model two types of brand loyalty are distinguished. Firstly the behavioral loyalty, which focuses only on repeat purchase behavior. This type of loyalty and its measurements can be used for low involvement and high switching products. Secondly there is attitudinal loyalty, this type of loyalty focuses on the combination of repeat purchase behavior and attitudes towards a brand. For loyalty measurements of high involvement products, where attitudes are more often formed, the attitudinal loyalty is more suited. Both types of loyalty are influenced through repeat purchase behavior by the frequency of the e-mail communication and the perceived usefulness. Whereas satisfaction and perceived intrusiveness only have an effect on attitudinal loyalty through the attitude towards a brand. The level of attitudinal loyalty has a positive moderating effect on the frequency of the e-mail communication, perceived usefulness has a positive effect on satisfaction. The perceived intrusiveness has a negative moderating effect on all factors influencing repeat purchase behavior and attitudes towards a brand. Finally age has a negative moderating effect on all factors positively brand loyalty through e-mail marketing.

Overall it can be concluded that e-mail marketing can have a positive effect on both types of brand loyalty. In this study four important research gaps were determined. Firstly it is unclear if there is a link between the levels of commitment to an attitude described by Solomon et al. (2010) and loyalty phases described by Oliver (1999). Secondly it is unclear how regular e-mail communication should be for it to have a positive effect. As a third research gap the literature provides no solution for measuring repeat purchases as a result from e-mail marketing, taking trends and total purchase amounts into consideration. Finally we do not know if too much e-mail advertising will cause insensitivity, which will in turn lead to a lower perceived intrusiveness.
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1. Introduction

1.1. Types of e-mail marketing

In 1978 the first e-mail promotion was sent and since then e-mail marketing is a commonly used form of marketing. Since the rise of the internet, e-mail marketing replaced part of the printed forms of marketing like posters, magazines and flyers (Eridon 2012, Lee 2013). The commonly used distinction in e-mail marketing is between solicited, e-mails that consumers gave permission for, and unsolicited e-mails (Martin, Van Durme et al. 2002, Evangelos and Ranganathan 2006, Morimoto and Chang 2006, Chang, Rizal et al. 2013). It often occurs that consumers opted-in on newsletters somewhere in the past because they made an incidental purchase. These consumers have thus solicited for e-mail, but often do not opt-out of the newsletters, therefore still receiving e-mails. These and unsolicited e-mails can be seen or experienced as spam. In 2015, 45% of the e-mails were considered to be spam (Spamlaws.com 2015).

1.2. E-mail spam prohibition

In the past some companies sent e-mails out to mass amounts of potential customers without the customer’s permission to do this (De Clerck 2011). Since 2002 this is no longer possible in Europe, followed by the US in 2003. Governments have signed laws that prohibit sending unsolicited commercial e-mail. Besides Europe and the US many other countries have signed such laws (The European Parliament 2002, Eridon 2012, Wikipedia 2015). Because sending unsolicited commercial e-mails is prohibited, companies have to get users to subscribe to newsletters or other types of e-mailing lists (Lacy 2013). For this research the focus will be on the legal sending of e-mails, this includes the solicited e-mails and the e-mails that consumers opted-in for in the past but are now experienced as spam.

1.3. Outbound vs inbound marketing

Drell (2011) states that e-mail marketing is part of outbound marketing, this type of marketing contains a one-way message relying on companies to send information to the consumers trying to get their attention. Whereas inbound marketing relies on consumers finding their way to the company and interacting (two-way message) with the company through social media. For inbound marketing it is important that the company can easily be found. There is a discussion on which type of marketing is better, where most argue that outbound marketing is worse. Because it does not “annoy” consumers with relentless messages (Drell 2011, Gregg 2015, Lenselink 2015). To support their argument that outbound marketing is worse than inbound marketing, they use statistics that show that 91% of the users have unsubscribed from a newsletter lately. Besides this, only 21% of all subscription e-mails are opened (Silverpop 2015). Furthermore they focus on the number of people signed up for a “Do Not Call” list, skipping television ads and not opening direct mail. In addition inbound marketing is cheaper, making 61% of the marketers invest more in inbound marketing. Companies also acquire new customers...
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through inbound marketing, where 67% acquired a customer through Facebook, 42% through twitter and 57% through their blog. Furthermore they state that outbound e-mail marketing does not add value to the brand equity (Drell 2011, Gregg 2015, Lenselink 2015).

1.4. Outbound e-mail marketing potential

Even though some argue that inbound marketing is better, outbound e-mail marketing still remains a channel with large numbers of potential customers. In 2015 the e-mail audience was 2.58 billion and in 2019 it is predicted to reach 2.94 billion (The Radicati Group 2015). With 91% of the e-mail users opening their e-mail every day this means that there are potentially a lot of costumers that can be reached every day. It is reasonable to assume that the potential market for each specific company will be smaller, because companies carefully segment their potential customers. The potential segments of customers can be accessed easily in the case of e-mail marketing. But it is unsure if they are all, measurable, substantial, differentiable and actionable (Kotler and Keller 2009). Besides the large potential market, outbound e-mail marketing also has a large reach. In 2013 the average number of marketing e-mails received per e-mail user was 349, with a total of 838 billion marketing e-mail being sent (Daly 2014). Lacy (2013) made an inventory of e-mail statistics, she found that 93% of all the e-mail users gets at least one permission-based e-mail, like newsletters, every day. 70% of the consumers report that they always open e-mails of their favorite companies. Financially outbound e-mail marketing is very interesting for companies, investments have an average return rate of $44.25 for every $1 spend. This is why companies still plan on expanding their e-mail marketing budget.

1.5. Value of outbound e-mail marketing

One of the arguments of those opposing outbound e-mail marketing is that it adds no value to the brand equity (Drell 2011), however no scientific evidence is given for this. This raises the question whether outbound marketing has an effect, either positive, negative or none, on the brand equity. To understand what the effects might be it is important to understand brand equity first.

1.6. Brand equity

It is important to determine exactly what a brand and brand equity is. A brand is: “A distinguishing name and/or symbol intended to identify the goods or services of either on seller or a group of sellers, and to differentiate those good or service from those of competitors” (Aaker 1991). This is similar to the definition used by Kotler and Keller (2009). Aaker describes brand equity as a set of brand assets and liabilities that are linked to a brand. Assets and liabilities like, name and symbol that add to or subtract from the value provided by a product or service to a firm (1991). Brand equity can add value to a firm in a number of ways. First attracting new customers, having a well-known and renowned brand makes it easier to aim marketing campaigns at attracting new customers. Furthermore it can enhance brand loyalty. Higher brand equity also supports premium pricing, it provides a platform for brand extension, it
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provides leverage in distribution channels and it provides a competitive advantage (figure 1) (Aaker 1991).

1.7. Brand equity building stones.

To determine how brand equity is built up we looked at Aaker’s model (figure 1). The model shows five different categories that are the basis of brand equity: brand loyalty, name awareness, perceived quality, brand associations in addition to perceived quality and other proprietary brand assets (Aaker 1991). Doing something wrong as a brand will affect your customer’s loyalty first, because loyal customers are connected to the brand. Besides this, keeping a loyal customer is cheaper for a brand than acquiring new customers (Aaker 2002). From this it can be inferred that brand loyalty is a very important building stone for brand equity, therefore the focus of this research will be on brand loyalty.

Figure 1: The Aaker model (Aaker 1991).
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1.8. Brand loyalty

Aaker (1991), Kotler & Keller (2009) and Solomon & Askegaard et al. (2010) provide the basic knowledge on brand loyalty. They state that when a customer is loyal to a brand he is less likely to switch to other brands, even though competitors are tempting the customer to switch to their brand. A loyal customer is more likely to rebuy the company’s product. Customers can be either actively or passively engaged in their loyalty. When they are engaged actively they consciously choose the brand because of a positive attitude towards the brand. On the contrary when a customer is passively loyal to a brand this is called inertia. Here brand repeat purchases occur out of habit, rather than making the repeat purchases decision because there is a positive attitude towards the brand. Whether, a habitual repeat purchase that occurs because there has been a positive attitude towards a brand for a longer period of time, should be seen as inertia too is not made clear by the literature.

Aaker (1991), Kotler & Keller (2009) and Solomon & Askegaard et al. (2010) further state that customer loyalty lowers costs for companies since acquiring new customers is more expensive than retaining old ones. Therefore companies should invest in keeping customers loyal, a loyal customer for example always wants a product to be available. Loyal customers further contribute to brand equity by creating awareness, spreading word of mouth and reassurance for potential new customers.

1.9. Aim & Research questions

The aim of this study is to link brand loyalty and e-mail marketing effects, this led to a model that combines the effect of email marketing and brand loyalty. With this study we furthermore aim to bring two areas of research together and determine research gaps.

The main research question of this study is:

What are the effects of outbound e-mail marketing on the brand loyalty in the business to consumer market?

To help answer this question the following sub research question have been formulized:

What are the different types of brand loyalty?
Which types of marketing e-mails are there (focusing on content)?
Which factors mediate e-mail marketing and brand loyalty?
What are the moderators that affect the effect of e-mail marketing on brand loyalty?
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2. Methodology

This study is a literature study on two areas: brand loyalty and e-mail marketing effects, aiming to link both areas of research. The research has been conducted by searching into; Consumer behaviour a European perspective (Solomon, Bamossy et al. 2010), Marketing management (Kotler and Keller 2009), Managing brand equity (Aaker 1991), Building strong brands (Aaker 2002) and Advertising management (Aaker and Myers 1982). For brand loyalty and e-mail marketing literature Web of Science has been used as a database. For brand loyalty the search term “Consumer loyalty” Or “Brand loyalty” Or “Customer loyalty” was used. The focus was on papers in the business, economics, social studies and psychology sections, this resulted in 1006 papers. For e-mail marketing the search term “Direct marketing” Or “Mail marketing” Or “E-mail marketing” And “effect” was used, resulting in 612 papers. All papers coming forth from the search results were first sorted on the number of times that they were cited. From this sorting the papers with a higher ranking have been handled first, however all papers were handled eventually. The papers were scanned on the basis of their title. Papers with a relevant title have been controlled for relevance by reading the abstract. Besides papers that proved to be useful using this method, other papers cited in these or citing the relevant papers were looked up using Web of Science or google scholar.
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3. Results

The literature study is divided in two parts, this is reflected by the model deducted from the literature study in figure 2. The first (upper) part of the literature study focuses on the brand loyalty, defining the two commonly used types of brand loyalty. In the second (lower) part the focus is on e-mail marketing, distinguishing the effects of e-mail marketing on brand loyalty.

![Figure 2: The effects of e-mail marketing on brand loyalty model](image)

3.1. Brand loyalty

Brand loyalty is a concept that researchers still disagree on, this is reflected by the discussion revolving behavioral and attitudinal loyalty. Where on the one hand researchers state that attitudes should not be included when defining and measuring brand loyalty and on the other hand researchers state that attitudes should be involved.
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3.1.1. Behavioral loyalty

Researchers that support the behavioral loyalty theory believe that repeated purchases define and reflect the loyalty of a consumer towards a brand (Kahn, Kalwami et al. 1986, Ehrenberg, Goodhardt et al. 1990, Ehrenberg 2000). They argue that behavior equals loyalty, so if a consumer keeps purchasing the same brand he is loyal.

Besides including or excluding attitudes in the definition and measurement of brand loyalty the type of product also plays a role. In high switching and low involvement markets it is suggested that behavioral measures can predict brand loyalty correctly (Chaudhuri and Holbrook 2001, Rundle-Thiele and Bennet 2001, East, Hendall et al. 2005, Rundle-Thiele 2005). On the other hand for high involvement markets the attitudinal aspects play a greater role. This means that in the case of inertia, where consumers buy low involvement products out of habit, the behavioral measures suffice (Solomon, Bamossy et al. 2010).

In this case outbound e-mail marketing will have a positive effect on brand loyalty when it can sustain or increase the current level of a consumer’s overall repeat purchases for low involvement products. On the contrary when outbound e-mail marketing fails to generate repeat purchases the effect would be negative.

3.1.2. Attitudinal Loyalty

Through the years many researchers have underlined the need to connect attitude to brand loyalty, the term used for this is attitudinal loyalty (Day 1969, Jacoby and Kyner 1973, Dick and Basu 1994, Amine 1998, Chaudhuri and Holbrook 2001, Rundle-Thiele 2005, Bandyopadhyay and Martell 2007). Attitudinal brand loyalty is defined as: “Brand loyalty is the biased, behavioral response expressed over time by some decision-making unit with respect to one or more alternative brands out of a set of such brands, and is a function of psychological processes” (Jacoby and Chestnut 1978).

Researchers supporting attitudinal loyalty state that repeat purchases can be coincidental and influenced by other factors than brand loyalty (Jacoby and Kyner 1973, Jacoby and Chestnut 1978, Dick and Basu 1994, Oliver 1999). Dick and Basu (1994) state that just looking at the behavior leaves out the factors underlying brand loyalty and is therefore inadequate to understand and measure brand loyalty. Their notion is that brand loyalty contains both the consumer’s attitude towards the brand and a repeat purchase behavior. This is supported by Amine (1998), who states that although repeated purchases are an expression of loyalty, repeated purchases do not reflect loyalty to a brand if not accompanied by positive attitudes towards the brand.

In attitudinal loyalty the attitude towards a brand is important (i.e. Day 1969, Dick and Basu 1994, Merisavo and Raulas 2004). Attitudes are “A person’s enduring favorable or unfavorable evaluations, emotional feelings, and action tendencies toward some object or idea” (Kotler and Keller 2009). These attitudes are formed by beliefs and their evaluations, a consumer can believe that buying a certain brand will fulfill his needs. In the evaluation he then determines to what extent this brand can fulfill these needs (Ajzen and Fishbein 1980, Kotler and Keller 2009).
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These attitudes exist out of three components: a cognitive, an affective and a behavioral component. The cognitive component is about a consumer’s belief about something, the affective component is about how a consumer feel about the attitude object, the behavioral component is how consumers act towards an attitude object (Hovland and Rosenberg 1960, Solomon, Bamossy et al. 2010). Below some examples have been summed up.

- After receiving an irrelevant e-mail of a brand a consumer believes that the brand delivers poor quality (cognitive component)
- After receiving an e-mail of a brand a consumer is irritated with the brand (affective component)
- After receiving multiple irrelevant e-mails of a brand a consumer chooses to ignore the brand when purchasing new products (behavioral component)

In attitudinal loyalty different levels of loyalty can be determined. Oliver (1999) rather sees these levels as phases, in his research he states that there are four loyalty phases: Cognitive, affective, conative and action. Three of these phases are rather similar than the attitude components Hovland and Solomon (1960, 2010) distinguished: cognitive, affective and action.

- **Cognitive.** A consumer determines that one brand’s attributes are preferable over those of the competitor. This state occurs when there is a routine transaction where no satisfaction is processed.
- **Affective.** When a consumer processed satisfaction he reaches the second phase of loyalty. This satisfaction leads to a liking or an attitude towards the brand. However consumers at this phase are still vulnerable to switching, therefore a deeper level of commitment is desirable for companies.
- **Conative.** When a consumer has behavioral intentions that are influenced by multiple occasions on which a consumer had a positive affect towards the brand he reaches the next phase. In this phase the consumer is committed to the intention to repurchase a certain brand.
- **Action.** When a consumer is committed to the actual action of repurchasing a certain brand he has entered the final phase, action loyalty. If this occurs over a longer timespan action inertia will occur, this facilitates the repurchase because it becomes an automatic process to the consumer.

Dick and Basu (1994) developed a typology for consumers to divide them into four loyalty groups. They suggest that loyalty is developed by an interaction between an attitude towards a brand and the repeat purchase behavior for that brand. This model (figure 3) differentiates in the level of attitude (high/low) and the repeat patronage (high/low). Dick and Basu (1994) claimed that this model could be used to predict retention and defection. However in empirical testing no evidence has been found supporting the claim (East, Sinclair et al. 2000, Garland and Gendall 2004).

<table>
<thead>
<tr>
<th>Relative Attitude</th>
<th>Repeat Patronage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Low</td>
<td>True loyalty</td>
</tr>
<tr>
<td></td>
<td>Latent loyalty</td>
</tr>
<tr>
<td></td>
<td>Spurious loyalty</td>
</tr>
<tr>
<td></td>
<td>No loyalty</td>
</tr>
</tbody>
</table>

*Figure 3: Dick and Basu’s Loyalty Model (1994)*

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However this model can be connected to behavioral and attitudinal loyalty. The repeat patronage part (high/low) reflects the behavioral loyalty, where the added relative attitude combined with the repeat patronage reflects the attitudinal loyalty.

When looking at when a consumer is loyal, spurious loyalty can be identified as behavioral loyalty, consumers have a low or no attitude towards a brand but still have a high frequency of repeat purchases. This fits perfectly in the view that for low involvement and high switching products brand loyalty can be measured by repeat purchases (Chaudhuri and Holbrook 2001, Rundle-Thiele and Bennet 2001, East, Hendall et al. 2005, Rundle-Thiele 2005).

On the other hand true loyalty can be seen as attitudinal loyalty, the attitude and repeat purchase behavior are both high. This fits perfectly in the view that brand loyalty should be measured by attitudes and repeat purchase behavior (i.e. Day 1969, Dick and Basu 1994, Merisavo and Raulas 2004).

Furthermore the stages described by Oliver (1999) can be seen as steps between a low attitude and a high attitude. In the “cognitive” phase there is a low attitude, whereas the attitude keeps growing in the “affective” and “conative” phase. Finally it will reach the “action” phase in which true loyalty occurs.

3.2. E-mail marketing

The second part of the model consists of e-mail marketing, focusing on the types of e-mail marketing and their effects on brand loyalty. In the following paragraphs the effect of regular e-mail communication is described. Furthermore it three important factors determining the effect of e-mail marketing: Satisfaction; perceived usefulness and perceived intrusiveness are described.

3.2.1. Types of marketing e-mails

Marketing e-mails can contain various types of messages. The two main types that can be distinguished are e-mails containing promotions and information e-mails (Martin, Van Durme et al. 2003, Merisavo and Raulas 2004, Ellis-Chadwick and Doherty 2012). The information e-mails can contain information on new products, company/brand future developments, information on trends, interesting website and events. Whereas promotion e-mails contain special sales offerings, aimed at inducing (repeat) purchases. These promotion e-mails are quite similar to ads that try to promote or sell special offers. Although literature states that these two types of marketing e-mails can be distinguished, no difference is made when looking at the effects.

3.2.2. The characteristic regular communication

Repeated exposure, for example information or advertising, to a brand can enhance the brand attitude even further, because more information can be processed. This effect is even greater when consumers have a preference for a brand, because they are more interested in information of that brand (Berger and Mitchell 1989). This means e-mail advertisement can influence attitudinal loyalty positively through
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the brand attitude if done on a regular basis, which is supported by DuFrene et al. (2005). Furthermore processing more information on a brand induces positive affective responses (experiences) about the brand (Dick and Basu 1994). When a consumer had positive experiences with a brand the brand loyalty is reinforced, this in turn leads to a decrease in interest for alternative brands (Newman and Staelin 1972). The above is supported by Aaker and Keller (2002, 2003) who both found that regular communication towards consumers is appreciated and can help reinforce brand loyalty by reassuring the attitudes and the use of the right brand.

When using advertisement regular communication will increase the purchase volume for loyal consumers, however non-loyal consumers show no signs of increase (Raj 1982). Since e-mail marketing is a way of advertisement and communication it is reasonable to believe that the same effects may occur. This is confirmed by Merisavo and Raulas (2004) who studied the effect of e-mail marketing on brand attitude and purchase using the cosmetic brand Lorea’l. They found that regular e-mail advertisement increases brand attitude and brand purchase. Furthermore they found that 74% of the consumers had recommended the product through word of mouth. This means that both behavioral and attitudinal loyalty are positively influence by regular e-mail marketing through the repeat purchase behavior.

Martin et al. (2002) found evidence that regularly staying in touch with you consumers can increase brand satisfaction. Therefore a regular communication through e-mail marketing can increase satisfaction.

3.2.3. The mediator satisfaction

Oliver’s (2015) definition of satisfaction can be adapted to e-mail marketing by replacing “object” by “e-mail”, this results in the following definition: “The consumer’s fulfillment response. It is a judgement that an e-mail provides a pleasurable level of consumption-related fulfillment. Where pleasurable implies that the fulfillment gives or increases pleasure, as when a problem is solved.” For example when an e-mail provides a discount, making a product available for a lower price, the consumer can experience satisfaction when he could not afford the product at the original price. For dissatisfaction pleasant fulfillment can be replaced by unpleasant fulfillment.

When a consumer experiences satisfaction for a longer span of time the brand loyalty will increase through the increase of an attitude (Oliver 1999). This also means that when a consumer becomes dissatisfied with a brand the attitude will decrease. For e-mail marketing this means that if an e-mail is perceived to be satisfying the attitude towards the brand will be influenced positively.

3.2.4. The mediator perceived usefulness

Merisavo and Raulas (2004) found that consumers find special sales offers, information on new products and contests the top three most useful things in e-mail advertisement. Therefore marketing e-mails containing these things will be perceived as more useful.
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When consumers find advertising e-mails useful they tend to visit a physical store to seek the product that was advertised. The intention of the store visit in 40.4% of the cases was to buy the product, in other cases the consumers wanted to see the product first-hand, gain additional information or get personal advice (Martin, Van Durme et al. 2003). This indicates that e-mail marketing increases both attitudinal and behavioral brand loyalty through usefulness by increasing the purchasing behavior.

Micheaux (2011) found that consumers can perceive pressure by receiving e-mail marketing. She furthermore leads us to believe that usefulness can be split up into expected usefulness and actual usefulness. Where expected usefulness is determined by how relevant an e-mail is on the first sight and actual usefulness is determined by the usefulness of the e-mail’s content.

When a marketing e-mail is expected to be useful and, when studied, it seems that the actual usefulness is also high, the perceived pressure will decrease. However when an e-mail is expected to be useful and it is discovered that the actual usefulness is low, the perceived pressure will increase (Micheaux 2011). In this study we will describe the combination of both the expected usefulness and actual usefulness as perceived usefulness. Therefore we can state that when the perceived usefulness is low it will lead to the consumer producing a negative attitude. With this it influences the attitudinal loyalty through the attitude towards a brand.

Besides producing a negative attitude a lack of usefulness can also lead to unsubscription (Micheaux 2011). When e-mails are not read or received, they can no longer create satisfaction, therefore undoing the positive effect satisfaction has on brand loyalty over a longer span of time (Oliver 1999). This means that perceived usefulness has a moderating effect on the effect of satisfaction on attitudes towards a brand.

For e-mail marketing it is also important to be useful. Merisavo and Raulas (2004) determined three factors that determine usefulness in e-mail advertising, these factors align with the factors determining advertisement values (Pasadeos 1990, Mehta 2000, Edwards, Li et al. 2002). These advertising values, information quality and financial rewards, are also found to be important factors in how intrusive an e-mail is considered to be (Pasadeos 1990, Mehta 2000, Edwards, Li et al. 2002). Intrusiveness is another mediator in our model which is defined and explained further in chapter 3.2.5. An empirical study conducted by Chang et al. (2013) found evidence that e-mails that score high on these factors decrease the perceived intrusiveness of an e-mail. This means that when an e-mail is perceived to be more useful the perceived intrusiveness decreases.

3.2.5. The mediator perceived intrusiveness

Spam is seen as highly intrusive by consumers, this is mainly due to e-mail advertisement being more difficult to avoid than other E-advertising, such as banner and pop-ups (Morimoto and Chang 2006, Chang, Rizal et al. 2013). Perceived intrusiveness is defined as An individual’s cognitive process in which he may perceive something to be disruptive of his thought process or activity (Ha 1996, Li, Edwards et al. 2002).

Chang et al. (2013) has found evidence that when an e-mail, both spam and permission-based e-mail, is perceived as intrusive consumers react negatively to the e-mail. Furthermore the intentions towards the
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sender are influenced in a negative way. In a research on internet ads similar results were found. It was found that intrusive ads lead to irritation, which leads to a negative attitude towards the site (in this case brand) finally leading to negative behavioral intentions (McCoy, Everard et al. 2008). Li et al. (2002) confirmed the development of negative attitudes towards a brand when e-mails are perceived as intrusive. This negative brand experience caused by perceived intrusiveness will lead to a decrease in brand loyalty through the attitudes (Newman and Staelin 1972).

When messages are perceived as intrusive the attention for the marketing message is lowered, in turn lowering the overall intended marketing effect (Li, Edwards et al. 2002). Therefore perceived intrusiveness has a negative moderating effect on the effect of all factors that determine the effects of e-mail marketing. Furthermore attitudes towards the e-mail marketing is highly affected in a negative way when an e-mail is perceived as intrusive (Chang, Riza et al. 2013).

3.2.6. The moderating effect of attitudinal loyalty

Besides being a dependent variable the current level of attitudinal loyalty also has a moderating effect. Berger (1989) found that a higher brand preference has a positive moderating effect on the influence of regular communication. When a consumer has attitudinal loyalty he has a high attitude towards a brand and thus also a higher brand preference (Solomon, Bamossy et al. 2010). This was supported by Raj (1982) who stated that regular communication has a positive effect when a consumer is loyal and no effect when is not loyal. Therefore a higher level of attitudinal loyalty has a positive moderating effect on regular communication.

3.2.7 The moderating effect of age

A general expectation of people is that the older a person is the less he will respond and like digital marketing. Heinonen and Strandvik (2002) found evidence supporting this. They found that the older a consumer is the more negative he will respond to e-mail. Furthermore the older a person is the less likely it is that the consumer will be responsive to e-mail at all. This research is supported by a later study of Heinonen and Strandvik (2007) which found similar results when looking at the effect of age on responsiveness to e-mail. From this is can be concluded that age has a negative moderating effect on all factors influencing brand loyalty through e-mail marketing.
4. Discussion

This literature study presents an extended model of brand loyalty and the effects of e-mail marketing on the brand loyalty. The model distinguishes two types of brand loyalty. Firstly the behavioral loyalty, which focuses only on repeat purchase behavior. This type of loyalty and its measurements can be used for low involvement and high switching products. Secondly there is attitudinal loyalty, this type of loyalty focuses on the combination of repeat purchase behavior and attitudes towards a brand. For loyalty measurements of high involvement products, where attitudes are more often formed, the attitudinal loyalty is more suited. Both types of loyalty are influenced through repeat purchase behavior by the frequency of the e-mail communication and the perceived usefulness. Whereas satisfaction and perceived intrusiveness only have an effect on attitudinal loyalty through the attitude towards a brand.

The level of attitudinal loyalty has a positive moderating effect on the frequency of the e-mail communication, perceived usefulness has a positive effect on satisfaction. The perceived intrusiveness has a negative moderating effect on all factors influencing repeat purchase behavior and attitudes towards a brand. Finally age has a negative moderating effect on all factors positively brand loyalty through e-mail marketing.

This adds to the current research on brand loyalty in two ways. Firstly it provides a model with an overview of the effects of e-mail marketing on the behavioral and attitudinal loyalty through different mediators and moderators. Secondly where a lot of researchers (i.e. Jacoby and Kyner 1973, Kahn, Kalwami et al. 1986, Ehrenberg, Goodhardt et al. 1990, Dick and Basu 1994, Oliver 1999) focus on either behavioral loyalty or attitudinal loyalty whereas this study provides a model which combines both types of loyalty.

4.1. Measuring brand loyalty

From the literature study it has become clear that there are two types of brand loyalty: behavioral and attitudinal loyalty. Behavioral loyalty is defined and measured by the repeat purchases behavior, whereas attitudinal loyalty is defined and measured by the repeat purchase behavior combined with the attitude towards a brand. However measuring these types of brand loyalty can provide a hassle.

The literature has taught us that a consumer can be actively and passively loyal, where active loyal consumer probably wants to receive e-mails and choose a brand because of a positive attitude towards a brand. This is quite similar to the attitudinal loyalty which also states that a positive attitude is needed for loyalty. On the other side there is the passive loyal consumer. These probably don’t want to receive e-mails but still have repeat purchases. This repeated purchase behavior is a form of inertia. However it is unclear whether this inertia is caused because there was a high attitude a brand and the brand has been bought for such a long time that purchasing it has become a habit. Or that the consumer buys the product because it has been the cheapest for years and because of this the habit has developed.

Because of this it is hard to determine exactly which type of loyalty to measure (behavioral or attitudinal). According to the literature behavioral loyalty can be measured when high switching and low involvement products are involved, which are bought out of a habit (inertia) (Chaudhuri and Holbrook
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2001, Rundle-Thiele and Bennet 2001, East, Hendall et al. 2005, Rundle-Thiele 2005). The problem is that it is hard to determine whether this inertia has developed because of an attitude, if this is the case attitudinal loyalty would be more appropriate to use. This provides us with the first problem on deciding which type of loyalty measurement should be used in which situation.

The second problem is caused by measuring repeat purchase behavior. In both types of loyalty this is (part) of determining the level of loyalty. Measuring whether repeat purchases are caused by e-mail marketing is hard if not impossible. In the case of consumers following a link in an e-mail and then directly purchasing a product it is possible to measure the purchase. However consumers can also go to a physical store to purchase a product, as a result of receiving a marketing e-mail. Furthermore there can be a negative or positive trend in repeat purchases. If this trend is broken, how would e-mail marketing have contributed to this? Has the trend been broken because of the e-mails or did something else cause the trend to break.

It seems impossible to measure these repeat purchases. Furthermore it seems hard if not impossible to determine whether the online purchases and physical store purchases add to the total repeat purchase amount of a consumer or if they replace already planned repeat purchases. When the factor of repeat purchases cannot be measured, what other measurement than the attitude towards a brand is there left to determine loyalty? The current existing literature does not propose a solution for this problem of measurement yet.

4.2. Linking attitude commitment to loyalty phases

In our research we looked at Oliver (1999) who distinguished four phases of loyalty (cognitive, affective, conative and action). However we did not discuss all the attitude literature. In this literature levels of commitment to an attitude are distinguished (Solomon, Bamossy et al. 2010):

- **Compliance.** This occurs when involvement is low, the attitude is formed because it helps gain a reward or avoid a punishment from others. In this level of commitment the attitude can change as soon as another (brand) option comes into view.

- **Identification.** This level occurs when consumers want to be similar to a certain group or person and therefore adopt the same attitudes than the other group or person has.

- **Internalization.** This occurs when involvement is high, the attitudes have become part of a person’s values. These attitudes are hard to change because they are so important to a consumer. Sometimes a brand can become intertwined with a person’s social identity at this level of commitment.

These levels of commitment could play a role in the formation of the loyalty phases, although no research has ever linked these two theories. We believe that these theories can be linked and therefore discuss a possible link. This line of reasoning still requires research providing evidence of it being valid.

In this line of reasoning we will only look at positive values (in the case of negative values the influence on brand loyalty could have similar negative effects). Positive attitudes help develop purchase/consumption intentions (Ajzen 1991). Where we have learned from loyalty literature that repeated purchases define behavioral loyalty and help develop attitudinal loyalty.
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Compliance makes a consumer choose a brand because it helps him gain reward or avoids punishment from others. In the case of reward a consumer will have a positive reason for consuming the product. It might be that when consuming the product a consumer starts to see positive brand attributes. In this case a consumer reaches the cognitive phase of loyalty. In this case further purchases occur because the consumer believes the brand attributes to be better than those of other brands instead of purchasing a product to gain rewards from others. Over time the consumer might also start to process satisfaction bringing him to the affective phase. From here on positive attitudes can start to form leading to the conative phase. Finally the action phase might be reached in which the consumer is committed to the actual repurchase of a brand because of positive attitudes. If this occurs the Compliance commitment helped form positive attitudes towards a brand. Combined with the already existing repeat purchase behavior we might state that if this occurs the attitudinal brand loyalty is positively influenced.

On the other hand, it can also occur that a consumer will not see any positive brand attributes and just keep purchasing the product out of Compliance. In this case we can still state that compliance has a positive influence on behavioral loyalty, because it positively influences repeat purchase behavior.

In the case of avoiding punishment from others similar effects might occur. However it might be that consumers who purchase brands to avoid punishment feel that the brand is being forced on them. It is relevant to research if consumers build up a resistance against a brand that has been forced on them. If this occurs it might prevent positive attitudes towards a brand from developing. In this case only behavioral loyalty will be positively influenced.

When looking at the identification level of commitment, consumers purchase products because they want to identify themselves with a certain group or person. This form of commitment positively influences behavioral loyalty, because it positively influences the repeat purchase behavior. However similar effects as described in compliance might occur. When purchasing and consuming the product a consumer could identify positive brand attributes. Over time the consumer might reach the affective, conative, and finally, action phase. If the formation of positive attitudes is combined with the already existing repeat purchase behavior we might state that the identification has ultimately led to an increase in attitudinal loyalty.

When a consumer is committed because of internalization the positive attitudes are so high that a consumer is already committed to repurchasing the brand. This means he already is in the last phase: action. In this case we can state that a consumer has a high attitudinal loyalty because there is repeat purchase behavior and a positive attitude.

A point of discussion is the internalization phase, this phase is an extreme form of commitment to an attitude, where attitudes are part of someone's values. However it might also be that someone has high positive attitudes towards a brand because of good experiences over a longer span of time. In our opinion a consumer can still be committed to these attitudes. Therefore we believe that there might be more levels of commitment, however more research in this area is required to confirm this.

Marketers can also use these levels of commitment in their advertising, for consumers in the compliance level it is important to stress the benefits and rewards gained when purchasing/consuming a product. This might enforce the rewards a consumer gets from other when purchasing and consuming the product. For identification marketers can use royalties, however the problem with this is that every consumer identifies...
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with another royalty making it hard to determine which royalties to use. Finally for internalization brands can focus their marketing on how their brand enhances a person’s identity.

4.3. How regular should communication be?

Regular communication has a positive effect on attitudes towards a brand (Raj 1982, Berger and Mitchell 1989, Merisavo and Raulas 2004). However no clear statement of how regular this communication should be is given. It might be that if consumers receive too many e-mails they will start to perceive them as intrusive, because consumers start to perceive the e-mails as spam. The intrusiveness has a negative effect on the attitude towards the brand, thus undoing the positive effect of regular communication. Furthermore if the intrusiveness rises we have learned that the marketing effects will be undone (Li, Edwards et al. 2002). Besides intrusiveness, it could be that if companies send too many e-mails the content might become less useful. When consumers no longer perceive the contents as useful the attitudes might drop.

For companies it is important to find a good balance in the amount of marketing e-mails. It might be a good idea for companies to segment their client base on the number of e-mails they wish to receive. Future research might prove useful in finding this balance and filling the research gap which currently exists around the regular communication.

4.4. The perceived intrusiveness and perceived usefulness of e-mails

Although intrusiveness can be caused by consumers perceiving e-mails as spam it might also be the fact that after time the perceived intrusiveness will decrease. When looking at advertisement they wear out after a certain period of time, making consumers sort of blind and insensitive to the advertisement (Perlof 2010). If this also occurs in e-mail marketing it might be that over time consumers become insensitive to e-mails and no longer find them as intrusive as before. This is another research gap that should be studied further.

To prevent perceived intrusiveness through a low perceived usefulness it is important to make e-mails useful. The literature has shown us that information quality and financial rewards play a role in how useful an e-mail is perceived (Pasadeos 1990, Mehta 2000, Edwards, Li et al. 2002). For information quality it is important to know which information is valued by a company’s consumer base, therefore a company should always know its consumers. Financial rewards like personal offers are found to be useful, however research indicates that they should not always be included, because consumers can also respond positively to e-mails that do not contain any offers (Merisavo and Raulas 2004).
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4.5. How do gender and age matter?

In this literature study no indication was found that there are any moderating gender effects. However the effects of frequent communication have only been tested on females in the study of Merisavo and Raulas (2004). Although this was a limitation in their study, they stated that there was no indication that the gender would have any effect.

The moderating effect of age on all factors influencing brand loyalty might be related to the concept of digital marketing to be “relatively” new. The higher negative responsiveness in older ages could be explained by this “older generation” not being exposed to digital marketing all their life. Whereas younger generations have been exposed all their life, which might explain why their responsiveness is higher and less negative. The age effects might be caused by this exposure. Therefore it might be expected that through the years these effects might shift further into older ages. This would mean that a larger group could be more responsive in a positive way to e-mail marketing in the future.

4.6. Additional effects of e-mail marketing

This study was focused on the direct effects of e-mail marketing on one part of brand equity: brand loyalty. This meant that other factors of brand equity were not taken into consideration, nor were they included in our model. Although within brand equity several factors can be determined that could be influenced by e-mail marketing as well. Besides this the factors within brand equity can also influence each other.

One possible effect of e-mail marketing is that it can also create brand name awareness and through this add to the brand equity (Aaker 1991). Brand name awareness refers to consumer recognizing or knowing a brand (Solomon, Bamossy et al. 2010). When consumers regularly see e-mails of a company they are exposed to the brand name making them recognize it. Indirectly this brand name awareness has a positive influence on brand loyalty as well (Buil, de Chernatony et al. 2013).

4.7. Limitations

During this literature study there were a couple of limitations. In § 4.6. it was discussed that this study was limited to only one factor of brand equity: brand loyalty. For the results of this study it means that some effects of e-mail marketing on brand loyalty that go through other factors of brand equity are not included. As stated in § 4.6. it might be that other factors like brand name awareness are also influenced by e-mail marketing and this factor in turn influences brand loyalty (Buil, de Chernatony et al. 2013). For future research it is therefore interesting to research the effects of e-mail marketing on all brand equity factors. After determining these effects it is interesting to research the effects of these brand equity factors on brand loyalty. With this the current model can be extended even further.
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A second limitation was the time constraint. Because the study was conducted in only two months only one database could be researched. For this reason it could be that literature which could not be found in this database has not been included in the study. Furthermore some articles that seemed relevant were not available to me. Although these articles could be found they could simply not be accessed due to the lack of rights. The number of used literature that was directly found in the databases is not clear. This is because no track was kept of which papers were found in the database and which papers were taken from reference lists. Although the lack of tracking provides little structure for retracing my exact steps, I am convinced that the study was exhaustive. Reason for me to believe this is that for the search terms I checked all results and the reference lists from all useful papers have been scanned for more relevant literature.

5. Conclusion

Overall it can be concluded that e-mail marketing can have a positive and negative effect on both types of brand loyalty. However there are some research gaps that were found in this study. An overview of these gaps is given in table 1.

<table>
<thead>
<tr>
<th>Research gap:</th>
<th>Paragraph</th>
</tr>
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<tbody>
<tr>
<td>How can repeat purchases resulting from e-mail marketing be measured, taking</td>
<td>§ 4.1.</td>
</tr>
<tr>
<td>trends and total purchase amounts into consideration?</td>
<td></td>
</tr>
<tr>
<td>Is there a link between the levels of commitment and the loyalty phases?</td>
<td>§ 4.2.</td>
</tr>
<tr>
<td>How regular should e-mail communication be?</td>
<td>§ 4.3.</td>
</tr>
<tr>
<td>Will too much e-mail advertising cause insensitivity, which will in turn</td>
<td>§ 4.4.</td>
</tr>
<tr>
<td>lower perceived intrusiveness?</td>
<td></td>
</tr>
</tbody>
</table>

For companies using e-mail marketing there are a few focus points. First they should have research conducted on how much e-mail can or should be sent before it is considered to be spam. Secondly they should determine what their consumers perceive as useful and adapt this to their e-mails. Finally companies should focus on the content of their e-mails making sure that they provide proper information quality and financial rewards for consumers.
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