

## **TRANSITION FROM CONVENTIONAL BRAND LOYALTY TO CONTEMPORARY E- LOYALTY: A CONCEPTUAL ANALYSIS**

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### **Abstract**

One paramount way for a market to gain a competitive edge over other markets is through Brand Loyalty. The traditional way of gaining Brand loyalty is through improvements in quality of the product, usage of various promotional strategies, ensuring product involvement and building up on the trust factor. However, in the modern contemporary scenario, with and increasing digitisation which is becoming ubiquitous, there is a transition and emphasis on E- Loyalty. The present study is an attempt to understand this transition or change from Brand Loyalty to connecting with the customers by keeping them informed about various pre and post sales services and ensuring good service quality. E loyalty. The various factors which affect the loyalty amongst the present customers in a market are effective web designing,

### **Keywords:**

Brand Loyalty,  
E- loyalty,  
Brand Association,  
Web design,  
Customer retention,  
Customer service,  
Promotional strategies.

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**Introduction:**

Emphasizing on brand loyalty is one of the crucial factor in marketing as it helps in gaining competitive advantage over different markets across the globe. In the traditional market environment, brand loyalty has been understood as the tendency of consumers to commit themselves towards a particular brand. The consumer loyalty towards the brand is affected by several factors which includes product quality, trustworthiness, promotional strategies used and product involvement. With the development of E-commerce, it has also become pertinent to build E-loyalty. E-loyalty has been one of the latest concept in the marketing environment which is built over Brand Loyalty. The main focus of brand loyalty is to provide quality product and enhance the customer satisfaction. Owing to the revolutionising of the overall marketing environment and the emergence of E-commerce, the products and services are provided more conveniently to consumers. This is where building an intention or need among the consumers to purchase a particular product or service repeatedly from an E-vendor comes into existence. E-loyalty focuses on providing quality service for the delivery of the product which in turn increases the loyalty towards the website despite of several factors which may cause switching behaviour. In the present study we have made an attempt to understand the transition from Brand Loyalty to E-loyalty with the help of factors which affects the consumers repurchase behaviour.

**Review of Literature:**

(Wernerfelt, 2001) Brand loyalty has a greater impact on the market equilibrium. The relationship between the brand loyalty and market equilibrium are assessed and stated that more loyal consumers towards the brand results in higher equilibrium of prices and also it acts as an entry barrier for the entry of other firms. Hence, brand loyalty is one of the main indicator of the market equilibrium as it increases the tendency of consumer to buy the same brand instead of purchasing other competing brands which results in higher market share. (Khawaja A. Saeed, Winter 2002/2003) There are many factors where the customers to improve customer retention. The customer interface and advertising strategy is the first step towards it. The article examined how the website interface and advertising creates customer value and affects the firm's performance in an electronic commerce context. The researcher states that advertising increases the visitors to a web page and the features of website which provides a convenient platform for sale, presale and post-sale also increases the value of the firm. The results show that spending

only on advertisement will have a lesser amount of impact on the performance of the firm as advertising can only be an external stimuli to increase the number of visitors to the website but if both website interface and advertising are utilized with good website features which meets the purchase requirements of customers' can improve the performance of a Business to Consumer Firms because website interface can be used as a primary source to interact with the consumers.

**(Lepkowska-White, Summer, 2004)** There are still many consumers who prefer physical market. The study was carried out in order to ascertain the consumer perceptions towards the consumers who purchase online and the people who just browse the content of the product and purchase it in the physical market. The study proved that online browsers have a negative perceptions towards online shopping than online buyers because most of the online stores does not improve the design and security of the websites. It was concluded that to enhance these perceptions positively, companies should design the navigation of websites in a secured and easy way for attract the consumers in the competitive market. **(Jagmohan S. Raju, 2008)** Promotion, the important element of marketing mix is having higher importance in customer retention. The paper focus is to analyse the role of brand loyalty in determining the promotional techniques used by the firms in a competitive field. It also investigates if the loyalties of consumers towards competitive brands enhances the firms to use price promotions in the product categories. The results states that use of price promotions in the brand's likelihood increases with an increase in the competitive brands in a particular product category also, brand loyalty plays an important role on the pricing strategies of the firms.

**(Cuestas, 2008 December)** Examined the approach and the perception of consumers' towards the ethics of online market by using four dimensions which includes privacy, non-deception, security and fulfilment. The researcher suggests that the ethics plays a major role in maintenance and formation of relationships with customers. In order to carry out the function of the website in an ethical manner online retailers need to know how consumers' ethical opinions are formed. Focusing on the four dimensions of ethical factors, security and the fulfilment factors seem to be more important than privacy and non-deception. The results indicates that these aspects appear to be relevant both in case of online purchase and browsing on the internet. **(J. Joško Brakus, May 2009)** Examined how the brand experience of the consumers affects the attitude, loyalty, judgement and other aspects of the consumer behaviour towards the product. The researcher

developed a four factor model which measures the brand experience of the consumers (feelings, cognitions and behavioural aspects) as they are subjective in nature. The factors include Sensory, Intellectual, Affective and Behavioural. With the help of these factors the results stated that if the consumer has good brand experience it will have a positive impact of the loyalty.

**(Jooyoung Kim, Summer 2012)** Developed a theoretical framework between Brand Persuasion and Brand Reputation. It was stated that increase in the brand persuasion lead to higher reputation of brand in the market because attitude strength, loyalty and commitment depends on the cognitive conviction of consumers. Also, it was suggested that in order to have a positive perception towards the product category the marketers should identify the cognitive brand conviction (Brand Persuasion) as it acts as a major driver of brand loyalty among consumers.

**(Morgan, July 2014)** Pricing also hold an equal role as of brand. Both brand and price advertising is an important element in the marketing strategy of an online market. Brand creates a loyal consumers and Price advertising attracts the shoppers. The researchers argue that if only brand advertising is used to increase the loyalty of consumers then it would be optimum for the firm to create a monopoly and the dispersion of price would be vanished. The result summarized that with the increase in the price among different sellers the loyalty of consumers towards the brand decreases.

**(Lawrence X. Tarpey, May 2014)** A good brand experience will always give loyal customers. The article analysed the difference between repeated purchase behaviour and brand loyalty based on the commitment that the consumer have towards the brand. It was identified that commitment of consumers towards the brand depends on two things i.e., product consumption and the marketing strategy of the firm which includes pricing strategy, product manufacturing, personal selling and distribution strategy.

**(Castañeda, September 2015)** The study intends to develop a model since customer loyalty is one of the important aspect in the competitive environment. A four-way categorization of the perceptions of consumers towards loyalty on the internet was developed which includes Satisfaction, Loyalty E-Commerce and Trust where the strengths among these variables were also analysed. The conclusion of the study was that the consumers with high involvement towards product will tend to have more satisfaction which in turn acts as a good predictor to

determine the customer loyalty. Therefore, satisfaction-loyalty relationship on the internet is resolved by the involvement and trust.

### **Research Gap:**

Though several research studies have taken place elaborating the meaning of Brand loyalty and E- loyalty, however very few research studies have highlighted the transition or change from traditional form of loyalty to contemporary form of loyalty. This research study is an attempt to bridge this gap where we have tried to explain the various dimensions of Brand loyalty and E-loyalty and developed a conceptual analysis that further corroborates this change between the two types of loyalty.

### **Objectives:**

1. To understand the factors influencing Traditional Loyalty i.e. Brand loyalty
2. To understand the factors influencing E- loyalty.
3. To propose a conceptual model showing the transition from Brand loyalty to e- loyalty.

### **Factors Influencing Conventional Brand Loyalty:**

The various factors of Brand Loyalty are:

**Brand awareness:** It is considered to be one of the key indicator of the market performance of a brand. In the process of purchase decision making the ability to recall or recognise a particular brand has a lot of importance. This is what brand awareness deals all about. Unless and until a consumer is not aware about the product and a brand in that category the purchasing process cannot be proceeded. Basically there are two types of brand awareness the brand recall and brand recognition. Brand recall is all about the ability of the customer to elicit a brand name when a range of product category is provided. While brand recognition deals all about the ability of consumer to differentiate the brand when they physically come in contact to the product.

**Brand Association:** It is something like images, symbols, product labelling etc. which is inherited in the minds of the customer related to the brand. It actually speaks about the positive attributes which lasts in the minds of the customers when they recollect about a particular brand. So this brand association should be different from the competitive brands and thereby has a

unique reason to purchase the products related to the brand. While introducing some new products to the existing brand it will act as a base for customer retention because it already has the inherited positive elements.

**Perceived Quality:** It is actually considered as overall perception of the customer regarding the quality of a product or service. The alternative products are also considered under this study. It's actually an intangible feeling of the customer regarding the product. The perceived Quality depends on different factors like corporate image, the experience of consumer with the other products of the brand, consumer peer groups etc. Every consumer is having a level of expectation from his particular brand. His or her perception should be fulfilled by the brand.

**Supply Chain:** It is a system of connection between the manufacturers and the consumers. It represents the sequence of distribution from the producers to consumers which includes various middle men like wholesaler, retailer and other middlemen. This supply chain affects the brand reputation of the company as customer expects the delivery of the product at time. If the product is delivered at the right time in the right place as and when demanded by the consumers it will enhance the loyalty towards the product because consumers pay money to satisfy their needs to receive the product on time without any delay.

**Factors Influencing Contemporary E-Loyalty:**

The various factors which influences E- Loyalty are:

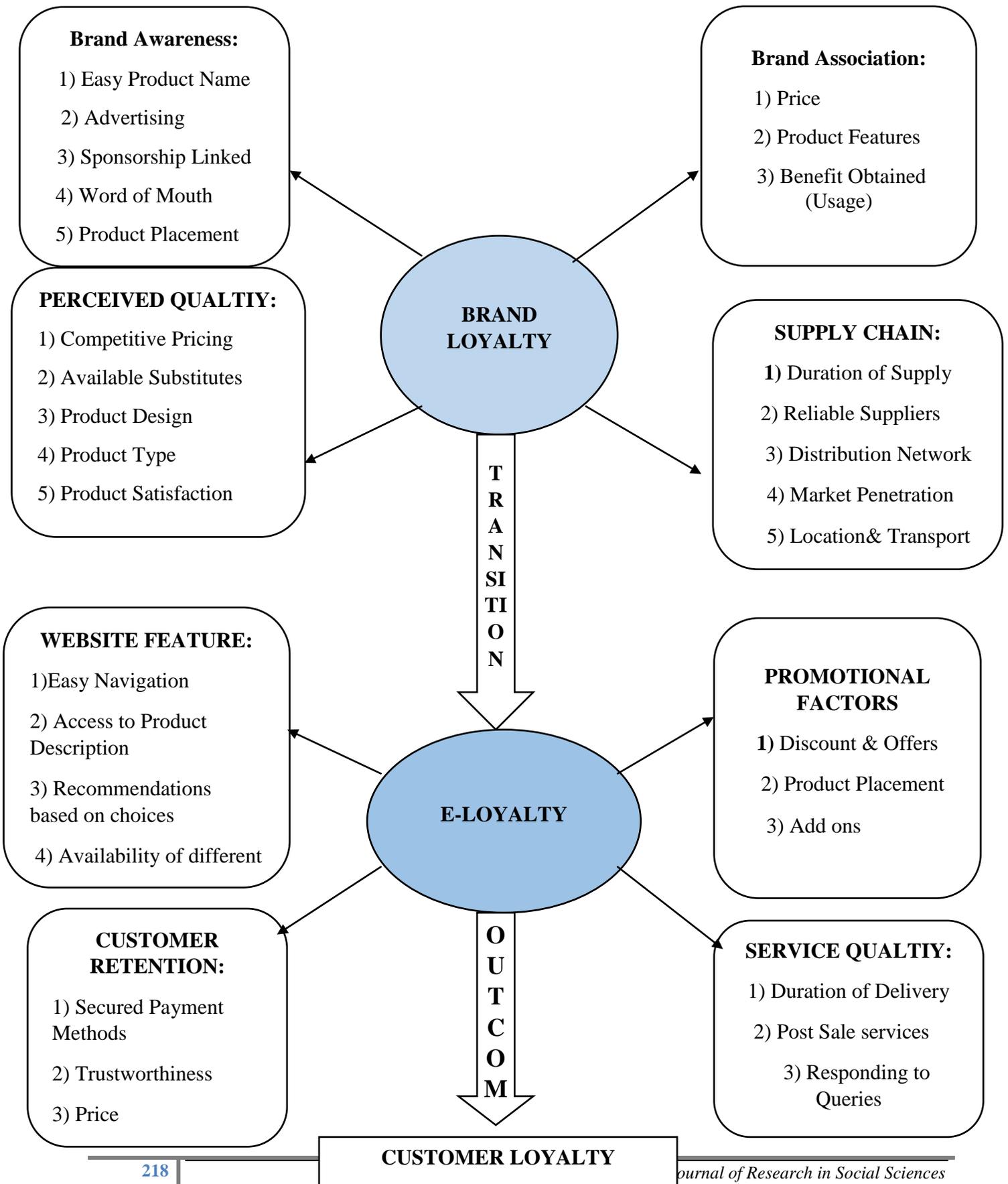
**Service Quality:** Customer satisfaction is derived from the service rendered. Poor customer relationship can lead to low profit generation and damage the brand. Since customer is one of the major component in a retail enterprise the business has to attract the customers by providing good service quality which can be done through faster response to customer enquiry, fast delivery, easy payment system, after sale service and other attractive offers in the website will improve the customer loyalty and help in maintaining long term retention of customers.

**Promotional Factors:** To get a proper attention in market promotional factors are used widely in the beginning. Later the role of promotional factors shifts to the position of creating awareness,

retaining the customers, increasing sales, motivation and finally creating e -loyalty. While increasing the selling expenses through the promotional factors the firm must be in the position to overcome this in their business. The major thing to be noted under this case is that the promotional offers should not be the substitute of quality of the products.

**Web design:** The quality of the website speaks a lot about you and your business. It can make or break the sales. Creating a good website is actually an art. Customer convenience and accessibility are important elements which needed to be considered during the creation. Attractive web design always played a crucial role in successful sales and marketing.it easily presents your idea and communicate to your target audience. Always try to make the idea in a very simple manner. Highlight the core ideas along with it. This will give an internal push to all the customers at least to try for once.

**Customer Retention:** Long term success is impossible without customer retention. All the above discussed factors are focusing indirectly to the customer retention. It's almost 7 times harder to retain the customer compared to getting a new customer. So for retaining the customers there should be always a constant touch with them. Informing them about the latest products, offers, prices are necessary. Resolving their issues by offering pre and post sales services helps take advantage of the customer's loyalty.



In today's competitive environment, it is imperative for markets to provide a rewarding and satisfying experience to their customers and bring about a revolutionary change in the overall purchase experience by implementing the radical and dynamic changes happening pervasively. One such ubiquitous change is the transition from traditional form of loyalty to the modern form of loyalty. Loyalty paves the way for customer retention and brand patronage to a huge extent and it's about time that marketers learn to adopt the changes by providing their customers with top most quality, after sale services, attractive promotional offers as all this will help in Customer retention.

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