The double effect of direct mail on customer loyalty in the context of the economic crisis and on customer satisfaction: The case of Toyota Hellas in the Greek automotive industry

Since the beginning of 2008, the European economy has been facing a severe economic crisis. Despite the fact that customer retention has been seriously challenged during the crisis, and direct mail, still the dominant direct marketing tool has been at the heart of customer retention strategies; there have been no studies that measure the effect of direct mail on customer loyalty during a financial crisis. This study fills this gap by presenting a theoretical framework on the subject. The author develops a model on the effect of “action-oriented” direct mail on attitudinal and behavioral loyalty during times of economic crisis and on its role in customer satisfaction. To achieve this goal, an extensive review of the literature on loyalty was conducted. Within the context of an economic crisis, the literature review contributed to the definition of a general framework of the effect of direct mail on customer loyalty. Next, a conceptual model exploring the relationship of these variables was presented and tested using an empirical investigation. The experimental fieldwork was conducted in partnership with the automobile manufacturer Toyota, Hellas and the consumer research agency Mill-ward Brown Research International (RI), Hellas, on a sample of 383 customers. In order to test the hypotheses, the statistical analysis was conducted in two stages: Analysis of Variance with Covariates (ANCOVA) and Mediated Regression Analysis. The results show that direct mail has a dual effect on customer loyalty. First, there is a direct effect on attitudinal loyalty. The second effect is on behavioral loyalty if the customers are satisfied with the mail. In turn, when the customers are satisfied with the mail, attitudinal loyalty is indirectly affected through the increase of customer satisfaction. Thus, the mediating role of customer satisfaction on the direct mail to attitudinal loyalty was also substantiated. Managers may gain interesting and valuable insights on the use of direct mail as a tool to build customer loyalty during an economic crisis. When designed properly, direct mail can be an effective tool to increase customer profitability and thus increase the ROI of marketing activities. The results also contribute to the academic world’s new knowledge on the effect of direct mail on customer loyalty during economic crises.

Biography

Lila Malliari is a Senior Lecturer in Marketing Strategy at Regent’s University London. She completed her DBA in Grenoble Graduate Management School in 2012. She is currently lecturing on International Marketing, Marketing Strategy and Digital Marketing Strategy. She started her career in the industry and has worked for over 20 years in senior Marketing and Sales positions. She has also worked as a consultant in multinational corporations. Dr. Malliari’s research interests refer to the areas of consumer loyalty, direct marketing and digital marketing.

malliaril@regents.ac.uk

Notes: