



## Digital Marketing and Customer Loyalty (A Study of Jumia Nigeria Ltd)

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### Abstract

*This study investigated the effect of digital marketing on customer loyalty (A study of Jumia Nigeria Ltd). This study determined the dimensions of digital marketing using social media marketing, email marketing, affiliate marketing and search engine optimization on customer loyalty. The population of this study were customers of Jumia Nigeria, Ltd, in Ilaro Ogun State, however, since the total number of the customers living within that area is unascertained, Remish infinite population formula was used to determine a sample size of 269, hence, purposive probability sampling method was used to distribute the questionnaires. The data collected were analyzed using descriptive tables and percentile, while simple linear regression was used to test the hypotheses with the aid of SPSS. Findings of this study reviewed that social media marketing, email marketing, affiliate marketing, and search engine optimization have significant effect on customer loyalty. The study concluded that digital marketing has significant effect on customer loyalty and recommended that Jumia should keep targeting their customers through the various online marketing channels such as social media platforms to complement the traditional marketing channels which are more expensive.*

**Keywords:** Social media marketing, email marketing, affiliate marketing, search engine optimization, customer loyalty.

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### Introduction

Information and knowledge are key factors in the ongoing changes brought on by globalization. The old ideas of business, customer, taxation, and currency are shifting as a result of new business models. History demonstrates that the economy has had to change its operations in order to meet people's needs. For what some authors refer to as the New Economy or Information Economy, new strategies have emerged. The world is changing due to global information networks, which are having effect on several aspects of human activity like competition, employment, and quality of life (Garcia et al., 2019). There are several societal changes happening right now, and new technologies are to blame for affecting various facets of economic and social life. New business methods are continually being developed using the internet (Sturiale & Scuderi, 2016). Given that internet usage is always growing and that there are now 4.021 billion

internet users globally, the internet has made it simple to reach clients all over the world (Kemp, 2018). All industries have found it difficult to adapt to new technologies, which have forced marketers to reconsider the best strategies for reaching an audience that is increasingly young and more accustomed to using digital devices and interacting with businesses (Cao, 2018).

Digital marketing is a broad phrase that refers to using digital channels to access and communicate with potential and current clients. Examples of these channels include content marketing, SEO, email marketing, social media marketing, mobile marketing, and more. (Deshpande, 2020). According to Hudson (2020), digital marketing strategy is a plan that helps a business achieve its digital goals through using carefully chosen online marketing channels such as earned, paid, and owned media. Digital marketing is a constantly changing beast that extends its tentacles

into every business procedure utilized for decades, changing the look of industries around the world. Artificial intelligence, cognitive computing, and other new technologies have been adopted by businesses as a result of digital transformation of marketing. These technologies enable businesses to realize significant gains across the value chain and have the potential to change behaviors, interactions, and experiences in the near future (Loebbecke & Picot, 2015; Lombardi et al., 2017). As a result, more individuals than ever before have access to the internet, which removes authority from corporations and gives customers influence (Berthon et al., 2012; Makrides, 2017). Instead of playing a passive role, they now play an active one by deciding when, how, and what kind of information to receive (Lamberton & Stephen, 2016). The future of digital marketing depends on personalization and transparency by putting customers in control. Companies increasingly want to develop a digital relationship with customers and work as partners with them in order to increase customer loyalty and advocacy as well as corporate value since digital channels enable two-way interactions.

However, customer loyalty has been found to be essential for any business organization's long-term survival and profitability, especially in the service sector (Iqbal et al., 2017; Daniel et al., 2018; Lee & Moghavvemi, 2015). Customer loyalty is the term used to describe the favorable relationship between a customer and a business (Gupta & Yadav, 2020). Customer loyalty has been viewed as a behavioral concept including repeat purchases of goods or services, as determined by a pattern or share of purchases, recommendations, the strength of relationships, or a combination of all of the aforementioned (Rai & Medha, 2013). Customer loyalty is the fundamental component of service delivery since it relates to attempts to keep current customers, which are thought to be more advantageous to service providers than efforts to draw in new ones (Diab et al., 2016). Customer loyalty tends to be a continuous issue; thus, businesses must continue to take steps to achieve customer value and their satisfaction once it has been established and therefore, businesses must apply the proper methods to produce the results that customers are looking for (Khadka & Maharjan, 2017). The corporate world's

competition has become more and more unmanageable as a result of industrial digitalization. Consequently, it has caused businesses to start understanding how crucial certain components of customer loyalty are in maintaining their operations.

There have been difficulties for businesses in creating customer value, even while digital connectivity gives them access to customers and the ability to influence their choice. In order to obtain a competitive edge over rivals and increase customer loyalty, it has become essential for online firms to implement digital marketing strategies, particularly in the usage of social media marketing, email marketing, affiliate marketing and search engine optimization. Digital marketing strategies that place an excessive emphasis on customer loyalty without encouraging customer retention and referrals would not last. To accomplish corporate objectives, digital marketing strategies must generate a win-win situation with customers. Therefore, the purpose of this study is to evaluate the effectiveness of digital marketing on customer loyalty (A study of Jumia Nigeria Ltd).

Broadly, the core objective of this study is to investigate the effect of digital marketing on customer loyalty at Jumia Nigeria Ltd. In the same vein, the study specifically determined the effect of social media marketing on customer loyalty, ascertain the effect of email marketing on customer loyalty, evaluate the effect of affiliate marketing on customer loyalty and examine the effect of search engine optimization on customer loyalty.

## **Methodology**

### **Research Design**

An empirical research project's data gathering strategy is outlined in the research design. It serves as a "blueprint" for doing empirical research that aims to address particular research issues or testing particular hypotheses. Given the nature of the research objectives, descriptive research design was used, because it is capable of describing the nature as it is.

### **Population**

The population was unascertained and Remish (2019), infinite population formula was used to determine a sample size of 269. The study's main goal was to

comprehend the enormous value of digital marketing and its outstanding efforts to foster customer loyalty. The organization can use the advice from this research to properly assess social media marketing, email marketing, affiliate marketing, and search engine optimization. The effect of digital marketing on customer loyalty at Jumia Nigeria Ltd. is the subject of this study. The study's focus was on Jumia Nigeria Ltd. customers in Ilaro, Ogun State who were still using the company's services at the time the survey was conducted.

### Research Instrument

A structured questionnaire served as the study's primary research instrument. The questionnaire has two components, A and B. In Section A, only demographic data about the respondents was

supposed to be gathered, while in Section B, the study's variables were the main topic.

### Reliability

The degree to which the measuring methods are free from random error is referred to as a measurement's dependability. The consistency, accuracy and dependability of the research findings are all important considerations in reliability. The findings indicated that the information acquired by the questionnaire was accurate. All the Cronbach's Alpha values of the measured variables are greater than 0.7 in accordance with the sample size, which is consistent with a credible research work. This indicates that most digital marketing variables utilized in this research are reliable, acceptable and appropriate for use in assessing customer loyalty.

**Table 1: Summary of the Reliability Test**

Cronbach's Alpha	No of Items	Scale
0.840	5	Social media marketing,
0.795	5	Email marketing,
0.750	5	Affiliate marketing,
0.847	5	Search engine optimization.
0.798	5	Customer loyalty.

Source: Field Survey, 2023.

### Validity

If an instrument measures what it is intended to measure, it is said to be valid. Face validity and construct validity were the two aspects of validity used in this study. The questionnaire was sent to experts in the field for review with regard to face validity. In order to verify that the instrument measures the appropriate components of the topic under investigation, advice and assistance from measurement and evaluation experts are sought for the construct validity.

### Presentation of Results

#### Testing of Hypotheses

Regression analysis was used to test the set of hypotheses. The study's dependent variable was customer loyalty and the independent variables are; social media marketing, email marketing, affiliate marketing and search engine optimization.

H<sub>1</sub>: There is no significant effect of social media marketing on customer loyalty.

H<sub>2</sub>: There is no significant effect of email marketing on customer loyalty.

H<sub>3</sub>: There is no significant effect of affiliate marketing on customer loyalty.

H<sub>4</sub>: There is no significant effect of search engine optimization on customer loyalty.

**Table 2: Model Summary Table**

Statistic	Value
R	0.946 <sup>a</sup>
R Squared	0.895
Adj. R Squared	0.896
F-value	2275.192
p-value	0.000 <sup>b</sup>
Standard Deviation	0.69244
N	269

Where,

CL rep Customer Loyalty

SMM rep Social Media Marketing

EM rep Email Marketing

AM rep Affiliate Marketing

SEO rep Search Engine Optimization

**Table 3: Individual Contribution of the variables**

Model	$\beta$	Standard Error	T	p-value	Comment
Constant	0.018	0.729	19.239	0.000	Significant
SMM	0.020	0.946	47.699	0.000	Significant
EM	0.521	0.055	10.198	0.000	Significant
AM	0.557	0.037	11.547	0.000	Significant
SEO	0.557	0.055	10.748		Significant

### Discussion of Results

Table 2 above is the model summary of the analysis. The correlation coefficient (R=0.946) shows a strong positive relationship between joint effects social media marketing, email marketing, affiliate marketing, search engine optimization and customer loyalty. The R-squared value of 0.895 indicates that about 89.5% variation in customer's loyalty is attributed to the joint effect of social media marketing, email marketing, affiliate marketing, search engine optimization. The adjusted R-square is 0.896 with F-value of 2275.192 having standard deviation of 0.69244 and p-value of 0.000. The p-value shows that the model is significant because the p-value is less than the level of significance of 0.05 (that is,  $0.000 < 0.05$ ). This result suggests that the model is sufficient in relating social media marketing, email marketing, affiliate marketing, search engine optimization on customers loyalty. Hence, we can now move ahead in testing the contribution of the individual independent variable.

From table 3, the beta values for social media marketing, email marketing, affiliate marketing, search engine optimization are 0.020, 0.521, 0.557, and 0.557 respectively. The standard error for social media marketing, email marketing, affiliate marketing, search engine optimization is 0.946, 0.055, 0.037, and 0.055 respectively. The t-test values for the social media marketing, email marketing, affiliate marketing, search engine optimization is 47.699, 10.198, 11.547, and 10.748 respectively. The p-value for social media marketing, email marketing, affiliate

marketing, search engine optimization is 0.000, 0.000, 0.000 and 0.000 accordingly. This shows that social media marketing, email marketing, affiliate marketing, search engine optimization is seen to have effect on customer loyalty.

The model for the hypotheses is:

$$CL = 0.018 + 0.020 \text{ SMM} + 0.521 \text{ EM} + 0.557 \text{ AM} + 0.557 \text{ SEO} \dots 1 \dots 2 \dots 3 \dots 4$$

From model 1 above, it suggests that a unit increase in social media marketing cause 2% unit increase in customer loyalty of Jumia Nigeria Ltd, provided email marketing, affiliate marketing, and search engine optimization remains constant. The test is significant with p-value less than the significance value of 0.05 (Table 2). Hence, the alternative hypothesis is accepted and we conclude that social media marketing has significant effect on customer loyalty.

Model 1 above, also shows that a unit increase in email marketing will cause 52%-unit increase in customer loyalty of Jumia Nigeria Ltd, provided social media marketing, affiliate marketing, and search engine optimization remains constant. The test is significant with p-value less than the significance value of 0.05 (Table 2). Hence, the alternative hypothesis is accepted and we conclude that there is a significant effect of email marketing on customer loyalty.

Furthermore, model 1 above also shows that a unit increase in affiliate marketing will cause 55%-unit increase in in customer loyalty of Jumia Nigeria Ltd,

provided social media marketing, email marketing, and search engine optimization remains constant. The test is significant with p-value less than the significance value of 0.05 (Table 2). Hence, the alternative hypothesis is accepted, and we conclude that there is a significant effect of affiliate marketing on customer loyalty.

Lastly, from model 1 above, it suggests that a unit increase in search engine optimization cause 55%-unit increase in customer loyalty of Jumia Nigeria Ltd, provided social media marketing, email marketing, and affiliate marketing search engine optimization remains constant. The test is significant with p-value less than the significance value of 0.05 (Table 2). Hence, the alternative hypothesis is accepted, and we conclude that search engine optimization has significant effect on customer loyalty.

## Conclusion

Customers are both rational and irrational being. Some can be easily influenced while others need more efforts than normal to impress them. Being and they attached emotions to almost Customer loyalty is something that can be influence when proper digital marketing tool is used. Digital marketer is to ensure the use the appropriate digital marketing channel to reach out to the customers in an appealing way to gain their loyalty from competitors. How well they use different search engine optimization and social medium like What's app, Facebook, Twitter, Instagram, YouTube, Google etc as well as email and affiliate marketing to display they products, will determines customer patronage. A satisfied customer from first purchase will likely patronize again, thereby leading to loyalty. Strong qualities of the company's product and services helps customer to build loyalty. In order to determine the effect of social media marketing, email marketing, affiliate marketing, and search engine optimization on customer loyalty as well as the relationship between digital marketing and these four variables, the study looked at digital marketing and consumer loyalty. The data were evaluated using linear regression analysis following the validity and reliability tests which showed that the data were valid and dependable. 5 Likert scale-structured surveys were chosen as the main source of data for the technique. According to the findings, customer loyalty is influenced by social media

marketing, email marketing, affiliate marketing, and search engine optimization. The findings confirm that digital marketing has significant effects on customer loyalty.

## Recommendations

The findings of this research led to some recommendations for improving customer loyalty in Jumia Nigeria, Lagos State. These recommendations include making sure that organizations target their customers through a variety of internet marketing channels, like social media platforms, in addition to more expensive conventional marketing channels. It is recommended to continue sending them targeted emails about the company and its products utilizing a database of customer email addresses. To draw in and keep the attention of internet users, companies selling their items online should use verbal and visual marketing strategies. In order to promote client loyalty to their brand, the company should increase the dependability of its website.

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