# PalArch's Journal of Archaeology of Egypt / Egyptology

# THE IMPACT OF DIGITAL MARKETING IN ACHIEVE CUSTOMER LOYALTY (AN ANALYTICAL STUDY OF THE VIEWS OF A SAMPLE OF ZAIN TELECOM CUSTOMERS IN BABYLON GOVERNORATE)

Russell Fadhil Kadhem Al bediree<sup>1</sup>, Thamir Hadi Al jenaibi<sup>2</sup>

<sup>1,2</sup>University of Babylon, College of Administration and Economics, Department of Industrial Administration\Iraq

E-Mail: <sup>1</sup>s.russell.fadel@uobabylon.edu.iq <sup>2</sup>Thamirhady@yahoo.com

Russell Fadhil Kadhem Al.Bediree, Thamir Hadi Al.Jenaibi. The Impact Of Digital Marketing In Achieve Customer Loyalty (An Analytical Study Of The Views Of A Sample Of Zain Telecom Customers In Babylon Governorate) -- Palarch's Journal Of Archaeology Of Egypt/Egyptology 17(5), 271-284. ISSN 1567-214x

**Keywords: (Digital Marketing, Customer Loyalty).** 

#### **ABSTRACT**

The study aims at to know the nature of the relationship and the impact between the dimensions of digital marketing and customer loyalty at the company in question, both included a set of variables dimensions, digital marketing consist (attraction, communicate, participation, learn, retention) while customer loyalty consist (behavioral loyalty, Cognitive loyalty, directional loyalty, attitudinal loyalty), and because of the novelty of digital marketing in companies that need its digital nature Zain company in Babylon Governorate has been chosen and also the fact that this company characterized of advantages and recipes via its quest to introduce very modern services.

The problem of the present study is the lack of clear perception among respondents about the impact of digital marketing to achieve customer loyalty in Zain Telecom Company. After crystallization of the conceptual framework and review previous research efforts related to the current study variables, virtual scheme has been developed reflecting the nature of the relationship between these variables, in order to identify the nature of this relationship has been thrown a number of assumptions that are temporary solutions amenable to proof or deny.

Study variables was measured based by the questionnaire as an essential tool to collect data that was employed to test the study hypotheses, and selected a sample of customers having been distributed randomly (120)

application form returned (120) as was fit for analysis (108) form and the response rate was 90%, Where the study society was (173) individuals, Analyzed by statistical software ((SPSS.22)).

### **INTRODUCTION**

The changes that have taken place in today's world are very fast. Perhaps one of the most important reasons for these changes is the advanced technology, which contributes significantly to bring about a set of transformations at the level of companies in general, and especially those are interested in providing everything that is appropriate for their customers and serve them better, as companies are currently looking for the use of all means through which they can develop the relationship between them and their customers and one of these ways is digital marketing, it is a new form of marketing and provides new opportunities for businesses to do business. Digital marketing activities allow direct communication with potential customers quickly and regardless of geographic location, digital marketing is the most convenient and effective way to market nowadays and with the development of technology is also evolving style. On the other hand, most companies today are paying great attention to the customer, where it is the basis in the design of its products and the reason for its existence through the establishment of interactive relationships with him and gain his trust by providing the various information he needs about products and service. Thus understanding the customer more, and in order to deliver customers to the stage of loyalty.

# Problem of the study

Technology and innovation have led to radical changes in all modern business processes, including marketing activities and one of the results of these changes is the rapid development of digital marketing which is one of the most effective ways to communicate and deal with potential customers, the virtual environment for digital marketing includes a number of digital applications available through websites and social networking sites used in a number of activities in the business world, some companies, especially telecom., have taken care of it.

The main problem of the study can be formulated ((lack of clear perception in the study sample on the impact of digital marketing on achieving customer loyalty in Zain Telecom)).

# Importance of the study

The importance of the study lies in the following:

Contribute to building a knowledge based on digital marketing as one of the current topics at the present time.

Clarify the important role which digital marketing plays in achieving customer loyalty.

The urgent need for the telecommunications sector in Iraq to such studies of the importance of it and support for the national economy.

# Objectives of the study

Objectives of the study are as follows:

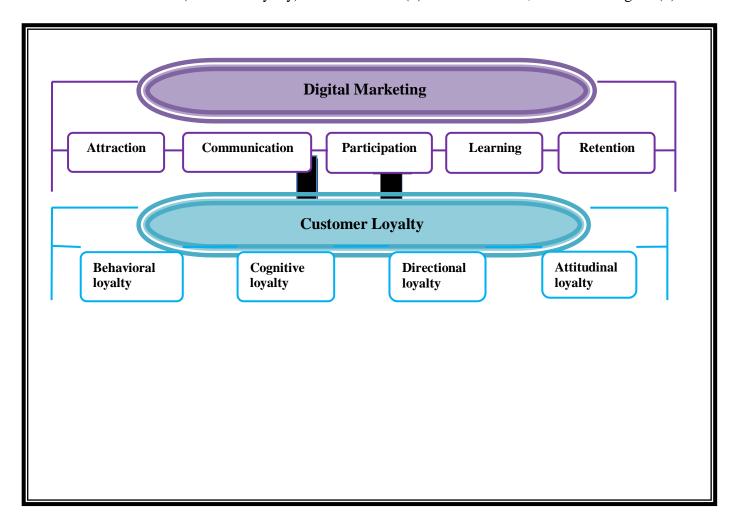
Knowing the nature of the relationship and the impact between the dimensions of digital marketing and customer loyalty in the researched company.

Diagnose the level of adoption of digital marketing in the researched company.

Presenting the conclusions and recommendations related to these variables to the researched company.

# Outline hypothesis of the study

The study diagram represents a set of logical relationships between study variables, the researcher identified the independent study variable (digital marketing) which includes (5) sub-dimensions, the dependent variable (customer loyalty) which includes (4) sub-dimensions, as shown in figure (1).



**Figure (1)** shows the hypothetical study model Source: - Prepared by the researcher

# Hypotheses of the study

The study depends on the following main hypothesis: There is no significant Impact of digital marketing related to customer loyalty.

# The study sample

The sample was selected randomly, it was included a group of customers of Zain Telecom in Babylon Governorate, it has been distributed (120) questionnaires retrieved (108), complete questionnaire with a response rate has reached (90%), and excluded (12) questionnaire because it is not complete the terms.

# Characteristics of the study sample

**Table** (1) A general description of the characteristics of the study sample

Variables	Details	Repetition	Rate	
	male	56	52%	
Sex	female	52	48%	
	Total	108	100%	
	20-less	13	12%	
	30-21	53	49%	
Age	41-31	31	29%	
	53-42	11	10%	
	Total	108	100%	
	Primaries.	6	6%	
	Intermediate	30	28%	
Degree	Preparatory	22	20%	
Degree	Bachelor	33	31%	
	Diploma	8	7%	
	Higher degree	9	8%	
	Total	108	100%	
Zain	1-6	29	27%	
Telecom	7-12	34	31%	
subscription	13-17	45	42%	
period -	Total	108	100%	

**Source:** - Prepared by the researcher and based on the questionnaire

#### LITERATURE REVIEW

The concept of digital marketing

The concept of digital marketing varies according to the views of researchers, their contributions, their scientific background and their specialization. Table (2) shows some of these contributions in chronological order:

**Table (2)** shows Some of the researchers' contributions to the concept of digital marketing

The researcher	The definition				
& year					
(Gao :2018 :11)	It promotes goods and services in innovative ways using digital platforms in order to reach customers in a cost effective, timely and personal manner.				
(Behera et al:2019:1)	It is the strategy through which electronic companies benefit from data analysis to deliver individual marketing messages to existing and potential users.				
Source: - Prepared by the researcher depending on the literature contained therein					

By noting the concepts in table (2), there are many views on the concept of digital marketing, some describe it as a process of promoting products and services, while others prepare to use digital technologies to create an integrated communication, while others see it as marketing that uses devices, electronic channels, etc.

The researcher believes that digital marketing is the promotion of goods, services and ideas through the use of digital channels to reach new customers in a timely manner and retain existing customers.

# The importance of digital marketing

In the developed world, companies realized the importance of digital marketing. To succeed, they will have to integrate the Internet in traditional ways to more accurately meet customer needs and introduce new technologies that create new business opportunities for marketers to manage their websites and achieve their business goals (Siddiqui&Khan: 2013:9)

There are many reasons why effective digital marketing is important for companies. (Ryan: 2014:30)

Digital marketing contributes to the provision of services, or products offered, by companies and in a short time. Customers are accustomed to obtain their information on demand from multiple sources at the same time. Invest time to examine details designers and marketers need to understand this desire and instant gratification when creating their online offerings.

There are some problems of digital marketing and is not easy for some customers and these problems are not aware of the real marketing and this is due to the Internet environment, some customers fail to deal with this environment, so companies should provide more details about the service marketed digitally.

The research showed that the importance of digital marketing lies in the great role in achieving the company's objectives at the lowest costs and achieve a competitive advantage among competitors and thus expand the customer base.

# Dimensions of digital marketing

#### Attraction

The first dimension of digital marketing is how to attract customers to companies websites, this can be achieved through bulletin board advertisements, links from other sites and take advantage of existing marketing communications, such as advertising and product packaging (Teo & Tan: 2002: 5).

#### Communication

The second dimension is customer communication, the most widely used customer-related tool that includes personal communication with customers about products or services and the provision of customized products services. A personal touch may be added by updating customers when new products or services arrive to meet their specific needs or interests (Teo: 2005: 211)

# **Participation**

The third dimension of the digital marketing dimension relates to users, taking care of them, and their participation after they are attracted to the website for interaction (Tan &Teo:2002: 6-7). Participation means establishing relationships with the customer where there is a giving and taking and where the customer is a partner and participant in marketing efforts and products ((Zahay: 2015: 13).

#### Learning

Identifying customer preferences involves collecting information about current and potential customers, for example, online surveys, offering these customized products and services can generate unique feelings among customers. However, many companies still view the process of gathering information about customer preferences as difficult and expensive (Nikunen et al:2017:174).

#### Retention

Buying new customers is always thought to be more expensive than spending on existing customers to create repeat business; for example, many companies nowadays require customers to provide their email addresses in order to send a confirmation of an online transaction; customers are also given the option to receive future updates for product information and promotional events (Ali et al:2012:1597)

# The concept of customer loyalty

The opinions of writers and researchers in the definition of customer loyalty are varied according to the views of researchers, their contributions, their scientific background and specialization. Table (3) shows some of these contributions according to their chronology:

**Table (3)** shows Some of the researchers' contributions to the concept of customer loyalty

Researcher & year	The definition			
(Wang et al: 2017:114)	It is a behavioral behavior that is influenced by the feelings of the customers and their affection towards the company and how they relate to it.			
(Cheng et al: 2018:7)	Is an intense commitment to continually repurchase the product from the same service providers in the future.			
Source: - Prepared by the researcher depending on the literature contained therein				

The researcher believes that customer loyalty is a commitment from the customer towards his favorite products and not looking for a replacement product and the desire of the customer to buy the product from the same company in the future.

# The importance of customer loyalty

Customer loyalty is a key factor for the company and can help it achieve long-time success. The importance of customer loyalty is inextricably linked to the company's survival, growth and continued strong future .(Adeleke & Aminu: 2012:211). Customer retention costs are much lower than customer acquisition costs, which means that retaining existing customers is an important business goal rather than looking for a new customer. (haghkhah et al:2013: 157) The current customer gives suggestions to the company about their needs, and what they expect loyalty describes the customer's desire by continuously supporting the company's products for a long period of time and repeatedly and preferably (Negi & Ketema: 2010: 113).

The importance of customer loyalty lies in the following:

A. High market share and support the competitive position of the company.

# B. low costs of promotion.

# Dimensions of customer loyalty

#### Behavioral loyalty

Customer loyalty is a key factor for the company and can help it achieve long-time success. The importance of customer loyalty is inextricably linked to the company's survival, growth and continued strong future, but ignores potential loyalty towards a specific loyalty program, rather than loyalty to the brand itself. It does not take into account the appropriateness or inadequacy of procurement to distinguish between repeat purchase and loyalty. (Costa: 2018: 10).

#### Cognitive loyalty

The customer prefers one brand over its alternatives based on information about the characteristics of the brand, this dimension is called "cognitive loyalty" based on the belief and perception of the brand only. Information about the brand is derived from prior knowledge and knowledge from other people (Kuzgun: 2012: 24)

# Directional loyalty

Directional loyalty relates to the optimistic concepts, opinions, ideas, values, and feelings of the customer towards the product or service provided. This loyalty can be expressed primarily by a preference for a product or service or a psychological tendency towards a particular product or service (Oluseye et al: 2014: 279).

#### Attitudinal loyalty

Researchers have found that high levels of satisfaction lead to more attitudinal loyalty, which in turn has a positive effect on stability (Chen et al:2009:271), it can be defined as encouraging others to use the service and recommending services to others (haghkhah et al: 2013: 157).

#### DATA ANALYSIS

#### Impact hypothesis testing

Testing the Impact of the independent variable (digital marketing) on the dependent variable (customer loyalty), based on simple regression analysis and multiple regression analysis (F) to determine the significance of simple and multiple regression equation, so there is a significant effect if the calculated (F) is greater than the tabular value (F) and there is no such effect if the calculated (F) value is smaller than the tabular value (F) at a significant level (1%), the coefficient of interpretation (R2) was also used to explain the effect of independent variables.

Based on the above, the test will be achieved for the main hypothesis, as follows: Testing the main hypothesis: - (There is no significant relationship Impact of digital marketing dimensions in customer loyalty).

1- Testing the first sub-hypothesis: (There is no significant Impact relationship to the dimension of attraction in customer loyalty).

Proving the hypothesis that is mentioned above, the test (F) is used to analyze the significance of the simple linear regression model as shown in Table (4) which is constructed according to the following formula:

Y=a+b\*x+e That is: Y represents the dependent variable (customer loyalty) While X represents the independent variable (digital marketing)

**Table (4)** shows the estimation of the parameters of the simple linear regression model to measure the impact of digital marketing on customer loyalty.

variable	A	В	The value of F		The value of T		Factor
			Counta ble	Tabul ar 1%	Counta ble	Tabul ar 1%	of interpre tation R2
<b>X</b> <sub>1</sub>	0.19 5	2.12 7	118.544		118.544		0.975
$\mathbf{X}_2$	0.21 1	2.19 5	107.757	3.201	107.757	2.326	0.973
<b>X</b> <sub>3</sub>	0.43 7	3.20 5	53.802		53.802		0.947
X <sub>4</sub>	0.11	3.14 8	222.547		222.547		0.987
<b>x5</b>	0.37 8	2.46 6	42.639		42.639		0.934
X	0.02 7	0.52 5	382.136		382.136	1	0.992

**Source:** prepared by the researcher according to the results of the electronic calculator n = 108

The results in Table (4) show the following:

A- The value of (F) calculated for the simple linear regression model of the attraction dimension (X1) was (118.544), which is greater than the tabular value (F) of (3.201) at the level of significance (1%). This indicates that the change of one unit in the attraction dimension changes the loyalty of the customer by (2.127). This means that the simple linear regression model is significant, i.e., the attraction (X1) affects customer loyalty (y). This effect is significant at the level mentioned (1%).

B- The value of the factor of interpretation (R2) was (0.975). Which means that dimension attraction (X1) accounts for (97.5 %) of the changes in customer loyalty (y)The remaining (2.5%) that (R2) could not explain is due to the contribution of other variables not included in the current study study plan.

From the above, The first sub-hypothesis, rejects the view which emanates from the main hypothesis, states that (there is no significant Impact relationship to the dimension of attraction in customer loyalty).

Alternative hypothesis is accepted: (there is a significant Impact relationship to the dimension of attraction in customer loyalty).

2 - Testing the second sub-hypothesis: (There is no significant Impact relationship to the dimension of communication in customer loyalty). The results in Table (4) show the following:

A- The value of (F) calculated for the simple linear regression model of the communication dimension (X2) was (107.757), which is greater than the (F) tabular value of (3.201) at the level of significance (1%), which indicates the stability of the regression factor (b= 2.195). At the mentioned level of significance, that is, the change of one unit of communication distance affects the loyalty of the customer by (2.195). Accordingly, dimension the communication (X2) has a significant effect on customer loyalty (y) and this effect is significant at the level mentioned E (1%).

B-The value of the Interpretation Factor (R2) was (0.973), which means that dimension communication (X2) accounts for (97.3%) of the changes in customer loyalty (y). The remaining (2.7%) is due to the contribution of other variables not included in the current study plan.

From the above, The second sub-hypothesis, rejects the view which emanates from the main hypothesis, states that (There is no significant impact relationship to the dimension of communication in customer loyalty).

Acceptance of the alternative hypothesis: (There is a significant influence relationship to the dimension of communication in customer loyalty).

3 -Testing the third hypothesis: (there is no significant impact relationship to the dimension of participation in customer loyalty).

The results in Table (4) show the following:

A- The value of (F) calculated for the simple linear regression model dimension the participation (X3) was (53.802), which is greater than the table (F) of (3.201) at the level of significance (1%), which indicates the stability of the regression factor (b=3.205). At the mentioned level of significance, i.e., the change of one unit dimension participation affects the loyalty of the customer by (3.205), which means the significance of the simple linear regression model is established. (X3) therefore has a significant effect on the loyalty of the customer. (y).

B- The value of the coefficient of interpretation (R2) was (0.947), which means that dimension the participation (X3) explain (94.7%) of the changes in customer loyalty (Y). The remaining (5.3%) is due to the contribution of other variables not included in the current study plan.

From the above, The third sub-hypothesis, rejects the view which emanates from the main hypothesis states that (there is no significant impact relationship to the dimension of participation in customer loyalty)

Alternative hypothesis is accepted: (There is a significant influence relationship to the dimension of participation in customer loyalty)
4-Testing the fourth sub-hypothesis: (there is no significant Impact relationship to the dimension learning in customer loyalty)

The results in Table (4) show the following:

A-The value of (F) calculated for the simple linear regression model dimension learning (X4) was (222.547), which is greater than the (F) tabular value of (3.201) at the level of significance (1%), which indicates the stability of the regression factor (b=3.148). At the mentioned level of significance, that is, the change of one unit dimension learning affects the loyalty of the customer by (3.148), which means that the simple linear regression model is significant (X4) having a significant effect on the customer loyalty. (y)

B -The value of the coefficient of interpretation (R2) was (0.987), which means that dimension learning (X4) explains (98.7%) of the changes in customer loyalty (y). The remaining (1.3%) is due to the contribution of other variables not included in the current study plan.

From the above, the fourth sub-hypothesis rejects the view which emanates from the main hypothesis, states that (there is no significant impact relationship to the dimension learning in customer loyalty).

The alternative hypothesis accepts the view which indicates: (there is a significant influence relationship to the dimension learning in the customer loyalty).

5-Testing the fifth sub-hypothesis: (There is no significant Impact relationship to the dimension retention in customer loyalty)

The results in Table (4) show the following:

A- The value of F calculated for the simple linear regression model of the retention dimension (X5) was (42.639), which is greater than the (F) tabular value of (3.201) at the level of significance (1%), which indicates the stability of the regression factor (b=2.466), At the mentioned level of significance, that is, the change of one unit from retention affects the loyalty of the customer by (2.466), which means the significance of the simple linear regression model is established. Thus, dimension retention (X5) has a significant significance in the loyalty. Customer (Y)

B- The value of the coefficient of interpretation (R2) was (0.934), which means that dimension retention (X5) explains (93.4%) of the changes in customer loyalty (y), while the remaining percentage (6.6%) is due to Contribution of other variables not included in the current study plan.

From the above, The fifth sub-hypothesis, rejects the view which emanates from the main hypothesis, states that (there is no significant Impact relationship to the dimension retaining customer loyalty).

The alternative hypothesis is accepted: (there is a significant Impact relationship to the dimension retention in customer loyalty).

Based on the above, the main hypothesis rejects the view that indicates (there is no significant impact relationship to digital marketing in customer loyalty) The alternative hypothesis accepts the view which indicates (there is a significant Impact of digital marketing on customer loyalty).

#### CONCLUSIONS AND RECOMMENDATIONS

In this section, we will deal with two parts, the first of which is to present the most important findings of the study, or the second contains the most prominent recommendations.

#### CONCLUSIONS

In light of the theoretical framework and statistical findings of the study, the following conclusions can be presented:

- 1 scarcity of research, which focused on the study and interpretation of the relationship between the variables of the current study (digital marketing, customer loyalty) in the business environment, specifically in the Iraqi mobile operators according to the hypothesis model of the current study.
- 2- Interest after the attraction, by providing additional services to its customers, such as Internet service and others, in order to encourage them to deal with it and use advertising banners on web sites to attract its customers.
- 3- Great interest has appeared in the dimension of communication, as the Internet is one of the most prominent digital channels that the company employs to communicate with its customers, and the company has pages dedicated to introducing its services and the company uses advertising messages via mobile phone to communicate with its customers.

# RECOMMENDATIONS

In light of the practical conclusions of the study that emerge from the responses of the sample, a set of recommendations can be made as follows:

- 1- The necessity of activating digital marketing in the telecom companies as one of the modern methods that enable them to attract customers.
- 2- Use of digital marketing at the level of telecommunications companies to reduce the depletion of resources.

3 - The need to take into account the loyalty of the customer in the preparation of programs to use digital marketing.

#### **REFERENCES**

- Adeleke, Adepoju, & Aminu, Suraju Abiodun, (2012)," The Determinants of Customer Loyalty in Nigeria's GSM Market", International Journal of Business and Social Science Vol. 3 No.14.
- Ali, Azwadi, & Omar, Normah, & Daud, Assoc Norzaidi Mohd, & Mohamed, Intan Salwani, (2012)," Adoption and performance of click and mortar retailers: Malaysia evidence", Advances in Natural and Applied Sciences,6(8): 1591-1608, ISSN 1995-0772.
- Behera, Rajat Kumar & Gunasekaran, Angappa & Gupta, Shivam & Kambojd, Shampy, (2019), "Personalized digital marketing recommender engine", Journal of Retailing and Consumer Services.
- Chen, Yen-Chun, & Shen, Yung-Cheng, & Liao, Shuling, (2009)," An integrated model of customer loyalty: an empirical examination in retailing practice", The Service Industries Journal, Vol. 29, No. 3, 267 280
- Cheng, Boon Liat, & Gan, Chin Chuan, & Imrie, Brian C, & Mansori, Shaheen, (2018), "Service recovery, customer satisfaction and customer loyalty: evidence from Malaysia's hotel industry", International Journal of Quality and Service Sciences, At: 13:33 (PT).
- Costa, Sofia Rebelo Pessoae, (2018)," How To In Crease Customer Loyalty In The Newspaper Industry In Portugal The Global Media Group Case", Dissertation submitted in partial fulfillment of the requirements for the degree of Master of Science in Management with Specialization in Strategic Marketing at Católica-Lisbon School of Business & Economics.
- Gao, Jianing, (2018), "Social Media Marketing Plan for a Furniture Company in Chinese Market Case Company: Company X", Bachelor's Thesis in International Business, 83 pages, 7 pages of appendices.
- Haghkhah, Azam & Ben Abdul Hamid, Abu Bakar, & Ebrahimpour, Alireza, & Roghanian, Parastoo, & Gheysari, Hamed, (2013)," Commitment and Customer Loyalty in Business-To-Business Context", European Journal of Business and Management, Vol.5, No.19.
- Khan, Fawad & Siddiqui, Kamran, (2013)," The Importance Of Digital Marketing. An Exploratory Study To Find The Perception And Effectiveness Of Digital Marketing Amongst The Marketing Professionals In Pakistan", Journal Of Information Systems & Operations Management, Vol. 7 No. 2.
- Kuzgun, Ebru, (2012)," Brand Loyalty's Impact on Customer Engagement in Virtual Brand Communities -by the case of Turkish Market", Master's Thesis, Copenhagen Business School, Cand. Merc. International Marketing and Management.
- Negi, Rakshit, & Ketema, Eyob, (2010), "Relationship marketing and customer loyalty: the Ethiopian mobile communications perspective", IJMM, vol. 5,no.1,p.113-124.
- Nikunen, Tuulia & Saarela, Martti & Oikarinen, Eeva-Liisa & Muhos, Matti & Isohella, Lari,(2017)," Micro-Enterprises' Digital Marketing Tools

- for Building Customer Relationships ", Directory of Open Access Journals(DOAJ), Vol 12, (2) pp171-188.
- Oluseye, Ogunnaike Olaleke, & Odunayo, Salau, & Adeniyi, Sholarin, & Borishade, Taiye Tairat, (2014)," EVALUATION OF CUSTOMER SERVICE AND RETENTION; A COMPARATIVE ANALYSIS OF TELECOMMUNICATION SERVICE PROVIDERS" European Journal of Business and Social Sciences, Vol.3, No.8.
- Ryan, Damian, (2014)," Understanding Digital Marketing: Marketing strategies for engaging the digital generation", The edition, Kogan Page Limited, Britain and the United States.
- Teo, Thompson S H &Tan, Jek Swan, (2002)," Senior Executives Perceptions Of Business-To-Consumer (B2C) Online Marketing Strategies the case of Singapore", Internet Research, Electronic Networking Applications and Policy, Volume 12, Number 3, pp. 258-275.
- Teo, Thompson S.H, (2005)," Usage and effectiveness of online marketing tools among Business-to-Consumer (B2C) firms in Singapore", International Journal of Information Management Vol 25, 203–213.
- Wang, Ze, & Singh, Surendra N., & Jessica li, Yexin, & Mishra Sanjay, & Ambrose, Maureen, & Biernat, Monica, (2017)," Effects Of Employees' Positive Affective Displays On Customer Loyalty Intentions: Anemotions-As-Social-Information PERSPECTIVE", Academy of Management Journal, Vol. 60, No. 1, 109–129.
- Zahay, Debra, (2015), "Digital Marketing Management A Handbook for the Current (or Future) CEO", First edition, Business Expert Press, LLC, USA, New York.