

DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA
MINISTRY OF HIGHER EDUCATION AND SCIENTIFIC RESEARCH

ECOLE SUPERIEURE DE COMMERCE-KOLEA

**A Dissertation submitted in partial fulfillment of the requirements for Master's degree
in Commercial Sciences**

Specialty: Marketing and communication

TOPIC:

Building Customer's Loyalty through Social Media

Case Study:

JUMIA Algeria

Submitted by the student:

ARIOUAT Nassira

Supervised by:

Dr. SELOUGHA Fayrouz

Place of training: SARL Jade E-services Algeria "kouba"

Period of training: From 01/04/2019 to 09/05/2019.

2018-2019

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Dedications

I dedicate this work to:

To my mother “**Kheira**” and my father “**Mahiedine**” who gave and are still giving me the courage to fight to achieve my objectivess.

To my brothers and sisters

“**Souad**”, “**Hadjira**”, “**Lahcene**”, “**EL Hocine**”.

To all members of my family

my ant “**Mimouna**”, my cousins “**Fatima ezahraa**”, “**Bakhta**” I can never have words to express my gratitude about your support and encouragement.

To all the teachers I have met in my life.

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I thank all my classmates for the unforgettable moments we shared together.

Abstract

Abstract:

Customer loyalty is one of the most important objectives of any business in this world because customers constitute an important asset to companies and retaining existing ones is too much beneficial than attracting new ones. Social media is another revolution in economic war. This new technology era has changed customer thinking, lifestyle, and even motivations and factors influencing customer choices, thus the necessity of adaption to social media and new technologies is unquestionable to any company. Social media seems to have an important role in building customers' loyalty. It is a huge opportunity for companies due to its viral effect in transforming information, building relationship with customers and collecting information concerning customers 'needs, habits, attitudes ,complaints and more other useful information, thus company should use social media to attract, engage and retain customers.

Key words: customers' loyalty, social media, digital communication, e-commerce, JUMIA Algeria.

ملخص:

ولاء الزبون هدف أساسي تسعى إليه أي مؤسسة تجارية أو ربحية في العالم، لأن الزبون يعتبر من الأصول الهامة للمؤسسة والاحتفاظ بالزبائن الحاليين للمؤسسة أعلى فائدة من محاولة الحصول على زبائن جدد. وسائل التواصل الاجتماعي تشكل ثورة أخرى في الحرب الاقتصادية لأن العصر الجديد للتكنولوجيا قد غير الكثير من تفكير الزبون، أسلوب حياته وكذا المحفزات والعوامل المؤثرة على خياراته و بالتالي فإن التكيف مع عصر التكنولوجيا ووسائل التواصل الاجتماعي ضرورة حتمية لمختلف المؤسسات و الشركات. وسائل التواصل الاجتماعي لها دور هام في خلق الولاء لدى الزبون فهي تعتبر فرصة جد مهمة يجب اقتناصها من طرف المؤسسات لما لها من أثر فيروسي في نشر المعلومات و بناء علاقات مع الزبائن وكذا جمع المعلومات حول احتياجات الزبون، عاداته، مواقفه و معلومات أخرى ذات أهمية بالغة للمؤسسة، وهذا بهدف الحصول على الزبائن و التزامهم مع المؤسسة و تحويل كل زبون محتمل إلى زبون وفي.

الكلمات المفتاحية: ولاء الزبون، وسائل التواصل الاجتماعي، الاتصال الرقمي، التجارة الإلكترونية ، جوميا الجزائر.

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*General
Introduction*

General introduction

General Introduction:

In today's world, almost all people are connected in real time. Internet has become the biggest phenomenon of the 21st century. This has indeed affected the field of marketing. Customers from around the globe can now be reached and informed about various products and services. Hence, more and more companies are hiring marketers specialized in online marketing, also named as Internet marketing. More particularly the revolution is made by social media, building on the foundation of Web 2.0. Social media applications have facilitated an unprecedented growth in human interaction.

This has made traditional methods of finding information concerning purchases obsolete, and as such, new social and economic consequences are being generated. Social media is becoming both more convenient and more important, leading many companies to use it in external promotions, marketing, customer management, and as an internal channel for communicating with employees.

In the field of marketing and communication, many companies with a real ambition are more and more paying attention to digital communication using social media because of the huge opportunities offered by this virtual world. Therefore they are integrating this mean in their communication strategy, which allows them to raise the brand image, be up to date, and enrich their data bases of information about their customer's attitudes, desires and changing behavior in order to serve them better and satisfy their needs.

Customers' loyalty is one of the most fundamental objectives of any company to ensure its existence and continuity. Thus, it should adopt the principle of 'Serve first, sell second' because in this competitive environment if the company gets success to build a solid and loyal customers' relationship by providing services or products with suitable prices and high quality then it is not far to be the number one company with the highest market share and as a result the highest profit.

In this context, it t is a real challenge for business organizations to build successful customer-company relationships through social media. Therefore, companies that wish to enhance customer's loyalty by running social media communities face the responsibility of effectively conducting social media strategies and tactics, which is the key to build successful relationship with customers and ensure their loyalty.

General introduction

Our current study aims to investigate and clarify the role of social media in retaining customers and building loyalty. This study is conducted with parallelism of practical formation in JUMIA Algeria in its e-commerce field.

In this context the present study aims to bring an answer to the following problematic:

To what extent do social media improve customers' loyalty? In other words how does communication through social media consolidate customers' loyalty?

From the precedent main question we extract some sub questions to which our study aims to find adequate solutions:

- 1. Is the establishment of social media communities beneficial for the company's relationship with its customers?**
- 2. What is the effect of responsiveness through social media on customer's loyalty?**
- 3. How does provided information on social media contribute to build customers' loyalty?**

We can consider the following hypotheses as preliminary solutions for our problematic which we can be confirmed or refused during this study.

- 1. Sense of membership in social media communities has a positive impact on customers' engagement.**
- 2. Responsiveness on social media pages influences customer loyalty positively.**
- 3. Knowledge gains obtained from social media have positive impact on customers' loyalty.**

Importance of the topic:

- As the whole world is advancing in terms of social media marketing it is high time for Algerian companies to engage in this field and benefit from its opportunities.
- Social media as a trending tool attracts more customers and ensures their loyalty towards companies and their products and services.
- Social media has shifted marketing to another more important level due to their viral effect.

General introduction

Goals of research:

- Building awareness of Algerian companies towards the position of social media in customers' life and how to exploit this opportunity.
- To attract attention of students to digital marketing as a huge domain of research and investment.

Work structure and methodology:

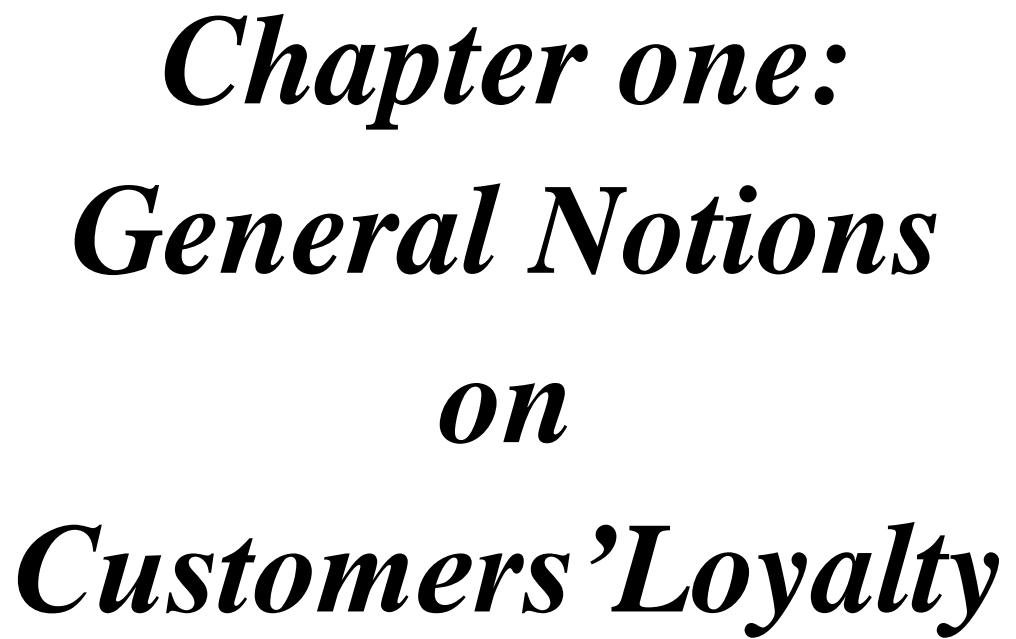
- The first part of our work is theoretical. It will bring a general overview of the fundamental concepts related to digital marketing and social media through a documentary research.
- The second part of the work includes the case study in order to find answers to our problematic, we adopted a quantitative analysis through questionnaire that involves the variables of our study in order to check relations existing between these variables and finally confirm or reject the assumptions supposed in the beginning, results' analysis of this part is going to be made using SPSS (statistical package for the social science).

Previous researches:

This study is the extent of many previous researches in the same context which all aim to a better exploitation of social media in communication with customers in order to engage them.

Among these studies we list:

- Irem Eren Erdogmus, Mesut Cicek: The impact of social media marketing on brand loyalty, 8th International Strategic Management Conference, Procedia - Social and Behavioral Sciences 58 (2012) 1353 – 1360).
- Ana Margarida Gamboa, Helena Martins Gonç,alves: Customer loyalty through social networks: Lessons from Zara on Facebook, volume 57, Issue 6, Pages 709-717,Business Horizons (2014).



***Chapter one:
General Notions
on
Customers' Loyalty***

Introduction:

Customers' loyalty is the purpose of any business in the world. It is a challenge that is facing all companies because the customer is its core of success. This last is being more and more demanding and difficult to satisfy because of production decade and the abandon of alternative products and services provided by competition, which fights for higher market share and profits, thus marketing is no more production or product centric. It is customer centric because customer has become an essential capital to business.

Customers' loyalty differs from one customer to another due to factors which are generally subjective and depend on customers' personalities, preferences, attitudes and desires, and the volume of marketing efforts that companies spend in order to satisfy them and create positive experiences and customer value.

Customer loyalty is not an inactive capital. It is a long term investment that enables companies to survive and keep gaining profits enhancing products and services and growth of the business.

This chapter provides general notions on customers' loyalty. It is divided into three sections: the first illustrates the basics of the concept of customers' loyalty. While the second presents determinants of customers' loyalty and the third discuss strategies and tools for improving customers' loyalty.

Section one: Basics of Customer's Loyalty

This section will clarify the concepts of loyalty, then customer, customers' loyalty, levels and types of customers' loyalty and finally importance of customers' loyalty for both businesses and customers.

1.1. Definition of Loyalty:

Loyalty has been defined as follows:

“Loyalty is a devotion to a person to a cause, a person is loyal when first, he has some cause to which he is loyal; when, secondly, he willingly and thoroughly devotes himself to this cause; and when, thirdly, he expresses his devotion in some sustained and practical way, by acting steadily in the service of his cause”¹.

Thus loyalty is Faithfulness to a nation, cause, philosophy, country, group or person or other objects. It can be interpersonal between human beings, between human and pets and even between animal societies.

A loyal person is the one who *“feels loyalty to a nation, cause, or person feels a sense of allegiance, commitment, and dedication toward them. In this context loyalty means the quality of being loyal and faithful, for example to a sports team even in case of lose. It can also be demonstrated to a political party by voting only for it. In a commercial context brand loyalty is when consumers identify strongly with a particular brand or product, like a car or computer. They will stick to that brand even when they find a variety of alternatives to these products”².*

Based on this loyalty is a feeling which reflects people attachment to something or someone, to maintain long term relationship, to support this cause and sacrifice for it. Thus loyalty is deep in peoples' feelings and beliefs and it is mostly impossible to change it when attaining certain stage.

¹ <http://royce-edition.iupui.edu/wp-content/uploads/2016/08>, visited on 21:00, 1st March 1, 2019.

² <https://www.vocabulary.com/dictionary>, accessed on 23:00, 2nd march 2019

1.2. Definition of Customer:

Customer has been defined as follows:

“A customer is a person or company that receives, consumes or buys a product or service and can choose between different goods and suppliers. The main goal of all commercial enterprises is to attract customers or clients and make them purchase what they have on sale; they also try to encourage them to keep coming back”³.

Or as:

“Customers, also known as clients, purchasers, and buyers, are organizations or parts thereof, either business-to-business (B2B) customers or end-user consumers. Customers can be current or potential, and all others with problems and needs who seek either product or service solutions. From a manufacturer’s viewpoint, customers include distributors, retailers, and persons who buy products from the retailers”⁴.

Based on previous definitions, customer is person, who buys products or services either for his own consumption or for doing business, in other words any particular or organization which buys goods and services as a solution to problems or needs.

Individual is called customer when he makes purchases however, when his relationship with business is much lasting he is more client.

1.3. Definition of Customers' loyalty:

According to Oliver Customers' loyalty refers to a *“deeply held commitment to rebuy or re-patronize a preferred product or service consistently in the future. Thereby causing repetitive same-brand or same brand-set purchasing action, despite situational influences and marketing efforts which have the potential to cause a switching behavior”⁵.*

This first definition focuses on customers' loyalty as a feeling of commitment with specific brand or product that leads to repeat dealing with the same brand, product or service.

³<https://marketbusinessnews.com/financial-glossary/customer-definition-meaning/>, visited on 12:20; 10th march 2019.

⁴ Kambiz Farahmand & Prateek Tripathi : Dynamic Pricing in Supply Chain, International Journal of Business Development and Research, 2013, p 22.

⁵ Oliver (RL): **“Whence consumer loyalty?”**, in The Journal of Marketing , 1999, pp33-44

It is also defined as *“The success of the supplier to establish a long-term relationship with his customers and also achieve rewards in interacting with him. It is the tendency to choose a particular product over all others due to satisfaction with the product or service. It encourages customers to buy more consistently. And it can be product specific or company specific. When a loyal customer buy the same product repetitively then he is described as brand or product specific loyal. On the other hand the customer can also buy different products from the same manufacturer in this case he is described as company specific loyal”*.⁶

This definition describes customers' loyalty as a long-term relationship which needs huge efforts to be built. When customers are satisfied they generally became loyal. This loyalty can be brand specific, product specific or even company specific.

Customers' loyalty can also be perceived as:

“Customer loyalty is the likelihood that existing and previous customers continue purchasing from a specific company. Marketing and customer service departments of many companies spend significant resources on customer loyalty. In other words, they give great attention to retaining existing customers”.⁷

This definition highlights the importance of loyal customers for business, and the huge investment in gaining and retaining customers.

To sum up we can say that customers' loyalty is a feeling of engagement that is transformed to the willingness for repeat behavior of purchasing, asking for information and dealing with the same brand, product or company after obtaining a positive customer experience, customer satisfaction, and high value of provided products, which is the result of huge investments in marketing efforts and provided quality.

⁶ Ranabhat (D): **CUSTOMER LOYALTY IN BUSINESS Views of students of Centria University of Applied Sciences**, Degree program: Business Management, Centria University of Applied Sciences, March2018, p 3.

⁷ <https://marketbusinessnews.com>, visited on 11:20; 1nd march 2019

1.4. Levels of customers' loyalty:

The degree of loyalty is not constant. In fact it varies from a customer to another, and it takes the following stages⁸:

- **Suspect:** is the buyer of the product category in the market, which means that suspect includes everyone, who might possibly buy the product or service. He is called suspect because the service provider thinks or "suspects" that will possibly buy.
- **Prospect:** is the potential customer, who has some attraction towards the producer, but not has started business with it, which means also all those who have identified a need for the products or services and have the ability to purchase it.
- **Customer:** is the on-off purchaser of product but he has no real affiliation with the producer.
- **Client:** is the repeat purchaser who has positive feeling about the organization, Clients purchase regularly and have developed a strong ongoing relationship with the provider, which makes them uninfluenced by other competitors.
- **Advocate:** is the one, who buy regularly like a client. In addition he actively supports the producer and recommends it to others by spreading a positive word of mouth, and becomes as a result an important member in the marketing and sales team.
- **Partner:** is the strongest form of customer-supplier relationship, where both customer and supplier have a feeling of mutual benefit in the partnership.

The following figure represents the different levels of customers' loyalty explained above:

⁸ Hill,N & Alexander,F: "**handbook of customer satisfaction and loyalty measurement**". Alder shot, Hampshire: Grower Publishing Limited, 2000, p16

Figure 1: Customers' Loyalty Levels.

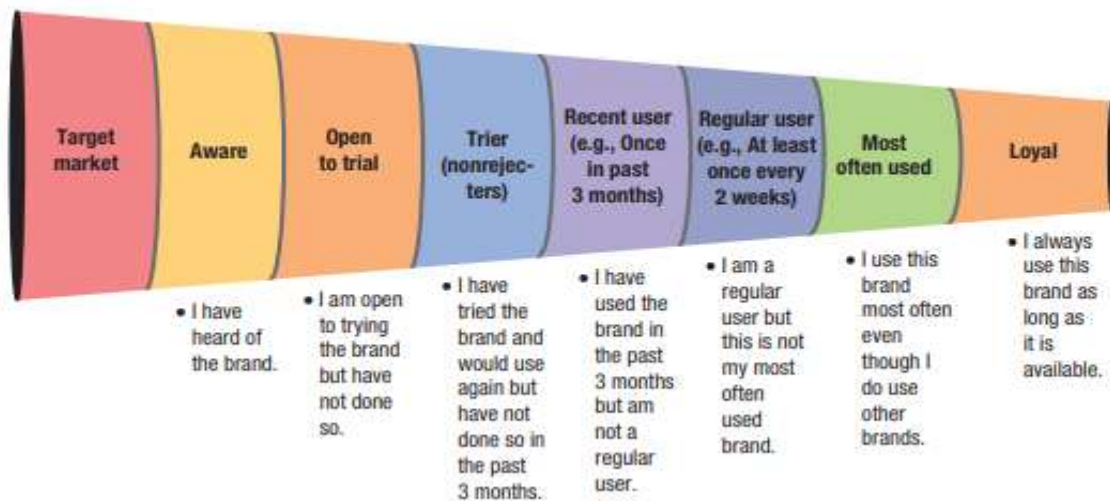


Source: adapted by Hill & alexander (2000)

In addition to the above classification the main levels in attracting and retaining customers are imagined in terms of a funnel which identifies the percentage of the potential target market at each stage in the decision process, from merely aware to highly loyal according to kotler & Killer⁹.

The following figure represents the marketing funnel:

Figure 2: The Marketing Funnel



Source: kotler & Killer: “Marketing Management”, Pearson Education Limited 2016, p 163.

⁹ kotler & Killer: “Marketing Management”, Pearson Education Limited 2016, p 163.

The figure above represents eight situations, a customer can take before being a loyal customer depending on his decision process over time, from merely aware to a highly loyal. The customer can stop in one step or continue dealing with product, brand or company until being loyal if all his conditions are available. It also emphasizes how important it is not just to attract new customers but to retain and cultivate existing ones because satisfied and loyal customers represent an important capital to the company.

1.5. Types of Customers' Loyalty:

Customer's loyalty is a sensitive topic in the business world, that's why companies keep a close eye on its development pattern.

The following table explains the different types of customers' loyalty development in term of customer thinking, behavior and also his feelings:

Table 1: Types of customers' loyalty

Cognitive loyalty	The customer believes the product to be superior to others and thus, chooses it over others. Information about the brand and its perceived benefits affect the buying decision
Affective loyalty	Reiterated confirmations of customers' expectations lead to affective form of loyalty where a particularly favorable attitude gets developed towards the brand.
Conative loyalty	High involvement and motives fueled by strong buying intentions give way to the development of an intense form of loyalty
Action loyalty	Strong motivations that ultimately lead to actions directed by the 'need to remove' every possible problem that might hinder the loyalty driven decision of purchasing a specific brand.

Source: Oliver (1999) Whence customer loyalty?

1.6.Importance of Customers' Loyalty to Businesses:

The importance of customers' loyalty and customers' satisfaction has become increasingly apparent to an organization since the industry is facing the situation of oversupply during the recent years. This oversupply condition is bringing to the forth the necessity of building customer loyalty and to have organizational policies which are oriented towards satisfying its customers in the first place.

In the following part we will deal with the importance of customers' Loyalty to Business:

1.6.1.Increasing profit:

Attracting new customers costs additional spending for businesses: publicity budget, commercial fees, discounts, promotions, testing offers and others, sales in the beginning are generally made with lost. Only customer loyalty and sales renewal will compensate the initial investment, to be in continuous growth to realize return on investment and increasing profit.

In this context the theory of Service Profit Chain published by James Heskett at Harvard in 1990 links the motivation of employees and customer loyalty and illustrates their impact on corporate profit¹⁰.

The following figure demonstrates these links:

¹⁰ Christian BARBARAY: “**Satisfaction, fidélité et expérience client**”, Dunod, Paris, 2016, p22-23.

Figure 3: Service Profit Chain



Source: published by James Heskett cited in Christian BARBARAY: "Satisfaction, fidélité et expérience client", Dunod, Paris, 2016, p22-23

The previous Profit Chain Service is based on eight postulates¹¹:

- Profit: Private companies aim for profits and growth.
- Customers' loyalty: Good growth is ensured by customer loyalty.
- Customers' satisfaction: Loyalty relies on satisfied customers because products and services respond "permanently" to their expectations.
- Customers' value: satisfaction will depend on the ability of the company to create value for customers.
- Employees' loyalty: Good value is more easily created by loyal employees.
- Productivity: loyal employees are more productive.
- Motivation at work: Motivated employees create engaged customers.

¹¹ Ibid

- Quality: the company must put in place an internal quality approach (design and follow-up quality products service - selection, training, and motivation of employees).

Every stage of this chain depends on the previous one, so the profit is realized after achieving all the chain' steps.

1.6.2. Decreasing some Marketing Costs and Efforts:

Acquiring a new customer will cost more than maintaining an existing one due to the high marketing and education costs of making contact with customers which leads to insignificant and even negative results in the beginning but once the relationship with customer is developed to be strong and the customer is qualified as loyal, when he has a greater tendency of purchasing products with a little effort of marketing. Then retaining and acquisition costs will be amortized and compensated with additional profit.

1.6.3. Acquisition of Non-Price Sensitiveness Customers and Higher Spending:

It refers to loyal customers who:

- Experienced a higher quality.
- Are satisfied with offers.
- Are in successful long-term relationships with the company.
- Have a tendency to be less deal prone than non-loyal customers and have low price sensitiveness.
- Have no problem to purchase and spend more with the company with a high-margin of supplemental products and services and that will be achieved with few efforts of up-selling and cross selling strategies.

1.6.4. Getting Free Word-of-Mouth Advertising:

Loyal customers pass on positive recommendations about their favorite brands to their friends and relatives because they had positive experiences and feelings about it and feel excited to share it with total conviction without any monetary or non-monetary remuneration.

1.6.5. Positive Link Between Customers' Loyalty and Employees' Loyalty:

Employees' loyalty is positively related to customer loyalty because when customers' retention rate increases employees' retention rate also increase because the customer feels satisfied as a result he is easily to be served since he has a considerable knowledge about the company.

To sum up the main purposes of customers' loyalty is cultivating higher retention rates among its most valuable customers who have a considerable impact on profit and business long lasting.

1.7.Importance of Customers' Loyalty to the Customer :

When the customer is loyal to a company, brand, product or service this means he has a long-term relationship with them and acquires the following advantages:

- Minimizing the risk, abridging the choice, and providing an optimal satisfaction.
- Reducing a customer's perceived risk and gaining his confidence.
- Saving the decision efforts, by substituting habitual decisions on repeated, conscious decisions.
- Reducing the time and effort expended by the customer in supplying new information.
- Cutting down the cost of learning new procedures on communicating problems or product needs by staying with the same service provider long term
- Encouraging the service providers to become more interested in customers' satisfaction which may lead to "Special benefits" from the service provider, such as providing a faster service.

Section two: Determinants of Customers' Loyalty:

This section presents concepts that have a direct or indirect relationship with customers' loyalty. It also explains their link with customers' loyalty on the basis of different approaches.

2.1.Customers' Satisfaction:

First of all we will define customers' satisfaction according to some authors, to clarify the concept and then its relationship with customers' loyalty will emerge:

Customers' satisfaction has been defined ,in the buyer behavior model developed by Howard and Sheth (1969), as *"the point at which expectation and reality coincide. The concept of satisfaction embraces not only what is gained in the use of a product, but also customers feeling about the effectiveness of their own decision process. Customer satisfaction*

is the level of a person's perceived performance or outcome in relation to his or her own expectation".¹²

As per Armstrong & Kotler,2009, customer satisfaction is “*the extent to which a product's perceived performance matches a buyer's expectations*”, if the performance match the customer expectation , they are satisfied and if performance exceeds the customer's expectation then customers care highly satisfied or delighted¹³.

A satisfied customer buys more, and tells other people about his experiences, both positive and negative. Thus creation of satisfied customers and increasing future sales require a strong belief of customers that the company's products or services meet their needs and offer them a superior value during usage. Retaining the existing customers is more profitable than replacing them with new ones. Thus a company must focus on satisfying its customers with the purchase and use of their product or service.

Customer satisfaction is an essential determining factor for a long-run business success and it is one of the marketing issues about which lots of researches have been carried out, it is widely accepted that satisfied customers are less sensitive to the prices, are less affected by competitors' actions and will longer remain loyal to the company comparing with unsatisfied customers.¹⁴

Customer loyalty and customer satisfaction was found to have positive relationship, in this approach we understand that loyalty is the attitude or behavior of a customer whenever he purchases the specific brand or product continuously, thus usually satisfied customers rapidly transform to loyal.

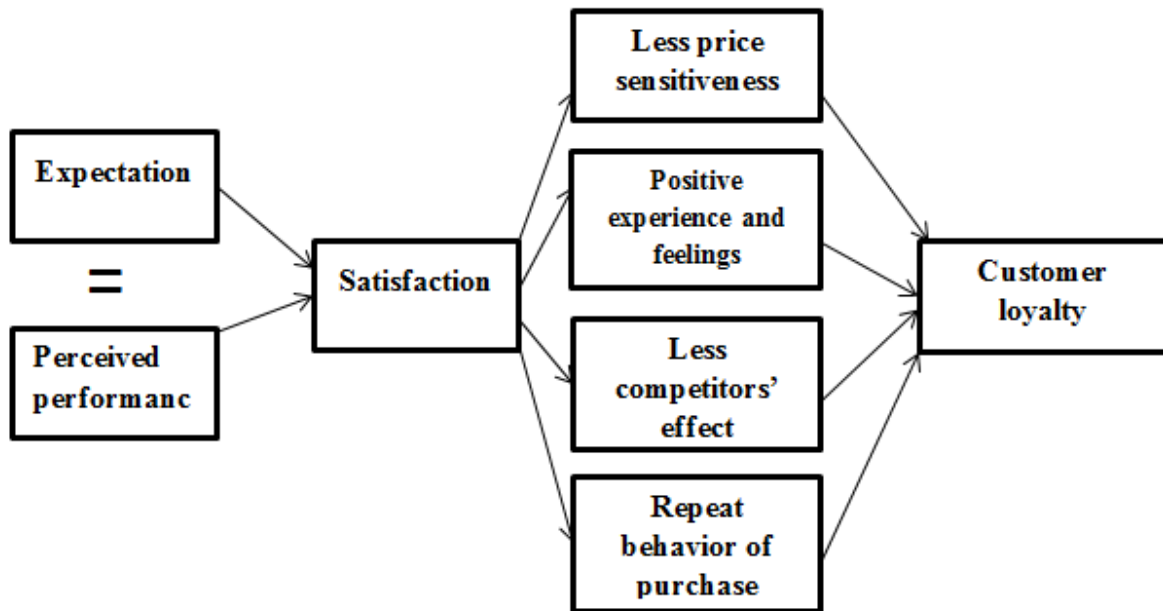
¹² AWARA (Nsobiari Festus): ANYADIGHIBE, JOSEPH AMAECHI, “**The relationship between customer satisfaction and loyalty: a study of selected eateries CALABAR, cross river state**”, in interdisciplinary journal of contemporary research in business, NO° 9 ,JANUARY 2014, pp. 110-125

¹³ Armstrong. G & Kotler. P: marketing an introduction (9th ed). Upper saddle river: New jersey: Pearson Prentice Hall, 2009, p147

¹⁴ Aghdaie (Seyed Fathullah Amiri) and Khatami (Farhad): “**A Study of the Customer Shopping Behavior and Effective Factors on Building up Customer Loyalty**”, International Review of Management and Business Research, December (2013), pp.1011-1024.

The following figure recapitulates the strong relationship between customer satisfaction and customer loyalty:

Figure 4: The Relationship between Customer Satisfaction and Customer Loyalty



Source: Based on the students' effort

To summarize we can say that “Satisfaction” is a positive feeling or emotion towards a product, a brand or company, which pushes purchasers to be regular and repeat customers and to pay more for the product or service and recommend it to friends or family members.

2.2. Service Quality:

Customer loyalty deals with customer intentions to do more business with the vendor and to recommend that vendor to other customers. Customer loyalty can be increased through superior service quality. Since service quality is what customers typically want and value. High service quality should arguably increase customers' willingness to come back and do more business with the vendor. Conversely, customers who experience low service quality will be more inclined to defect to other vendors because they are not getting what they expect.

Research indeed shows that in many traditional companies, perceived service quality, strongly and directly influences customer loyalty¹⁵.

Quality Service is a subjective assessment based on a comparison that customers make between the quality of the service that they want to receive and what they actually get.

There are five service quality dimensions that are applied across industries to evaluate effectiveness in providing services¹⁶ :

- **Tangibles:** deals with the physical environment. It relates to customer assessments of the facilities, equipment, and appearance of those providing the service.
- **Reliability:** deals with customer perceptions that the service provider is providing the promised service in a reliable and dependable manner, and is doing so on time.
- **Responsiveness:** deals with customer perceptions about the willingness of the service provider to help the customers and not shrug off their requests for assistance.
- **Assurance:** deals with customer perceptions that the service provider's behavior instills confidence in them through the provider's courtesy and ability.
- **Empathy:** deals with customer perceptions that the service provider is giving them individualized attention and has their best interests at heart.

2.3.Product Quality:

There is a considerable link between the product quality and the customer loyalty. It is almost practically impossible to achieve customers' loyalty if the quality of the product is not maintained by the organization¹⁷.

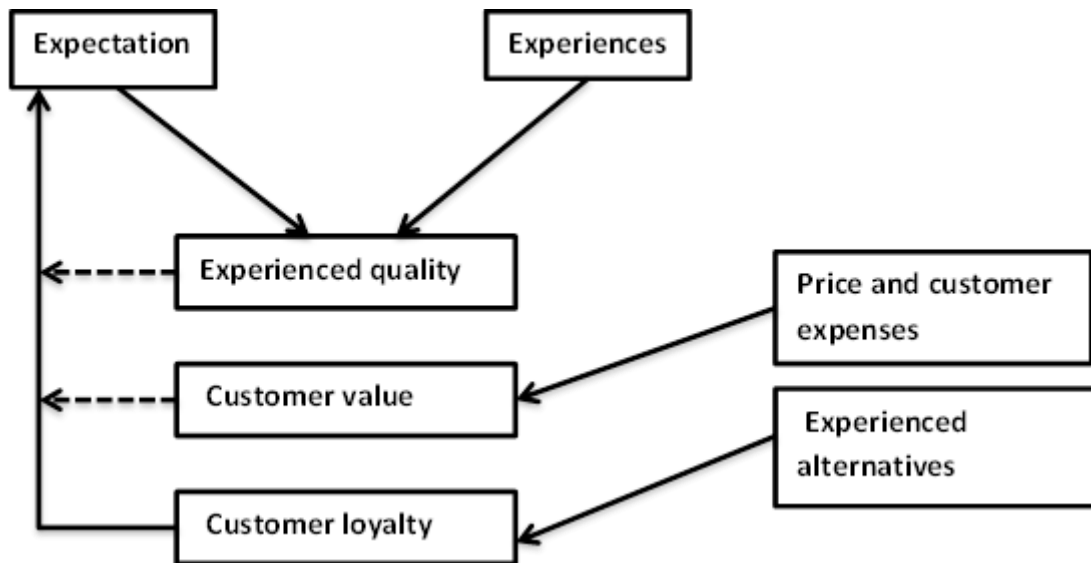
¹⁵ GEFEN (David): “Customer Loyalty in E-Commerce”, Journal of the Association for Information Systems, 2002, pp. 27-51.

¹⁶ Ibid

¹⁷ <http://ispatguru.com> ;visited on 20:10 February 15th, 2019

The following figure illustrates the relationship between customer loyalty and experienced quality:

Figure 5: Linkage between Product Quality and Customers' Loyalty.



Source: <http://ispatguru.com>; visited on 20:10 February 15th, 2019

Based on the figure above, we notice that the customer is always doing comparison between experienced quality and his expectations resulted from previous experiences with other alternatives. If expectations meet experienced quality and the price was adequate than customer receives higher value, which leads to customers loyalty when experienced alternative is less important.

2.4. Customers' Perceived Value:

Customers' value is commonly considered as tradeoff between two parties. The first party is to get the financial value and the other receives benefit by the consumption of product or service.

The perception of value is purely evaluated by customers. It is the customer, who set standards and measures the product and service rather than supplier. The customer values also rely on many other attributes ,which include financial resources, knowledge about the product and location of the outlet or service center.

The development of strategies for creating customers' value is a key to attract attention of new customers, develop and maintain a good relationship with them and gain customer loyalty.

Therefore, it is a common believe that by creating high customer value among the target customer there is a high possibility of enhancing trust and commitment which leads to gaining high customer loyalty¹⁸.

2.5.Trust :

The trust as a construct of interest is widely recognized at the most basic element in examining the relationship concerning customer loyalty. In fact, it is a primary antecedent of customer loyalty. Consequently, past studies have amply examined the role of trust in predicting customer loyalty. In this context they suggest that trust strongly predict customer loyalty. And by the end it was confirmed that trust has a strong correlation with customer loyalty.¹⁹

2.6.Switching Costs:

Switching costs are defined as the investment of money, time, and effort that increase the difficulty of switching from one partner to another and may be an effective tool in retaining customers. They affect repurchase intentions, whereby the customer placed higher value on existing relationships when switching costs are higher.

Generally before an actual purchase, switching costs seem to be nonexistent but after the first action of purchase is done, there appear to be hidden costs that are either imposed directly by firms, or indirectly by the nature of the product purchased.

There are many categories of switching costs studied by different authors and the most repeated types are mentioned below²⁰:

¹⁸ MihailN.Dudin:“**Customer satisfaction and customer perceived value and its impact on customer loyalty: the meditational role of customer relationship management**”, Journal of Internet Banking and Commerce, May 2017 ,no.S8, pp.1-14

¹⁹ Ahmed Al-Maamari (Qais), Abdulrab(Mohammed):” **Factors Affecting on Customer Loyalty in Service Organizations**”, International Journal of Energy Policy and Management, No. 5, 2017, pp. 25-31.

²⁰ Abdul-Rahman (Maria) and Yusniza (Kamarulzaman): « **The influence of relationship quality and switching costs on customer Loyalty in the Malaysian Hotel Industry** », Procedia - Social and Behavioral Sciences, N°62 2012, pp. 1023 – 1027.

2.6.1.Transaction costs:

Transaction costs are costs that occur when starting a new relationship with a provider and sometimes also include the costs necessary to terminate an existing relationship.

2.6.2.Learning Costs:

Learning costs represent the effort required by the customer to reach the same level of comfort of knowledge acquired of using a product but which may not be transferable to other brands of the same product.

2.6.3.Contractual Costs:

Contractual costs are directly firm induced in order to penalize switching by customers. It includes examples such as repeat-purchase discounts or rewards and frequent flyer programs. Contractual switching costs can also be created when the customer signs an undertaking to remain loyal for a certain period of time or pay an exit penalty.

2.6.4.Psychological and Emotional Costs:

They include social bonds, personal rapport and trust that have been built up over a period of time between the service provider and the customer. Then this is likely to present a psychological exit barrier, even when performance of the core service is less than satisfactory. A customer will want to avoid the accompanying psychological and emotional stress and the risk and uncertainty that the termination of the current relationship could bring.

To sum up many studies suggest that higher switching costs are positively related to customer loyalty. They are very considered in influencing customers' loyalty. As a result switching costs are assumed to be the most important antecedents of repurchase behavior, or the intention to repurchase a product or service, so they interact with satisfaction to influence loyalty.

2.7.Demographics:

As many factors influence customers' loyalty demographic factors like age, income, nationality, sex and location also play vital role on influencing customer loyalty. They are generally less affluent customers, who are more loyal than other because they can't afford the

risk of moving to different brandy thinking if they were not obliged by other circumstances. Similarly, the old customers are likely to stay longer than younger customers²¹.

Psychology also indicates that females can be more brands loyal, especially in service settings than their male counterparts. This is because females are known to generally place a higher value on long-term relationships and have a more feeling orientation. Thus, they make decisions based on social values and by taking into account the impact of their decision on others²².

2.8.Digital environment:

The digital technologies are the quickest methods to communicate with customers, hearing their problems and resolving them. It offers many ways such as social media, online customer service, loyalty programs, prominent reviews, payment options in which the digital technologies help to build trust and loyalty online. If the businesses put their customers in forefront of their digital platform then they will earn high volume of customer loyalty as well as their customers will spread good words about their business²³.

2.9.Corporate image:

Corporate image is the sum of people's cognitions, which means ideas beliefs and notions about an organization resulting from the value delivered through the organization's products and services. It represents the general perception of people about a particular firm and it is associated to the physical and behavioral characteristics of the firm. It has two main elements emotional and functional: the emotional elements are the mental aspects composed of feelings and perceptions of people about the firm, while the functional element is the one that is associated to quantifiable and visible features, the individual customer experiences about the organizational offerings and their functional features forming the corporate image give rise to such feelings on part of the consumers.

Thus a combined process of comparing and contrasting information about different organizations by people results into creation of corporate image so customers of a firm

²¹ <https://www.arrkgroup.com/thought-leadership/what-factors-influence-customer-loyalty>, viewed on April 11, 2019 at 21:00

²² RAMLI (Saad), HADZLI (Ishak) and Nur Rashidi Johari: "**The impact of demographic factors toward customer loyalty: a study on credit card users**", Elixir Marketing Mgmt. N°55 ,(2013) , pp.13078-13084

²³ RANABHAT (Durga): Op.cit (2018), p 3.

products use a variety of information during an interconnection process, and as a result from their concrete opinion about the firm. It has been found that a fine corporate image gives rise to customer loyalty and aids in maintaining that relationship with customers, this then push the customers to buy the products repeatedly.

Therefore, corporate image is a crucial factor of upholding the loyal relationship with customers. It is related directly to the probability of preserving or retaining customers. The assessment of service provided to the customers is a leading criterion that determines the corporate image and thus adding value to the product and being readily available in the mind of people for impression formation²⁴.

2.10.Customer Involvement:

It is used as a tool of customers' perceptions about different products or brands, customer involvement is termed as a motivational state of mind ,which means the level of importance given to a product or brand by a customer during a purchase process, as a result of motivation produced by higher involvement on the part of the customer. This last experienced a better degree of satisfaction and makes right buying decisions based on the top level knowledge regarding a particular product which leads at the end to customers' loyalty towards brand, product or service²⁵.

Section three: Strategies and Tools for Improving Customers' Loyalty

This section discerns the main strategies and tools that companies are obliged to consider if they aim to maintain a long term relationship with their customers.

3.1.Strategies:

Five main strategies have been developed by companies to maintain customers' loyalty:

3.1.1.Customer loyalty as defensive strategy:

Customers' loyalty needs to be worked on, o regular basis, in this context companies' relationships with their customers can be divided into two major business strategies, offensive and defensive:

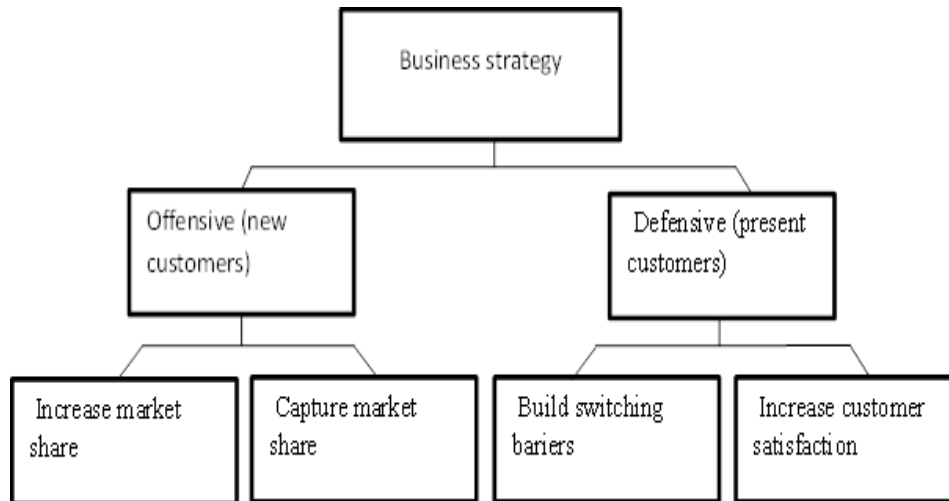
²⁴ KHAN (Bareerah):“**factors contributing to customer's loyalty in commercial banking**”, International journal of accounting and financial reporting, N°2, 2014, pp.417-422.

²⁵ Ibid

The offensive strategy deals with attracting new customers while the defensive one with trying to keep already existing customers.

This is illustrated in the following figure:

Figure 6: Offensive and defensive strategies



Source : Sara Gustavsson and Erica Lundgren : «customer loyalty », Lulea University of technology, BSc and MSC programs in international business administration and economics BSc department of business administration and social sciences, Division of industrial marketing and e-commerce , 2005 ,p6

Traditional companies have devoted more resources to acquiring new customers but today most companies apply a combination of both offensive and defensive strategies. The objective of the defensive strategy is to minimize customers switching and maximize customer retention by protecting the brand and its market from competitors and by having highly satisfied customers.

Switching barriers make it costly for the customer to switch brand, vendor or store. to accomplish switching barriers companies make it difficult expensive and sometimes even illegal for customers to switch.

Some examples of switching could be search costs, transaction costs, loyal customer discounts, customer habit, emotional costs, basically and pursuit from the company to limit the customers brand alternatives, to achieve repeated purchases can be equivalent to a strategy for building up switching barriers for customers.

Customer satisfaction on the other hand makes it costly for the competitors to entice other companies' customers. A measurement for successful customer satisfaction is high

customer retention leading to loyal customers. Benefits of high customer satisfaction can generate a favorable word of mouth²⁶.

3.1.2. Decision making stages:

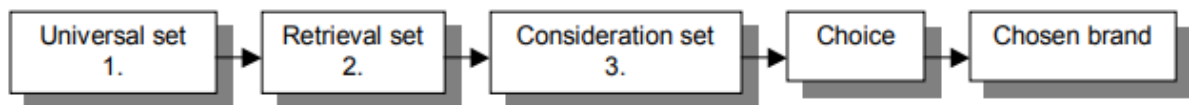
There are many theories and researches that had studied customers' behavior and especially customers' decision making process. Some of them suggest three stages Hutchinson, Burk & Nedungadi (1986), which are defining brand alternatives, then reviewing the relevant information concerning the brands and finally applying a decision rule²⁷.

Kardes, Kalyanaram, Chandraskaran and Donoff (1993) suggest two stages the first is where available alternatives are evaluated on non-compensatory rule, and the second is remaining alternatives which are analyzed more carefully by using compensatory rule²⁸.

And finally authors agreed on more than two stages because decision making process is very complicated²⁹.

The following figure illustrates a model with five stages named the sequential multistage model:

Figure 7: The multistage model



Source: Sara Gustavsson and Erica Lundgren : «customer loyalty », Lulea University of technology, BSc and MSC programs in international business administration and economics BSc department of business administration and social sciences, Division of industrial marketing and e-commerce , 2005 ,p6.

Based on the previous figure, the consumer develops a series of hierarchical set of brand alternatives:

The first is the universal set which refers to all brands available on the market.

The next is the retrieval set, which consists of a subset of brands, which customers can recall from memory and emerged from the universal set .The retrieval set is considerable smaller than the universal sets since customers are neither exposed nor susceptible to all brands.

²⁶Sara Gustavsson and Erica Lundgren : «customer loyalty », Lulea University of technology, BSc and MSC programs in international business administration and economics BSc department of business administration and social sciences, Division of industrial marketing and e-commerce , 2005 ,p6.

²⁷ Ibid

²⁸ Ibid

²⁹ Ibid

The last set is the evoked set or the consideration set, which consists of a subset of brand from the retrieval set which are carefully evaluated by the customer before finally selecting one specific brand for purchase.

3.1.3. Building and sustaining profitable customer loyalty:

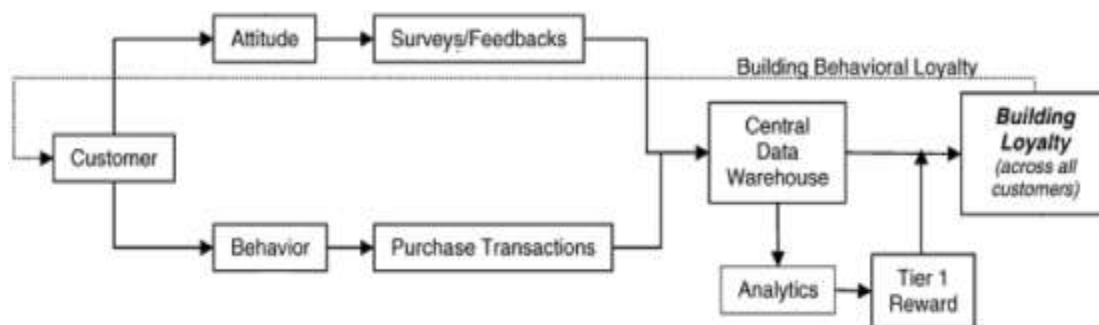
The main goal of every company is profitability and one method to achieve this is to gain and maintain loyal customers. If a company invests resources to build customer loyalty without focusing on profitability it may lead to failure in the long run.

According to Kumar & Shah there are two types of loyalty; behavioral and attitudinal loyalty³⁰:

- Behavioral loyalty: is important for company in order to generate profitability because it results in purchase behavior this generates for a company in direct and tangible returns which attitudinal loyalty does not.
- Attitudinal loyalty: is important for a company, because it helps to build up an exit barrier for their customers this is especially true in non-contractual situations, where there are low switching costs. Attitudinal loyalty can be a commitment or trust to a company, which do not have to result in any purchase. The attitudes that customers have are best measured through surveys. Other types of methods to obtain data are focus groups and feedback from the customers.

In the next figure kumar and shah(2004) show how customers' attitudes towards a brand transact through buying behavior:

Figure 8: Building and sustaining customer loyalty



Source: Sara Gustavsson and Erica Lundgren : «customer loyalty », Lulea University of technology, BSc and MSC programs in international business administration and economics BSc department of business administration and social sciences, Division of industrial marketing and e-commerce , 2005 ,p6

³⁰ ibid

The previous figure shows that through surveys and transaction data the behavior and attitudes of customers is captured through the company's central database. The amount of information that is gathered in the central database will determine the efficiency of the framework. The model can be explained through three fundamental objectives which are building and enhancing behavioral loyalty, cultivating attitudinal loyalty and linking loyalty to profitability.

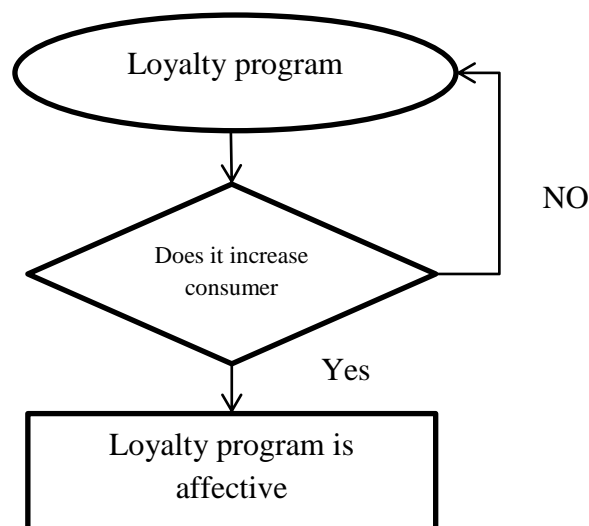
Tier1 rewards in this model refers to rewards directed to meet specific strategic objectives. The first objective is that it rewards all customers that do or has been doing business with the company. The second objective is that companies can reward their customer in different ways, either on how many customers are spending or the profitability of the customers. It can also help companies to capture customer transaction data.

3.1.4. Customer loyalty programs:

According to Oliver (1999) "*loyalty programs are designed to reward re-purchasers with extra product or supplementary goods and services*"³¹.

Effectiveness concerning loyalty programs is about increasing consumer loyalty due to a program that is designed for this purpose. Consumer loyalty in its turn can increase the number of sales and the sales volume. It may also generate new customers. Visualization about how effectiveness is defined in this research is shown in the next figure:

Figure 9: Visualization of effectiveness



Source: R. STUIVENBERG: "Loyalty programs how to apply most effectively Comparison of theory and practice", Master Thesis, University of Twente, 2015, p6

³¹ R. STUIVENBERG: "Loyalty programs how to apply most effectively Comparison of theory and practice", Master Thesis, University of Twente, 2015, p6

The main purposes of loyalty programs are increasing sales, maintaining relationship with existing customer base and building between customers and brand.

3.1.5.Brand loyalty:

The key consideration when placing value according to Aaker (1996) is brand loyalty because it has a huge impact in increasing sales and profit and decreasing marketing costs of attracting new customers.

He divided the market into five groups of customers shown in the next table:

Table 2: Types of Customers

Groups	Customers who
Non-customers	Buy competitors brands or are not product class
Price switchers	Are price sensitive
The passively loyal	Buy out of habit rather than reason
Fence sitters	Are indifferent between two or more brands
The committed	Are committed to on brand

Source: Sara Gustavsson and Erica Lundgren : «customer loyalty », Lulea University of technology, BSc and MSC programs in international business administration and economics BSc department of business administration and social sciences, Division of industrial marketing and e-commerce , 2005 ,p6

The challenge with this groups is reducing the number of none loyal customers and return them to loyal ones. The same author suggests an approach to enhance brand loyalty through brand awareness, perceived quality and clear brand identity.

3.2.Tools of building customer loyalty:

There are many tools and ways used by companies to retain customers and create a long lasting relationship with them the following are few of them³²:

³² Lendervie & Lindon: Théorie et pratiques du marketing : Mercator, p 875

3.2.1.Host programs:

Host programs refer to those programs that provide customer with a welcome package, a thank you letter for a first purchase, or a phone call. The more the customer feels valued, the more he will be attached to the company.

3.2.2.Newsletters, consumer magazines and website:

They refer to letters, magazines, electronic newsletters, which are means of information or advice. They must be interesting, useful and rewarding for customers. They sometimes become real news magazines .These materials are often associated with loyalty cards or clubs to customers.

3.2.3.Coupons:

These are promotional tools designed to retain customers, either on business or brand. The coupons can be sent as part of a loyalty program or distributed with products or sales receipt (discount for new purchase).

3.2.4.Programs to points:

Programs to points or miles have been created by the American Airlines in 1981 for frequent travelers. Airlines are probably the companies that use this technique more, yet the loyalty point system has since expanded to many other economic sectors, especially in services. Customers, who have accumulated points, will be rewarded by a gift which can be product or additional service and its value depends on accumulated points. These programs require regular entertainment to attract customers.

3.2.5.Loyalty cards:

Loyalty cards often cover programs with points, but their scope is wider. They provide points depending on purchases level and they also give rise to reserved services, special operations, and special promotion.

3.2.6.Clubs:

The aims of the clubs are:

- Retaining the best customers
- Building a strong and positive corporate image
- Developing activity
- Improving knowledge of customers and feeding the database

The above tools of building customers' loyalty and other types are classified into two categories benefits based loyalty programs and emotional based loyalty programs³³.

The following table presents types of benefits based loyalty programs:

Table 3: Benefits Based Loyalty Programs

Name of Program	Basic features of the program
Buy a Product collect points	The program involves the collecting of points, which are awarded for each purchased product or service. The customer can exchange points for prizes.
Collect and exchange stamps for a prize	The program involves collecting stamps for each product purchased. A given quantity of stamps can be exchanged for products or a discount
Loyalty card	This entitles the buyer to purchase at a discount. Sometimes the cards are bronze, silver, gold - depending on the level of customer purchases and rebates granted
Discounts	The program involves granting discounts on the purchase of a second product or the possibility to take advantage of the offer a second time.
Coupons	Collecting a sufficient number of points entitles one to receive x number of products free of charge.
Send in code -win	Involves sending in the code located on the coupon inside the packaging to be given a chance to win a prize.
Invite a friend	Inviting a friend to purchase a product or use a service entitles the person making the recommendation to a rebate or to points.
Mobile games	After sending in a code found inside the packaging, one can download a game. Another version - for entering the code, one can download the game from the Internet
Enter a code – get a gadget	For providing a code, one can receive a gadget, usually by phone: ringtones, wallpapers, etc.

Source: Czarniewski, S. (2014), "Building Customer Loyalty on the Polish Market", Economics and Sociology, Vol. 7, No 3, pp. 208-222.

³³ Czarniewski, S. (2014), "Building Customer Loyalty on the Polish Market", Economics and Sociology, Vol. 7, No 3, pp. 208-222.

Loyalty programs based on benefits include all kinds of programs based on points earned for purchases made. The basic postulation in this case is to offer the consumer definite, real value. This is often called “bought loyalty” and it depends on lack of competitors alternative because when they are better customer will apply for them.

The second table illustrates emotional based loyalty programs:

Table 4: Types of loyalty programs based on emotions

Name of Program	Basic Features of the Program
Meeting with clients	This program involves regular meetings with the client. These meetings serve to distinguish the client and draw attention to just how important cooperation with him is for the company.
Clubs	Clubs allow customers to integrate with the company. Members should be selected based on customer profiles. The aim is to shape opinion.
Advisory clubs for clients	This technique builds and deepens consumer loyalty to the company. Customers have the opportunity to exchange information about the company's products. Advising is mutual – customers give advice on how the company should improve its products, and the company helps customers in their daily lives (for example by creating consumer clubs).
Elite clubs	This type of club focuses on the most valuable customers of the company. They have a high entry barrier. Users of the company are offered additional discounts and privileges.
Contests with prizes	Attractive contests increase customer engagement.
Magazines and newsletters	These take the form of guides, build trust, and help clients in life.
Access to data	Enables remote access to customer data (e.g. information about the status of the account), the possibility of booking a ticket.

Source: Czarniewski, S. (2014), “Building Customer Loyalty on the Polish Market”, *Economics and Sociology*, Vol. 7, No 3, pp. 208-222.

The above loyalty programs based on emotions aim to build a long time relationship with customers and require a huge marketing investments in time and financial resources In this case, customers are provided with a number of added values to create lasting emotional bonds between buyer and seller.

Conclusion:

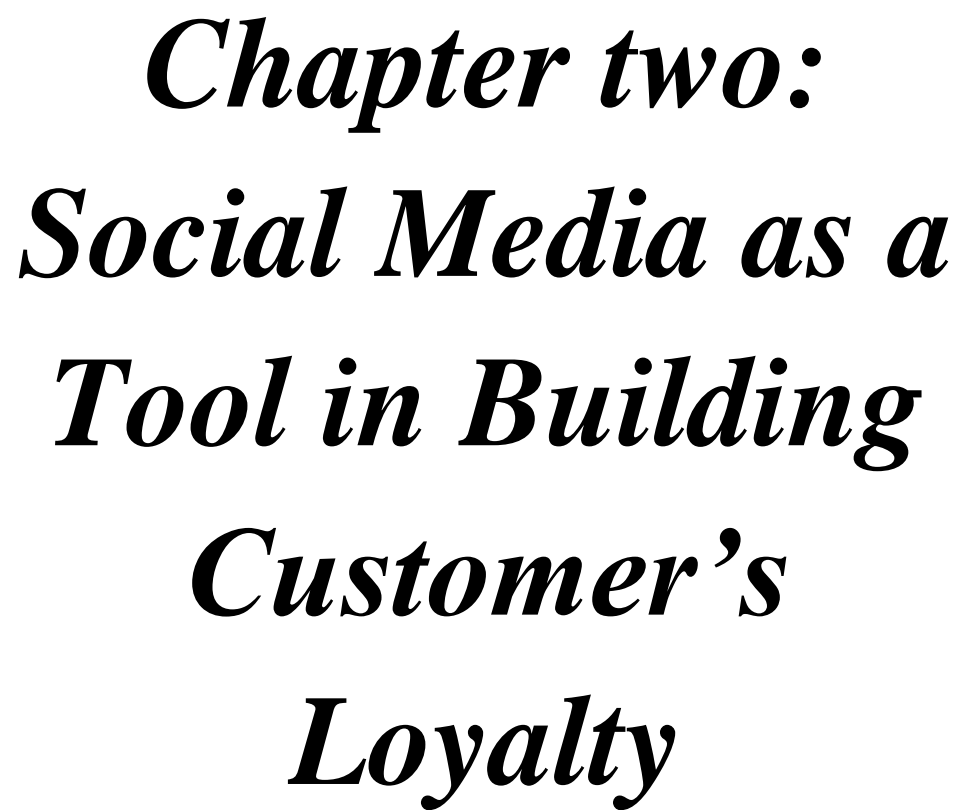
To summarize we can say that customers' loyalty is crucial to business, having loyal customers allows businesses to enhance quality, to more develop their business to retain more customers, and to increase market shares.

Nowadays businesses have conscience that there is no business, no profit, and no advancing in activity without happy and satisfied customers whom are going to be loyal ones.

Many factors influence customer loyalty thus companies need to consider them and to know more its target market and behavior of its customers in order to adapt its strategies of retaining the most important of them.

To realize customers' loyalty, companies must spend a huge investment in loyalty programs and marketing research because this objective needs a daily work on data basis, software, and human resources.

In the second chapter we will investigate the role of social media as a digital communication channel, which involved huge opportunity in maintaining relationship with customer and building customer loyalty.



***Chapter two:
Social Media as a
Tool in Building
Customer's
Loyalty***

Introduction

Social media is another revolution in the technology era. It is the tool, which restricts time and distance between people and helps in sharing news, information, ideas and even sharing dailies and having fun.

Social media plays a critical role in business in general and more particularly in marketing and communication. Using a social media strategy becomes a necessity for prosperity and creating added value for companies.

Businesses present on social media are close to their customers, inspire from their ideas and thoughts, and adapt to their needs, which leads to a long term relationship with them, which will be transformed into loyalty.

Granting loyalty through social media interaction needs huge marketing efforts starting from the provided offer and its quality to its communication on social media, which requires the pertinent choice of social media channels and types, which fit with company strategy and communication purposes in addition to the target market.

This chapter will provide general notions concerning social media and its relation with marketing and communication. It will also discuss the influence of social media on building loyalty in an e-commerce business.

Section one: Basics of the Web and Digital Communication:

The invention of the web was the first brick on building technology world. It was a great revolution for science, and a huge favor for all humanity. This section sets different definitions of World Wide Web, web2.0, digital marketing, digital communication and social media:

1.1. Definition of World Wide Web:

The World Wide Web was invented by the English computer scientist Tim Berners-Lee while working as an engineer at CERN (European Organization for Nuclear Research), in 1989 and launched to public in 1991³⁴.

World wide web has been defined as follows:

*“Word wide web is subset of the internet-one developed in a linked hypertextual format that allows users to jump from site to site by clicking on designated links and automatically downloading documents at each.”*³⁵.

To sum up the World Wide Web (WWW) is a system for creating, organizing, and linking documents so that they may be easily browsed. It has transformed the ways in which people communicate, learn, and socialize, and has changed the ways in which they think about information, information seeking, and interacting with information systems.

1.2. From Web 1.0 to Web 2.0 the Social Web:

In web 1.0, a small number of writers created web pages for a large number of readers. As a result, people could get information by going directly to the source.

The WWW or Web 1.0 has been defined as *“a system of interlinked, hypertext documents accessed via the Internet, It is the first implementation of the web which, according to Berners-Lee, could be considered the “read-only web” in other words, the early web allowed us to search for information and read it where there was a very little users interaction or content contribution”*³⁶.

³⁴ <https://home.cern/science/computing/birth-web/short-history-web>, accessed on 21:20 April 19, 2019

³⁵ Gail E. Hawisher & Cynthia L. Selfe: **“Global Literacies and the World Wide Web”**, Routledge, 2005, p15

³⁶ UMESHA NAIK, D. SHIVALINGAIAH : **“Comparative Study of Web 1.0, Web 2.0 and Web 3.0”**; Conference Paper · March 2009

The goal of website owners through this version of web is to establish an online presence and make their information available to anyone at any time. However needs for interactive web, which allow users to create content, share ideas and exchange information emerged as a result. The web has developed to the next step, which is web 2.0.

*“Web 2.0 or participatory web; it is an extension of Web 1.0 but more enhanced in terms of features, functions, services and usefulness. Web 2.0 is considered as offering “dynamic web” like social networking sites, wikis, video sharing sites, online shopping, and web applications. It is a web-as-participation-platform”.*³⁷

It has been described as a new web era and new stage in web evolution because it transformed the web from read only web to read and write web so users can create content and interact with others. And this was the basis on which social media has been developed. The following table explains the shift from read only web to conversational web³⁸:

Table 5: The shift to conversational web

Web 1.0 is about	Web 2.0 is about
Reading	Writing
Advertising	Word of mouth
Lectures	Conversations
Websites	Web services
Professionals	Amateurs
Companies	Communities
Owning	Sharing

Source: Darren Barefoot, Julie Szabo : **“Friends with Benefits: A Social Media Marketing Handbook”**, No Starch Press, 2010, p4.

³⁷ Abdulelah A. Algozaibi and al : **“WEB EVOLUTION - THE SHIFT FROM INFORMATION PUBLISHING TO REASONING”**, International Journal of Artificial Intelligence and Applications (IJAIA), Vol.8, No.6, November 2017, pp.11-28

³⁸ Darren Barefoot, Julie Szabo : **“Friends with Benefits: A Social Media Marketing Handbook”**, No Starch Press, 2010, p4.

1.3. Definition of Digital Marketing:

Digital marketing has been defined as:

“exploitation of digital technologies, which are used to create channels to reach potential recipients, in order to achieve the enterprise’s goals, digital marketing is a digital identity of a company; through which it presents itself in the virtual world to an enormous number of users, thanks to a digital technology; a brand can reach each consumer with its products. Digital marketing consists in promotion of products or brands through one of more electronic forms”.³⁹

Another definition states that:

“Digital marketing drives the creation of demand using the power of the Internet, and satisfies this demand in new and innovative ways. The Internet is an interactive medium. It allows for the exchange of currency, but more than that, it allows for the exchange of value”.⁴⁰

To conclude, one can say that digital marketing is the use of digital technologies to realize business aims. It is exploiting high technologies and abundant information to prove its existence and attain high number of people.

Based on this, digital marketing is a huge necessity for any business because technology is involved in every domain of life and traditional marketing is no more able to achieve companies ‘purposes in this digital era. Thus including technology to companies ‘marketing strategy is very essential.

1.4. Definition of Digital Communication

Digital communication has been defined as:

“Digital communication focuses on the different ways digital technologies have been adapted for communication practices”.⁴¹

³⁹ Artur Sawicki : “Digital Marketing”, Faculty of Management, Czestochowa University of Technology, Czestochowa, Poland, World Scientific News 48 , p82-88, 2016

⁴⁰ Rob Stokes and the Minds of Quirk: “eMarketing: The essential guide to marketing in a digital world” Fifth Edition, 2013, p18

⁴¹ Ananda Mitra : “**Digital Communications: From E-mail to the Cyber Community**”, Infobase Publishing, 2010, p 11

And as:

“A mode of communication where the information or the thought is encoded digitally as discrete signals and electronically transferred to the recipients”⁴².

To summarize digital communication is the electronic transmission of information exploiting high speed of new technologies.

The following definition is more related to digital communication in marketing context:

“A new communication and marketing activity that is oriented to promote products or services via digital media. Companies need to reach their consumers personally, in a highly targeted, interactive manner. The new corporate objective in this consumer targeting focuses first on the company’s website but also on Facebook, LinkedIn, Viadeo, Twitter, interactive TV, video games and mobile devices”.

Based on this definition digital communication is the transmission of electronic messages from companies to their target customers using new technologies.

1.5. Definition of social media:

Social media has been defined as follows:

“An important component of digital marketing is social media. Social media are a means for consumers to share text, images, audio, and video information with each other and with companies, and vice versa. Social media allow marketers to establish a public voice and presence online. They can cost-effectively reinforce other communication activities. Because of their day-to-day immediacy, they can also encourage companies to stay innovative and relevant. Marketers can build or tap into online communities, inviting participation from consumers and creating a long-term marketing asset in the process”⁴³.

A second definition states that social media are:

“Websites which allow profile creation and visibility of relationships between users; web-based applications which provide functionality for sharing, relationships, group, conversation

⁴² <https://www.slideshare.net/lineking/digital-communication-system>, accessed on 23:00 April 20, 2019.

⁴³ Kotler & Keller: Op.cit p 642

and profiles. Social media has been referred to as social media sites, or a set of information technologies which facilitate interactions and networking. However, there appears to be a broad agreement that Web2.0 technologies played a significant role in the development and adoption of social media”⁴⁴.

It has been also defined as:

*“A group of internet based applications that build on ideological and technological foundations of web 2.0, and that allow the creation and exchange of user-generated content”*⁴⁵.

To summarize these previous definitions social media is a sort of information technology that is developed on the basics of web 2.0, and which facilitates communication, interaction between people and sharing information using websites and mobile applications.

Section two: Social Media a New Tool of Digital Communication

Traditional channels and strategies of marketing communication are weakly influencing or not working anymore with the actual customer. Thus, companies are obliged to take into account digital technologies in their marketing and strategic plans.

This section will highlight the basic concepts concerning social media as an opportunity for companies.

2.1.Characteristics of Social Media:

Social media as a tool of digital communication is essential for any company's prosperity because it helps in building e-reputation, contributes in e-publicity and even helps in collecting data with symbolic spending or even free. As new and developed technology it has many characteristics, which will be recapitulated as follows⁴⁶:

⁴⁴ https://www.ukais.org/resources/Documents/ukais%202018%20proceedings%20papers/paper_4.pdf, accessed on 14:00 march 19th 2019.

⁴⁵ Bowen, Gordon : “**Computer-Mediated Marketing Strategies: Social Media and Online Brand Communities: Social Media and Online Brand Communities**”, IGI Global, 2014, p3.

⁴⁶https://www.icrossing.com/uk/sites/default/files_uk/insight_pdf_files/What%20is%20Social%20Media_iCrossing_ebook.pdf accessed on 17:20 march 17th 2019.

- **Participation:** social media encourages contributions and feedback from everyone who is interested. It blurs the line between media and audience.
- **Openness:** most social media services are open to feedback and participation. They encourage voting, comments and the sharing of information. There are rarely any barriers to accessing and making use of content – password-protected content is frowned on.
- **Conversation:** whereas traditional media is about “broadcast” (content transmitted or distributed to an audience) social media is better seen as a two-way conversation.
- **Community:** social media allows communities to form quickly and communicate effectively. Communities share common interests, such as a love of photography, a political issue or a favorite TV show.
- **Connectedness:** Most kinds of social media thrive on their connectedness, making use of links to other sites, resources and people.

2.2.Types of Social Media:

Social media has been differently classified according to the provided content of each one and the purpose, that it was invented for and also according to its usage.

The following classification sheds light on the major types of social media:

2.2.1.Social Media Networking Sites:

One of the most popular social media categories, a social network is an online service, platform or site that allows users to have their own profile and develop relationships with other users. Interaction on these sites forms online communities and people frequently share information through posts, links, photos, video and other multimedia. Popular examples include Facebook, Google plus and LinkedIn.

Social networks are useful for influencing and tracking consumer beliefs and attitudes toward product or brand.

2.2.2.Blogs:

Short for web log, a blog is a website or part of a website, where articles are written and posted for people to read. Many blogs are written by individuals who wish to share their thoughts on a specific topic or their life in general, while others are written as multi-author collaborative efforts. Often, people can leave comments at the bottom of a blog post in order to encourage further conversation. Blogs have become very influential in modern culture and millions of people read them every day to get information and news. Popular blogging platforms include WordPress and Blogger.

In business perspective, blogging has many advantages as follows⁴⁷:

- Establish closer, more human contact with customer and prospects.
- Quickly address emerging opportunities, timely events, and potential scandals of crises.
- Blogs are richly interlinked with the fabric of the web. Inbound links to blog posts boost search engine rankings.
- Because of their timeliness, blogs posts are picked up more quickly than static web pages and rise more quickly to prominent rank in search results.

2.2.3.Microblogs:

Shorter versions of a blog, micro-blogs allow authors to share quick bites of information rather than long articles. These include sites like Twitter, which limits posts to 140 characters, to Posterous and Tumblr. Microblogs do not have to be text-based, for example Pinterest which mainly focuses on people sharing images or videos; and they often allow users to follow others whose posts show up on a newsfeed within the platform.

2.2.4.Social Media Sharing Sites:

Sharing sites allow users to upload photos, videos or other format like presentation to a website that can be accessed from anywhere in the world and share that media with the world or just a select group of friends. Social media sharing sites include:

⁴⁷ Tom Funk: “**Social Media Playbook for Business: Reaching Your Online Community with Twitter, Facebook, LinkedIn, and More**”, ABC-CLIO, 2011, p27.

- Photo sharing: they allow users to upload, store, edit, organize, and share photos. These sites connect individuals with others, through comments, tags, keywords, or descriptions, One of the earliest photo sharing sites was Ofoto. Launched in 1999 and acquired by Kodak in 2001, it was later renamed Kodak EasyShare Gallery. As of 2019, Google Photos, Flickr, Photobucket and Shutterfly are examples of major photo sharing sites⁴⁸.
- Video sharing: they allow people uploading and sharing their video clips with the public at large or to invited guests like friend or family. The most popular video sharing website is YouTube
- Presentation sharing: consist in use of websites to share content which can be can be uploaded under various forms like PowerPoint, PDFs, Word and Pages documents; SlideShare is the Web's most popular online presentation tool for slide hosting and sharing. It is being used by millions to host their presentations and make them easy to view, share, comment and download from anywhere in the world. SlideShare once had an unquestioned stranglehold on the world of online business presentations sharing⁴⁹.

2.2.5.Social Collaborative Sites -Wikis:

These sites rely on user-generated content to create a central hub of knowledge for others to refer to, it is a type of website that allows users to add, remove, and edit and change the content of the website. Some of these sites are large and can be accessed by the public, for example Wikipedia, Answers.com, and Quora, while others can be restricted to a group of people who belong to the same organization.

2.2.6.Forums:

Are one of the oldest types of social media, they allow users to have a conversation about a specific topic. While these sites are not usually the most advanced in functionality and design, they are still popular with people, who want to ask a question or get involved in a specific

⁴⁸ <https://www.pcmag.com/encyclopedia/term/49197/photo-sharing-site>, accessed on 11:46, April 17, 2019.

⁴⁹ <https://slidehelper.com/blog/slideshare-alternatives-create-share-online-presentations>, accessed on 14:00, April 17, 2019

conversation online. Many forums and message boards will center on a general topic, question or industry.

2.2.7.Social events sites:

They offer the possibility to promote events and reach a huge number of people, examples of these sites are : Eventbrite, Eventful, Events.org, Upcoming, Meetup or even Facebook, LinkedIn and Twitter are the best platforms to promote events.

Social events play a huge role in strengthening relationships with customers and building confidence and trust with them.

2.3.The Importance of Social Media for Business Companies :

Social media is increasingly attracting people from all over the world. It mostly has no limits because it covers all regions in the world and it stretches on all age categories.

The following figure represents results of annual digital growth concerning January 2018 to January 2019⁵⁰:

Figure 10: Annual digital growth



Source: <https://wearesocial.com/global-digital-report-2019>, accessed on 00:15 April,10th,2019

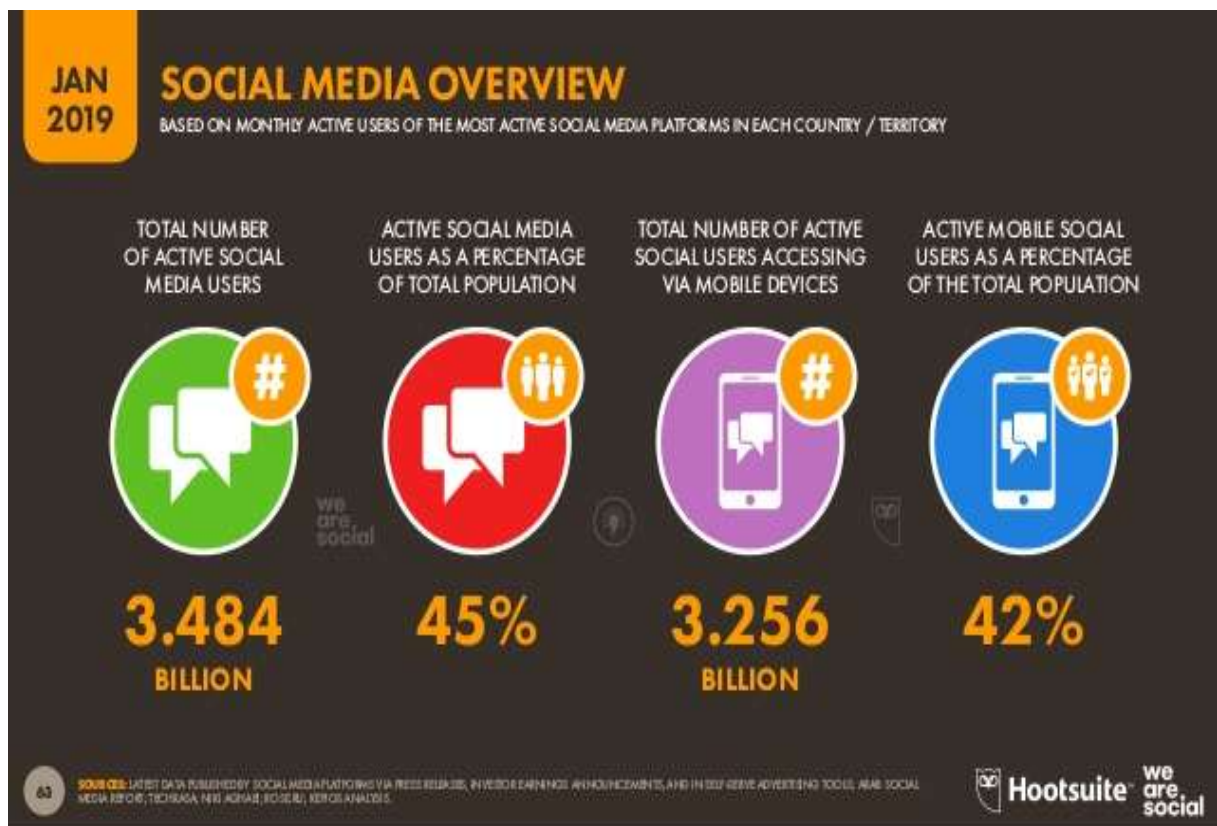
⁵⁰ <https://wearesocial.com/global-digital-report-2019>, accessed on 00:15 April,10th,2019

Based on the previous figure and other information from global digital report we conclude the following results:

- There are 5.11 billion unique mobile users in the world today, up 100 million (2 percent) in the last year.
- There are 4.39 billion internet users in 2019, an increase of 366 million (9 percent) versus January 2018.
- There are 3.48 billion social media users in 2019, with the worldwide total growing by 288 million (9 percent) versus last year.
- 3.26 billion people use social media on mobile devices in January 2019, with a growth of 297million new users representing a year on year increase of more than 10 percent.

The following figure represents statistics about evolution of social media usage:

Figure 11:Social media overview



Source: <https://wearesocial.com/global-digital-report-2019>, accessed on 00:15 April, 10th, 2019

Based on the figure above, nearly half of global population which represents 3.484 billion of people, who are social media users which represents 45 percent of total population, most of them are active mobile social users.

The following figure represents social media behavior on January 2019:

Figure 12: Social media behavior



Source: <https://wearesocial.com/global-digital-report-2019>, accessed on 00:15 April, 10th, 2019

The figure above illustrates amount of time that people spend on social media has increased again this year, GlobalWebIndex reports that the average social media user now spend 2 hours and 16 minutes each day on social media platforms which represents one third of their total internet time and one-seventh of their waking lives.

The use of social media allows businesses to:

- Be found; which means proving companies existence and building e-reputation
- Establish a stronger brand in terms of creating, enhancing and communicating.
- Boost sales by creating buzz around products, brand or services.
- Share expertise and knowledge.
- Tap into the wisdom of customers and collecting data for free.
- Interact and receive valuable customer feedback.

- Free advertising: satisfied customers talk about the company. This is the strongest word-of-mouth-marketing.
- Build a community which improves relationship with customers.

2.4.The Major Social Media Sites:

There are many social media platforms that facilitate interaction between people, enjoying entertainment and even working and creating job opportunities. Here are some of these platforms which have the most traffic and most visits.

2.4.1.Facebook:

Facebook is a free social networking Web platform that promotes and facilitates interaction with friends, family and colleagues. Facebook was founded in 2004 by Mark Zuckerberg and several Harvard University classmates⁵¹; Facebook is ranked as the third most visited website in USA and all over the world⁵².

The figure below is an illustration of the home page of Facebook:

Figure 13: Facebook home page



Source: <https://www.google.com/imgres>, viewed on 17:00 April 10th 2019

⁵¹ <https://www.techopedia.com/definition/4941/facebook>, viewed on 18:00 April, 9th 2019.

⁵² <https://www.alexa.com/siteinfo/facebook.com>, viewed on 15:00 April,9th 2019

2.4.2. Twitter:

Twitter is online news and social networking site where people communicate in short messages called tweets. Tweeting is posting short messages for anyone who follows you on Twitter, with the hope that messages are useful and interesting to someone in the audience. Another description of Twitter and tweeting might be microblogging, some people use Twitter to discover interesting people and companies online, opting to follow their tweets⁵³. Rank of twitter in the world, based on average daily visitors is eleventh⁵⁴.

The figure below is an illustration of the Twitter home page:

Figure 14: Twitter home page



Source: <https://www.google.com/search?q=twitter+homepage>, viewed on April,10th 2019

⁵³ <https://www.lifewire.com/what-exactly-is-twitter-2483331>, viewed on 19:00 April,9th 2019

⁵⁴ <https://www.alexa.com/siteinfo/twitter.com>, viewed on 15:05 April,9th 2019

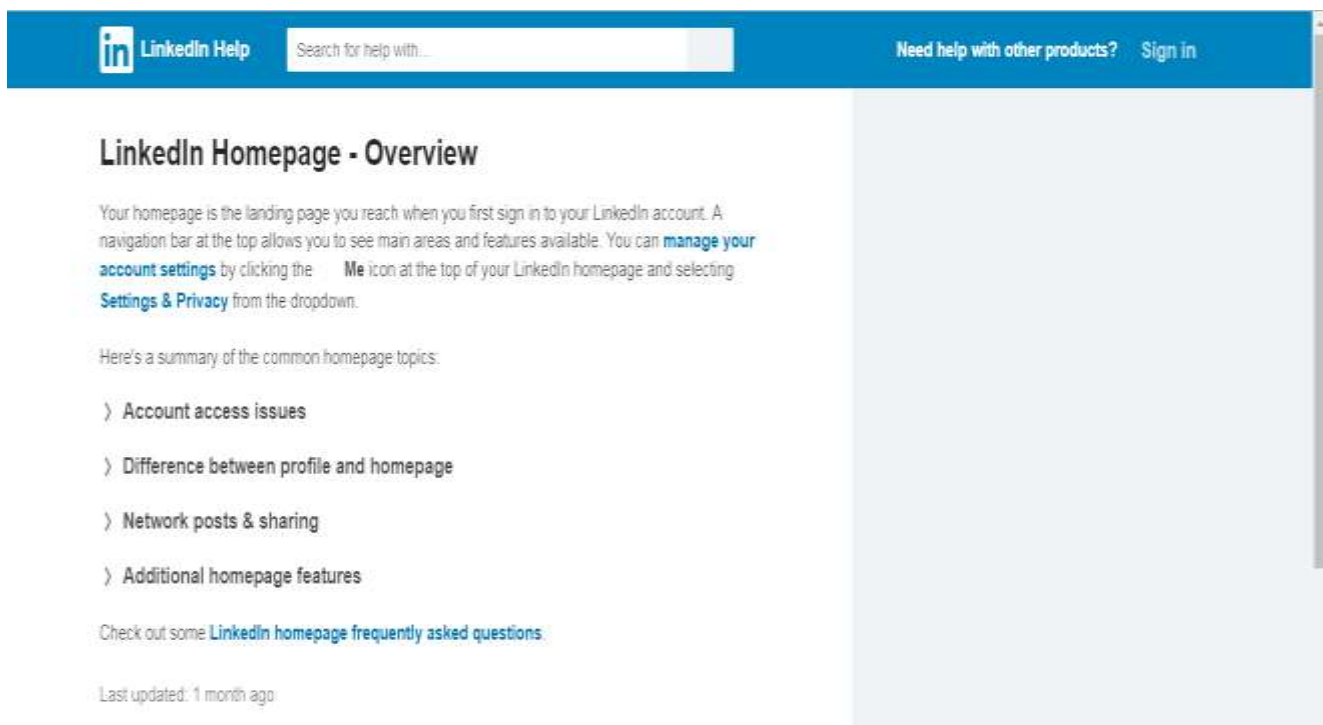
2.4.3. LinkedIn:

LinkedIn is a professional network with hundreds of millions of members, and growing rapidly. It connects the world's professionals to make them more productive and successful. It can help to⁵⁵:

- Establish professional profile and control one of the top search results for user's name.
- Build and maintain professional networks.
- Find and reconnect with colleagues and classmates.
- Learn about other companies, and gain industry insights.
- Find other professionals in the same industry using groups.
- Share your thoughts and insights through LinkedIn's long-form publishing platform.
- Tap into the knowledge of your network.
- Discover new career opportunities by searching for jobs

The figure below is an illustration of LinkedIn home page:

Figure 15: LinkedIn home page



Source: <https://www.google.com/search?q=linkedin+homepage+image>, viewed on 17:30 April 10th 2019

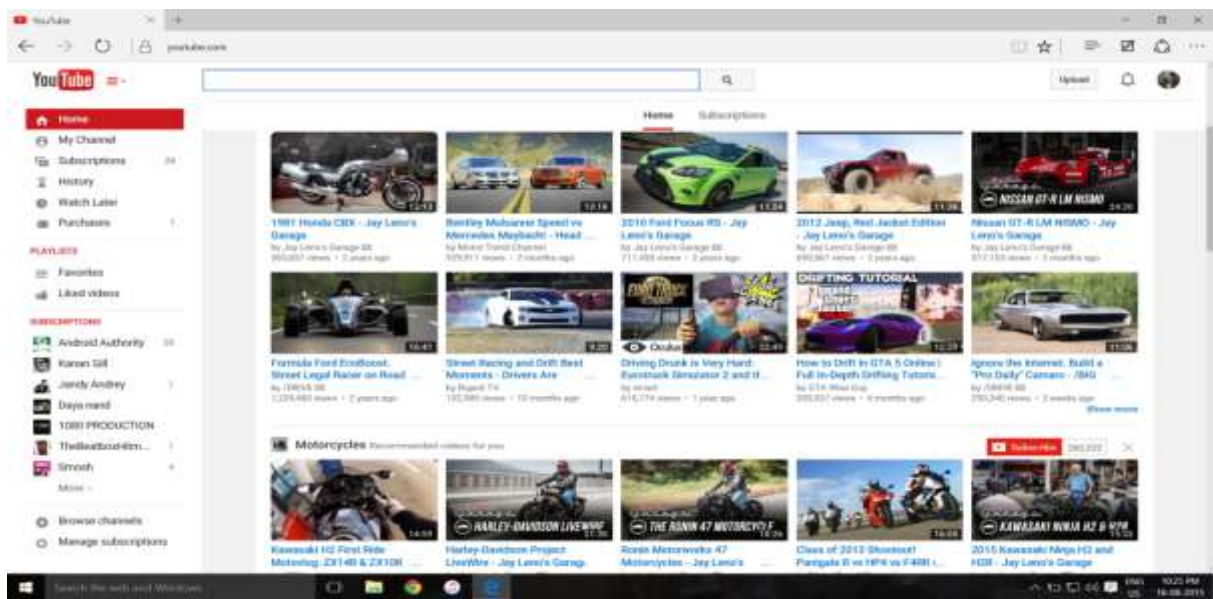
⁵⁵ <https://www.linkedin.com/help/linkedin/answer/45/how-linkedin-can-help-you?lang=en>, viewed on 21:15 April, 9th 2019

2.4.4.YouTube:

YouTube was founded in February 2005 by three former PayPal employees: Chad Hurly, Steve Chen, and Jawed Karim. And it was officially launched in December of the same year as a new service that allows people to easily upload, tag, and share personal video clips through www.YouTube.com, and across the internet on other sites, blogs and through e-mail⁵⁶.

The following figure represents YouTube home page:

Figure 16: YouTube home page



Source: <https://www.google.com/search?q=youtube+homepage+photo&source>, viewed on April 10th 2019.

2.4.5.Instagram:

The site was launched in October of 2010 as a free social network based photo-sharing program that enables users with a valid account to immediately take, apply a digital filter or hashtag, and then instantly share a photo on their profile page. Initially Instagram was only supported on the Apple iPod, iPod Touch, or the iPad but in April 2012 expanded its support for Android platforms⁵⁷. According to alexa.com Instagram is ranked sixteenth basing on visitors' number in the last three months over the world⁵⁸.

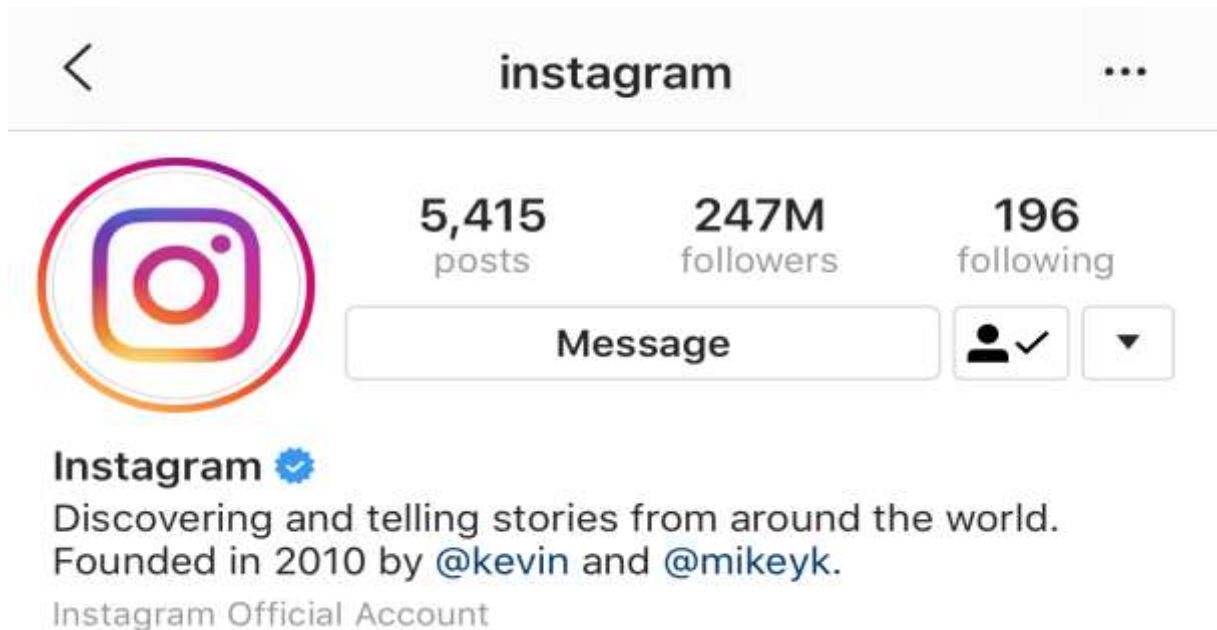
⁵⁶ Greg Jarboe : “**YouTube and Video Marketing: An Hour a Day**”, John Wiley & Sons, 2011.

⁵⁷ <https://www.icontact.com/define/instagram>, accessed on 20:27 April 22, 2019.

⁵⁸ <https://www.alexa.com/siteinfo/instagram.com>, accessed on 20:40 April 22, 2019.

The following figure represents Instagram official account:

Figure 17: Instagram Official Account



Source: <https://www.google.com/search?q=instagram+official+account&source> , accessed on 21:19 April 22, 2019.

The top reasons why businesses join Instagram are⁵⁹:

- Brand awareness: to make their brands recognized by potential customers.
- Engagement: meet and interact with their potential customers.
- Increase web traffic: drive traffic to their websites or blogs
- Content distribution: disseminate useful information about their products.
- Lead generation: collect data for list building and sale prospecting.
- Community building: gather a community of people who love and engage with their brands.
- Customer support: answer questions, field complaints, and accept compliments.

⁵⁹

Herman and al : “**Instagram For Business For Dummies**”, John Wiley & Sons, 11 janv. 2018, p36.

Section three: The Role of Social Media on Building E-loyalty:

Social media is becoming more important to e-commerce businesses because most people are involved in at least one or two social media platforms, and when they feel the need or desire for some product or service they apply directly from available alternatives which appears on social media publicity or recommended by friends on social media, so building loyalty to an e-commerce site through social media is a serious challenge which e-commerce has to realize. In this section we will explain e-commerce and e-loyalty and discuss the role of social media in building e-loyalty.

3.1.An Overview on E-commerce:

As digital technologies are developing in an extremely huge manner and people have been connected every time and everywhere until becoming internet depended and technology addicted. Thus commerce had to adapt to them to satisfy their needs in recent way and save their time and efforts. E-commerce or online shopping keeps developing with technology evolution and it is taking different forms introducing new technologies and ideas.

3.1.1.Definition of E-commerce:

Kalakota and Whintons in 1997 defined the term E-commerce from different perspectives. These perspectives are⁶⁰:

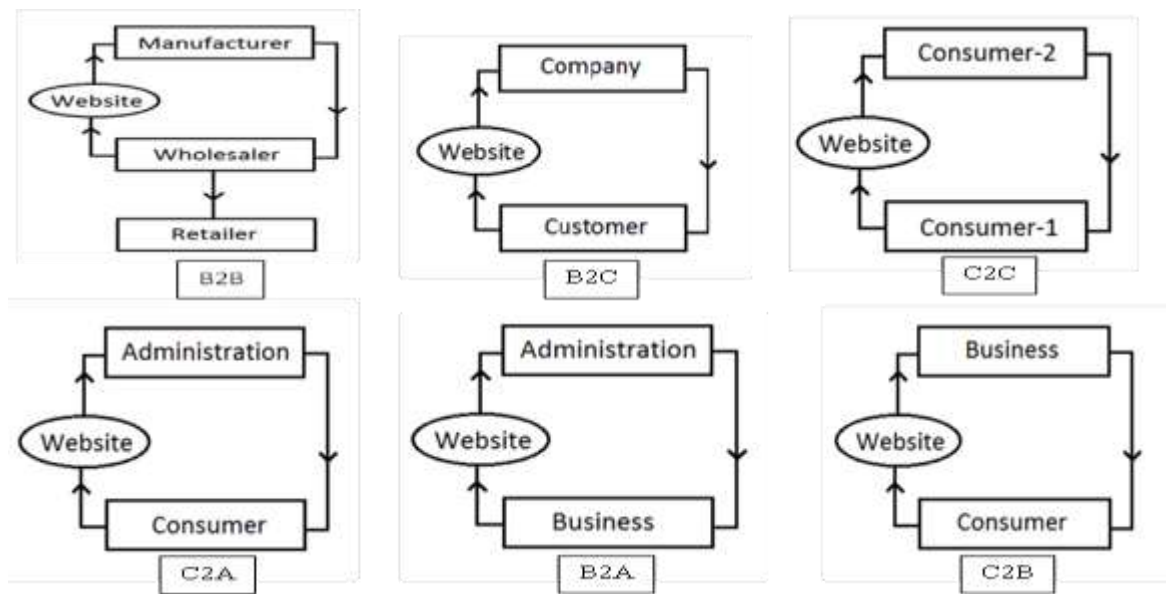
- **Communication Perspective:** According to this perspective, E-commerce is the delivery of information, product/services or payments over tele-communication channels, computer networks or any other electronic mode of communication.
- **Business Process Perspective:** This says that E-commerce is the application of technology towards the automation of business transactions and work flow.
- **Service Perspective:** E-commerce is defined as a tool that addresses the desire of firms, consumers and management to cut service cost while improving the quality of goods/services and increasing the speed of service delivery.
- **Online Perspective:** E-commerce provides the capability of buying and selling products and information on the internet and other online services.

⁶⁰ Ravi Kalakota and Andrew Whinston : “**Electronic Commerce: A Manager's Guide**”, Addison-Wesley Professional ,1997,p 3

3.1.2.Types of E-commerce System:

There are six types of e-commerce systems which are B2B, B2C, C2C, C2B, B2A, and C2A. All these 6 types of e-commerce that are used today and are classified based on the nature of the transaction; the following figure shows these different types and the parts involved in each type⁶¹:

Figure 18: The different types of e-commerce.



Source: <https://www.csetutor.com/what-is-e-commerce-types-of-e-commerce>

Based on the figure above, each type of e-commerce will be discussed separately:

•B2B (Business-to-Business):

B2B e-commerce can be simply defined as the commerce between companies. In Business-to-Business type of electronic commerce system, companies do business with each other, for say, a manufacturer sells a product to a wholesaler; or a wholesaler sells a product to the retailer. Hence manufacturers, wholesalers and retailers all are doing their separate businesses.

B2C (Business-to-Consumer)

B2C model works as its name suggest. In this model, the company sells its products, goods or services directly to the consumer online. The customer can view products on the website that

⁶¹ <https://www.csetutor.com>, accessed on 10:20, march,22th, 2019

he wants to buy and can order it. After receiving the order details, the company will process the order and then sends the products directly to the customer.

- **C2C (Consumer-to-Consumer)**

Here a consumer sells products, goods or services to other consumers using the internet or the web technologies. The C2C business model helps us to sell our assets or properties like a car, house, bike, and electronics via online to other consumers. Oued Kniss is this type of business model in Algeria.

- **C2B (Consumer-to-Business):**

A consumer to the business model is a type of commerce where a consumer or end user provides a product or service to an organization; it is the reverse model of business to consumer model. In this business model, individual customers offer to sell products or services to the companies who are prepared to purchase them.

- **B2A (business to administration):**

B2A or business to administration also referred as the business to government (B2G) commerce. It is a derivative of B2B e-commerce model. In this model, the businesses and government agencies (administration) use central websites to exchange information and do business with each other more efficiently than offline procedures. B2G business is also referred to public sector marketing that means marketing products and services to various government levels. The B2G business network provides a platform to businesses to bid on government opportunities such as auctions, tenders and application submission.

- **C2A (Consumer-to-Administration):**

Consumer to administration or consumer to government e-commerce model helps consumers to request information or post various feedbacks regarding public sectors directly to the government authorities or administration. For say, making electricity bill payments through the website government, making payment of taxes, payment of health insurance etc are C2A type of business model.

Consumer to administration or consumer to government e-commerce model provides an easy and instant solution or way to establish communication between the consumers and government.

3.1.3. Categorization according to Business Model:

The online sector is still not very mature. Technology is always changing and the new online businesses that are popping up are trying to meet the new needs being created. Depending on how the income is generated or how the exchange between buyer and seller takes place.

Online businesses can be categorized as presents in the following table⁶²:

Table 6: Categorization of e-commerce based on the business model

Type of e-commerce activity	Explanation
Online shop with its own products	It is a type of online stores, which has the same characteristics as a physical store but in an online version, which means that the online shop has a warehouse to stock products in sale maybe either a physical shop.
Dropshipping	Dropshipping is a retail fulfillment method where a store does not keep products it sells in stock. Instead when a store sells a product, it purchases the item from a third party and has it shipped directly to the customer.as a result the merchant never sees or handles the product ⁶³ .
Affiliate e-commerce	It is kind of e-commerce business which works with different shops in exchange of a commission, affiliation task is sending clients to these shops and once the purchase is completed it receives its commission. Affiliation is very common with Amazon. For example: Biodegradable.es
Membership	It is a type of e-commerce which is based on establishing contracts with clients using periodic subscriptions. These types of memberships are currently in fashion with the “surprise boxes”. These boxes that are sent each month with different products. Instead of selling the product just once, the shops offer the option of receiving it with a predetermined frequency. For example: Manolitoandco.com.
Marketplace	A marketplace is a department store. It is a website where different sellers offer their products from one or more sectors. Amazon is also an example of a marketplace. Although it also works as a normal e-commerce shop.
Services	It is an e-commerce business which is specialized on offering services. Training, counseling, mentoring, or any other exchange of time for money is another viable option in order to start an online business without risks.

Source: <https://www.doofinder.com/en/blog>, visited on 18:45, 3rd march2019.

⁶² <https://www.doofinder.com/en/blog>, visited on 18:45, 3rd march2019.

⁶³ Mark Hayes & Andrew Youderian : “**The Ultimate Guide to Dropshipping**”, Lulu Press, Inc, 2013,p1

3.1.4. Advantages and Disadvantages of E-commerce:

The appearance of e-commerce has conducted a real revolution in the business world but as it has many benefits and gains for both customers and companies it has also negative sides. In this context advantages and disadvantages are briefly mentioned in the following points:

In one hand, advantages of E-commerce are:

- Much faster transactions available 24/7.
- Products and services are easy to find.
- Easier time managing a business.
- Doesn't require much (if at all) physical space.
- No geographical limitations.
- Higher quality of services and lower operational costs.

In the other hand the disadvantages of E-commerce are:

- No guarantee of product quality.
- Customer loyalty becomes a bigger issue as there is a minimal direct customer-company interaction.
- Inability to experience products beforehand leads to more checkout dropouts.
- Anyone can start an online business, which sometimes leads to scam and phishing sites.
- Hackers target web shops more often than you think.
- Mechanical failures can get quite more punishing.

3.2. Building E-loyalty on Social Media:

Customers' loyalty is the key for electronic commercial enterprises to remain the advantage of competition, to stay profitable and to grow and survive. It is the extension of the traditional customer loyalty for Internet.

3.2.1. Definition of E-loyalty:

E-commerce customer loyalty is also called as e-loyalty, which is the powerful weapon and the critical element to the Internet retail e-commerce. It is essential in maintaining the existence of e-commerce websites and ensuring market share and profit.

E-loyalty has been defined as “*feelings or attitudes that incline a customer to revisit a website for information, communication or entertainment purposes or to repurchase a particular product or service from an online business*”⁶⁴.

In an e-commerce setting, at its highest level, companies, who use the Internet to deliver products and services to their customers can have mutually rewarding relationships with customers they have never seen, met, or spoken to. The entire relationship can successfully exist in cyberspace. Leveraging the Internet can free up resources to deliver higher levels of value to customers in new ways. The Internet provides companies and consumers with opportunities for much greater interaction and individualization⁶⁵.

To sum up, e-loyalty refers to ties that exist between a customer and an e-retailer or e-commerce website, which appears in regular visits of the website, repurchasing from the same website and recommending it to others.

3.2.2. The Role of Online Communities in Building Customers' Loyalty:

Communities are crucial to any company for maintaining a close relationship with its customers. Traditional media didn't give the ability to create communities, however, nowadays communities already exist as online communities facilitated via social media sites, which companies must exploit to build relationships with customers through their interactions, because members share product information, knowledge, product experience and identity which influence others and increase loyalty level.

⁶⁴ Paula González, Barranca Canós : « **E-loyalty in virtual markets** » Master GEPS – Service and sales, p2.

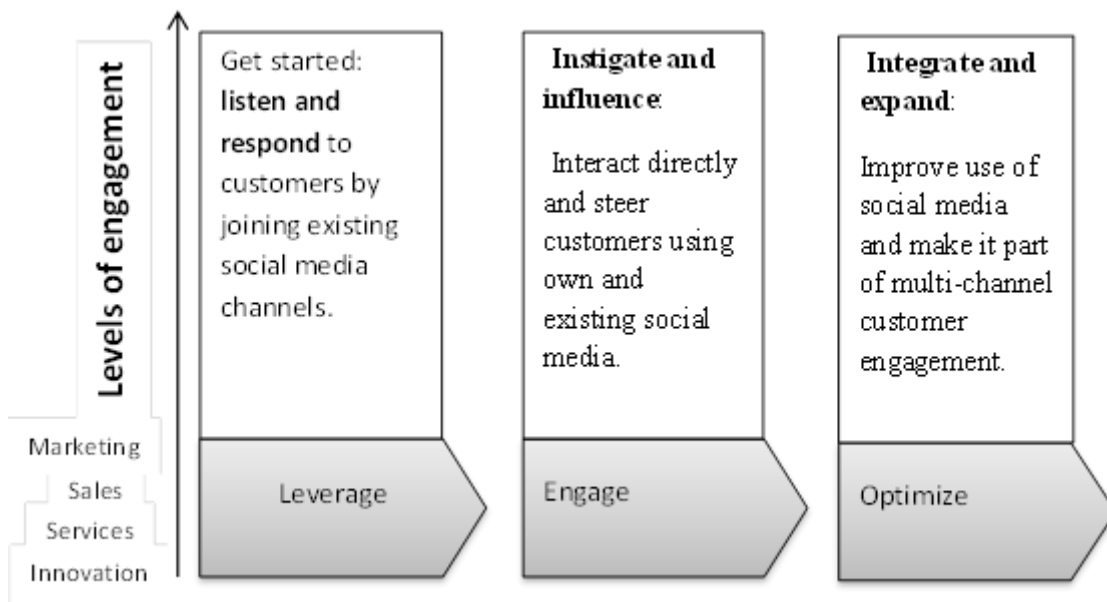
⁶⁵ NORIZAN M. KASSIM AND NOR ASIAH ABDULLAH: “**Customer Loyalty in e-Commerce Settings: An Empirical Study**”, *Electronic Markets*,18:3,2008, pp275 — 290

Communities are a powerful way to engage with customers and deliver value to them. They are also affective at delivering marketing messages, as long as listening to customers not just shouting.⁶⁶

Laroche et al (2013) reveal that brand communities established on social media positively influence customer-product, customer-brand, customer-company and customer-other customers relationships, which influence positively trust, that is one of the main antecedents of loyalty⁶⁷.

The following figure represents levels of Engagement⁶⁸:

Figure 19: Levels of engagement



Source: updated from **Robert Wollan and al:** “The Social Media Management Handbook: Everything You Need to Know to Get Social Media Working in Your Business”, **John Wiley & Sons, 2010**

Based on the previous figure we conclude that:

First, companies have to start by listening to customers through existing communities and channels of social media.

⁶⁶ Charlene Li, Josh Bernoff : “**Groundswell: Winning in a World Transformed by Social Technologies**”, Harvard Business Press, 2011,p 103.

⁶⁷ Management Association, Information Resources: “**Advertising and Branding: Concepts, Methodologies, Tools, and Applications: Concepts, Methodologies, Tools, and Applications**”, IGI Global, 2017,p 260.

⁶⁸ Robert Wollan and al: “**The Social Media Management Handbook: Everything You Need to Know to Get Social Media Working in Your Business**”, John Wiley & Sons, 2010.

Second, they have to create their own communities and being active on it to influence existing customers and attract new ones.

Third, increasing the level of integration and developing strategies to engage and empower customers and business partners to participate in company's business operations.

To sum up social media communities provide powerful ways for marketers to enhance and maintain relationship with customers and create strong sense of belonging and strong customer bonds.

3.2.3.Factors influencing e-loyalty on social media:

The use of social media in e-commerce requires a new way of thinking. This, social media plays an important role in the success of online business because through social media customers can write reviews and share experiences online.

There are several indicators that can influence loyalty, namely: Advantageous campaign, relevant content, updating content frequently and popular content, which influence the following factors that are strongly related to customer loyalty:

➤ E-word of mouth:

Online or electronic word-of-mouth has been defined as any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet. Moreover, word-of-mouth also includes opinions and share of information not only about products but also about services and brands⁶⁹.

Social media is a viral tool of word of mouth that allows it to circulate widely and rapidly between social media users.

➤ Website Quality:

There is positive relationship between website design and customer e-loyalty. Similarly, Winnie (2015) found that website design is positively associated with customer e-loyalty. Design factors may include content, form and time dimensions.

⁶⁹ <http://www.brandba.se/blog/ewomcharacteristics>, visited on 12:50 march,5th,2019.

Smith (2001) found that efficient and easy to navigate websites, and dependable distribution systems influence the customer e-loyalty. As a result superior website quality is positively associated with customer e-loyalty in banking sector⁷⁰.

We can resume website quality in relevant content, updating content frequently and popular content, which are essential for both website and social media platforms.

➤ **e-trust:**

To gain the loyalty of customers, one must first gain their trust. That's always been the case, but on the Web, where business is conducted at a distance and risks and uncertainties are magnified, it's truer than ever. On-line, customers can't look a sales clerk in the eye, can't size up the physical space of a store or office, and can't see and touch products. They have to rely on images and promises, and if they don't trust the company presenting those images and promises, they'll shop elsewhere⁷¹.

In fact, when we asked Web shoppers to name the attributes of e-tailers that were most important in earning their business, the number one answer was "a Web site I know and trust." All other attributes, including lowest cost and broadest selection, lagged far behind. Price does not rule the Web; trust does⁷².

➤ **E-satisfaction:**

In the online retailing context, it was found that satisfaction generated customer loyalty as well. Dissatisfied customer was found to be more likely to search for information through alternatives and switch to another retailer, and they are more resistant to developing a closer relationship with the retailer⁷³.

The positive effect of e-satisfaction on e-loyalty was even higher online than offline.

➤ **Customization :**

There are multiple reasons why customization is expected to affect e-loyalty. Customization increases the probability that customers will find something that they wish to buy. By personalizing its site, an e-retailer can reduce this frustration. Customization also

⁷⁰ Mubbsher Munawar Khan, Hammad Bin Azam Hashmi : "**Impact of Interactivity of Electronic Word of Mouth Systems and Website Quality on Customer E-Loyalty**", Pakistan Journal of Commerce and Social Sciences 2016, Vol. 10 (3), pp486-504

⁷¹ Frederick F. Reichheld, Phil Scheffer : "**e-loyalty your secret weapon on the web**", issue of Harvard Business Review, 2000, cited in www.bain.com visited June 15, 2019 at 00:00 .

⁷² Ibid

⁷³ JIYOUNG KIM : "**An integrative model of e-loyalty development process: the role of e-satisfaction , e-trust , etail quality and situational factors**", Degree of MASTER OF SCIENCE May, Yonsei University, 2005, p20.

creates the perception of increased choice by enabling a quick focus on what the customer really wants.

In addition, customization can signal high quality and lead to a better real match between customer and product. Finally, individuals are able to complete their transactions more efficiently when the site is customized.

A large product selection can, in fact, irritate consumers and drive them to use simplistic decision rules to narrow down the alternatives.

If the company is able to accurately tailor or narrow choices for individual customers, it can minimize the time customers spend browsing through an entire product assortment to find precisely what they want.

These advantages of customization make it appealing for customers to visit the site again in the future⁷⁴.

Conclusion:

As we have seen in this chapter, social media has completely changed the way people interact and share information and ideas. It is a revolution in human life, which has many advantages to facilitate daily tasks, and being up to date with news, information and technology development.

It is incontestable that companies should adapt to new technologies and adopt a social media strategy for its marketing and communication in order to realize its objectives.

As social media is totally important for traditional forms of business. It is more important to online businesses and especially e-commerce as an effective tool of marketing and communication.

Building, maintaining and enhancing a strong relationship with customers using social media needs a social media strategy that chooses the pertinent social platforms, creates a relevant and up to date content in these platforms integrates customers in communities, rewards loyal customers and attracts new ones.

⁷⁴ S.S. Srinivasan et al: "Customer loyalty in e-commerce: an exploration of its antecedents and consequences", Journal of Retailing 78 (2002), pp 41–50



***Chapter three:
Case Study***

Introduction:

Due to its necessity as huge influencers in society and as a tool of digital communication social media is taking too much importance in foreign and even Algerian companies.

Communication via social media is extremely important in online business and more particularly e-commerce, not only for attracting new customers with its viral effect but also to retain customers, engage them and create long lasting relationships through interacting with customers, meeting their expectations and satisfying their needs.

JUMIA Algeria has detected the opportunity of being present on social media and exploited this opportunity by creating its own pages on different social media websites.

The present chapter includes first the company presentation (section one), introducing JUMIA in Algeria (section two) and research methodology and data analysis in the last section.

Section one: Company Presentation

The content of this section will provide a brief presentation of e-commerce sector in Algeria, and also the presentation of JUMIA as an effective company in this sector.

1.1. Brief History of Group JUMIA:

JUMIA is a Nigerian start-up which consists of online marketplaces in Africa. It has been founded in 2012 by Jeremy Hodara and Sacha Poignonnec under the name of Africa Internet Group which has been changed later to JUMIA. It is an intermediate between sellers and customers which provides an enormous range of product and services.

1.1.1. Expansion of JUMIA:

JUMIA is a model African initiative, which has seen the light in Nigeria and started crossing African continent and the whole world, the most important stages that JUMIA has gone through are mentioned below⁷⁵:

- In 2012: JUMIA was launched in Lagos in 2012 and it expanded to five other countries, Egypt, Morocco, Ivory Coast, Kenya and South Africa.
- In 2014: The company launched offices in Uganda, Tanzania, Ghana, Cameroon, Algeria and Tunisia, and it introduced the Black Friday commercial event in Nigeria.
- In 2015: JUMIA reaches 1 million customers across its 7 African countries and Black Friday attracts more than 2 million visitors in Nigeria.
- In 2016: All services were rebranded to JUMIA and it expanded to other countries. Goldman Sachs, Axa, Orange and CDC invest in JUMIA making it African's first Tech unicorn.
- In 2017: JUMIA introduced JumiaPay a secure payment gateway for people to shop on all JUMIA services and Black Friday attracts more than 100m visitors.
- In 2018: The launch of JUMIA One, a one stop shop app distributing all JUMIA digital services and JumiaExpress offers next day deliveries.
- In 2019: JUMIA became the first African start-up to be listed on Wall Street in April 12th.

⁷⁵ https://www.jumia.com.ng/about_us/, accessed on 11:28, March 26th, 2019

1.1.2. JUMIA's Subsidiaries:

JUMIA is the parent group of nine companies in more than 30 African countries. Its network includes JUMIA, JUMIA Market, JUMIA Travel, JUMIA Food, JUMIA Deals, JUMIA House, JUMIA Jobs, JUMIA Car and JUMIA Services. Based on the categories of product and services provided by these companies different platforms and applications have been developed among them we can list⁷⁶:

- **JUMIA market** or **JUMIA e-commerce** for delivering different types of needs, which includes phones tablets and accessories, data processing, appliances tv and audio, house and office, fashion, beauty health, baby and childcare, sport stuff, auto and MOTO accessories, supermarket, toys and games and much other categories.
- **JUMIA Travel** a hotel booking platform, launched in June 2013
- **JUMIA Food**, a food delivery platform launched in June 2013.
- **JUMIA Deals** was launched in April 2015.
- **JUMIA One**, launched in 2017, an app that enables customers to pay bills such as airtime.
- **JUMIA Pay**, a secure payment for people to shop on all Jumia services, launched in 2017.

1.1.3. JUMIA's Awards:

Since JUMIA has been launched and thanks to its dynamic teams and managers it starts to be noticed and taking rewards in Africa and the whole world⁷⁷:

- **2013:** Jumia Nigeria is the first African company to win the world retail awards in 2013 with the previous winners including ASOS and Zappos.com
 - Leadership ICT company of the year 2013 - Jumia
 - Ecommerce website of the year (Beacon of ICT Award).
 - Success Digest - Innovative business of the year 2013.
- **2015:** Jumia Nigeria organizes Customer Service Excellence Awards 2015.
 - Orange Academy brand wall of Fame - Jumia Nigeria.
 - Rima Awards - Best use of Mobile App - Jumia App.

⁷⁶ Ibid.

⁷⁷ Ibid.

- **2016:** Jumia is ranked among the MIT 50 Smartest Companies globally.
- **2017:** Jumia is ranked, for the second year in a row, in the MIT 50 Smartest Companies globally.

1.2.JUMIAs' Visions:

JUMIA has started small as start-up but with high passion and positive expectations for the future as shown in its vision recapitulated in the following statements⁷⁸:

- Creating a brand with high confident and responsibility to be the most credible African institution by setting world-class standards for customers, partners and employees in online business and professional behavior.
- Building coherent brand image throughout all activities and channels.
- Creating sustainable impact in Africa.
- Providing innovative, convenient and affordable online services to consumers in Africa that help them fulfill their basic everyday needs.
- Contributing to the growth and development of the economy of the African society and serving as an example for other companies by inspiring them and enabling them to grow.

1.3.JUMIAs' Missions:

JUMIA has been created and it is active for the accomplishment of its missions which are recapitulated as follows⁷⁹:

- Defining commercial and economic politics and strategies that ensure customer satisfaction and profitability.
- Establishing and enhancing the image of JUMIA around Africa and the world.
- Detecting and anticipating customers' needs to serve them better.
- Managing different teams.
- Recruiting the most qualified and professional employees in technology in order to offer customers the best experiences.
- Increasing turnover and market share to be able to face competitors.

⁷⁸ ibid

⁷⁹ ibid

1.4. JUMIAS' Objectives:

A set of JUMIA's objectives which serve both the customer and the company are mentioned as follows:

Economic objective: providing high quality consumption.

Commercial objectives:

- Increasing turnover.
- Enhancing the equilibrium quality/price.

Social objectives:

- Participation in decreasing unemployment ratio.

Section two: Introducing JUMIA in Algeria

JUMIA Algeria is a subsidiary of JUMIA Group. It is the first e-commerce site in Algeria which provides the largest assortment in the country and offers delivery services in any city in Algeria⁸⁰, in addition to JUMIA e-commerce or market, JUMIA has also JUMIA food in Algeria, which is specialized in delivering food to customers.

2.1. Algerian Market:

Algerian e-commerce sector was virgin before launching JUMIA Algeria because of the few number companies which are active in this sector and the lack of any laws that organize it. Yet, This market is growing now, but it stills far from reaching its potential and still lags behind other markets in Northern Africa, particularly Morocco and Egypt. There are no official figures on e-commerce sales in Algeria; however, according to the Algerian National Trader and Artisan Association, the market's potential is estimated at US\$ 5 billion⁸¹. With the intention of boosting e-commerce in the country, the government is seeking to increase internet penetration rates.

While the first Algerian online marketplaces emerged in 2009, e-commerce started to take off in 2014 with the arrival of the Pan-African Jumia, which remains the largest general online retailer in the country. The website had around 1.5 million visitors and received between 15,000 and 20,000 orders per month in 2017 (50% y-o-y increase). The number of visitors

⁸⁰ <https://www.jumia.dz/a-propos/>, visited on 11:40 ,April 4th , 2019

⁸¹ <https://import-export.societegenerale.fr/en/country/algeria/ecommerce>, accessed on 10:59, may,13th,2019

grew to 1.7 million early 2018. Zawwali, Batolis and Dzboom are leading local online retailers⁸².

The Algerian Parliament passed a law in February 2018 establishing the country's first regulation on e-commerce. As such, online marketplaces will have to host their websites in Algeria and need to be listed in the country's commercial register. The law bans all online purchase of tobacco and alcoholic beverages as well as pharmaceutical products and online betting and gambling services⁸³.

Moreover, the Algerian law does not allow citizens to purchase goods from outside the country and the Government has recently declared that they do not intend to open their e-market to foreign companies in order to preserve national economy and sovereignty. And, while the global leaders Amazon and AliExpress do not have a presence in Algeria, many intermediary companies offer transshipment services for orders coming from these websites. Regarding e-commerce readiness, Algeria is ranked 10th among African states and 97th worldwide according to UNCTAD's B2C E-commerce Index 2017⁸⁴.

2.2.Opportunities and threats facing JUMIA in Algeria:

Implementing an e-commerce business in Algeria is beneficial and has a lot of opportunities to exploit as it is not easy at all and has many obstacles to consider and avoid

2.2.1.Opportunities:

JUMIA has detected many opportunities in Algeria and this is the reason which attracted it to integrate the Algerian market rapidly some of these opportunities are mentioned below:

- A huge potential market about 42.34 million which represents the total Algerian population⁸⁵.
- 24.48 million Algerians, which represent 58% the total population have access to internet⁸⁶.
- The continuous evolution of internet (17%) and social media use (11%)⁸⁷.
- 43% of Algerians have an account with a financial institution⁸⁸.

⁸² Ibid

⁸³ Ibid

⁸⁴ Ibid

⁸⁵ <https://wearesocial.com>, accessed on 00:15 April,10th,2019

⁸⁶ Ibid

⁸⁷ Ibid.

⁸⁸ Ibid

- Mobile subscriptions are 42.53 million and mobile social media users are 21 million⁸⁹, which are huge opportunities to mobile commerce through applications.
- Partnerships with Algerian companies.
- Potential partnership with Algerian post office in order to have JUMIA spaces in it.
- Potential development of e-payment methods especially with recent gaining the use of international credit cards (e.g. Mastercard and Visa) issued by some local banks and accepted for use abroad.

2.2.2. Threats:

The threats that face JUMIA in Algeria are:

- Instable or even lack of clear regulation and laws about e-commerce.
- Lack or reduction of e-commerce culture in Algeria.
- Limited e-payment systems.
- Limited purchasing power.
- The presence of informal market in Algeria
- Limited negotiations with suppliers.
- Risks of piracy and theft of company or customer information.
- Logistic difficulties due to the large surface of Algeria.

2.3.JUMIA's Strategy in Penetrating Algerian Market:

JUMIA has integrated the Algerian market in 2014. It is the first market-place which targets all social categories because it deals with different vendors, who provide a variety of products with different price categories.

In the beginning JUMIA Algeria was in front of a difficult economic context due to the lack of laws concerning e-commerce, but when it started employing its experience in African market the situation has changed and JUMIA rapidly took the position of the leader of e-commerce in Algeria.

Some of the strategies that allow JUMIA to grow up in Algeria are:

- Its adaptation, to the Algerians' income and purchasing power, to the Algerian culture and mentality, and even to existing payment method which is payment on delivery,

⁸⁹ Ibid

which is an appropriate payment method to Algerians and a key of success to the company.

- Its diversification of products; JUMIA provides huge types of products to serve all customers' needs.
- Gaining customers' trust by showing them that online shopping could be a safe and practical choice which allows them to save time and money.
- Reducing geographical fragmentation and allowing customers, who do not live in Algiers and big towns to have multiple choices of products and services which are not available in their towns or small villages.

2.4.Presentation of JUMIA e-commerce:

In the beginning JUMIA e-commerce was under the name of JUMIA market due to the restricted number of references.

Now, it is one of the principal subsidiaries with a huge number of references of different categories (home appliance, electronics, fashion, sports....) provided in the web site and the application of JUMIA, this subsidiary has the most contribution in the turnover of the company.

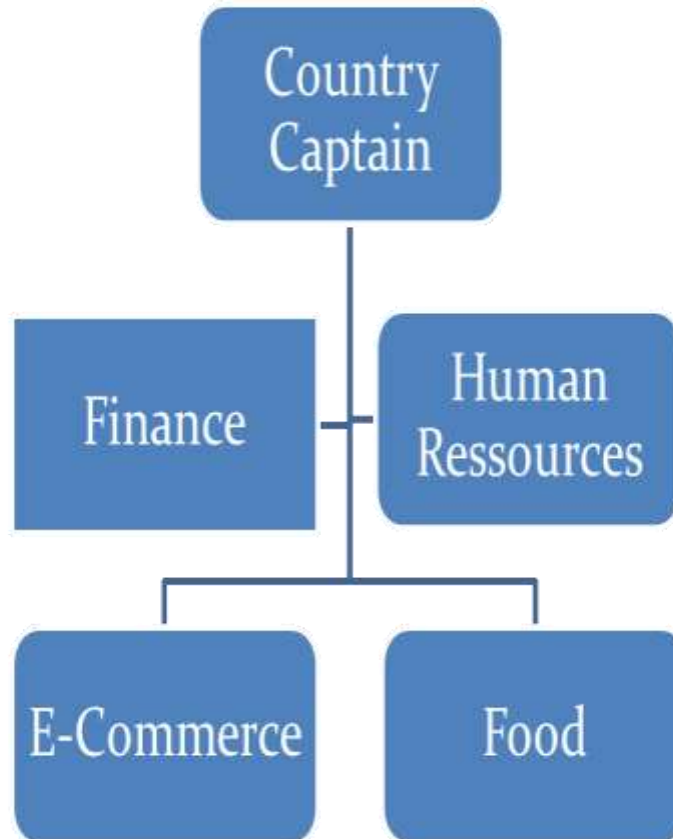
It includes three main services:

- **Commercial service:**
 - Negotiation with suppliers
 - Recruiting vendors
 - Preparing promotional plans
- **Marketing service:**
 - Preparing communication plans in different channels (CRM, social media and others...)
 - Creating content
 - Managing advertising spaces.
- **Operational service:** it consists of:
 - **Customer service:** which is concerned with validating orders and resolving complains and returned goods.
 - **Logistic service:** receives product from suppliers and ship them to customers.

2.5.Global structure of JUMIA:

The following figure illustrates JUMIA subsidiaries which are active in Algeria with its essential departments:

Figure 20: JUMIA Algeria



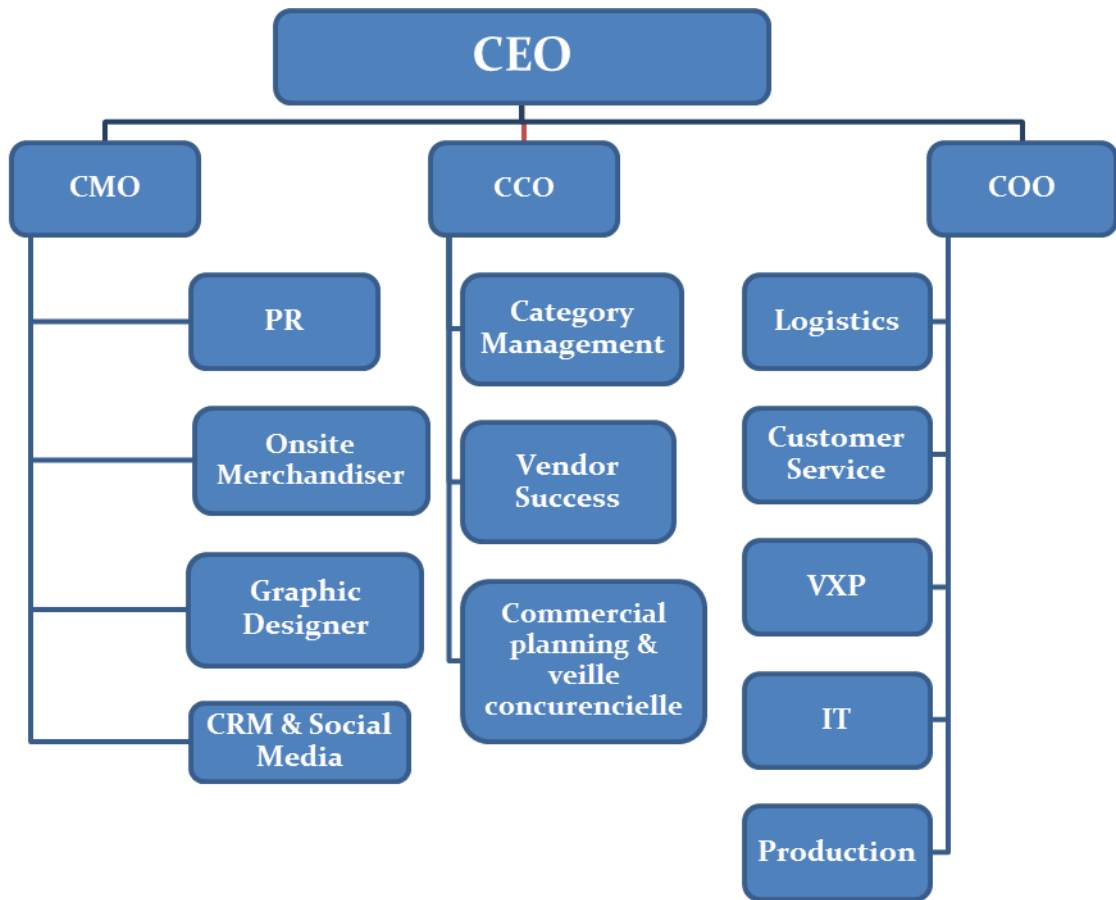
Source: internal document of the company

Based on the figure above , JUMIA has a country captain wherever the company is present, his main role is coordinating between subsidiaries financial and human resources departments and the whole group of JUMIA.

According to the same figure we notice that the subsidiaries of JUMIA existing in Algeria are JUMIA e-commerce and JUMIA food.

The following figure illustrates the organization chart of JUMIA e-commerce:

Figure 21: Structure of JUMIA e-commerce



Source: Internal Document of the Company

Based on the previous figure, the organization chart of JUMIA e-commerce involves:

- The top level of the organization which is CEO: chief executive officer.
- The medium level of the organization, which consists of:
 - CMO: Chief marketing officer is responsible for marketing activities in the organization.
 - CCO: Chief commercial officer is responsible for commercial strategy.
 - COO: Chief operating officer is responsible for daily operations of the company and routinely reports to the chief executive officer.
- The third level or execution level:
 - Every responsible seen on the previous levels works with his own team
 - The CMO works with:**
 - PR: responsible of public relations
 - Onsite merchandise:

- Graphic designer:
- CRM and Social Media responsible:

The CCO works with:

- Category management
- Vendor success
- Commercial planning and competitive intelligence

The COO works with:

- Logistics: all activities concerned with stocking merchandise and delivery of orders.
- Customer service: is concerned with receiving commands and contacting customers during his buying operation until obtaining the product or service he ordered and then they evaluate the degree of satisfaction.
- VXP: vendor experience, a team, who deals with the different sellers working with JUMIA, they push them to be more active in work.
- IT: information technologies; an essential unit for the company to maintain programs and ensure continuance of company's work.
- Production

2.6.Strategy of JUMIA in Building Loyalty:

JUMIA has different strategies in building loyalty as an eternal objective. Some of these efforts and strategies are mentioned below:

- Providing high consumption quality and dealing with top brands in the country
- High and quick delivery service through JUMIA express without additional costs.
- Simple, practical and safe method of payment which is payment on delivery.
- Promotion strategies and integrating influencers in advertising.
- Following-up customers' orders and getting daily evaluation of the provided service.
- Coupons as a compensation method if JUMIA cancel the order in order to keep favorable relationship with customers
- Keeping closed to its customers through social media, responding to their comments and updating the content with occasions and events.
- Granted protection politic of customers personal information.

2.7.Social Media of JUMIA Algeria:

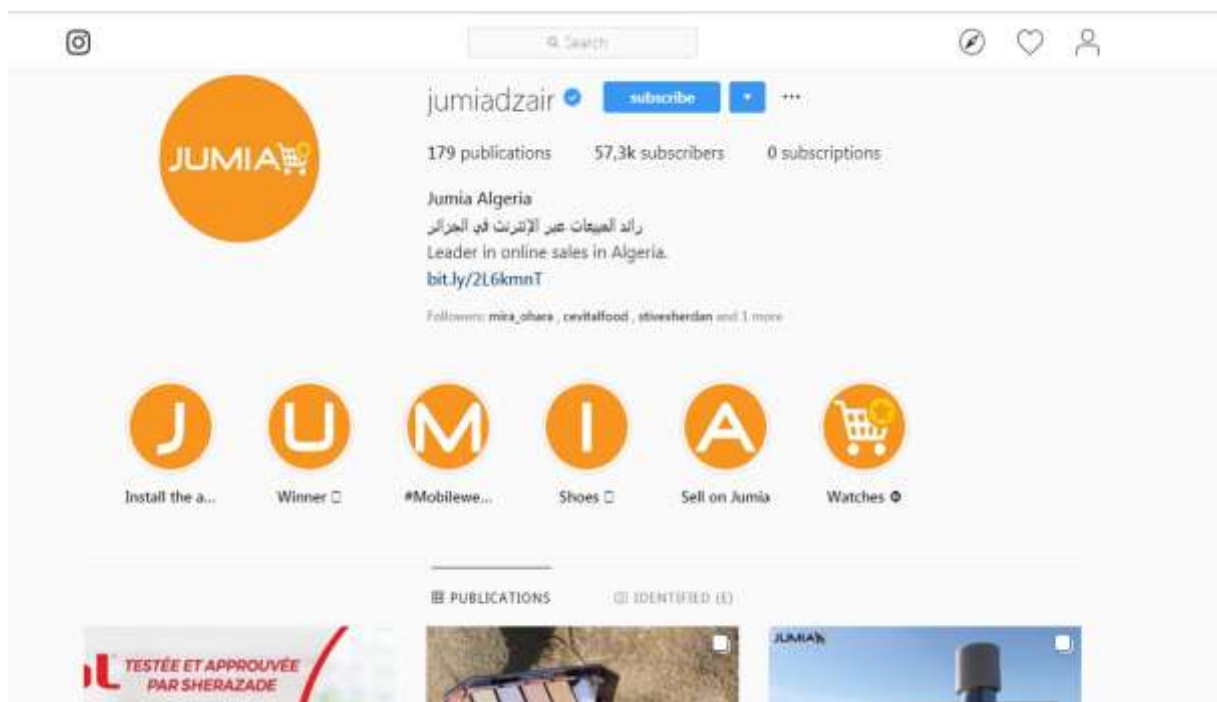
JUMIA Algeria for e-commerce is present in different social media accounts through which it has daily contact with its customers and followers. It has an Instagram account, Facebook page and YouTube channel.

2.7.1.Instagram:

JUMIA e-commerce has a popular page on Instagram, which is Jumiadzair

The following figure represents homepage of Jumiadzair⁹⁰:

Figure 22: Instagram page of JUMIA e-commerce Algeria



Source: <https://www.instagram.com/jumiadzair>, accessed on 18:10 may, 16th 2019

The figure above illustrates Instagram page of JUMIA e-commerce Algeria under the name of Jumiadzair. It has more than 57300 subscribers, 179 publications and 0 subscriptions.

It has been designed to reflect the identity of the company, to communicate its supply and to attract more customers and enhancing relationship with them⁹¹.

⁹⁰ <https://www.instagram.com/jumiadzair>, accessed on 18:10 may, 16th 2019

⁹¹ Ibid

2.8.2. Facebook:

JUMIA Algeria has also a Facebook page, which is shown in the next figure⁹²:

Figure 23: Facebook page of JUMIA Algeria



Source: <https://web.facebook.com/JumiaDZ>, accessed on 18:15 may, 16th 2019

The figure above presents the Facebook page of JUMIA Algeria, which provides a huge opportunity to the company's marketing and communication due to number of likes of the page, which is 17463430 likes and also number of followers, which is 17473317 followers.

This Facebook page offers the possibility to communicate rapidly with customers, receiving their opinions and enhancing customer service based on complains⁹³.

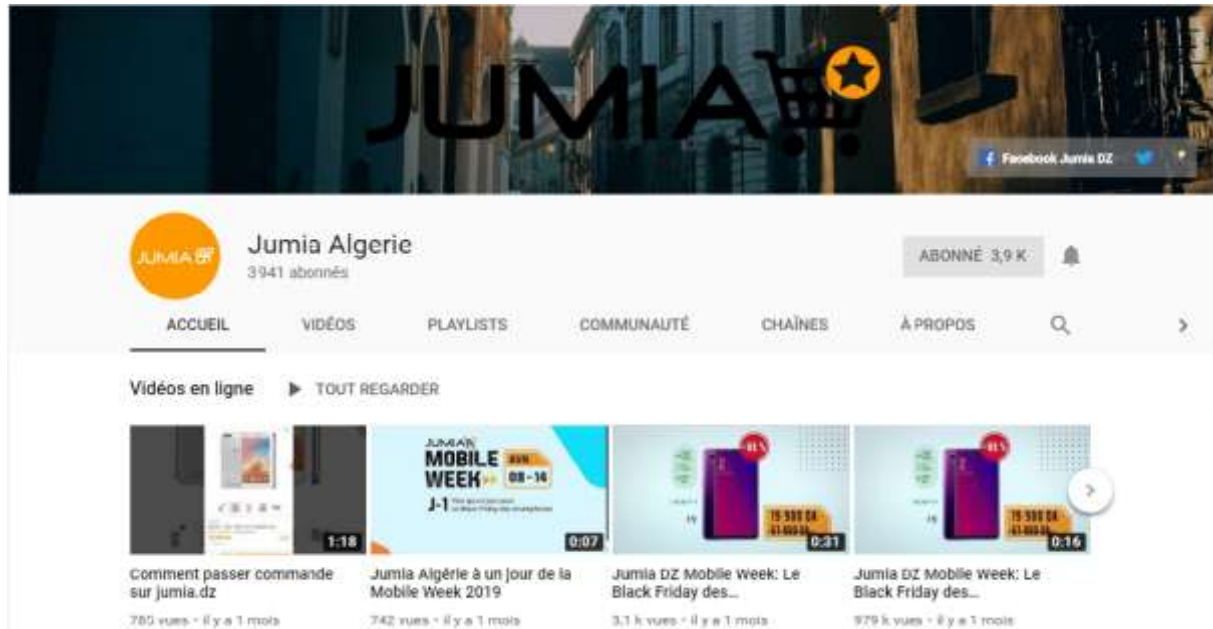
⁹² <https://web.facebook.com/JumiaDZ>, accessed on 18:15 may, 16th 2019

⁹³ Ibid

2.8.3.YouTube:

JUMIA Algeria YouTube channel is shown in next figure⁹⁴:

Figure 24: YouTube channel of JUMIA Algeria



Source: <https://www.youtube.com/channel/UCzBMg0qYuazdPfs5QRikDYQ>, accessed on 19:15 may, 16th 2019

The figure above illustrates the YouTube channel of JUMIA Algeria. It has 3941 subscribers. It allows users to have more information about using website and know more about promotions through advertising and explaining videos⁹⁵.

⁹⁴ <https://www.youtube.com/channel/UCzBMg0qYuazdPfs5QRikDYQ>, accessed on 19:15 may, 16th 2019

⁹⁵ Ibid

Section three: Research Methodology and data analysis

This section explains methods and tools adopted to bring answers to our problematic, collecting data and analyzing results of our empirical study, and we will analyze obtained data using these methods.

3.1. Research Methodology:

Research methodology reminds first the research purpose and second explains the used methods in collecting and analyzing data.

3.1.1. Purpose of the Research:

Our study aims to discover the link between the use of social media as a communication tool and customer loyalty. In other words how to exploit social media as a tool of communication to understand customers, to adapt to their needs and desires, hence to gain their engagement.

3.1.2. Quantitative method:

The quantitative method because it is more appropriate for this kind of research in order to verify association between variables and describe these links.

The quantitative research method was our choice for this study. It is a method that deals with numbers or any information that can be converted to numbers. It is used to confirm or disconfirm relationships, generally between measurable variables. It is used to explain phenomena with mathematically and statistical based means.

3.1.3. Questionnaire as Data Collection Tool:

We opted for the method of questionnaire as a suitable mean for data collection in order to figure out relationships between variables.

The questionnaire is an instrument constituted as structured for collecting data, which is organized as a list of questions, designed carefully to obtain the relevant data from respondents, in order to resolve predefined problematic.

3.1.3.1. Pre-test of the questionnaire:

We prepared preliminary exemplar of this questionnaire and distributed it to a group of 10 persons and discuss its content with them concerning unclear questions after that we corrected our faults and obtained the final form of our questionnaire.

3.1.3.2. Questionnaire Administration Method:

This questionnaire was administrated by the mean of internet in social media pages through which respondents are contacted to obtain the necessary data, because our target sample is essentially social media users.

3.1.3.3.Design of Questionnaire:

The questionnaire is precisely designed to allow us to answer our hypothesis; questions included are organized from general questions to more specific ones and identification questions in the end.

3.1.3.4.Types of used questions:

The types of used questions used in our questionnaires are identified below:

- **Dichotomous questions:** offer two choices for responding
- Example:

Do you follow Jumia.dz e-commerce site publications and advertising on social media?

Yes No

- **Multiple choice questions:** are questions with different choices. This type includes two other types those with multiple responses allowed and others with only one response allowed.

- Example of question with multiple responses allowed:

From the following social media choose those which you usually use:

Facebook	<input type="checkbox"/>
Twitter	<input type="checkbox"/>
LinkedIn	<input type="checkbox"/>
YouTube	<input type="checkbox"/>
Instagram	<input type="checkbox"/>

- Example of question with only one responses allowed:

How much time do you spend on social media per day?

- Less than 1 hour
- 1hour to 2 hours
- More than 2 hours

- **Scale Questions:**

Scale questions are used essentially to measure qualitative variables like attitudes opinions and other psychological variables.

- Example of Likert scale:

Express your degree of agreement or disagreement with this statement “companies that use social media in their communication with their customers are more favorable for me over those that do not”.

Strongly disagree

--	--	--	--	--

 Strongly agree

3.1.4.Sampling:

Our sampling was based on the following criteria:

- **Target population:**

Our targeted population is people aged more than 18 (element), who are actual or potential customers to JUMIA.dz e-commerce site and follow it at least in one of its social media pages (sampling unit).

- **Sample size :**

Our sample consists of 100 respondents.

- **Sampling technique:**

We opted to convenience sampling

3.1.3.Data analyzing tools and methods:

After collecting data, we used SPSS and Excel as analysis programs; used methods are frequency distribution, cross tabulation and factor analysis and regression analysis.

3.2.Data Analysis:

In this subsection results of our survey are analyzed and represented through different tables and graphs with the necessary comments.

3.2.1.Frequency distribution:

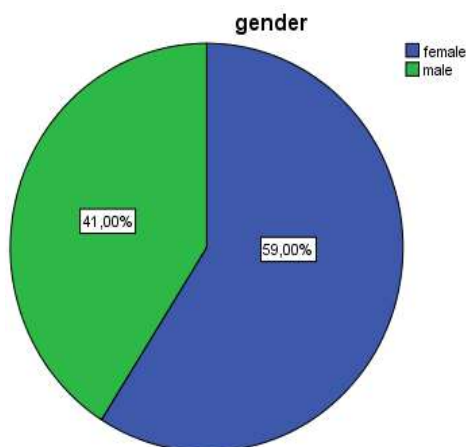
The following results concern frequencies of responses to every question in our survey.

3.2.1.1.Characteristics of respondents:

Socio-demographic characteristics of our respondents are as follows:

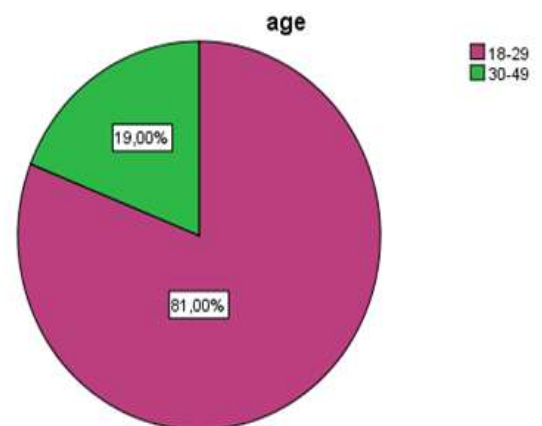
Gender :

Figure 25: Sex of respondents



Age:

Figure 26: Age of respondents

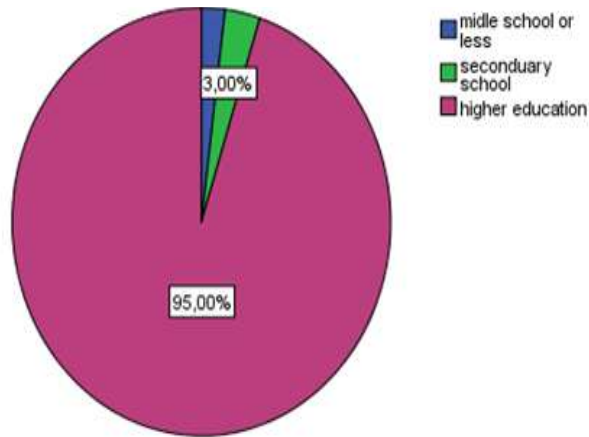


Source: Personal effort based on IBM SPSS version 21

- The age of our respondents varied between two classes 81% aged between 18 to 29 years and 19% aged between 30 to 49 .we did not get any respondent of the class more than 50 years old.
- Our sample consist of 100 respondents 41 of them are male and 59 are female.

Level of education:

Figure 27: Education level of respondents

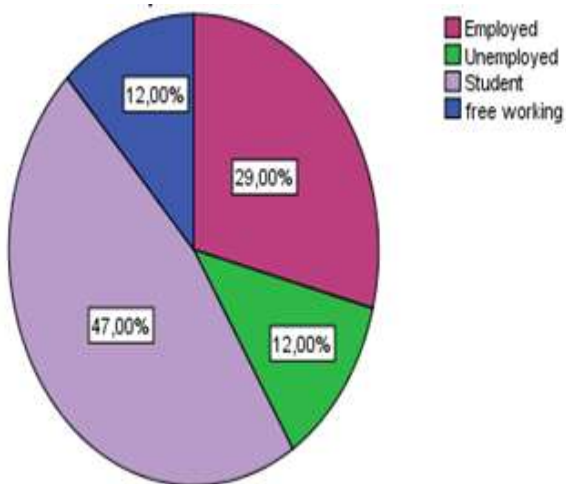


95% of our respondents received higher education, 3% of them left studies in secondary school and 2% have a middle school level or less.

Source: Personal effort based on IBM SPSS version 21

• Profession:

Figure 28: Profession of respondents



47% of respondents are students, 29% are employees, 12% are unemployed and 12% practice free work.

Source: Personal effort based on IBM SPSS version 21

3.2.1.2.General information:

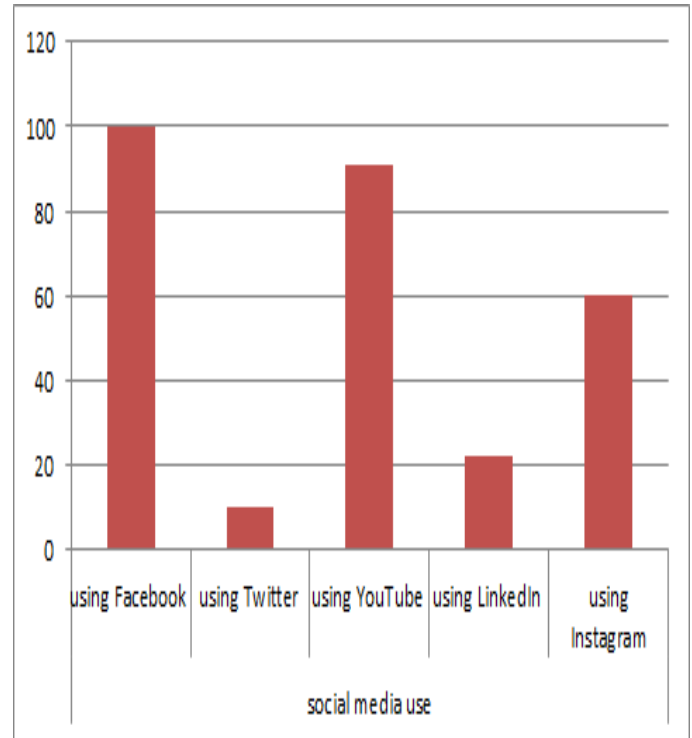
Q1: Used social media

Table 7: Respondents’ presence on social media

		Reponses	
		N :	Percentage :
social media use	using Facebook	100	100%
	using Twitter	10	10,0%
	using YouTube	91	91,0%
	using LinkedIn	22	22,0%
	using Instagram	60	60,0%

Source: Personal effort based on IBM SPSS version 21

Figure 29:Social media use

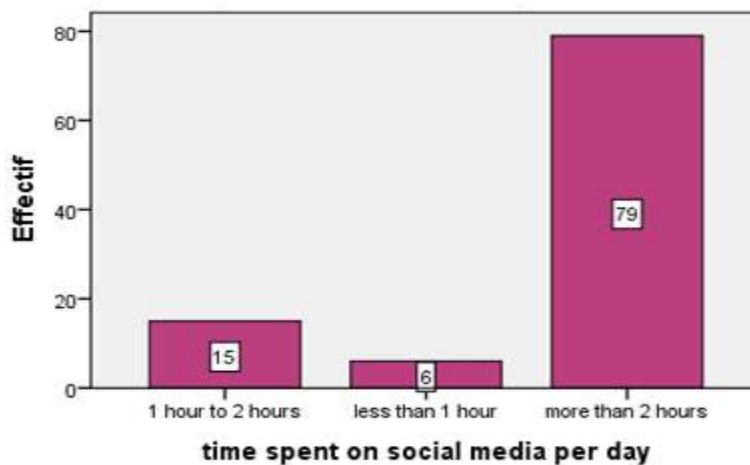


Source: Personal effort based on Microsoft Excel 2010

All respondents have Facebook account, 10% of them are present on Twitter, 91% of them use YouTube usually, and 22% has a LinkedIn account and 60% use Intagram.

Q2: time spent on social media per day

Figure 30: Time spent on social media per day



79% of our respondents spend more than 2 hours per day on social media, 15% spend 1to 2 hours and just 6% spend less than 1 hour of their daily time on social media

Source: Personal effort based on IBM SPSS version 21

Q3: reasons for using e-commerce sites:

Table 8: Reasons of using e-commerce sites

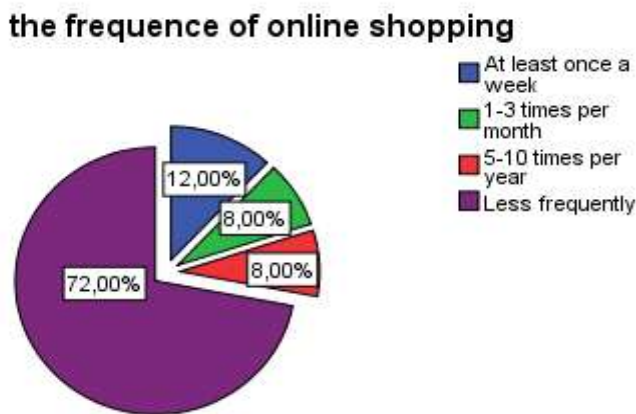
		Reponses	
		N :	Percentage :
reasons of e-commerce sites use	Do your purchases	32	32%
	Look for information about brands	47	47%
	Comparing prices	73	73%
	Discovering new products	57	57%

Only 32% of respondents visit e-commerce sites to do their purchases online, 47% of them use e-commerce sites to look for information about brands, 73 of them use these site as a tool of comparing prices and finally 57% of respondents use these sites to discover new products.

Source: IBM SPSS version 21

Q4: the frequency of online shopping

Figure 31: The frequency of respondents online shopping



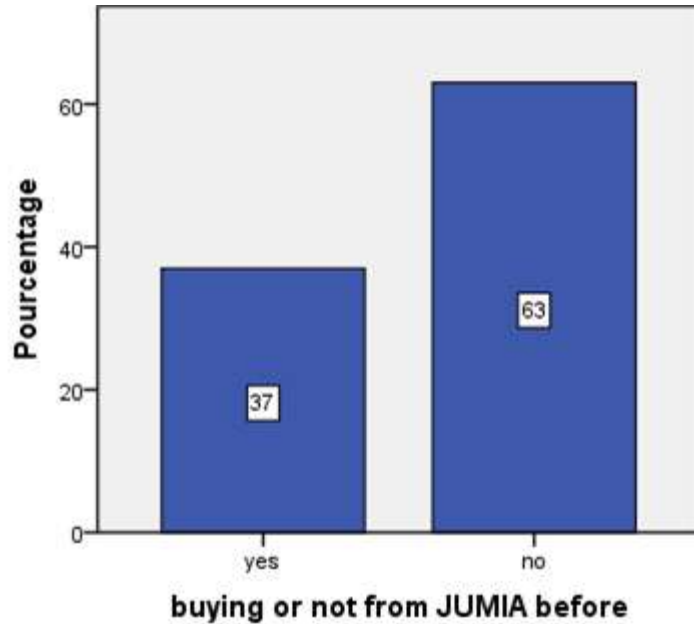
Source: IBM SPSS version 21

- 72% of our respondents are less frequently e-customers or not online shoppers at all.
- 12% do their online shopping at least once a week.
- 8% purchase stuff online 1-3 times per month and the other 8% of respondents are likely to do online shopping 5-10 per year

3.2.1.3.Information about JUMIA:

Q5: Buying or not from JUMIA before

Figure 32: Frequencies of existence or not of previous purchase experience from JUMIA



63% of our respondents did not buy from JUMIA before and 37% did.

Source: Personal effort based on IBM SPSS version 21

• **Level of satisfaction of people who buys from JUMIA before**

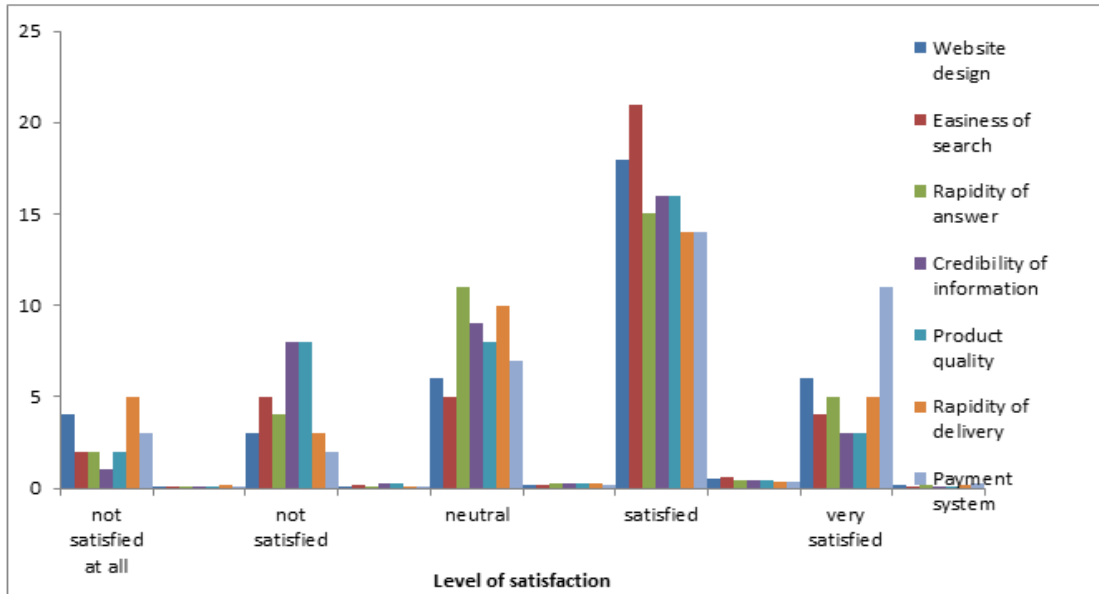
Table 9: Level of satisfaction of people who buys from JUMIA before

	not satisfied at all		not satisfied		Neutral		Satisfied		very satisfied		Total	
Website design	4	11%	3	8%	6	16%	18	49%	6	16%	37	100%
Easiness of search	2	5%	5	14%	5	14%		57%	4	11%	37	100%
Rapidity of answer	2	5%	4	11%	11	30%	15	41%	5	14%	37	100%
Credibility of information	1	3%	8	22%	9	24%	16	43%	3	8%	37	100%
Product quality	2	5%	8	22%	8	22%	16	43%	3	8%	37	100%
Rapidity of delivery	5	14%	3	8%	10	27%	14	38%	5	14%	37	100%
Payment system	3	8%	2	5%	7	19%	14	38%	11	30%	37	100%

Source: Personal effort based on SPSS results

The following figure represents the previous results:

Figure 33: level of satisfaction from purchase experience from JUMIA



Source: Personal effort based on Microsoft Excel 2010

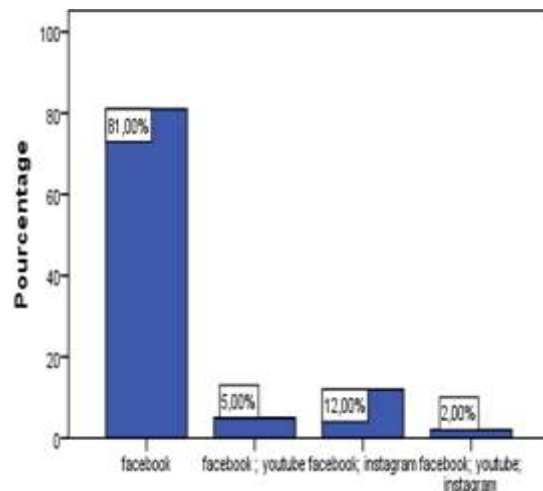
According to the table and figure above we notice that most respondents are satisfied of their buying experience from JUMIA.

Q6: In which of the following social media do you follow Jumia.dz?

Table 10: : frequencies of respondents following

		Effectifs	Pourcentage
Valide	Facebook	81	81
	facebook ; youtube	5	5
	facebook; instagram	12	12
	facebook; youtube; instagram	2	2
	Total	100	100

Figure 34: Frequencies of respondents following JUMIA on social media



Source: personal effort based on SPSS results version 21

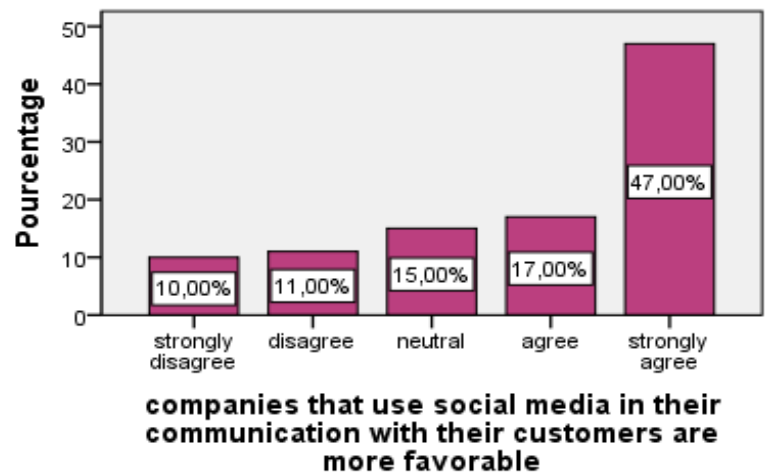
As it is illustrated in the previous table and graphic 81% of respondents follow JUMIA Algeria on Facebook, 12% follow it on Facebook and Instagram , 5% follow it on Facebook and YouTube and just 2% follow it on Facebook; YouTube and Instagram .

Q7: Express your degree of agreement or disagreement with this statement “companies that use social media in their communication with their customers are more favorable for me over those that do not”.

Table 11: Preference toward use social media in communication with customers

		Effectifs	Pourcentage
Valide	strongly disagree	10	10%
	Disagree	11	11%
	Neutral	15	15%
	Agree	17	17%
	strongly agree	47	47%
	Total	100	100%

Figure 35: Preference towards companies use social media



Source: Personal effort based on SPSS results version 21

According to the above results 47% of respondents are strongly agree with the preference of companies that use social media in communicating with them.

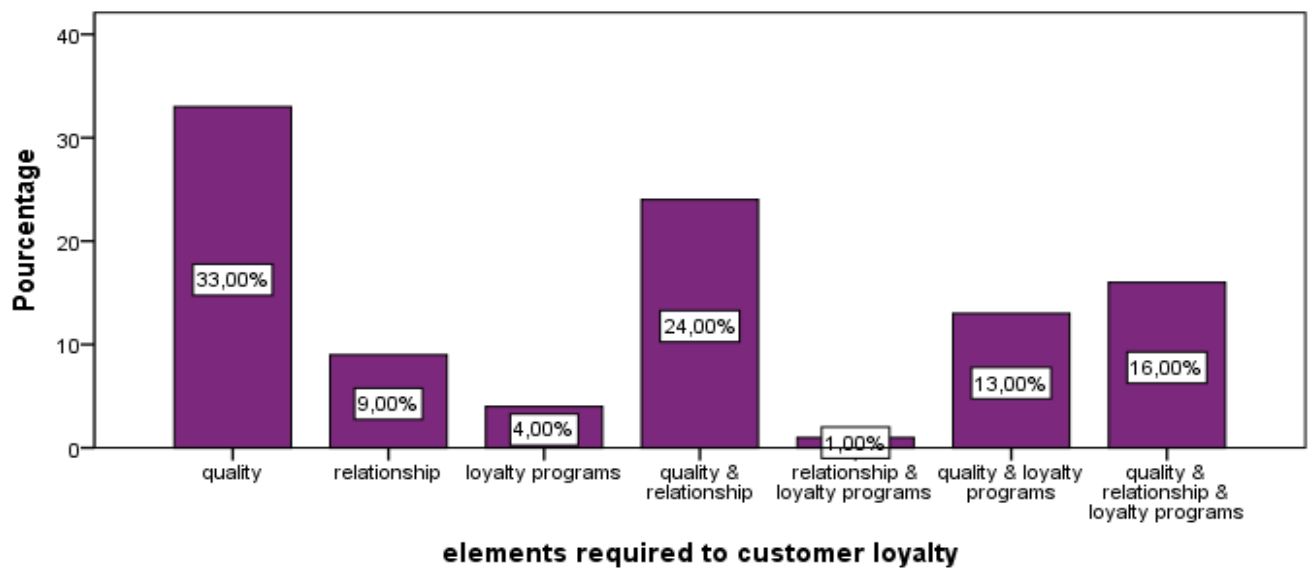
Q8: Pick from the following elements those that you think are required to improve customer loyalty?

Table 12: Elements required to customer loyalty

		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Quality and price of products	33	33,0	33,0	33,0
	Relationship between the customer and the company	9	9,0	9,0	42,0
	Effective customer loyalty programs	4	4,0	4,0	46,0
	quality & relationship	24	24,0	24,0	70,0
	relationship & loyalty programs	1	1,0	1,0	71,0
	quality & loyalty programs	13	13,0	13,0	84,0
	quality & relationship & loyalty programs	16	16,0	16,0	100,0
	Total	100	100,0	100,0	

Source: Personal effort based on IBM SPSS version 21

Figure 36: Elements required to increase customer loyalty



Source: Personal effort based on IBM SPSS version 21

Based on the previous table and column chart, 33% of respondent argue that quality and price of product is very important for building customer loyalty, 24% see that both quality and price

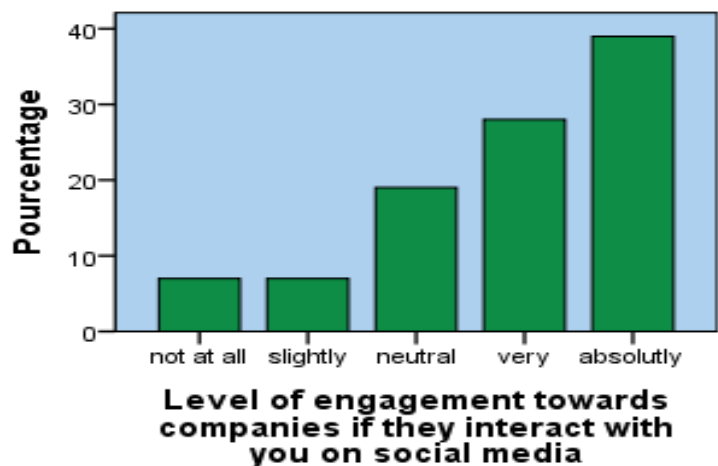
of products and relationship between the customer and the company are required to increase customer loyalty and finally 16% of them think that quality and price of products, relationship between the customer and the company and Effective customer loyalty programs are all important in attracting and retaining customers.

Q9: do you feel more engaged with companies if they interact with you on social media:

Table 13: Frequencies of level of engagement with companies that interact with customers on social media

		Effectifs	Pourcentage
Valide	not at all	7	7%
	Slightly	7	7%
	Neutral	19	19%
	Very	28	28%
	Absolutly	39	39%
	Total	100	100,0

Figure 37: Engagement level toward companies which interact on social media with customer



Source: Personal effort based on based on IBM SPSS version 21

According to the table above and column chart most respondents 39% have a strong feeling of engagement towards companies that interact with them on social media. 28% have medium engagement towards these companies and the rest vary in their responses between not at all (7%), slightly (7%) and neutral(19) which means for them the none existence of relationship between these factors .

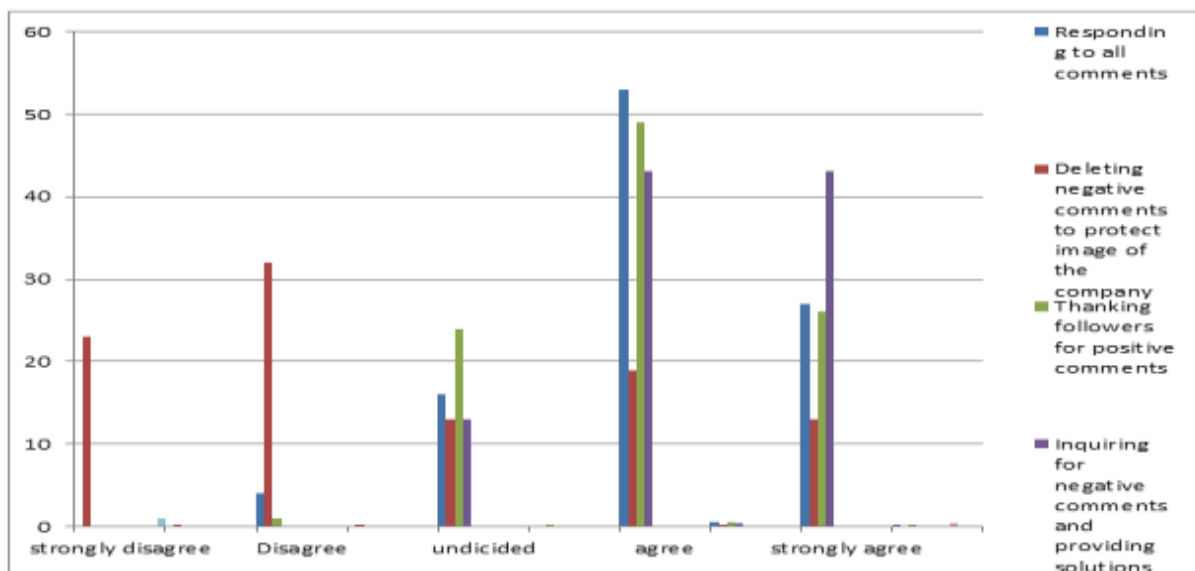
Q10: to what extent do you agree with the following statements concerning interaction with customers on social media?

Table 14: Levels of agreement with manners of dealing with comments

	strongly disagree		Disagree		Undecided		Agree		strongly agree	
Responding to all comments	0	0%	4	4%	16	16%	53	53%	27	27%
Deleting negative comments to protect image of the company	23	23%	32	32%	13	13%	19	19%	13	13%
Thanking followers for positive comments	0	0%	1	1%	24	24%	49	49%	26	26%
Inquiring for negative comments and providing solutions	1	1%	0	0%	13	13%	43	43%	43	43%

Source: Personal effort based on IBM SPSS version 21

Figure 38: Levels of agreement or disagreement with manners of dealing with comments



Source: Personal effort based on IBM SPSS version 21

Most respondents (53%) agree with the statement “responding to all comments” in dealing with customer interaction while 27% are strongly agree.

Most answers vary between disagree 32% and strongly disagree 23% with the statement deleting negative comments to protect the image of the company.

The majority of respondents are agree with thanking followers for positive comments.

The majorities of answers are between agree 43% and strongly agree 43% with inquiring for negative comments and providing solutions.

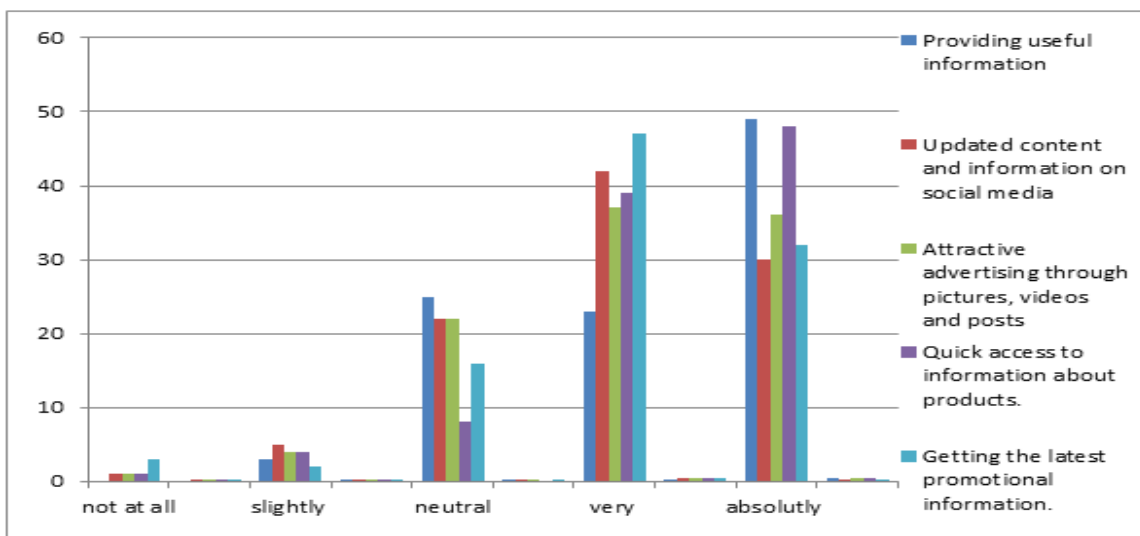
Q11: Using the scale provided in the table, cross the cell that best represents your answer
This is likely to increase my repurchase frequency:

Table 15: The degrees of increasing repurchase frequency due to information on social media

	not at all		slightly		neutral		very		absolutely	
Providing useful information	0	0%	3	3%	25	25%	23	23%	49	49%
Updated content and information on social media	1	1%	5	5%	22	22%	42	42%	30	30%
Attractive advertising through pictures, videos and posts	1	1%	4	4%	22	22%	37	37%	36	36%
Quick access to information about products.	1	1%	4	4%	8	8%	39	39%	48	48%
Getting the latest promotional information.	3	3%	2	2%	16	16%	47	47%	32	32%

Source: Personal effort based on IBM SPSS version 21

Figure 39: The degree of increasing repurchase frequency due to information provided on social media



Source: Personal effort based on Microsoft Excel 2010

Responses of our sample varied between very and absolutely agree that the quality of provided information through social media influences their repurchasing frequency.

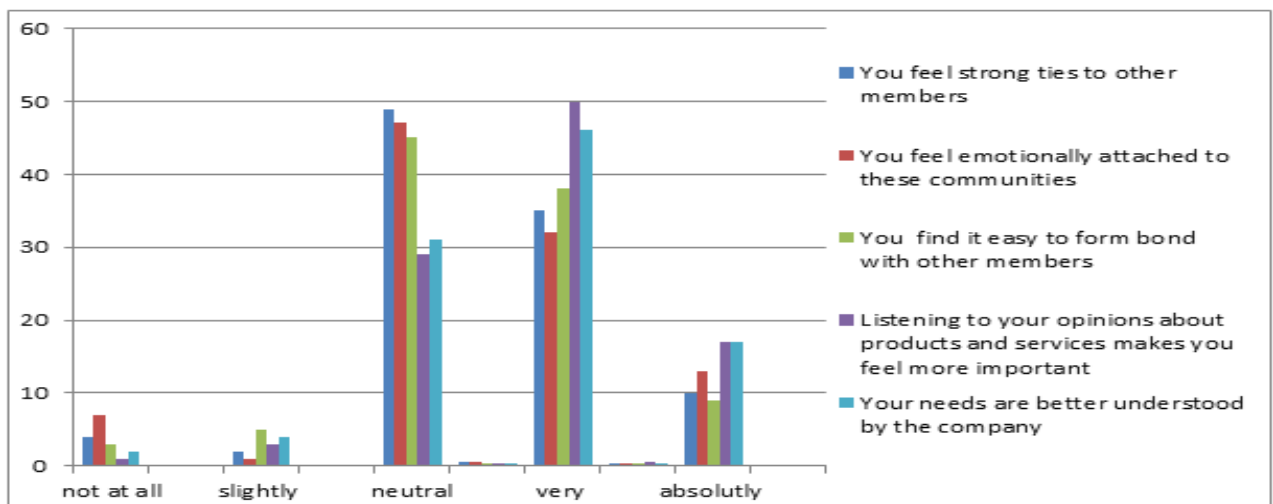
Q12: Communities on social media contribute in building favorable attitudes towards Jumia.dz; indicate your degree of agreement or disagreement with regard to the following statements:

Table 16: The role of communities on building favorable attitudes

	not at all		slightly		Neutral		very		absolutely	
You feel strong ties to other members	4	4%	2	2%	49	49%	35	35%	10	10%
You feel emotionally attached to these communities	7	7%	1	1%	47	47%	32	32%	13	13%
You find it easy to form bond with other members	3	3%	5	5%	45	45%	38	38%	9	9%
Listening to your opinions about products and services makes you feel more important	1	1%	3	3%	29	29%	50	50%	17	17%
Your needs are better understood by the company	2	2%	4	4%	31	31%	46	46%	17	17%

Source: Personal effort based on SPSS results

Figure 40: The role of communities on building favorable attitudes



Source: Personal effort based on Microsoft Excel 2010

Responses concerning communities and relationship between members vary between neutral and very influenced.

49% of respondents are neutral about feeling strong ties to other members, 47% are neutral concerning feeling emotionally attached to social media communities and 45% are neutral concerning easiness of forming bonds with other members.

50% of respondents are strongly agreed that being listened on social media communities creates favorable attitudes toward the company.

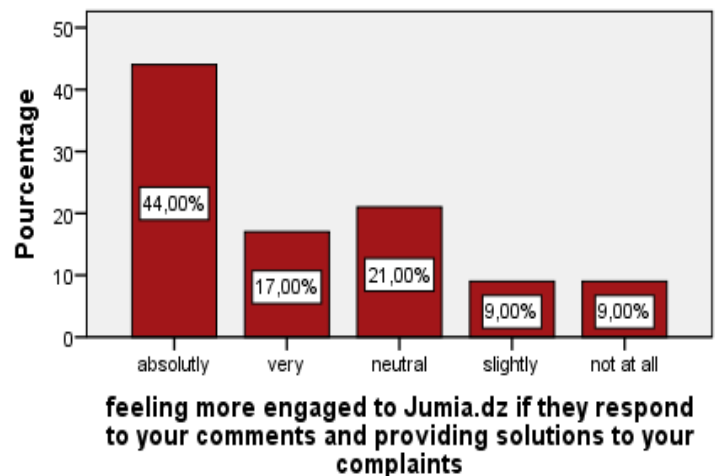
45% of answers argue that understanding needs through social media communities influences positively customer attitudes toward the company.

Q13: Do you feel more engaged with Jumia.dz if they respond to your comments and provide solutions to your complaints?

Table 17: Levels of engagement with JUMIA due to Responsivness

		Effectifs	Pourcentage
Valide	absolutly	44	44%
	Very	17	17%
	neutral	21	21%
	slightly	9	9%
	not at all	9	9%
	Total	100	100,0

Figure 41: Levels of engagement with Jumia.dz basing on its responsiveness



Source: Personal effort based on based SPSS results

44% of respondents absolutely agree that responding to comments and providing solutions to complains leads to a feeling of engagement to the company.

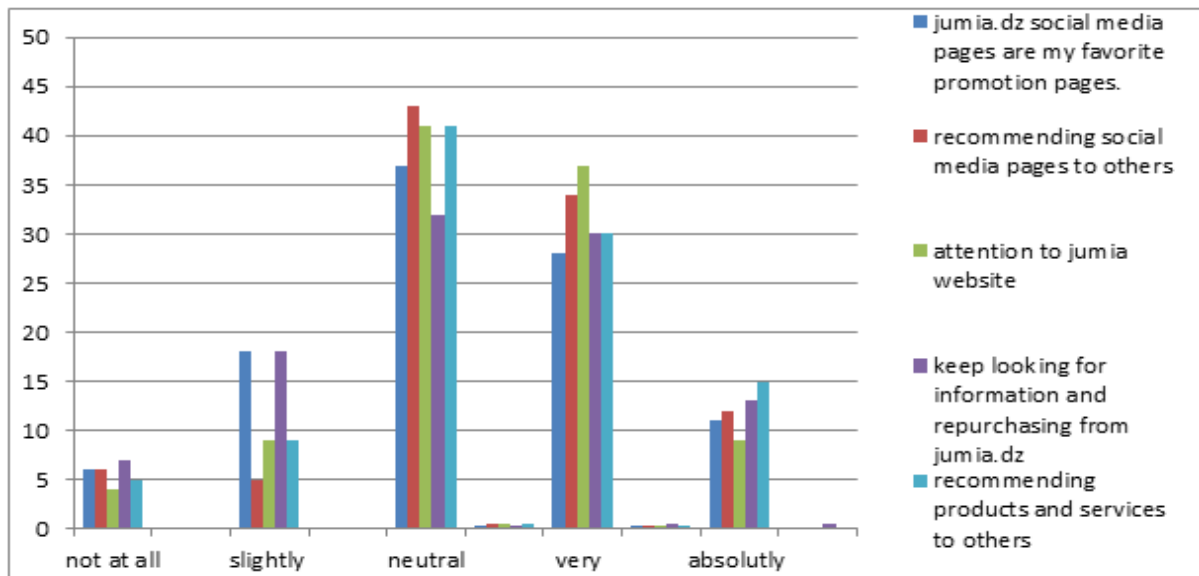
Q16: To what extent do you agree with the following statements?

Table 18: Level of loyalty to JUMIA

	not at all		slightly		Neutral		very		absolutely	
jumia.dz social media pages are my favorite promotion pages.	6	4%	18	18%	37	37%	28	28%	11	11%
recommending social media pages to others	6	6%	5	5%	43	43%	34	34%	12	12%
attention to jumia website	4	4%	9	9%	41	41%	37	37%	9	9%
keep looking for information and repurchasing from jumia.dz	7	7%	18	18%	32	32%	30	30%	13	13%
recommending products and services to others	5	5%	9	9%	41	41%	30	30%	15	15%

Source: personal effort based on IBM SPSS version 21

Figure 42: Level of loyalty to JUMIA



Source: personal effort based on Microsoft Excel 2010

37% respondents are neutral concerning preference of JUMIA social media pages and 28% are very agree with this statement.

Most respondents 43% are neutral concerning recommending JUMIA social media pages to others, but 34% are very ready to do that.

41% of respondents are neutral concerning paying more attention to JUMIA website, in other hand there is 37% who are ready to pay more attention to this website.

30% of respondents are ready to keep looking for information and purchasing from jumia.dz, unlike 32% who are neutral.

41% respondents are neutral concerning recommending products and services to others, and 30% are very agree to do this.

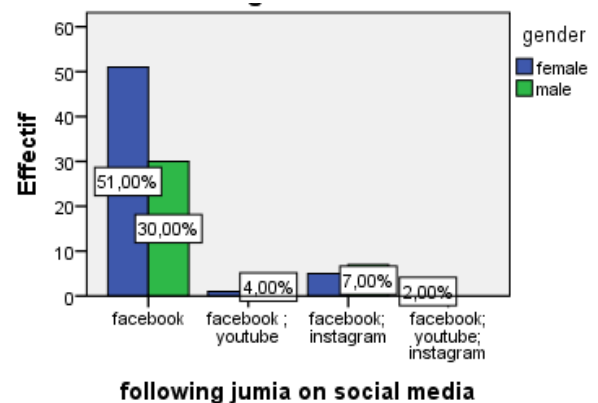
3.2.2. Cross tabulation: Customer profile*JUMIA follow on social media

- Gender* JUMIA follow on social media

Table 19: cross tabulation following jumia on social media * gender

Effectif		Gender		Total
		Female	Male	
following jumia on social media	Facebook	51	30	81
	facebook ; youtube	1	4	5
	facebook; instagram	5	7	12
	facebook; youtube; instagram	2	0	2
Total		59	41	100

Figure 43: Diagram following jumia on social media* gender



Source: Personal effort based SPSS results

Based on the table and diagram above, we notice that the majority of males 51% of total respondents and also the majority of women 30% of total respondents are following JUMIA only on Facebook.

Table 20: Chi-square test

	Valeur	Ddl	Signification asymptotique (bilatérale)
Khi-deux de Pearson	6,550	3	,088
Rapport de vraisemblance	7,284	3	,063
Association linéaire par linéaire	1,776	1	,183
Nombre d'observations valides	100		

The Chi-square value is 0.088 greater than 0.05 thus there is no interdependence between gender and the follow of JUMIA on social media platforms.

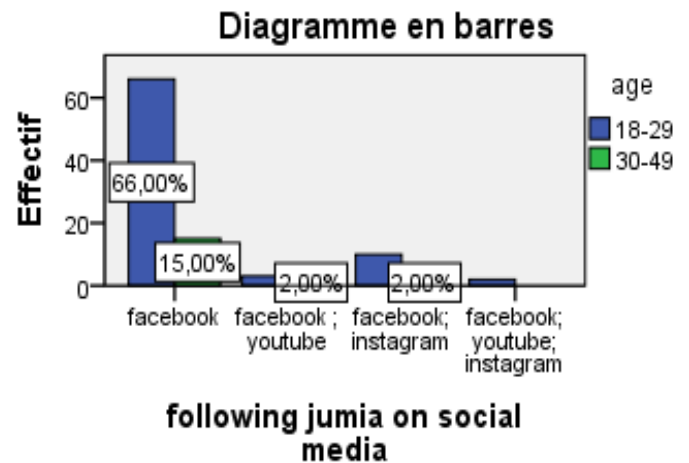
Source: personal effort based SPSS results

- Age* JUMIA follow on social media

Table 21: Cross tabulation following jumia on social media * age

Figure 44: Diagram following JUMIA on social media* Age

Effectif		Age		Total
		18-29	30-49	
following jumia on social media	Facebook	66	15	81
	facebook ; youtube	3	2	5
	facebook; instagram	10	2	12
	facebook; youtube; instagram	2	0	2
Total		81	19	100



Source: Personal effort based on SPSS results version 21

Previous table and figure illustrates the relationship between respondents' age and the platforms where they follow JUMIA on social media.

We notice that 66% of respondents in the class of age 18-29 follow JUMIA only on Facebook and also the majority of respondents from age class 30-49 follow JUMIA only on Facebook.

Table 22: Chi-square test

	Valeur	ddl	Signification asymptotique (bilatérale)
Khi-deux de Pearson	1,957	3	,581
Rapport de vraisemblance	2,076	3	,557
Association linéaire par linéaire	,000	1	,983
Nombre d'observations valides	100		

According to Chi-square value 0.581 the relationship between age and the follow of JUMIA on social media is not significant thus there is no association between these two variables.

Source: personal effort based on SPSS results.

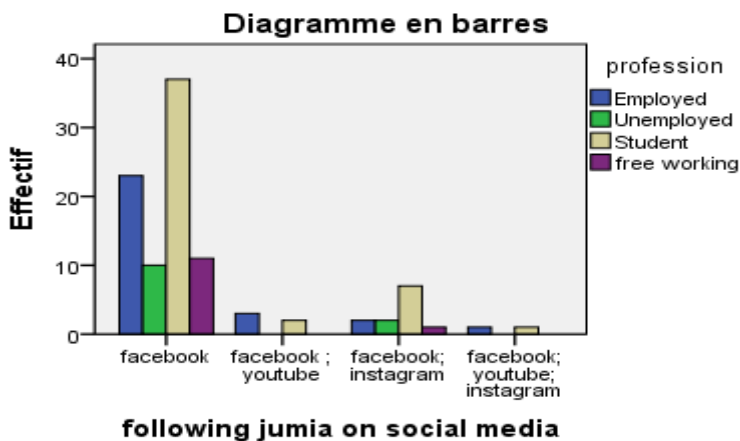
Profession* JUMIA follow on social media

Table 23: Cross tabulation profession*JUMIA follow on social media

Effectif		Profession				Total
		Employed	Unemployed	Student	free working	
following jumia on social media	Facebook	23	10	37	11	81
	facebook ; youtube	3	0	2	0	5
	facebook; instagram	2	2	7	1	12
	facebook; youtube; instagram	1	0	1	0	2
Total		29	12	47	12	100

Source: Personal effort based on SPSS results

Figure 45: Diagram profession*JUMIA follow on social media



According to the previous table and the next diagram the majority of respondents of all different professions follow JUMIA only on Facebook

Source: Personal effort based on IBM SPSS version 21

Table 24: Chi-square test

	Valeur	Ddl	Signification asymptotique (bilatérale)
Khi-deux de Pearson	5,224	9	,814
Rapport de vraisemblance	6,534	9	,685
Association linéaire par linéaire	,297	1	,586
Nombre d'observations valides	100		

Source: Personal effort based on SPSS results

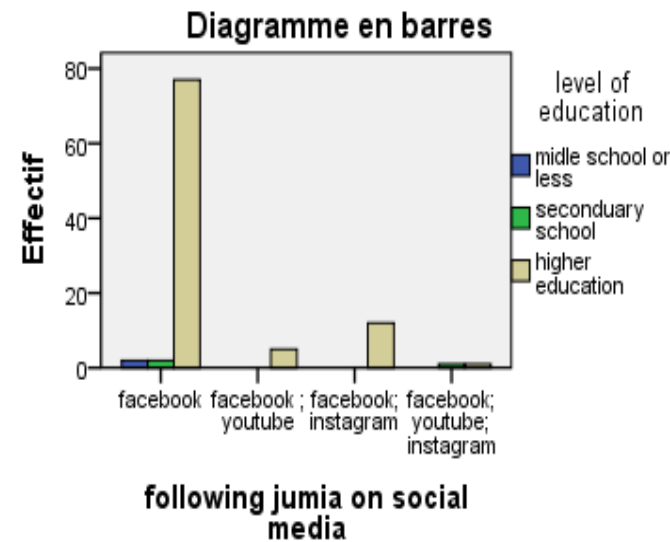
According to Chi-square test the relationship is not significant thus there is no interdependence between profession and JUMIA follow on social media

- Level of education* JUMIA follow on social media

Table 25: Cross tabulation following JUMIA on social media * level of education

Figure 46 : Diagram following jumia on social media* level of education

Effectif		level of education			Total
		midle school or less	secondary school	higher education	
following jumia on social media	Facebook	2	2	77	81
	facebook ; youtube	0	0	5	5
	facebook; instagram	0	0	12	12
	facebook; youtube; instagram	0	1	1	2
	Total	2	3	95	100



Source: Personal effort based on IBM SPSS version 21

Based on the table and the diagram above mostly all respondents with different levels of education follow JUMIA on Facebook.

Table 26: Chi-square test

	Valeur	Ddl	Signification asymptotique (bilatérale)
Khi-deux de Pearson	16,253 ^a	6	,012
Rapport de vraisemblance	6,251	6	,396
Association linéaire par linéaire	,052	1	,820
Nombre d'observations valides	100		

According to Chi-square value in this table 0,012 less than 0.05 so the relationship is significant thus there interdependence between Level of education and JUMIA follow on social media.

Source: Personal effort based on IBM SPSS version 21

Table 27: Symmetric measures

	Valeur	Signification approximée
Phi	,403	,012
Nominal par Nominal V de Cramer	,285	,012
Coefficient de contingence	,374	,012
Nombre d'observations valides	100	

Source: Personal effort based on IBM SPSS version 21

Values of Phi and V de Cramer all values are significant so there is strong relationship between education and JUMIA follow on social media.

3.2.3.Hypothesis testing:

The following analysis will confirm or reject our assumptions basing on SPSS results

3.2.3.1. Testing hypothesis one:

H1: sense of membership has positive impact on customer engagement

In order to test this hypothesis we opt for factorial analysis to question 12 and after that we conduct a regression analysis to obtained factors from factor analysis applied on question 12 and question 9.

Factor analysis for question 12:

Table 28: Correlation matrix

		v1	v2	v3	v4	v5
Corrélation	V1	1,000	,900	,735	,318	,417
	V2	,900	1,000	,742	,299	,359
	V3	,735	,742	1,000	,382	,574
	V4	,318	,299	,382	1,000	,545
	V5	,417	,359	,574	,545	1,000
Significatio n (unilatérale)	V1		,000	,000	,001	,000
	V2	,000		,000	,001	,000
	V3	,000	,000		,000	,000
	V4	,001	,001	,000		,000
	V5	,000	,000	,000	,000	

V1: You feel strong ties to other members

V2: You feel emotionally attached to these communities

V3: You find it easy to form bond with other members

V4: Listening to your opinions about products and services makes you feel more important

V5: Your needs are better understood by the company

Source: Personal effort based on IBM SPSS version 21

As shown in the correlation matrix there is a significant correlation between variables at alpha 5% because mostly all correlation values are greater than 30%

Table 29: KMO index and Bartlett test

Mesure de précision de l'échantillonnage de Kaiser-Meyer-Olkin.		,734
	Khi-deux approximé	320,531
Test de sphéricité de Bartlett	Ddl	10
	Signification de Bartlett	,000

Source: Personal effort based on IBM SPSS version 21

The value of KMO test is 0.734 higher than 0.5 as a result factor analysis is appropriate for this question.

The null hypothesis which assumes that there is no correlation between variables is rejected using Bartlett test of Sphericity this test is significant at Alpha 5%, with the Chi square value 320,531 and the degree of freedom 10

Table 30: communalities

Qualité de représentation

	Initial	Extraction
V1	1,000	,910
V2	1,000	,920
V3	1,000	,801
V4	1,000	,785
V5	1,000	,766

We notice in this table that all variables are highly represented after applying factor analysis so the lost in information is not significant because all values are greater than 75%.

Source: Personal effort based on IBM SPSS version 21

Table 31: Total explained variance

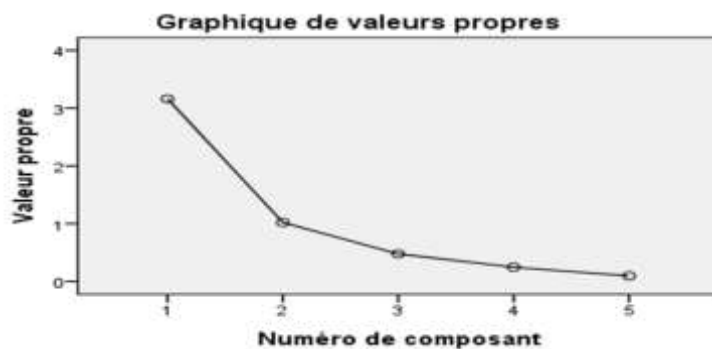
Composante	Valeurs propres initiales			Extraction Sommes des carrés des facteurs retenus			Somme des carrés des facteurs retenus pour la rotation		
	Total	% de la variance	% cumulés	Total	% de la variance	% cumulés	Total	% de la variance	% cumulés
1	3,162	63,233	63,233	3,162	63,233	63,233	2,519	50,384	50,384
2	1,021	20,416	83,649	1,021	20,416	83,649	1,663	33,265	83,649
3	,476	9,525	93,174						
4	,246	4,914	98,089						
5	,096	1,911	100,000						

Méthode d'extraction : Analyse en composantes principales.

Source: Personal effort based on IBM SPSS version 21

Total variance explained table illustrates how many factors we should retain , we notice that the eigenvalues of factors 1(3.162) and factor 2(1.021) are greater than one and the two factors explain more than 80% of the total variance(83.649%) based on this two factors are to be retained.

Figure 47: Scree plot of eigenvalues



This graph confirmed the result of the previous table, only factors that have eigenvalues greater than 1 are to be retained and as shown in this scree plot 2 factors are to be retained.

Source: Personal effort based on IBM SPSS version 21

Table 32: Matrix of components after rotation

Matrice des composantes après rotation^a

	Composante	
	1	2
V1	,949	,140
V2	,935	,188
V3	,801	,400
V4	,124	,878
V5	,296	,824

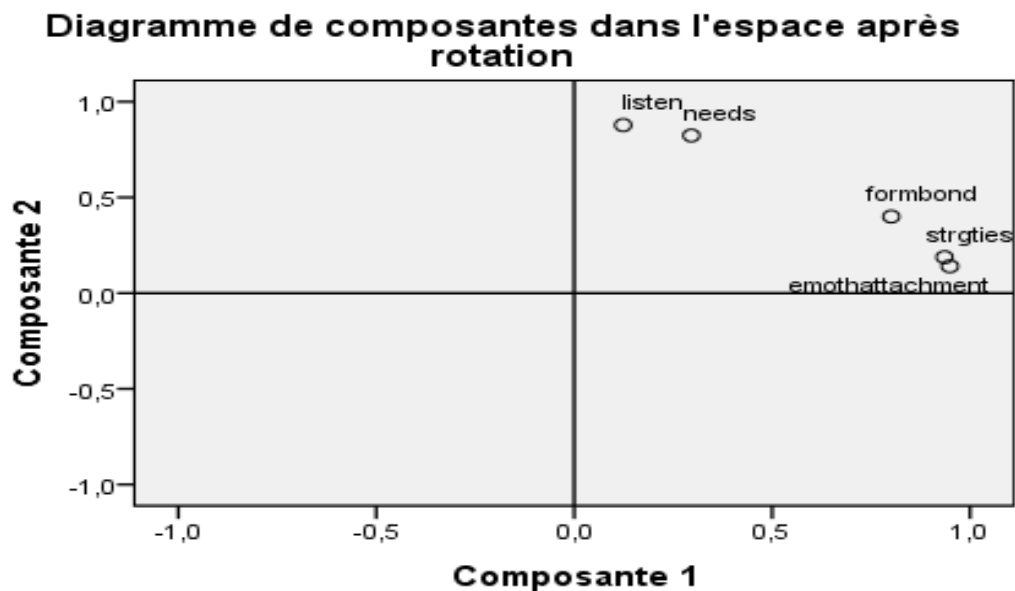
This rotated table allows us to distinguish between variables which are correlated with factor 1 and those correlated with factor 2.

Source: Personal effort based on IBM SPSS version 21

As we can see **V1** (You feel strong ties to other members) and **V2** (You feel emotionally attached to these communities) and **V3** (You find it easy to form bond with other members) are highly correlated with factor 1 this factor can be named “membership feeling”.

Variables **V4** (Listening to your opinions about products and services makes you feel more important) and **V5** (Your needs are better understood by the company) are correlated with factor 2 so we can name this factor “customer understanding”.

Figure 48: Scree plot of component after rotation



Source: Personal effort based on IBM SPSS version 21

This plot illustrates components in rotated space, it confirms the rotated table.

As we can see statements V1, V2, V3 (You feel strong ties to other members, You feel emotionally attached to these communities and, You find it easy to form bond with other

members) are situated at the end of the axe of component 1 so there is strong correlation between these statements and factor1, as well as v4 and v5 are also situated at the end of axe 2 which means strong correlation with factor 2.

Regression analysis between Q9 (engaged with companies if they interact with you on social media) and “understanding customers, membership feeling”:

Table 33: model summary

Récapitulatif des modèles				
Modèle	R	R-deux	R-deux ajusté	Erreur standard de l'estimation
1	,270 ^a	0,073	0,054	1,184
a. Valeurs prédites : (constantes), understanding customers, membership feeling				

Source: Personal effort based on IBM SPSS version 21

The value of R square is very small 7% thus the association between independent variables (understanding customers, membership feeling) and engagement toward companies is weak.

Table 34: ANOVA

ANOVA ^a						
Modèle		Somme des carrés	Ddl	Moyenne des carrés	D	Sig.
1	Régression	10,675	2	5,338	3,805	,026 ^b
	Résidu	136,075	97	1,403		
	Total	146,75	99			
a. Variable dépendante : engagement towards companies if they interact with you on social media						
b. Valeurs prédites : (constantes), understanding customers, membership feeling						

Source: Personal effort based on IBM SPSS version 21

The calculated value is 3.805 is larger than the critical value 3.09 so as shown in the table the association is significant.

Table 35: coefficients

Coefficients ^a						
Modèle		Coefficients non standardisés		Coefficients standardisés	T	Sig.
		A	Erreur standard	Bêta		
1	(Constante)	3,85	0,118		32,506	0
	membership feeling	0,109	0,119	0,089	0,912	0,364
	understanding customers	0,31	0,119	0,255	2,603	0,011

a. Variable dépendante : engagement towards companies if they interact with you on social media

Source: Personal effort based on IBM SPSS version 21

The value of t test is significant just for the variable “understanding customers” 1.1% less than 5% unlike the variable “membership feeling” which is not significant at Alpha 5%.

As a result hypothesis one is partially confirmed.

3.2.3.2. Testing hypothesis two

H2: responsiveness influence positively customer loyalty

In order to verify this hypothesis we used regression analysis after adopting factorial analysis for question 14 and extracting the mean of question 10.

Factorial analysis for question 14:

Table 36: Correlation matrix

	V1	V2	V3	V4	V5	
Corrélation	V1	1,000	,381	,609	,605	,526
	V2	,381	1,000	,365	,421	,420
	V3	,609	,365	1,000	,612	,600
	V4	,605	,421	,612	1,000	,699
	V5	,526	,420	,600	,699	1,000
Signification (unilatérale)	V1		,000	,000	,000	,000
	V2	,000		,000	,000	,000
	V3	,000	,000		,000	,000
	V4	,000	,000	,000		,000
	V5	,000	,000	,000	,000	

Source: Personal effort based on IBM SPSS version 21

V1: jumia.dz social media pages are my favorite promotion pages.

V2: recommending social media pages to others

V3: attention to JUMIA website

V4: keep looking for information and repurchasing from jumia.dz

V5: recommending products and services to others

The correlation matrix above represents a significant correlation between variables at Alpha 5% because all coefficients are greater than 30%

Table 37: KMO index and Bartlett test

Mesure de précision de l'échantillonnage de Kaiser-Meyer-Olkin.		,840
	Khi-deux approximé	203,823
Test de sphéricité de Bartlett	Ddl	10
	Signification de Bartlett	,000

- The value of KMO test is 0.84 larger than 0.5 so factorial analysis is feasible.
- The sphericity Bartlett test is significant at 10degree of freedom thus there is significant correlation between variables.

Source: Personal effort based on IBM SPSS version 21

Table: communalities

	Initial	Extraction
V1	1,000	,636
V2	1,000	,383
V3	1,000	,670
V4	1,000	,740
V5	1,000	,696

The factors obtained from factorial analysis provide medium explanation of variances of initial variables because most of extraction values are larger than 50% and only variance of V2 (recommending social media pages to others) is explained with 38.3%.

Méthode d'extraction : Analyse en composantes principales.

Source: Personal effort based on IBM SPSS version 21

Table: Total variance explained

Composante	Valeurs propres initiales			Extraction Sommes des carrés des facteurs retenus		
	Total	% de la variance	% cumulés	Total	% de la variance	% cumulés
1	3,125	62,492	62,492	3,125	62,492	62,492
2	,708	14,162	76,655			
3	,495	9,908	86,563			
4	,386	7,715	94,278			
5	,286	5,722	100,000			

Méthode d'extraction : Analyse en composantes principales.

Source: Personal effort based on IBM SPSS version 21

Factors could be taken only if their eigenvalues are greater than 1 thus just one factor is retained in this case, which explain 62.49% of the total variance so here we a significant loss of information.

Table 38: Component matrix

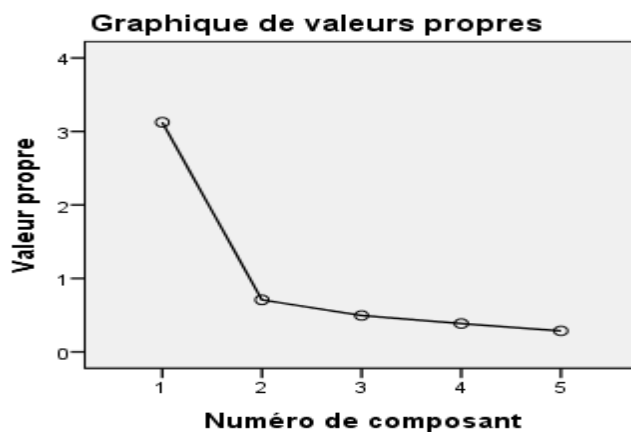
	Composante
	1
V1	,797
V2	,619
V3	,818
V4	,860
V5	,834

Based on component matrix just one factor is to be retained which is strongly correlated with all variables because these lasts are all explained by this factor with a ratio higher than 60%.

We offer this factor the label of “customer loyalty”

Source: Personal effort based on IBM SPSS version 21

Figure 49: Scree plot of eigenvalues



This diagram explains the number of factors to be retained based on eigenvalues, in this case only one eigenvalue is larger than 1 thus only one factor to be retained which confirms previous results

Source: Personal effort based on IBM SPSS version 21

**Regression analysis between factor obtained from factorial analysis of question 14
“customer loyalty” and the mean of question 10:**

Table 39: Model summery

Modèle	R	R-deux	R-deux ajusté	Erreur standard de l'estimation
1	,325 ^a	,106	,097	,95045982

a. Valeurs prédites : (constantes), responsivness

According to this table the value of R square indicates that 10% of dependent variable “customer loyalty” is explained by this model so the relationship exists but it is weak.

Source: Personal effort based on IBM SPSS version 21

Table 40: ANOVA

Table : ANOVA^a

Modèle		Somme des carrés	Ddl	Moyenne des carrés	D	Sig.
1	Régression	10,469	1	10,469	11,589	,001 ^b
	Résidu	88,531	98	,903		
	Total	99,000	99			

a. Variable dépendante : customer loyalty

b. Valeurs prédites : (constantes), responsivness

Source: Personal effort based on IBM SPSS version 21

As shown in ANOVA results table the relationship is significant at Alpha 5% because the calculated value (11.589) exceed the tabulated value (3.94) so the hypothesis which supposed that there is no association is rejected.

Table 41: coefficients

Coefficients^a

Modèle		Coefficients non standardizes		Coefficients standardizes	T	Sig.
		A	Erreur standard	Bêta		
1	(Constante)	-2,571	,761		-3,378	,001
	Responsivness	,687	,202	,325	3,404	,001

a. Variable dépendante : customer loyalty

Source: personal effort based on IBM SPSS version 21

According to the coefficients table this association is significant, and the Beta value indicates that there is positive association between responsiveness and customer loyalty.

As a result our second hypothesis “**responsiveness influence positively customer loyalty**” is confirmed

3.2.3.3. Testing hypothesis three:

H3: knowledge gains obtained from social media have positive impact on customer loyalty

In order to test this hypothesis we tried to measure indirect impact by verifying relationship between knowledge gains and satisfaction, we applied factorial analysis for question 5 and 11 than regression analysis between obtained and in the end regression analysis between question 5 and 11:

Factorial analysis of question 5:

Table 42: Correlation matrix

		V1	V2	V3	V4	V5	V6	V7	
Corrélation	V1	1,000	,641	,586	,438	,519	,331	,483	V1: satisfaction regarding website design V2: Easiness of search V3: Rapidity of answer V4: Credibility of information V5: Product quality V6: Rapidity of delivery V7: Payment system
	V2	,641	1,000	,633	,466	,487	,502	,311	
	V3	,586	,633	1,000	,571	,681	,587	,518	
	V4	,438	,466	,571	1,000	,745	,350	,418	
	V5	,519	,487	,681	,745	1,000	,383	,468	
	V6	,331	,502	,587	,350	,383	1,000	,472	
	V7	,483	,311	,518	,418	,468	,472	1,000	
Signification (unilatérale)	V1		,000	,000	,003	,001	,023	,001	
	V2	,000		,000	,002	,001	,001	,031	
	V3	,000	,000		,000	,000	,000	,001	
	V4	,003	,002	,000		,000	,017	,005	
	V5	,001	,001	,000	,000		,010	,002	
	V6	,023	,001	,000	,017	,010		,002	
	V7	,001	,031	,001	,005	,002	,002		

Source: Personal effort based on IBM SPSS version 21

In the previous table the values of correlation between variables are all larger than 30% thus all correlations are significant at Alpha 5%.

Table 43: KMO index and Bartlett test

Mesure de précision de l'échantillonnage de Kaiser-Meyer-Olkin.		,810
Test de sphéricité de Bartlett	Khi-deux approximé	120,577
	Ddl	21
	Signification de Bartlett	,000

- The value of KMO test is 0.81 larger than 0.5 so factorial analyses is feasible.
- The sphericity Bartlett test is significant at 21 degree of freedom thus there is significant correlation between variables.

Source: Personal effort based on IBM SPSS version 21

Table 44: Communalities

	Initial	Extraction
V1	1,000	,569
V2	1,000	,583
V3	1,000	,758
V4	1,000	,572
V5	1,000	,666
V6	1,000	,447
V7	1,000	,458

These variables are represented with variance greater than 44% each factor, so there is loss of information especially concerning V6 (Rapidité of delivery) and V7 (Payment system).

Méthode d'extraction : Analyse en composantes principales.

Source: Personal effort based on IBM SPSS version 21

Table 45: Total explained variance

Composante	Valeurs propres initiales			Extraction Sommes des carrés des facteurs retenus		
	Total	% de la variance	% cumulés	Total	% de la variance	% cumulés
1	4,053	57,894	57,894	4,053	57,894	57,894
2	,808	11,541	69,434			
3	,734	10,486	79,921			
4	,621	8,875	88,795			
5	,324	4,635	93,430			
6	,250	3,570	97,000			
7	,210	3,000	100,000			

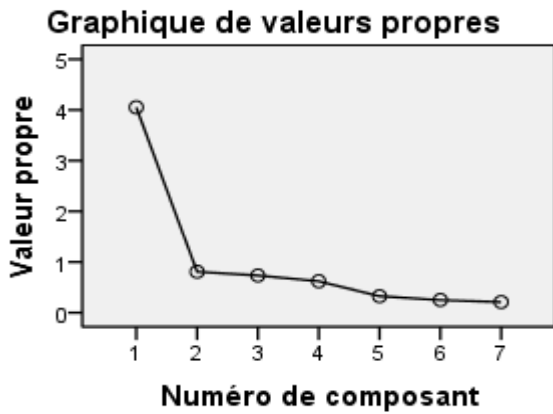
Méthode d'extraction : Analyse en composantes principales.

Source: Personal effort based on IBM SPSS version 21

Only the eigenvalue concerning factor one is larger than 1 so just one factor is to be retained.

The total variance explained by factor 1 is 57.89% so there a significant loss of information.

Figure 50: Scree plot of eigenvalues



This diagram explains the number of factors to be retained based on eigenvalues, in this case only one eigenvalue is larger than 1 thus only one factor to be retained which confirms previous results

Source: Personal effort based on IBM SPSS version 21

Table 46:Components matrix

	Composante
	1
satisfaction regarding website design	,754
Easiness of search	,763
Rapidity of answer	,870
Credibility of information	,756
Product quality	,816
Rapidity of delivery	,669
Payment system	,677

All variables are highly explained by factor one because the entire components matrix values are greater than 65%.

Source: Personal effort based on IBM SPSS version 21

Factorial analysis for question 11:**Table 47: correlation matrix**

	V1	V2	V3	V4	V5	
Corrélation	V1	1,000	,415	,392	,346	,476
	V2	,415	1,000	,405	,437	,491
	V3	,392	,405	1,000	,595	,578
	V4	,346	,437	,595	1,000	,659
	V5	,476	,491	,578	,659	1,000
Signification (unilatérale)	V1		,000	,000	,000	,000
	V2	,000		,000	,000	,000
	V3	,000	,000		,000	,000
	V4	,000	,000	,000		,000
	V5	,000	,000	,000	,000	

Source: Personal effort based on IBM SPSS version 21

V1: Providing useful information

V2: Updated content and information on social media

V3: Attractive advertising through pictures, videos and posts

V4: Quick access to information about products.

V5: Getting the latest promotional information.

There are medium correlations between variables which varied between 34% and 65% but all these correlations are significant.

Table 48: KMO index and Bartlett test

Mesure de précision de l'échantillonnage de Kaiser-Meyer-Olkin.		,820
	Khi-deux approximé	169,688
Test de sphéricité de Bartlett	Ddl	10
	Signification de Bartlett	,000

Source: Personal effort based on IBM SPSS version 21

The value of KMO test is 0.82 larger than 0.5 as a result factor analysis is appropriate method for this question.

Bartlett test of Sphericity this is significant at Alpha 5%, with the Chi square value 169.688 and the degree of freedom 10 thus the null hypothesis which assumes that there is no correlation between variables is rejected.

Table 49: Communalities

	Initial	Extraction
Providing useful information	1,000	,441
Updated content and information on social media	1,000	,497
Attractive advertising through pictures, videos and posts	1,000	,616
Quick access to information about products.	1,000	,655
Getting the latest promotional information.	1,000	,726

Méthode d'extraction : Analyse en composantes principales.

Based on this table we notice that after applying factorial analysis the percentages of variances explained by the new factors are V1 (Providing useful information) 44% and V2 (Updated content and information on social media) these variables are weakly represented by the new factors

The other values are 61%, 65% and 72% which means that these variables are better

represented.

Source: Personal effort based on IBM SPSS version 21

Table 50: Total explained variance

Composante	Valeurs propres initiales			Extraction Sommes des carrés des facteurs retenus		
	Total	% de la variance	% cumulés	Total	% de la variance	% cumulés
1	2,936	58,711	58,711	2,936	58,711	58,711
2	,729	14,580	73,291			
3	,584	11,686	84,977			
4	,433	8,651	93,628			
5	,319	6,372	100,000			

Source: Personal effort based on IBM SPSS version 21

As shown in above table only one eigenvalue is larger than 1, so only on factor to be retained with variance of 58.711% so we notice here a considerable loss of information.

Table 51: Components matrix

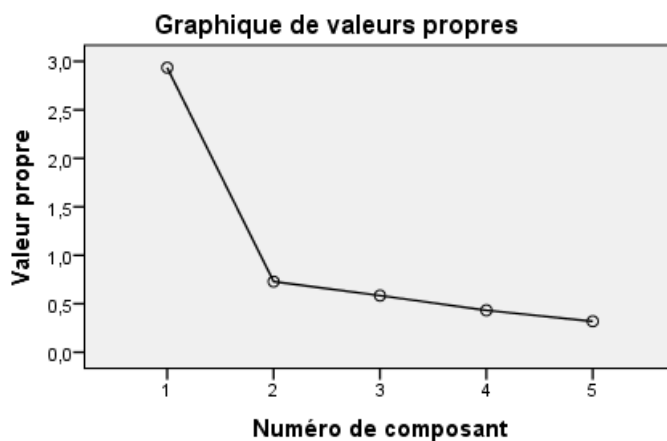
	Composante
	1
Providing useful information	,664
Updated content and information on social media	,705
Attractive advertising through pictures, videos and posts	,785
Quick access to information about products.	,809
Getting the latest promotional information.	,852

All variables of question 11 are represented with only one factor.

As we can figure there is a strong correlation between the new factor and principal components, values of these correlations are between 66% and 85% all greater than 50%.

Source: Personal effort based on IBM SPSS version 21

Figure 51: Scree plot of eigenvalues



This diagram explains the number of factors to be retained based on eigenvalues, in this case only one eigenvalue is larger than 1 thus only one factor to be retained which confirms previous results.

Source: Personal effort based on IBM SPSS version 21

Regression question 5 and question 11 :

Table 52: Model summary

Modèle	R	R-deux	R-deux ajusté	Erreur standard de l'estimation
1	,340 ^a	,115	,090	,95393421

a. Valeurs prédites : (constantes), information obtained from social media

According to this table the value of R square indicates that 11.5% of dependent variable “customer loyalty” is explained by this model so the relationship exists but it is weak.

Source: Personal effort based on IBM SPSS version 21

Table 53: ANOVA

Modèle		Somme des carrés	Ddl	Moyenne des carrés	D	Sig.
1	Régression	4,150	1	4,150	4,561	,040 ^b
	Résidu	31,850	35	,910		
	Total	36,000	36			

a. Variable dépendante : satisfaction toward purchasing experience

b. Valeurs prédites : (constantes), information obtained from social media

Source: Made by the student based on IBM SPSS version 21

As shown in ANOVA results table the relationship is significant at Alpha 5% because the calculated value (4.561) exceed the tabulated value (4.11) so the hypothesis which supposed that there is no association is rejected.

Table 54: Coefficients

Modèle		Coefficients non standardizes		Coefficients standardizes	T	Sig.
		A	Erreur standard	Bêta		
1	(Constante)	,088	,162		,544	,590
	information obtained from social media	,312	,146	,340	2,136	,040

a. Variable dépendante : satisfaction toward purchasing experience

Source: Personal effort based on IBM SPSS version 21

According to the coefficients table this association is significant, and the Beta value indicates that there is positive association between information obtained from social media and satisfaction toward purchasing experience.

Regression between question 5 and customer loyalty:

Table 55: Model summary

Modèle	R	R-deux	R-deux ajusté	Erreur standard de l'estimation
1	,664 ^a	,440	,424	,93818322

a. Valeurs prédites : (constantes), satisfaction toward purchasing experience

The value of R square in this table indicates that 44% of dependent variable "customer loyalty" is explained by this model.

Source: Personal effort based on on IBM SPSS version 21

Table 56: ANOVA

ANOVA^a

Modèle	Somme des carrés	Ddl	Moyenne des carrés	F	Sig.
1 Régression	24,251	1	24,251	27,552	,000 ^b
1 Résidu	30,807	35	,880		
Total	55,057	36			

a. Variable dépendante : customer loyalty

b. Valeurs prédites : (constantes), satisfaction towards purchasing experience

source : Personal effort based on IBM SPSS version 21

As shown in ANOVA results table the relationship is significant at Alpha 5% because the calculated value (27.552) exceed the tabulated value (4.11) so the hypothesis which supposed that there is no association is rejected.

Table 57: Coefficients

Modèle	Coefficients non standardizes		Coefficients standardisés	t	Sig.
	A	Erreur standard	Bêta		
1 (Constante)	,220	,154		1,429	,162
1 satisfaction toward purchasing experience	,821	,156	,664	5,249	,000

a. Variable dépendante : customer loyalty

Source: Personal effort based on IBM SPSS version 21

According to the coefficients table this association is significant, and the Beta value indicates that there is positive association between satisfaction toward purchasing experience and customer loyalty.

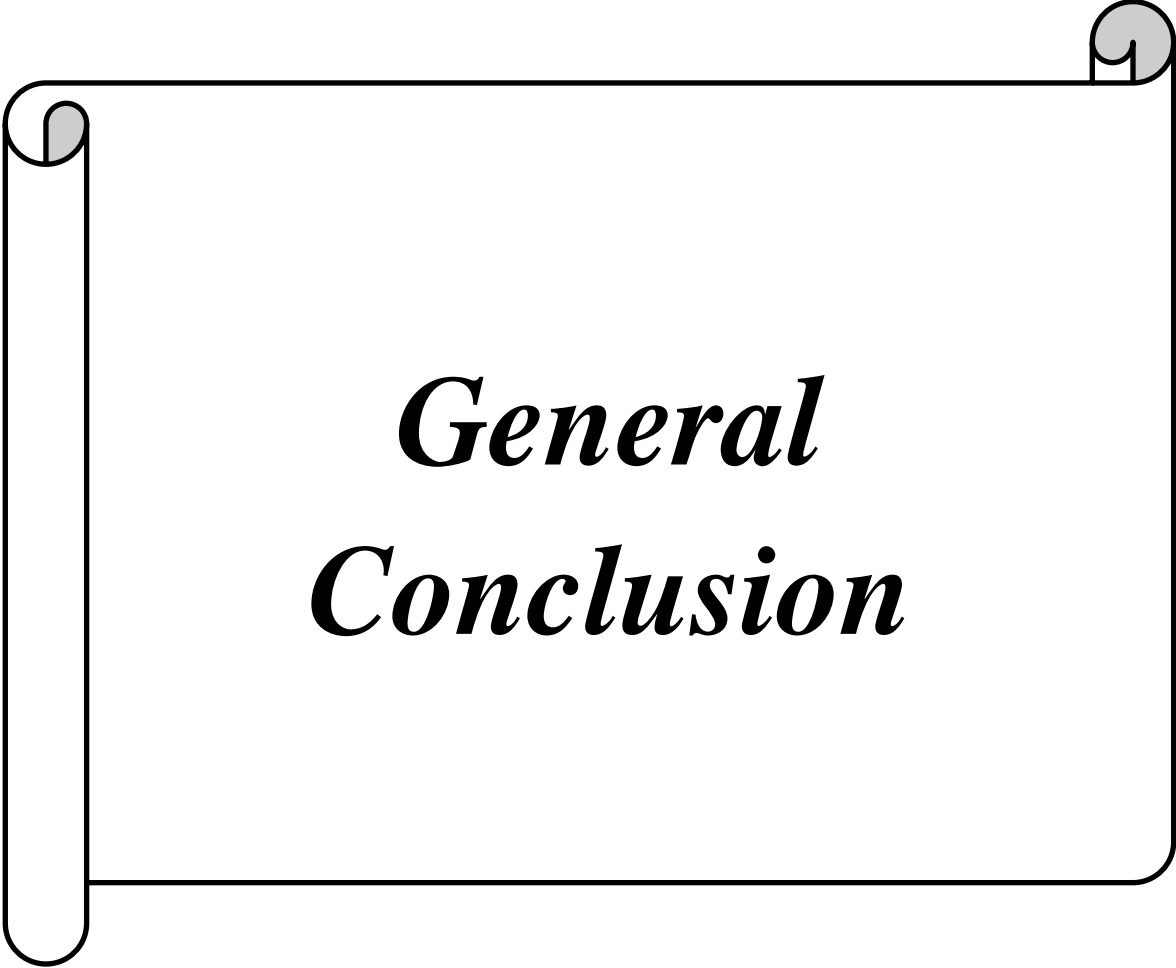
Based on these results there is an indirect influence between information obtained from social media and customer loyalty with intermediation of satisfaction.

Recapitulation of results:

Concerning hypothesis one “sense of membership has positive impact on customer engagement” it is partially confirmed because 50% of respondents strongly agreed that being listened on social media communities creates favorable attitudes towards the company and 45% of answers argue that understanding needs through social media communities influences positively customer attitudes toward the company and most of customers 67% feel more engaged with companies which interact with them on social media.

The second hypothesis is “responsiveness influence positively customer loyalty”. It has been asserted because most respondents 80% prefer having responses whatever the nature comment was, also the majority prefer being rewarded for positive interaction and having convenient and rapid responses to complains and problems.

Finally the third hypothesis, which is “knowledge gains obtained from social media have positive impact on customers’ loyalty”, it has been indirectly proven because we exploit the famous relationship between loyalty and satisfaction, we noticed that most of respondents are satisfied with their purchasing experiences from JUMIA Algeria and their willingness to purchase more rises if the company provides high quality information.



***General
Conclusion***

General conclusion

Social media has progressed in importance over the last decade, statistics and facts shows multiplication in numbers of social media users year to year, it has transformed the way of communication between people and also between customers and companies thus it is a rich resource for companies to enhance and develop their old fashioned communication channels.

The current study entitled “Building customer loyalty through social media” is not concerned by the only communication through social media but it investigates its role in retaining and maintaining customers, in other words building loyalty. The main preoccupation of this study is to find answers to this problematic “To what extent do social media improve customer’s loyalty? In other words how does digital communication through social media consolidate customers’ loyalty?”

The purpose behind this study is to check the link between social media and customer loyalty and also to highlight the importance of social media to Algerian companies in order to capture more from this opportunity. Another reason of this research is to attract attention of students to work on this rich domain and develop new strategies and theories to serve economy and humanity.

As the theoretical foundations we have seen in this research “general notions on customer loyalty” as first chapter in which we explained the basics of customer loyalty, determinants of customer loyalty and strategies and tools for improving customers’ loyalty. In the second chapter we have seen social media as a tool in building customers’ loyalty. It includes basics of the web and digital communication, social media as a new tool of digital communication, and the role of social media on building e-loyalty.

The empirical part of our study found out that the first hypothesis which is “Sense of membership through social media communities has positive impact on customer engagement”. It is partially confirmed because when applying linear regression analysis not all results were significant. Concerning hypothesis two which is “Responsiveness on social media pages influences customers’ loyalty positively” it has been confirmed because linear regression has shown significant association between responsiveness and customers’ loyalty. Finally the third hypothesis, which is “Knowledge gains obtained from social media have positive impact on customers’ loyalty” it has been verified in indirect way because we discovered a significant relationship between knowledge gains and satisfaction and another significant relationship between satisfaction and customers’ loyalty. Based on these final

General conclusion

results we conclude that the relationship between communication through social media and customers' loyalty exist even if it is weak, partial or indirect.

At the end of this research after investigating our assumption and according to experience collected during internship, we can suggest the following recommendations to JUMIA Algeria:

- Offering unforgettable purchasing experience by respecting high quality, originality of products and ensuring better delivery service with minimum period of time between the order and its delivery.
- Providing credible and up to date information about products and services through social media websites.
- Interacting more with customers and resolving their complains and problems with the company in order to engage them, spread positive image and avoid negative word of mouth.
- Managing communities better and build up strong relationships between members and the company.
- Working more on loyalty programs and coordinating between social media strategies and loyalty programs and including top social media followers in loyalty and rewarding programs.

As any other research the accomplishment of this study faced many problems and it also has its limits. So during our humble work we were in front of many difficulties, we can mention some of them:

- Limited or non-existence of references in English language in Algerian university libraries and also limited statistics about digital communication and e-commerce in Algeria.
- Our sample wasn't random because we couldn't have access to the data base of customers or followers on social media and due to the small sample of respondents compared with the huge number of JUMIA followers we are not able to generalize results.
- Difficulty of obtaining documents and information from JUMIA Algeria because most of them are confidential.

General conclusion

As research directions on this context, studies can be conducted on developing strategies to engage customers through social media because every company has access to social media and can connect with its customers but not all of them have the optimal strategy to manage their social media pages and accounts. Another important topic to study in the future is the impact of social media influencers on customers' decision making so the suggested problematic would be:

- How to build a social media strategy that ensures followers loyalty?
- To what extent social media influencers affect customers' decision making?

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Appendices

Appendix01:

Questionnaire:

Dear Madame/ Sir, this questionnaire is established during a study for the achievement of master degree in marketing and communication, under the topic of “building customer loyalty through social media”, it will takes of you just few minutes to answer this questions, thank you for your collaboration.

Q1: From the following social media choose those which you usually use:

Facebook

Twitter

LinkedIn

YouTube

Instagram

Others:

Q2: How much time do you spend usually on social media per day?

Less than 1 hour

1 hour to 2 hours

More than 2 hours

Q3: Do you usually use e-commerce sites to:

Do your purchases

Look for information about brand

Comparing prices

Discovering new products

Others:

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Q4: How often do you shop online?

At least once a week

1-3 times per month

5-10 times per year

Other.....

Q5: have you ever bought a product or service from JUMIA DZ?

Yes

No

If yes, indicates your degree of satisfaction regarding the criteria listed in the following table:

	Not satisfied at all	Not satisfied	Neutral	satisfied	Very satisfied
Website design					
Easiness of search					
Rapidity of answer					
Credibility of information					
Product quality					
Rapidity of delivery					
Payment system					

Q6: In which of the following social media do you follow Jumia.dz?

Facebook

YouTube

Instagram

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Q7: Express your degree of agreement or disagreement with this statement “companies that use social media in their communication with their customers are more favorable for me over those that do not”.

Strongly disagree Strongly agree

Q8: Pick from the following elements those that you think are required to improve customer loyalty?

Quality and price of products

Relationship between the customer and the company

Effective customer loyalty programs

Others:

Q9: do you feel more engaged with companies if they interact with you on social media:

Not at all Absolutely

Q10: to what extent do you agree with the following statements concerning interaction with customers on social media?

	Strongly disagree	Disagree	Undecided	Agree	Strongly agree
Responding to all comments					
Deleting negative comments to protect image of the company					
Thanking followers for positive comments					
Inquiring for negative comments and providing solutions					

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Q11: Using the scale provided in the table, cross the cell that best represents your answer

This is likely to increase my repurchase frequency:

	Not at all	Slightly	moderately	Very	Absolutely
Providing useful information					
Updated content and information on social media					
Attractive advertising through pictures, videos and posts					
Quick access to information about products.					
Getting the latest promotional information.					

Q12: Communities on social media contribute in building favorable attitudes towards Jumia.dz; indicate your degree of agreement or disagreement with regard to the following statements:

	Strongly disagree	Disagree	undecided	Agree	Strongly agree
You feel strong ties to other members					
You feel emotionally attached to these communities					
You find it easy to form bond with other members					
Listening to your opinions about products and services makes you feel more important					
Your needs are better understood by the company					

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Q13: Do you feel more engaged with Jumia.dz if they respond to your comments and provide solutions to your complaints?

Not at all Absolutely

Q14: To what extent do you agree with the following statements?

	Not at all	Slightly	Moderately	Very	Absolutely
I believe that jumia.dz social media pages are my favorite promotion pages.					
I recommend jumia.dz social media pages to other people because it includes useful and interesting information					
I pay more attention to jumia.dz products than other e-commerce websites due to its social media pages.					
I am more interested in jumia.dz products than other e-commerce websites.					
I keep always asking for information and purchasing from Jumia.dz					
I am ready to recommend jumia.dz products and services to friends, family and other people.					

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Personal information:

Q15: What is your gender?

Male

Female

Q16: What is your age?

<18

18-29

30-49

>50

Q17: what is you educational level?

Middle school or less

Secondary school

Higher education

Q18: what is your current profession?

Employed

Unemployed

Student

Retired

Free work

Appendices

Appendix 02:

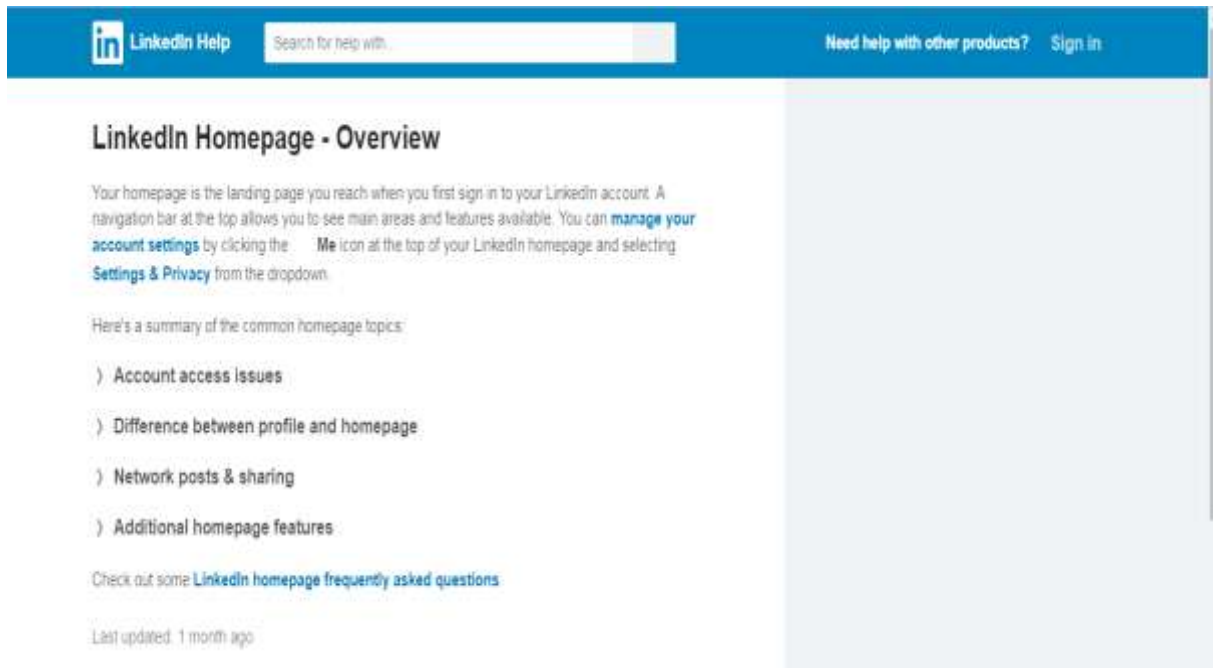


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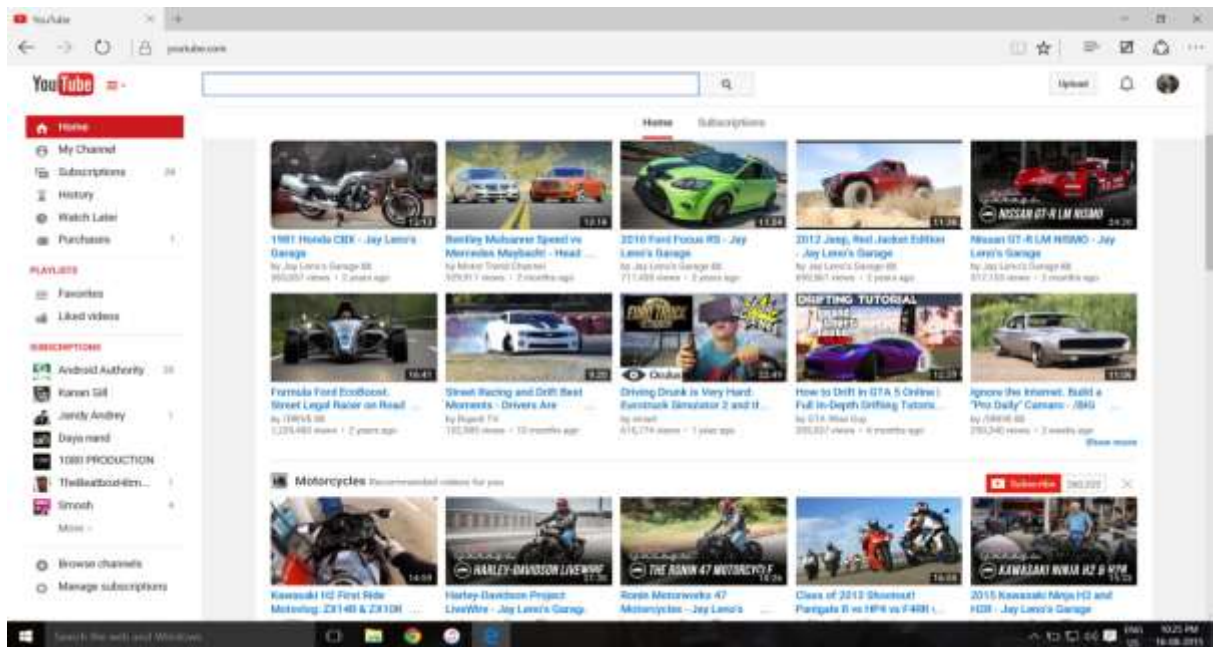


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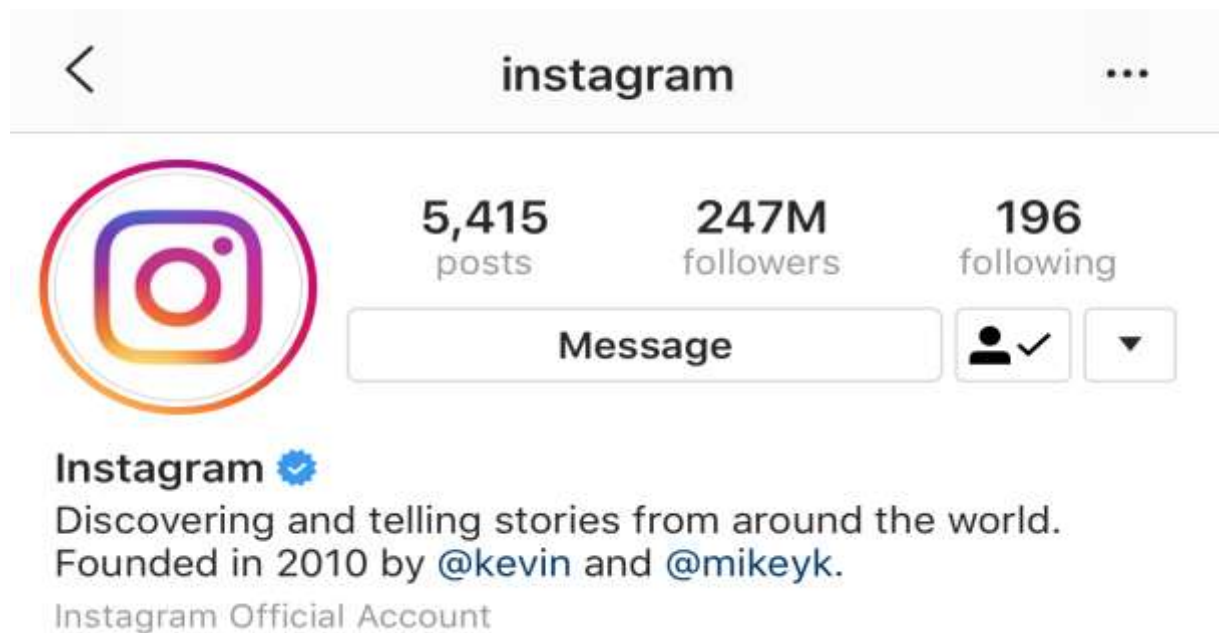


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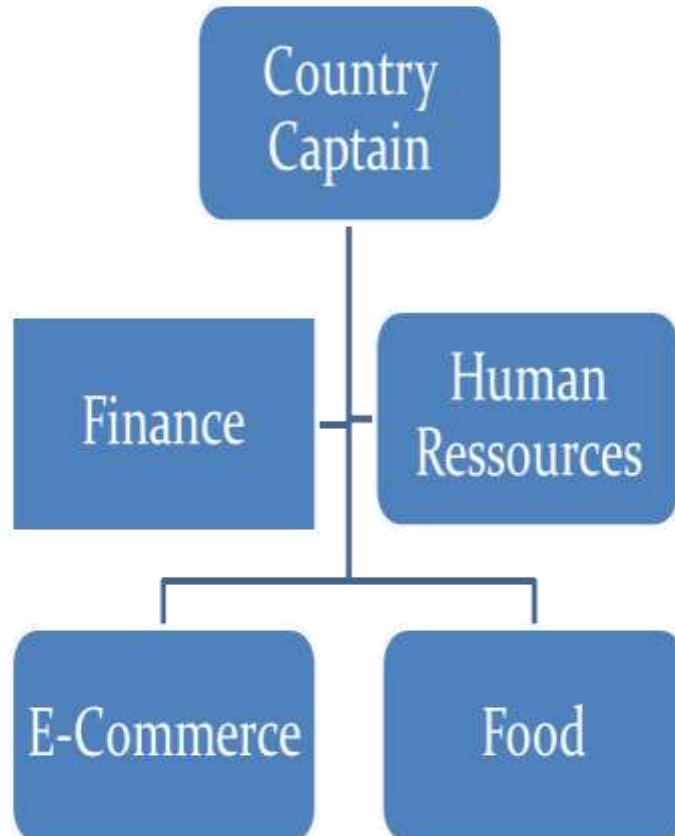


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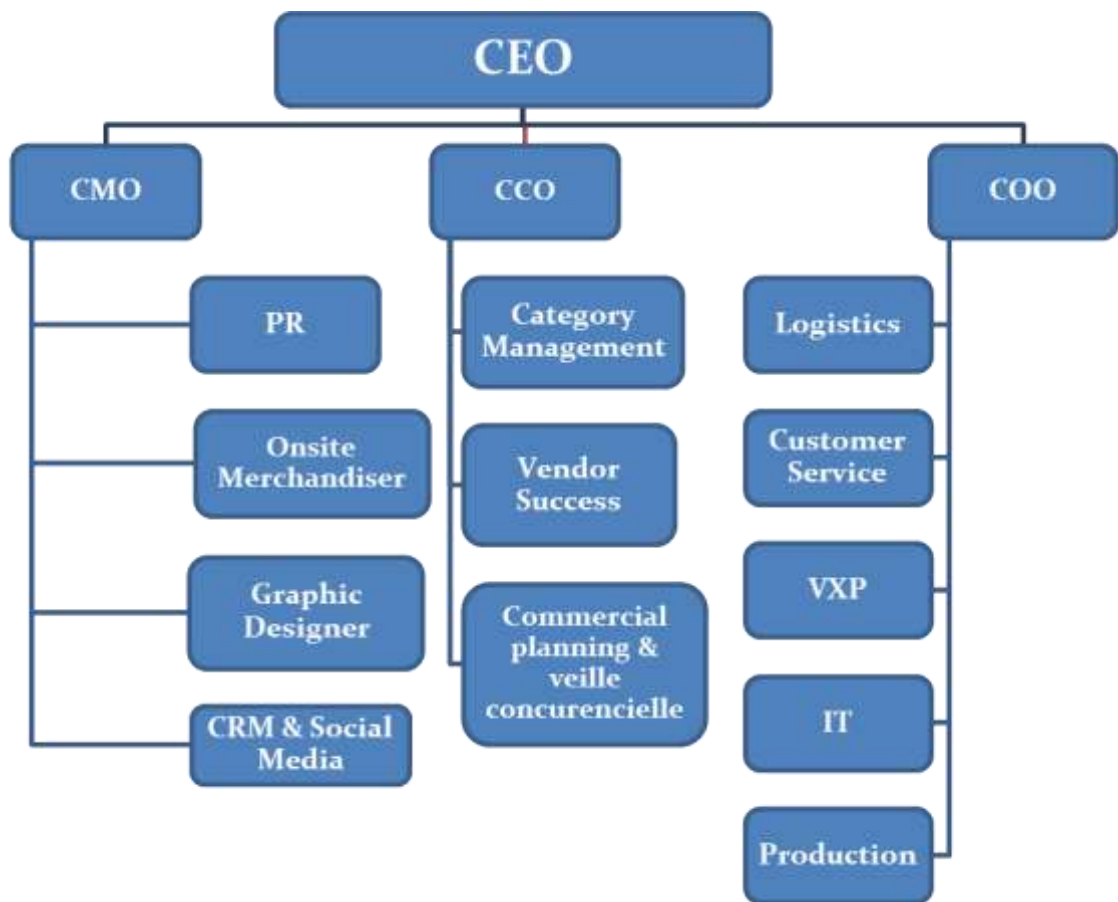


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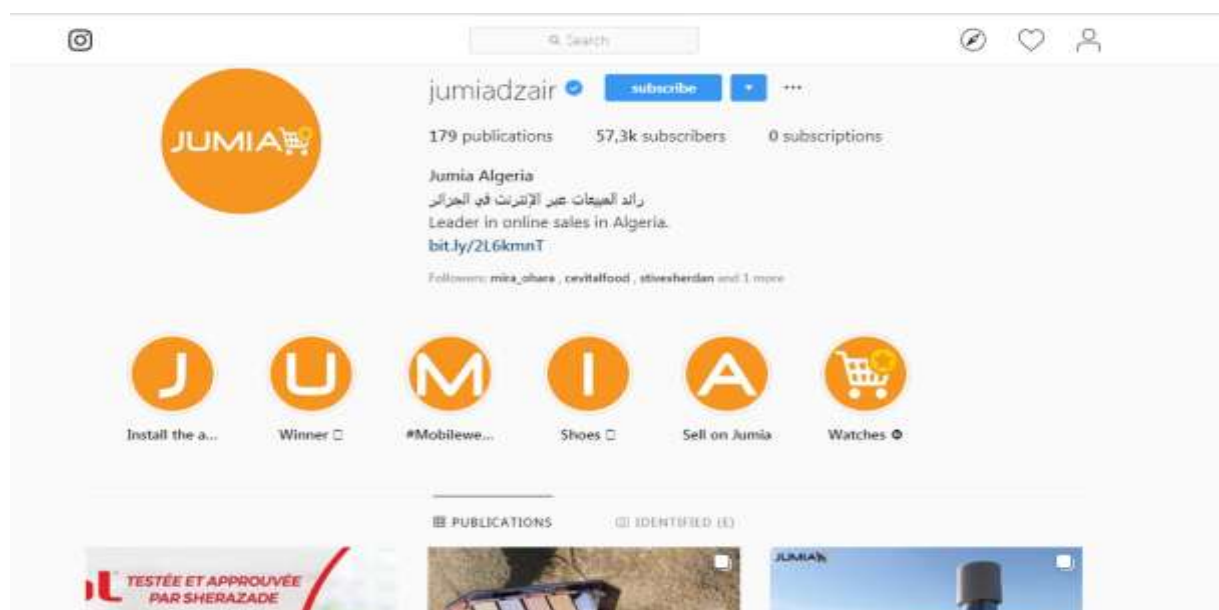


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Appendix 09:

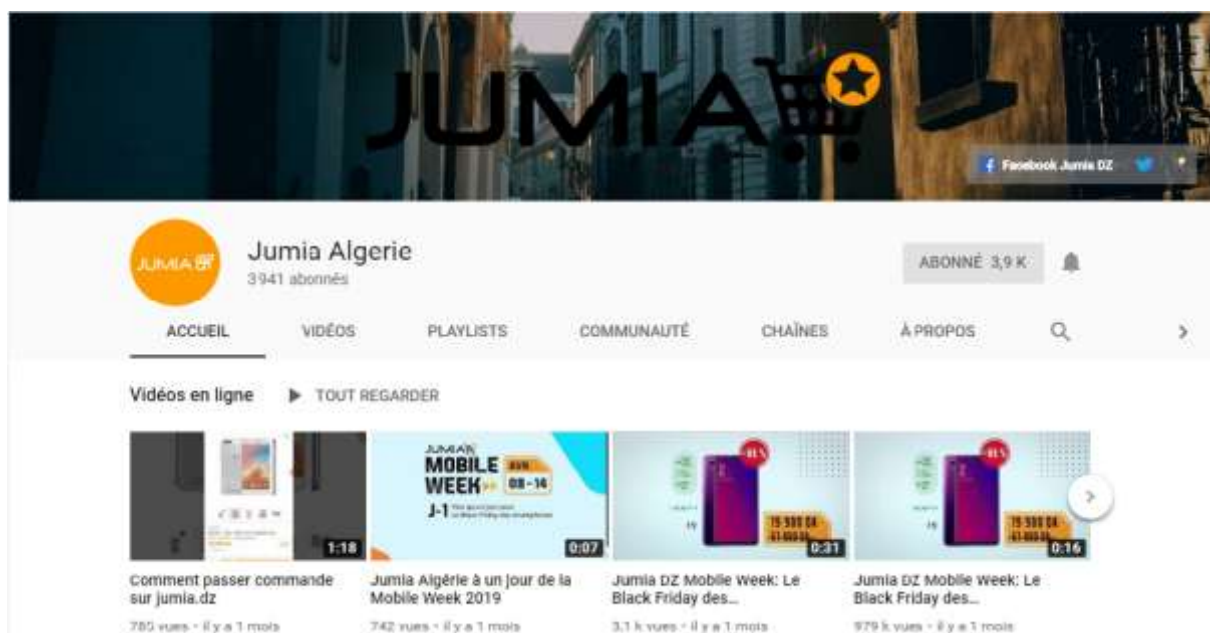


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