

Digital Marketing Effect on Customer Satisfaction: A Cross Sectoral Study in Nigeria

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Abstract

This study determined the effect of digital marketing on customer satisfaction using a cross sectional survey in Lagos, Nigeria. The Yamane formula predicted 400 sample population while 400 questionnaires were distributed, although 347 questionnaires were successfully filled and returned. The questionnaire was subjected to different analyses such as frequency, factor, regression, and correlation. From the analysis, it was found that customers use digital technology daily and they prefer social media marketing as a means of digital marketing and believed digital marketing does not impact negatively. It was also found that efficiency and effective management of digital marketing satisfies customer and make them feel satisfied when they purchase products online especially when the quality of the product is exceptional. More so, it was concluded that customer satisfaction and mobile marketing has a significant positive correlation, customer satisfaction and email marketing has a significant positive correlation, customer satisfaction and social media marketing has a significant positive correlation, and customer satisfaction and search engine marketing has a significant positive relationship.

Keywords: Digital Marketing, Customer Satisfaction, Email Marketing, Search Engine Marketing, and Social Media Marketing

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I. Introduction

Digital marketing is one of the most essential aspects of the modern business organization which plays a vital role in improving the loyal customer base of the organization. Proper and efficient management of digital marketing would not only enhance the status and boost the image of the organization but would also build and enhance good business organization-customer relationship which will resort to better customer satisfaction. Digital marketing offers an organization cost efficiency and enable marketers the need for frequent and interactive communication with their customers and likewise offers consumer an access to information any day, anytime and anyplace (Onobrakpeya & Mac-Attama, 2017). As a result of the rapid growth in business opportunities, the variety of products available on the internet is growing day after day, and online purchases have emerged as among the most prominent and venerable services available on the internet. Both consumers and companies benefit greatly from online shopping. Businesses have been able to hit and tap customers from both metro cities and rural areas at a significantly lower cost due to digital marketing (Leamer & Storper, 2014). Businesses are eager to emulating the emerging media platform because it has introduced new dynamics to corporate operations and is often viewed as an essential weapon for business growth. Surprisingly, despite the apparent benefits of allowing businesses to stay in contact with their clients and service them effectively, the use of new technology to improve customer loyalty has gained little consideration. Interestingly, in the light of the conceptual change from transactional marketing to relationship marketing, customer satisfaction has recently received considerable attention. Meanwhile, customers have varying desires and expectations about how they wish to be addressed. As a result, very few organizations meet the needs of every prospective customer in the same way. It is often difficult to please targeted classes of consumers in service contexts. Customers also encounter and communicate with one another, influencing one another's perceptions of the service. As a result, to maintain a strong consumer experience, the company can interact with consumers in a variety of ways. It is important to create a consumer division to keep track of a different focused category of consumers. It is also essential to mention that consumers who have a relationship with a company vendor often want to be known and handled personally, even though they are part of a wider segment.

II. Review of Related Studies

In a study conducted by Haque and Khatibi (2007), they surveyed on internet marketing impact on satisfaction in Malaysia. The regression analysis revealed that positive association-ship exist between internet marketing and customer satisfaction. Dushyenthan (2012) wrote on the impact of interactive marketing on customer satisfaction in SriLanka using primary data of quantitative research. The regression analysis was employed and found that significant positive relationship exists between interactive marketing and customer satisfaction. Kiplang and Mukhongo (2015) investigated online marketing effects on sales among the Kenyan service communication. Questionnaires were used to gather data, which was then entered into an Excel spreadsheet for tabulation and presentation. In assessing and presenting the data obtained, descriptive statistics were used and found that customers who are more innovative and educated about the internet and its applications are more likely to purchase via internet. In the same view, Srivastava and Chopra (2016) studied e-marketing impact on the behavior of the customer in India. Descriptive analysis was used on the data collected from the respondents. The study found e-marketing exhibits a positive impact on customer behavior. Onobrakpeya and Mac-Attama (2017) carried out a survey on customer satisfaction and digital marketing among the deposit money banks in Nigeria. Questionnaire was distributed to 214 bank employees and used regression analysis and correlation analysis. They reported that e-mail marketing is the most significant internet marketing content of customer satisfaction in Nigeria. Sharif and Butt (2017) studied the connection between e-biz and e-marketing on satisfaction in Pakistan. They used a content analysis and reported that e-marketing affects customer satisfaction. Panchal (2018) conducted research on digital marketing in India where questionnaire was used to gather information from the chosen audience. Descriptive analysis was employed and found that a positive relationship exists between satisfaction level of the consumer and online purchase.

Furthermore, Nuseir (2018) examined digital marketing and the performance SMEs in UAE. Content analysis and empirical review were conducted in the study and reported that digital marketing increases the chances for consumers to have many options to purchase from any SMEs. Khandelwal, Sharma, Varshney and Dagur (2018) conducted a survey on the analysis digital content on internet shopping in India using descriptive analysis and structural equation modeling. It was revealed that digital content a significant impact on customer satisfaction. Singh (2019) studied digital marketing innovative within the banking sector in India. Questionnaire was used as a source of data collection and employed structural equation modeling and regression analysis. The study found that positive relationship exists between digital marketing and sales performance. Hasanata, Hoqueb, and Hamid (2019) wrote on the relationship between digital marketing and satisfaction of the customer through customer relationship management in Malaysia. The correlation analysis reported that positive association-ship exists between e-digital marketing and satisfaction through the help of CRM. Ayoola and Ibrahim (2020) investigated e-marketing effects on the satisfaction of the customer in Nigeria. The survey employed quantitative research using questionnaire to collect data from the respondents. The statistical analysis used was regression analysis and they reported that e-marketing exhibits positive significant effect on customer satisfaction. Mazgebe (2020) carried out a survey on e-marketing effect on customer satisfaction in Ethiopia. 260 questionnaires were distributed and used correlation analysis and regression analysis. The study found that e-marketing variables are moderately connected with satisfaction.

III. Study Method

This study was a cross sectional survey where the instrument was distributed among the population sampling in Nigeria. Since it was a cross sectional survey, a commercial state in the Southwest, Nigeria was purposively chosen. This study conveniently chose Lagos state, Nigeria because the state was previously the largest city in Nigeria though second on the list (CBN bulletin, 2019) and has the fourth-highest GDP in Africa. The population as of 2016 was 12,550,598. This study sample used Yamane (1973) formula to obtain the sample size. The formula is specified as:

$$n = \frac{N}{1+N(e)^2}$$

Where:

n = Sample size

N = Population

e = alpha level

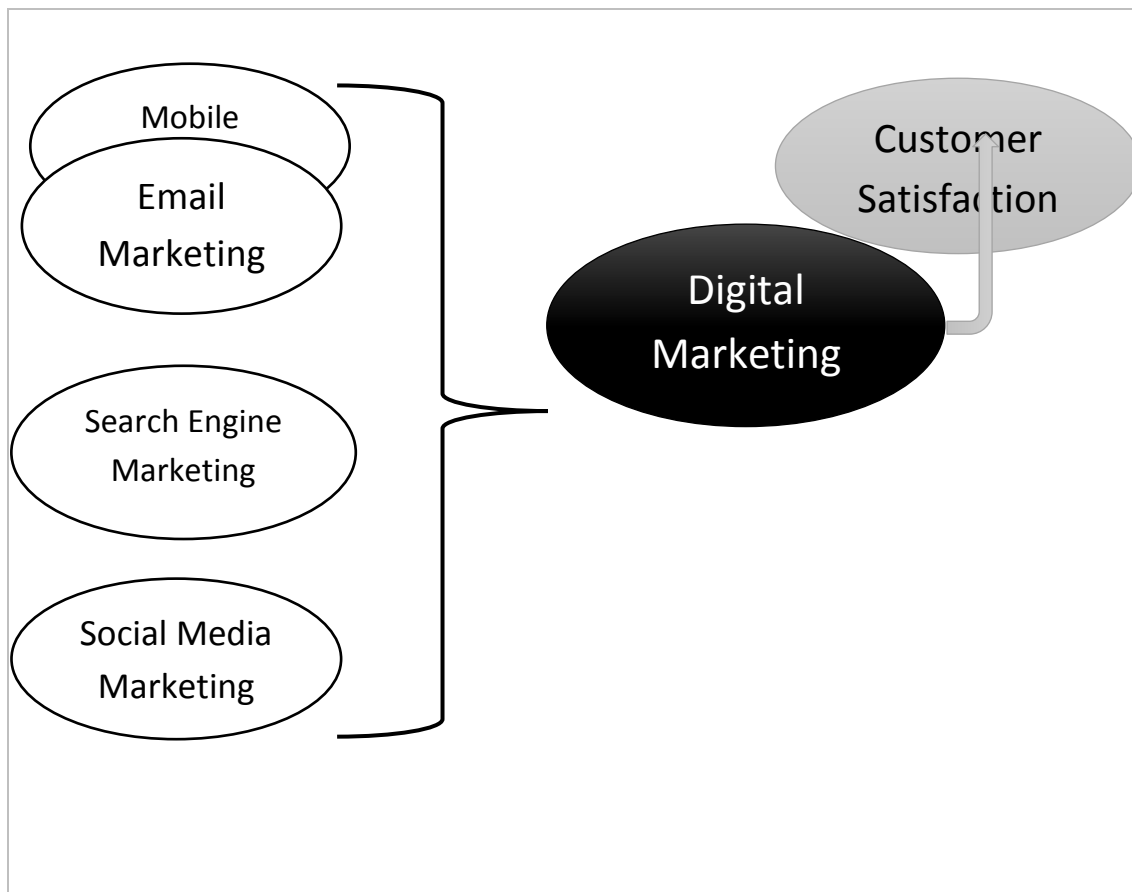
$$n = \frac{12,550,598}{(12,550,599)0.0025}$$
$$n = \frac{12,550,598}{31,376.49}$$
$$n = 400$$

The sample size is 400

Conceptual Framework

The conceptual framework refers as the perspective of how the variables in a study relate to one another. As a result, it determines the variables needed for the study inquiry. It serves as the researcher's "roadmap" for furthering the inquiry.

The study conceptual framework is presented as



Source: Author's Design

The design above shows the connection between the variables that is digital marketing and customer satisfaction. Digital marketing is used as the control variable where mobile marketing, email marketing, search engine marketing and social media marketing are used as digital marketing variable on the satisfaction of the customer.

Study Model

A single function model was employed which was presented in functionality and mathematical forms. The model was shown as:

$$CSN = f(MMT, EMT, SEMT, SMMT)$$

Where:

CSN – Customer Satisfaction

MMT – Mobile Marketing

EMT – Email Marketing

SEMT – Search Engine Marketing

SMMT – Social Media Marketing

$$CSN = \beta_0 + \beta_1 MMT + \beta_2 EMT + \beta_3 SEMT + \beta_4 SMMT + \epsilon$$

β_0 = Intercept

$\beta_1 - \beta_4$

IV. Result Discussion

Reliability

Table 1: Reliability Statistics Guttman Test

	1	.737
	2	.789
Lambda	3	.767
	4	.697
	5	.767
	6	.819
N of Items		25

Source: Writer’s Input

The reliability test using the Guttman statistic presented in the above Table shows that at Lambda 1, the value is 0.737(73.7%), the second Lambda has the value of 0.789(78.9%), the third Lambda shows 0.767(76.7%), while the fourth, fifth and sixth are 0.697(69.7%), 0.767(76.7%), and 0.819(81.9%) respectively. The Guttman test revealed that the scaling measurement are reliable since all the values are close to 1.

Explore – Normality

Table 22: Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk			
	Statistic	df	Sig.	Statistic	df	Sig.	Sig.
Customer Satisfaction	.340	347	.000	.756	347	.000	.000
Mobile Marketing	.387	347	.000	.700	347	.000	.000
Email Marketing	.348	347	.000	.766	347	.000	.000
Social Media Marketing	.347	347	.000	.761	347	.000	.000
Search engine Marketing	.356	347	.000	.733	347	.000	.000

Source: Writer’s Input

The normality test presented in Table 33 shows the analysis of Kolmogorov-Smirnov and Shapiro-Wilk. It was reported that the variables are statistically significant since all the variables significant values are less than 5% and 1% respectively. It also indicates that the variables are normality distributed.

Regression Method

Table 3: ANOVA

	SS	df	MS	F	Sig.
Regression	38.438	4	9.610	38.113	.000
Residual	86.230	342	.252		
Total	124.669	346			

Source: Writer’s Input

The ANOVA test reveals the SSR value of 38.438, with residual value of 86.230, the mean square regression and residual values are 9.610 and 0.252, while the F-stat value and the sig value are 38.113 and 0.000. This indicates that the control variables can jointly impact on the dependent variable (Customer satisfaction).

Table 44: Coefficients

Customer Satisfaction	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.757	.283		2.675	.008
Mobile Marketing	.361	.055	.321	6.608	.000
Email Marketing	.080	.051	.081	1.558	.120
Social Media Marketing	.067	.052	.066	1.296	.196
Search engine Marketing	.307	.054	.289	5.701	.000

Source: Writer’s Input

Hypotheses Testing

H₀₁: Mobile marketing exhibits a negative effect on customer satisfaction in Nigeria

	Coef.	Sig
Mobile Marketing – Customer Satisfaction	.361	0.000

Decision Rule

Since the coefficient of mobile marketing is 0.361 with sig value of 0.000, the null hypothesis is rejected while the alternative hypothesis is accepted, that mobile marketing exhibits a positive effect on customer satisfaction significantly.

H₀₂:There is a negative relationship between e-mail marketing and customer satisfaction in Nigeria

Coef.	Sig
Email Marketing – Customer Satisfaction	.080 0.120

Decision Rule

With the coefficient value of 0.080 and sig value of 0.120, the null hypothesis is rejected while the alternative hypothesis is accepted, that email marketing exhibits a positive effect on customer satisfaction but not significant.

H₀₃:Search engine marketing has negative effect on customer satisfaction in Nigeria

Coef.	Sig
Search engine marketing – Customer Satisfaction	.307 0.000

Decision Rule

Since the coefficient of search engine marketing is .307 with sig value of 0.000, the null hypothesis is rejected while the alternative hypothesis is accepted, that search engine marketing exhibits a positive effect on customer satisfaction significantly.

H₀₄:There is a negative effect of social marketing on customer satisfaction in Nigeria

Coef.	Sig
Social media marketing – Customer Satisfaction	.067 0.000

Decision Rule

Since the coefficient of mobile marketing is 0.067 with sig value of .196, the null hypothesis is rejected while the alternative hypothesis is accepted, that social media marketing exhibits a positive effect on customer satisfaction but not significant.

Correlation

Table 55: Correlation

	Customer Satisfaction	Mobile Marketing	Email Marketing	Social Media Marketing	Search engine Marketing
Customer Satisfaction	1	.443**	.296**	.240**	.438**
Mobile Marketing	.443**	1	.292**	.120*	.312**
Email Marketing	.296**	.292**	1	.421**	.322**
Social Media Marketing	.240**	.120*	.421**	1	.348**
Search engine Marketing	.438**	.312**	.322**	.348**	1

Source: Writer’s Input

The result of the correlation analysis reveals that customer satisfaction and mobile marketing has the coefficient value of 0.443 and the sig-value of 0.000, meaning that customer satisfaction and mobile marketing has a significant positive correlation. Furthermore, customer satisfaction and email marketing has the coefficient value of 0.296 and sig-value of 0.000, implying that customer satisfaction and email marketing has a significant positive correlation. More so, the correlation between customer satisfaction and social media marketing has the coefficient value of 0.240 and sig-value of 0.000, indicating that customer satisfaction and social media marketing has a significant positive correlation. Finally, the report showed that customer satisfaction and search engine marketing has the coefficient value of 0.438 with sig-value of 0.000, meaning that customer satisfaction and search engine marketing has a significant positive relationship.

V. Conclusion

It was concluded that efficiency and effective management of digital marketing satisfies customer and make them feel satisfied when they purchase goods online especially when the quality of a product is exceptional. It was also concluded that timely delivery stimulates loyalty for a product patronage while wireless mobile communication makes product easier to access and mobile app offers the opportunity for marketers to

reach the customers. Furthermore, it was concluded that buying product via mobile device is most convenient and faster and online advertisement through mobile has increased the value of digital marketing. More so, it was concluded that customer satisfaction and mobile marketing has a significant positive correlation, customer satisfaction and email marketing has a significant positive correlation, customer satisfaction and social media marketing has a significant positive correlation, and customer satisfaction and search engine marketing has a significant positive relationship.

Recommendations

The study recommended that:

- i. All business ventures including that of the infant businesses are encouraged to emulate the use of digital technology to operate convenient business transactions and for product feedback review.
- ii. Marketers using digital marketing platforms should endeavor to review their product mailing box on a regular interval for customer complaints.

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