The Effect of Social Media on Customer Loyalty of Insurance Industry in Cameroon

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Abstract
This study examined the effect of social media on customer loyalty of the Cameroonian insurance industry. Primary data was used which was sourced from the customers of insurance companies in Cameroon. The 210 returned questionnaires were analyzed with frequency analysis, correlation analysis and regression analysis. The findings showed that email marketing has the coefficient value of 0.253, std value of 0.074, t-value of 3.443 and sig-value of 0.001, implying that email marketing is positively and significantly to influence customer loyalty. The coefficient value of internet advertising was -0.015, std value 0.073 t-value of -0.212 with sig-value of 0.832, indicating that internet adverting was negative and not significant to influence customer loyalty. Social media marketing has the coefficient value of 0.005, std value of 0.073, t-value of 0.065 with sig value of 0.948, this connotes that social media marketing could impact positively on customer loyalty but not significant. It was concluded that email marketing was positive and significant to influence customer loyalty, internet adverting revealed negative and insignificant to influence customer loyalty, social media marketing could impact positively on customer loyalty but not significant.

Keywords: Social Media, Customer Loyalty, Insurance Industry, and Email Marketing

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I.   Introduction

Social media is used as one of the new and most relevant e-marketing devices in the present time. The main feature of social media today helps users to compare products, make suggestions to friends and connect existing sales to future buyers through status notifications and feeds (Yogesh & Yesha, 2014). Social media gives consumers transparency for the purpose of understanding their preferences and desires and influencing their buying decisions (Iblasi, Bader & Al-Qreini, 2016). Social media has created an immersive marketing tool. Social media are the technologies designed to communicate and transmit information on the internet via social networking sites, they have very high usability and they have used adaptive dissemination methods (Khaniki & Babaie, 2011). Social networks typically consist of personal or corporate entities that link to one another by one or more connections and demonstrate the crucial role of communication competence within a dynamic knowledge society. Perhaps their rising popularity is due to a common scent (Rahmanzadeh, 2010). Gordhamer, (2009) explained that social media is distinct from conventional marketing, and it's related to marketing relationships that rely on marketing strategy and loyalty.

Attempting to attract customer interest and retaining the loyalty is now deemed a difficulty in competitive market. Considering the rate of internet usage in the universe and the general usage of such devices, particularly among young generations, as well as the growth of social networks in digital world in terms of their roles and the impressibility of people from the same category in this area, it is obvious that social media marketing must be observed and prepared for. A loyal client makes constant purchases, buys through product lines, recommends the corporate goods to others, and shows resilience to lift the competition. Many scholars have established various aspects of customer loyalty towards the relevant corporate's goods and services. Consumer loyalty has been undertaken by many scholars for several decades regarding how customer is being satisfied about product services in the service industry (Parasuraman & Grewal, 2000). It's a marketing tactic to increase customer satisfaction and develop customer interest in the process (Smith, 2015). Loyalty as a complex concept involves a collection of behaviors, consumer perceptions and outcomes of business growth (Myftaraj & Nexhipi, 2014).

II.   Empirical Review

In study of Nhi, Thong, Khuong and Diu (2018) used descriptive and regression analysis to examine customer loyalty and business service in Vietnam. They found that risk coverage, reputation, premium and interpersonal skills revealed a positive relationship with customers' loyalty towards insurance companies. Singh and Sinha (2017) focused on the social media impact on the growth and performance of business in India through review of literature and found that some companies are still using traditional and conventional forms of marketing media to connect with their customers. Delafrooz, Zendehdel, and Fathipoor (2017) worked on social media in connection with loyalty and performance of the insurance industry using regression analysis. The findings revealed that social media has a chain relationship in the supply system of insurance firms in Iran and Asia and this chain partnership would keep consumers loyal to insurance company.

Iblasi, Bader, and Al-Qreini (2016) used a case study of Samsung to examine social media sites and buying decisions in Jordan using descriptive analysis. The study reported a positive and significant connection between social media and buying decisions. Maecker, Barrot and Becker (2016) used a probit approach to investigate social media effect on relationship management in part of the European Countries. They found that social media connections ease upselling activities and decrease the loss possibility. Husnain and Akhtar (2015) studied marketing and customer loyalty relationship in Pakistan banking sector. The report from regression analysis revealed that marketing plans have significant influence on customer loyalty. Magatef and Tomalieh (2015) wrote on programs of customer loyalty impact on retention in Jordan. The regression analysis revealed that there exists a significant impact of customer loyalty program impact on customer retention.

Parsa and Sadeghi (2015) examined the connection between relationship marketing and word of mouth among life insurance companies in Iran. Structural equation modeling was used and found that a direct relationship marketing influences word of mouth of the life insurance. Sano (2015) investigated social media marketing on commitment, positive word of mouth and satisfaction in Japan using structural equation modeling and correlation. It was showed that social media marketing exhibits a significant effect on satisfaction but not significant to influence commitment and positive word of mouth. Yogesh and Yesha (2014) conducted a survey on social media effect on buying decision in India. They used descriptive analysis, correlation, and regression analysis and found that social media significantly influences the process of buying. Mehrabi, Islami and Aghajani (2014) studied the marketing effect of social media on brand loyalty of the customer in Iran. Correlation and regression analyses were used and reported that significant positive connection exists between marketing of social media and loyalty. Rai and Medba (2013) wrote on the customer loyalty antecedents in India. The regression analysis displayed that commitment and quality of service are significant to influence customer loyalty.

III.   Methodology

Methodology is the approach in which information is obtained from the components of the population which could be compiled and analyzed to obtain the study determination. This section confers the procedure that will be used to determine the effect of social media on customer loyalty of insurance industry. Primary data was used in this study by means of a descriptive experimental design. The descriptive research characterized the data and attributes of what has been studied. In the present study, the study target population was 250 from the Insurance Industry within Cameroon. Questionnaire was constructed with Likert rating scale of 5 (five) points such as extremely agree, agree, not sure, disagree, and extremely disagree.

To certify the reliability of the instrument in this study, the research instrument was subjected to test-retest technique, whereby the instrument administered to some people who have insurance experience in city of Douala, Cameroon. To achieve the stated objective in this study, a functional mathematical model was used where SM was a function of customer loyalty. However, the functional model is specified below:

CL = f(EM, SMM, IA)

Where

CL = Customer Loyalty

EM = Email Marketing

SMM = Social Media Marketing

IA = Internet Advertising

The mathematical models are presented as follows:

Y = b0+b1X + b2X

Where Y is dependable variable while X is independent variable

$Cp = b_0 + b_1EM + b_2SMM + b_3IA + et$------------------------eq1

INTERPRETATION OF RESULT

Table 1: Reliability Statistics

Cronbach's Alpha	N of Items
.754	15

Source: Author's computation

The reliability report presented in the above Table shows that the 15 items have the Cronbach alpha value of 0.754, implying that the 15 items have above 75% reliability report. Based on the rule of thumb, the value above 70% indicates reliable. This indicates that the scaling items for this study are reliable to capture the objectives.

Factor Analysis Discussion

Table 1: Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.484	23.225	23.225	3.484	23.225	23.225
2	1.772	11.816	35.041	1.772	11.816	35.041
3	1.379	9.195	44.236	1.379	9.195	44.236
4	1.248	8.323	52.559	1.248	8.323	52.559
5	1.132	7.546	60.104	1.132	7.546	60.104
6	.987	6.581	66.685			
7	.845	5.630	72.316			
8	.712	4.749	77.065			
9	.633	4.220	81.285			
10	.599	3.992	85.277			
11	.515	3.434	88.711			
12	.486	3.237	91.948			
13	.454	3.026	94.974			
14	.418	2.789	97.763			
15	.336	2.237	100.000			

Source: Author's computation

The cumulative value of the factor analysis for component 1 has the value of 23.225, second component has the value of 35.041, the third component has the value of 44.236, the fifth component has the value if 52.559 while the sixth component has the value of 60.104, indicating that at component 6, the variance to explain by the items has above average which means the scaling items can achieve the state objectives.

IV.   Regression Analysis Discussion

Table 2: ANOVA

Customer Loyalty	Sum of Squares	df	Mean Square	F	Sig.
Regression	16.139	3	5.380	4.927	.003[b]
Residual	224.927	206	1.092		
Total	241.067	209			

Source: Author's computation

The analysis of variance reported in Table 31 shows the SSR value of 16.139, df (degree of freedom) of 3, MSR value of 5.380, F-stat value of 4.927 and the sig value of 0.003, implying that the joint controlling variables can impact the controlled variable significantly.

Table 4: Coefficients

Dependent Variable: Customer Loyalty	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.557	.260		9.825	.000
Email Marketing	.253	.074	.265	3.443	.001
Internet Advertising	-.015	.073	-.016	-.212	.832
Social Media Marketing	.005	.073	.004	.065	.948

Source: Author's computation

The report of the coefficient of the regression analysis displayed in Table 32 reveals that, at constant, the coefficient value is 2.557, std value is 0.260. t-value of 9.825 with the sig-value of 0.000, indicating that if the controlling variables are held constant, there exist a positive and significant influence on the controlled

variable (customer loyalty). The regression coefficient value of email marketing is 0.253, std value of 0.074, t-value of 3.443 and sig-value of 0.001, implying that email marketing is positively and significantly to influence customer loyalty. The coefficient value of internet advertising is -0.015, std value 0.073 t-value of -0.212 with sig-value of 0.832, indicating that internet adverting was negative and not significant to influence customer loyalty. Social media marketing has the coefficient value of 0.005, std value of 0.073, t-value of 0.065 with sig value of 0.948, this connotes that social media marketing could impact positively on customer loyalty but not significant.

V. Conclusion

From the findings of this study, it was concluded that many of the customers are satisfied with the insurance services in Cameroon and they are aware of the insurance social media platform, though the insurance companies do not really communicate with their customer via social media platform. Many of the insurance customers disagreed that poor connective deprives many potential customers from using social media though internet advertising is not mostly used channel for the insurance industry to display their services and most customers disagreed that email marketing is not trusted to most customers of the insurance industry and some of the customers prefer mailing forms of social media compared to the traditional form. Additionally, it was concluded that email marketing was positive and significant to influence customer loyalty, internet adverting revealed a negative and insignificant to influence customer loyalty, social media marketing could impact positively on customer loyalty but not significant.

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