

The Effect of Digital Marketing on Customer Loyalty for Travel Agencies§:The Case of Dida Voyages Travel Agency in (Annaba, El Tarf and Oran)

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Received: 19/05/2024

Accepted: 05/01/2025

Published:31/12/ 2024

Abstract:

This research paper aims at clarifying the impact of electronic marketing variable on customer loyalty at Dida Voyages tourism agency. To achieve this aim, a statistical study consisting of 60 electronically distributed questionnaires was conducted through various electronic agency platforms and within three states: Annaba, El Tarf, and Oran. This study resulted in the presence of a very good relationship and a correlation of variables of more than 90%, as well as a clear impact relationship through graphical linear regression representation, where R^2 exceeds 80%. Therefore, the estimated model can be said to be statistically acceptable.

Key-words: Digital Marketing, Customer Loyalty, Dida Voyages Travel Agency.

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1. INTRODUCTION

The rapid advancement of technology and easy access to the internet enabled companies in all fields to leverage incredible digital marketing opportunities using a variety of digital marketing channels, not only through online promotion by offering their services and products or competitive prices compared to regular markets, but also by enabling them to achieve their marketing goals and attract a larger number of customers, preserve them, and meet their individual requirements, and thus increasing the transaction rate with customers.

The recent significant trend among tourism companies towards adopting electronic tourism marketing as a means of marketing and promoting various tourism programs and destinations cannot be attributed solely to keeping pace with technological advancements and progress. Travel Agencies are currently exploring various means to establish direct interactive relationships with customers and gain their trust by providing various information needed about products and services, which enables a better understanding of the customer, thus reaching the optimal level of customer loyalty to the company.

Recognizing the role and importance of digital marketing in influencing customers' impressions and satisfaction with the services provided, and consequently achieving loyalty is of utmost importance to the company. This ensures the company's pre-assurance of a certain sales percentage without marketing efforts, especially in a highly competitive and complex environment, particularly with the increasing consumer awareness and changes in customer psychologies and behaviors.

Based on the aforementioned facts, the following study problem arises: to what extent, the digital marketing influences customer loyalty to tourism agencies?

This problem branches into the following sub-questions:

- To what extent are the customers of Dida Voyages Tourism Agency aware of the digital marketing elements used by the agency through its electronic channels?
- Is customer loyalty sought by Dida Voyages agency when using digital marketing?
- How loyal are the customers of Dida Voyages tourism in a three dimensional scale of loyalty: (behavioral loyalty, attitudinal loyalty and cognitive loyalty)?

2. Hypotheses of the study:

Main hypothesis: There is no statistically noteworthy effect at a significance level ($\alpha \leq 0.05$) of digital marketing on customer loyalty to Dida Voyages tourism agency.

First sub-hypothesis: There is no statistically noteworthy effect at a significance level ($\alpha \leq 0.05$) of digital marketing on attitudinal loyalty of the customers of Dida Voyages.

Second sub-hypothesis: There is no statistically noteworthy effect at a significance level ($\alpha \leq 0.05$) of digital marketing on behavioral loyalty of the customers of Dida Voyages.

Third sub-hypothesis: There is no statistically noteworthy effect at a significance level ($\alpha \leq 0.05$) of digital marketing on cognitive loyalty of the customers of Dida Voyages.

3. Importance of the study:

The importance of the study lies within the scope of demonstrating the vital impact of digital marketing in achieving the dimensions of loyalty at the customers of Dida Voyages tourism agency, along with presenting the results and proposing a number of recommendations related to implementation strategies at Dida Voyages tourism agency. Additionally, it provides marketers at the agency with information about the role of digital marketing in achieving optimal customer loyalty.

The Effect of Digital Marketing on Customer Loyalty for Travel Agencies: The Case of Dida Voyages Travel Agency in (Annaba, El Tarf and Oran).

4. Objectives of the study:

This study aims to:

Clarify the existing ambiguity among researchers regarding the theoretical and conceptual frameworks of the study variables, which may be attributed to the relative novelty of the subject.

Determine the nature of the relationship between digital marketing and customer loyalty to tourism agencies.

Understand the impact of digital marketing on behavioral, attitudinal and cognitive loyalty of customers to the agency subject of the study.

Literature review:

5. Theoretical Framework of Digital Marketing:

5.1 Concept of Digital Marketing:

Many researchers have dealt with digital marketing. This term has become a standard or commonly accepted term for companies that conduct any transactions using the internet to market their products or services (Mohamed Abdel Azim, 2008).

Digital marketing is "the use of electronic tools such as websites, social media, mobile applications, online advertising, and email to engage customers" (Kotler & Armstrong, 2017). It is also defined as "describing a set of marketing activities that rely on electronic media, computer networks, and the internet" (Tarek, 2006). It is the set of digital activities and procedures to create connection and deliver value either to the organization or to the customer (Kannan & Li, 2017). In its simplest form, digital marketing is defined as marketing products or services through various digital channels and technologies that use the internet. It is also extended to other digital media that use no internet as well (Onobrakpeya & Mac-Attama, 2017).

From the above definitions, it is apparent that digital marketing, also known as internet marketing, is the promotion of brands by communicating with potential customers using the internet and other forms of digital communication. This includes not only email, social

media, and online advertising but also encompasses text messages and multimedia messaging as marketing channels.

Generally speaking, every marketing campaign that involves digital communications is digital marketing.

5.2 Dimensions of Digital Marketing:

Attraction:

Attraction aims to engage consumers. It requires a voluntary visit to the interactive applications (such as visiting the website). It includes attracting customers to digital channels, building an audience, creating a mental image of the brand and storing it in memory, and paying attention to advertisements. Marketers can attract customers through advertisements on websites, banners, or relevant links (Simons, 2007).

Engagement:

Engagement can be referred to as the process of customer involvement resulting from attraction, through participation and positive involvement, reaching an interaction rate that generates a desire to purchase the product or obtain the service (Al-Taie & Al-Abbadi, 2008). This can only be achieved if the company has a good understanding and knowledge of the customer, so that the customer generates an interest for the presented content that aligns with their preferences and viewpoints. Companies attempt to use content that reflects customer value and is more impactful by using innovative programs and creative graphics to attract customer attention and make them more engaged with the aim of completing the purchase process (Chong et al; 2010).

Retention:

Retention refers to marketers' attempts to ensure that customers return to the website again, and emphasizes strengthening relationships with customers and directly contacting them through the quality of content on digital platforms. This significantly contributes to increasing the effectiveness of customer access to the company's website and encouraging them to repeat the purchasing process. Companies'

The Effect of Digital Marketing on Customer Loyalty for Travel Agencies§:The Case of Dida Voyages Travel Agency in (Annaba, El Tarf and Oran).

marketers should prioritize the quality of various digital marketing tools, including websites, social media platforms, email, etc, by continuously renewing their content and keeping up with developments. Moreover, necessary security technologies should be used to maintain customer privacy and ensure ease of website use (Ali et al; 2012).

Learning:

Learning refers to the activity or approach undertaken by the company to obtain a database of customer information through various digital channels and interactive communication methods. This may include a range of information about customer trends, behaviors, preferences, and personal data obtained through marketing studies such as electronic surveys. Additionally, customer feedback on electronic platforms can be studied to understand their behavioral information and attitudes towards the offered services or products. Most companies provide a chat system to discuss customer preferences and seek continuous interaction with the company and its marketers (Chan & Guillet, 2011).

Communication:

Communication is one of the most important marketing opportunities that enable the company to create added value for the customer, as it is more appropriate to personalize the interaction between the company and the customer while saving time and marketing effort (Guiselli & Ma, 2015). After collecting customer information, the organization moves towards the next step in the digital marketing process, which is communication with customers and sharing their ideas and preferences in a way that ensures their perceptions and needs are well understood. As emphasized by (Chan & Guillet, 2011), most companies strive to encourage customers to disclose their experiences and communicate with the company through posting in blogs and virtual groups on social media platforms.

5.3 Pillars of Digital Marketing:

Studies (Ismail, 2007), (Mei, 2011), (Al Ajall, 2015) have agreed upon the following pillars of digital marketing:

1. Search Engine Optimization (SEO): Improving search engine rankings to appear in the top search results through organic search results.
2. Content Marketing: Delivering information in a useful manner to both parties by providing articles or presentations targeting specific demographics.
3. Digital Advertising: Using digital marketing platforms and search engines to promote and advertise elements of the marketing mix.
4. Email Marketing: Exchanging messages digitally through internet network.
5. User-Friendly Websites: Designing websites or web pages for easy access and utilization.
6. Distinctive Marketing Performance: Achieving objectives and optimal utilization of available financial and human resources.
7. Opening New Markets: Breaking time and place barriers to attract new customers.
8. Cost Reduction: Avoiding the need for investment infrastructure and minimizing logistical barriers.
9. Service Improvement: Designing and delivering services correctly from the first time and in a better way in subsequent times, achieving customer satisfaction, and gaining competitive advantages in quality, speed of delivery, and improving added value.
10. Diversification of Offered Services: Providing services that achieve satisfaction and fulfillment among customers, creating loyalty and belonging among them.
11. Strengthening Customer Relationships: Adopting policies to approach customers using effective and integrated communication channels.

The Effect of Digital Marketing on Customer Loyalty for Travel Agencies§:The Case of Dida Voyages Travel Agency in (Annaba, El Tarf and Oran).

6. The concept of Customer Loyalty:

Loyalty for Bennett and Leonard is "the repetition of the purchasing process resulting from preference" (Bennt & Leonard, 2000). In the same context, loyalty is defined as "repeatedly buying the same brand with positive belief towards this brand" (Chrisitian, 2003, p. 71). Stone defined loyalty as a set of goals aimed at increasing customer attachment to the organization and continuing to purchase its products without resorting to other competitors (Stone, 2003). Loyalty is also defined as "a deep commitment by the customer to repurchase a particular favorite product, and the customer recommending it to others with promotional influences targeted during this process, and avoiding dealing with this product in favor of other products" (Mohamed Mansour, 2014), while Kotler defined it as a measure of the customer and their willingness to engage in reciprocal activities with the organization (Kotler, 2003). Others see customer loyalty as their inclination to prefer one product over another and choose to acquire it. It is for Castillo a customer's strong commitment to repurchase their preferred product in the future.

Based on the aforementioned definitions, customer loyalty can be described as the ongoing emotional relationship between the business and the customer, involving repeated engagement in purchasing from the same company rather than its competitors. It is also considered a secondary result of the positive customer experience with the company and works on building trust.

6.1. The Importance of Customer Loyalty:

The customer loyalty is very important for businesses, mainly in the following points:

- Reducing Operational and Marketing Costs: This is mainly because retaining current customers costs less than acquiring

new ones, and the marketing costs for new customers are typically (6-4) times higher compared to existing customers.

- **Achieving Brand Differentiation and Uniqueness:** Customer loyalty represents a steady source of income as loyal customers are less price-sensitive. Their purchase frequency tends to be higher and in larger quantities of the company's products, contributing to its differentiation and profit increase to a greater extent.
- **Protection from Competitors:** Decreasing customer inclination towards new brands or products due to their loyalty to the current brand or product serves as protection for the organization and its products from competitors in the market.
- **Word of Mouth Advertising (WOM):** Loyal customers tend to spread the brand by talking about the business and its products to others, which generates free advertising. This behavior is a form of marketing that creates free publicity and indicates customer satisfaction.

6.2. Types of Customer Loyalty:

Four types of loyalty exist based on the attachment to the product or service and the frequency of its purchase and use:

- **Inexistent Loyalty:** Represented by a customer who is not familiar with a particular product or service, meaning they are not interested in it.
- **Habitual Loyalty:** Represented by a customer who is accustomed to purchasing what they need from a specific company or a few specific companies.
- **Latent Loyalty:** Refers to the situation arising from the desire for repeated purchases.
- **Optimal Loyalty:** Achieved when desire is coupled with repeated purchasing of the product. It is the company's aim to achieve this level of optimal loyalty (Khamis & Hamidi, 2020).

The Effect of Digital Marketing on Customer Loyalty for Travel Agencies§:The Case of Dida Voyages Travel Agency in (Annaba, El Tarf and Oran).

6.3. Customer Loyalty Dimensions:

- **Behavioral Loyalty:** This dimension includes the customer's desire to purchase or obtain a specific product or service without resorting to a competing company, despite efforts to influence their preferences and decisions.
- **Directional Loyalty:** Customers evaluate the product's distinction and quality by considering other options. This consideration leads them to show loyalty in a specific direction.
- **Perceptual Loyalty:** it includes various aspects reflecting the customer's perception of the value provided by the product. Accordingly, the customer, based on this dimension, is willing and looking to pay higher amounts to obtain the product despite its higher price compared to competitors.

7. The applied Study:

Methodology: a descriptive-analytical approach was used in this study. It is suitable for this type of studies by ensuring an overview of the literature on the subject and explaining the concepts related to the study variables. Additionally, we referred to the field survey method to collect data through an electronic questionnaire directed to customers of the travel agency Dida Voyages. Subsequently, the data was statistically processed and analyzed to allow us testing hypotheses and address the study's problem statement.

The Study Population and Samples:

The study population consists of all customers of Dida Voyages travel agency in the states of Annaba, El Tarf, and Oran. Due to the absence of an actual framework for the population and the difficulty in implementing probability sampling methods, a non-random sample was adopted. An electronic questionnaire was distributed through the agency's social media platforms and virtual groups to the most

suitable category of customers for assessing the study variables. This category includes customers who are proficient in using internet platforms and other digital media available for transactions and electronic booking. Among the distributed questionnaires, more than 60 responses were collected.

Statistical Analysis of the Study's Axes Expressions

Calculation of the stability coefficient:

From Table 1, the overall stability coefficient value appears to be 0.96, indicating a very good level of overall stability for the questionnaire's expressions as a whole, totaling 60 expressions. As for the first axis, representing the effectiveness of electronic marketing, which includes 30 expressions, we find that it also exhibited very good stability. The same applies to the second axis, representing the extent of customer loyalty assurance, which also includes 30 expressions, in which that stability was very high.

Analysis of Axes A1.A2: Dispersion and Consistency

Through the first axis, which includes 30 expressions, we find that this axis exhibits general consistency, as the standard deviation relative to the mean (which is 71.78) equals 10.83, indicating consistency in individuals' responses to the first axis. Similarly, through the second axis, also comprising 30 expressions, it also demonstrates consistency in its expressions, as the standard deviation relative to the mean (which is 93.35) equals 9.90, indicating a significant consistency in individuals' responses to Axis 2.

Correlation and Regression Analysis for the Impact of Electronic Marketing on Customer Loyalty:

By examining the correlation between the electronic marketing variable and customer loyalty to the travel agency, which returned a value of 0.92, indicating a positive correlation between them and a strong relationship. The significance level value is 0.000, which is less than the significance level of 0.05, confirming the significance of the

The Effect of Digital Marketing on Customer Loyalty for Travel Agencies: The Case of Dida Voyages Travel Agency in (Annaba, El Tarf and Oran).

relationship between the variables.

Regression Analysis:

The estimated equation can be formulated in the form of simple linear **regression as follows:**

Where X1 represents the independent variable (effectiveness of electronic marketing) and Y1 represents the dependent variable (extent of customer loyalty assurance).

Partial Significance (Parameter Significance):

Constant A2: Through the estimated value of the constant term, we find it to be 0.87, while its significance level value is 0.000, which is less than 0.05, indicating that the constant is statistically significant and has statistical significance.

The extent of customer loyalty to the studied travel agency (B2) through the estimated model shows that the slope B2 reached a value of 0.92, with a significance level of 0.000, which is less than 0.05. This indicates that the slope B2 is significant and has statistical significance, which suggests that customer loyalty is high for the travel agency through the use of electronic marketing via websites.

Overall Significance (Model Significance): The total significance, also referred to as the significance of the model as a whole, indicates the overall significance of the assumed linear formula. It follows a Fisher distribution (F), where the calculated value reached 387.103, with a significance level of 0.000, which is less than 0.05, indicating that the model as a whole is significant. Therefore, the relationship between electronic marketing and its impact on customer loyalty to the travel agency takes a linear form.

Explanatory Power (Model Quality): Through estimation, it was found to be 0.86, indicating that the independent variable represented by electronic marketing contributes to explaining variations in the dependent variable, customer loyalty to the travel agency, by 86%. This is a relatively strong percentage, and the remaining 14% is attributed to other variables not included in the model that contribute

Model	R	R-square	Adjusted R-squared	Standard error of the estimate	Change in statistics			
					R-Squared Variaton	F Variaton	ddl 1	ddl 2
1	.925 _a	.856	.854	9.15818	.856	387.103	1	65

to customer loyalty. Therefore, we can conclude that the estimated model is acceptable from a statistical perspective.

Observation	N	%
Valid	67	15.4
Excluded	368	84.6
Total	435	100.0

Cronbach's Alpha	Number of elements
.960	2

Source : Author's SPSS V19 outputs.

The results of the linear correlation relationship between the axes of the variables

		Axis1	Axis 2
Axis 1	Pearson correlation	1	.925**
	Sig. (bilateral)		.000
	N	67	67
Axis 2	Pearson correlatio	.925**	1
	Sig. (bilateral)	.000	
	N	67	67

Some simple linear regressions

Source : Author's SPSS V19 outputs.

Variability

The Effect of Digital Marketing on Customer Loyalty for Travel Agencies§:The Case of Dida Voyages Travel Agency in (Annaba, El Tarf and Oran).

Model	Sum of Squares	ddl	Mean Squared	D	Sig.
1 Regression	32467.168	1	32467.168	387.103	.000 ^a
Residual	5451.697	65	83.872		
Total	37918.866	66			

a. Predicted values: (constants), Axis 2

b. Dependent variable: axis 1

Source: Author's SPSS V19 outputs.

Simple linear regression equation

Model	Unstandardized coefficients		Standardized coefficients	t	Sig.
	A	Standard Error	Beta		
1 (Constant)	-24.287	5.968		-4.070	.000
Axis	.871	.044	.925	19.675	.000

Test of variance and homogeneity

a. Dependent variable : Axis 1

Variance

Axis 1

	Sum of squares	Ddl	Mean squares	F	Sig.

Maoua Ouafa , Mahdi houssem eddine rezkallah

Inter-groups	36554.866	47	777.763	10.834	.000
Intra-groups	1364.000	19	71.789		
Total	37918.866	66			

Divergence

Axis 2

	Sum of squares	Ddl	Mean squares	F	Sig.
Inter-groups	40697.271	44	924.938	9.908	.000
Intra-groups	2053.833	22	93.356		
Total	42751.104	66			

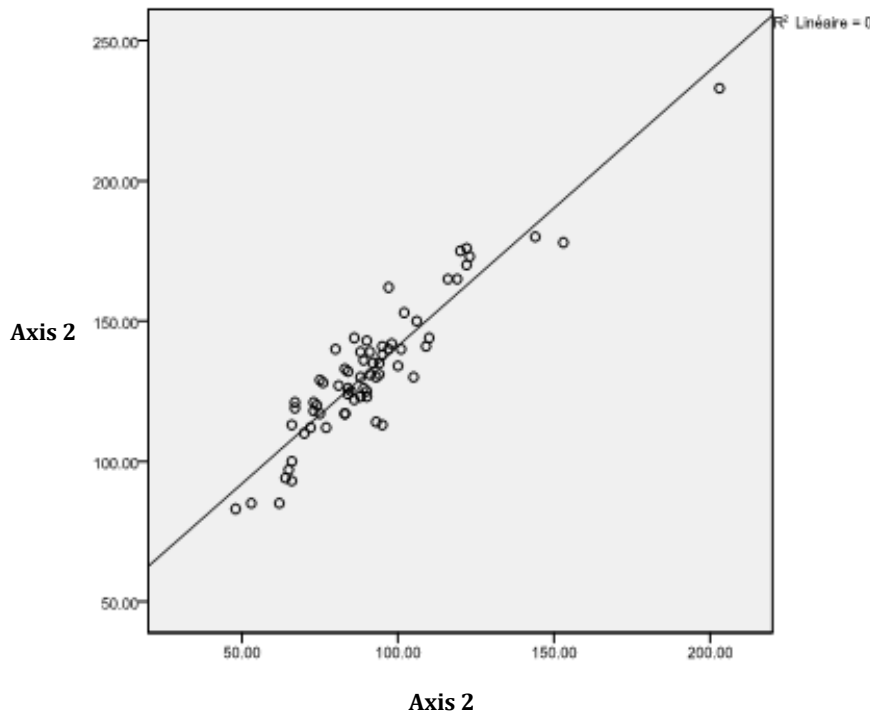
Source: Author's SPSS V19 outputs.

Récapitulatif de traitement des observations

		N	%
Observations	Valid	67	15.4
	Excluded ^a	368	84.6
	Total	435	100.0

The Effect of Digital Marketing on Customer Loyalty for Travel Agencies§:The Case of Dida Voyages Travel Agency in (Annaba, El Tarf and Oran).

Representation of simple linear regression



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The Effect of Digital Marketing on Customer Loyalty for Travel Agencies§:The Case of Dida Voyages Travel Agency in (Annaba, El Tarf and Oran).

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