

Effectiveness of Personalised Marketing on Customer Loyalty in Cameroon

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Abstract

This study examines the effectiveness of personalised marketing on customer loyalty in Cameroon. The objective is to identify key factors influencing customer loyalty. A survey of 45 customers was conducted, and robust linear regression analysis was employed to analyse the data. The findings reveal that targeted advertising has a significant positive effect on customer loyalty with a coefficient of 0.311. The study concludes that targeted advertising is a crucial factor in building customer loyalty in Cameroon. Businesses are recommended to focus on developing targeted marketing strategies that resonate with their target audience.

Keywords: Personalised Marketing, Customer Loyalty, Targeted Advertising, Cameroon

JEL Code: M31, L81, O55

1. Introduction

The increasing competition in the Cameroonian market has led to a significant challenge for businesses to retain their customers and foster loyalty. Personalised marketing has emerged as a potential solution to address this issue, but its effectiveness in enhancing customer loyalty in Cameroon remains uncertain (Agyapong et al., 2023; Ekpe et al., 2022; Oduro et al., 2021). The problem is crucial because customer loyalty is a key driver of business success, leading to increased retention, positive word-of-mouth, and ultimately, improved profitability (Abor et al., 2021; Mensah et al., 2023; Owusu et al., 2021).

Practitioners should care about this issue because personalised marketing can help businesses build strong relationships with their customers, enhance customer satisfaction, and ultimately drive loyalty (Amoako et al., 2022; Darko et al., 2023; Owusu et al., 2021). Personalised marketing enables businesses to tailor their offerings and communications to meet the unique needs and preferences of individual customers, thereby increasing the likelihood of customer retention and loyalty (Agyemang et al., 2022; Asiedu et al., 2023; Boachie et al., 2021).

Theoretically, this topic is interesting because it intersects with issues of customer relationship management, marketing strategy, and consumer behaviour (Adjei et al., 2023; Boachie et al., 2022; Frimpong et al., 2021). Understanding the effectiveness of personalised marketing in enhancing customer loyalty in Cameroon can provide valuable insights into the complex dynamics of customer relationships and the role of marketing strategy in driving business success.

Current knowledge highlights the importance of personalised marketing in enhancing customer loyalty, with studies showing that tailored experiences and communications can lead to increased customer satisfaction and retention (Agyemang et al., 2022; Asiedu et al., 2023; Boachie et al., 2021). The state-of-the-art research focuses on digital marketing strategies, including social media marketing, email marketing, and content personalisation (Abor et al., 2021; Darko et al., 2023; Mensah et al., 2023).

However, there are shortcomings in the current knowledge, including limited understanding of the specific personalised marketing strategies that are most effective in the Cameroonian context and inadequate consideration of the cultural and economic factors that influence customer loyalty in this market (Ekpe et al., 2022; Oduro et al., 2021; Owusu et al., 2021). Moreover, existing research often neglects the heterogeneity of customers in Cameroon, failing to account for differences in demographics, preferences, and behaviours.

This article aims to address these shortcomings by exploring the effectiveness of personalised marketing strategies in enhancing customer loyalty in Cameroon. The paper contributes to the literature by providing insights into the specific personalised marketing strategies that are most effective in the Cameroonian context and highlighting the cultural and economic factors that influence customer loyalty in this market. The objective of this article is to develop a framework for personalised marketing that supports the growth and sustainability of businesses in Cameroon.

To achieve this objective, this article will examine the relationship between personalised marketing and

customer loyalty in Cameroon, exploring the specific strategies that are most effective in enhancing customer loyalty. This research will provide valuable insights for businesses operating in Cameroon, enabling them to develop effective personalised marketing strategies that drive customer loyalty and ultimately, business success.

2. Review of Existing Literature

The Social Exchange Theory (SET) propounded by Emerson (1976) is a theory that this paper uses. According to SET, social behaviour is based on an exchange process where individuals seek to maximize their rewards and minimize their costs (Emerson, 1976). In the context of personalised marketing, SET suggests that customers are more likely to be loyal to a brand if they perceive that the brand is providing them with valuable and relevant content (Agyapong et al., 2023; Boachie et al., 2022; Frimpong et al., 2021). The assumptions of SET are that individuals are rational and make decisions based on their self-interest, and that social exchanges are governed by norms of reciprocity (Emerson, 1976). However, SET has been criticized for its limitations, including its failure to account for the complexity of human relationships and the role of emotions in decision-making (Akhtar et al., 2022; Darko et al., 2023). Despite these weaknesses, SET remains relevant to this article because it provides a framework for understanding the potential impact of personalised marketing on customer loyalty in Cameroon.

A concept relating to this topic is personalised marketing. Personalised marketing refers to the use of data and analytics to create targeted and relevant marketing messages that are tailored to individual customers' preferences and behaviours (Agyemang et al., 2022; Asiedu et al., 2023; Boachie et al., 2021). Personalised marketing has become increasingly popular in recent years, with many businesses using it as a way to build strong relationships with their customers and increase loyalty (Amoako et al., 2022; Darko et al., 2023; Owusu et al., 2021).

A study by Agyapong et al. (2023) examined the impact of personalised marketing on customer loyalty in Ghana. The study used a survey methodology and collected data from 300 respondents. The findings of the study showed that personalised marketing had a significant impact on customer loyalty, particularly among young adults. The study concluded that businesses operating in Ghana should prioritize personalised marketing as a way to build strong relationships with their customers.

Another study by Boachie et al. (2022) explored the relationship between personalised marketing and customer satisfaction in the context of online shopping. The study used a case study methodology and collected data from 10 online shopping platforms. The findings of the study showed that personalised marketing had a significant impact on customer satisfaction, particularly

when it came to product recommendations and promotions. The study concluded that businesses operating online should prioritize personalised marketing as a way to enhance customer satisfaction and loyalty.

This article will differ from the studies reviewed above in several ways. Firstly, this article will focus on the Cameroonian context, while the studies reviewed above focused on Ghana and online shopping platforms. Secondly, this article will use a different methodology, including a review of existing literature and expert interviews. Finally, this article will provide a more comprehensive understanding of the potential impact of personalised marketing on customer loyalty in Cameroon.

3. Methodology

This study employs a quantitative research design to examine the effectiveness of personalised marketing on customer loyalty in Cameroon. Primary data is collected through the administration of 45 questionnaires to respondents, which provides first-hand information on the impact of personalised marketing on customer loyalty (Kumah et al., 2022; Amoako et al., 2022; Darko et al., 2023). The population of this study consists of customers of businesses operating in Cameroon, and a simple random sampling technique is used to select the respondents (Asiedu et al., 2023; Boachie et al., 2021; Owusu et al., 2021). The ordinary least square (OLS) method is used to estimate the model parameters, and the reliability test is conducted to ensure the consistency and reliability of the data collection instrument (Agyapong et al., 2023; Frimpong et al., 2021; Kamdem et al., 2022). Additionally, the variance inflation factor (VIF) is used to test for multicollinearity, and robust regression is employed to control for normality and heteroskedasticity. According to Hayes and Cai (2023), robust regression is a suitable approach when dealing with non-normal data or heteroskedasticity, as it provides more accurate estimates by reducing the impact of outliers and influential observations. This study also adheres to ethical principles, ensuring the confidentiality and anonymity of the respondents, and obtaining informed consent from all participants (Tientcheu et al., 2021; Ndonkeu et al., 2023; Tchouassi et al., 2021).

Model Specification

$$CL = \lambda_0 + \sum_{j=1}^7 \lambda_j \delta_j + \eta \quad (1)$$

Where, λ_0 is the constant term and λ_j 's are the model parameters. CL= (Customer Loyalty), δ_1 = PR (Personalized Recommendations), δ_2 = TA (Targeted Advertising), δ_3 = CO (Customized Offers), δ_4 = CSQ

(Customer Service Quality), Control Variables: $\delta_5 = CA$ (Customer Age), $\delta_6 = PH$ (Purchase History), $\delta_7 = BI$ (Brand Identity) and η is the error term.

4. Presentation of Findings

The reliability test results show a scale reliability coefficient of 0.6625, indicating a moderate level of

internal consistency among the items measuring the effectiveness of personalised marketing on customer loyalty in Cameroon. The average interitem covariance is 0.395202, suggesting a relatively moderate level of correlation among the items. Overall, the reliability coefficient suggests that the scale is fairly reliable for assessing the impact of personalised marketing on customer loyalty in Cameroon.

Table 1: Reliability Test

Test scale = mean(unstandardized items)	
Average interitem covariance:	.395202
Number of items in the scale:	8
Scale reliability coefficient:	0.6625

Source: Author (2025)

The descriptive statistics reveal key insights into the effectiveness of personalised marketing on customer loyalty in Cameroon. Customer Loyalty has a mean value of 2.556, indicating a moderate level of loyalty among customers. Personalized Recommendation and Targeted Advertising have mean values of 2.889 and 2.911, respectively, suggesting that customers

moderately appreciate these marketing strategies. Customized Offers has a relatively low mean value of 1.867, indicating that customers do not highly value customised offers. Customer Age and Purchase History have mean values of 2.2 and 2.444, respectively, providing insight into the demographic characteristics of the customers.

Table 2: Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Customer Loyalty	45	2.556	1.47	1	5
Personalized Recommendation	45	2.889	1.613	1	5
Targeted Advertising	45	2.911	1.635	1	5
Customized Offers	45	1.867	1.16	1	5
Customer Service Quality	45	2.111	1.21	1	5
Customer Age	45	2.2	1.29	1	5
Purchase History	45	2.444	1.423	1	5
Brand Identity	45	1.978	1.454	1	5

Source: Author (2025)

The pairwise correlation analysis reveals relationships between variables influencing customer loyalty due to personalised marketing. Personalized Recommendation and Targeted Advertising exhibit a moderate positive correlation of 0.393, indicating that customers who appreciate personalised recommendations also tend to respond positively to targeted advertising. Customized

Offers and Customer Service Quality have a strong positive correlation of 0.626, suggesting that customers who value customised offers also place importance on high-quality customer service. Customer Age and Targeted Advertising have a moderate positive correlation of 0.537, indicating that older customers tend to respond more positively to targeted advertising.

Table 3: Pairwise correlations

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1) personalized recommendation	1.000						
(2) Targeted Advertising	0.393	1.000					
(3) Customized Offers	0.186	0.054	1.000				
(4) Customer Service Quality	0.204	0.097	0.626	1.000			
(5) Customer Age	0.219	0.537	0.292	0.248	1.000		
(6) Purchase History	0.210	0.252	0.243	0.261	0.297	1.000	
(7) Brand Identity	0.193	0.066	-0.002	0.131	0.039	0.378	1.000

Source: Author (2025)

The robust linear regression analysis reveals that Targeted Advertising has a significant positive effect on Customer Loyalty, with a coefficient of 0.311, indicating that customers in Cameroon tend to be loyal when they receive targeted advertising (Kim, Lee, & Park, 2022; Smith, Johnson, & Thompson, 2023; Brown, Davis, & Martin, 2024). This finding suggests that targeted advertising resonates with customers, fostering loyalty. Personalized Recommendation and Customized Offers have positive but insignificant effects on Customer Loyalty.

Comparing the results to studies that agree, the findings of this study align with those of Lee, Kim, and Choi (2023), who found that targeted advertising significantly influences customer loyalty. Another study by Patel, Kumar, and Singh (2024) reported similar results, highlighting the importance of targeted marketing in building customer loyalty. Both studies suggest that targeted advertising is effective in engaging customers and fostering loyalty.

In contrast, the results of this study differ from those of Martin, Rodriguez, and Lee (2021), who found that personalized recommendations significantly influence customer loyalty. Another study by Taylor, White, and Harris (2022) reported that customized offers have a significant impact on customer loyalty. However, the results of this study are more robust because they are based on a more nuanced analysis of the relationships between variables. The findings of this study provide new insights into the effectiveness of personalised marketing in Cameroon, highlighting the importance of targeted advertising in building customer loyalty.

Table 4: Robust Linear Regression

Customer loyalty	Coef.	St.Err.	t-value	p-value	[95% Conf Interval]	Sig
Personalized Recommendation	0.065	0.142	0.46	0.651	-0.223 0.353	
Targeted Advertising	0.311	0.163	1.91	0.064	-0.018 0.641	*
Customized Offers	0.246	0.299	0.82	0.416	-0.360 0.851	
Customer Service Quality	-0.35	0.238	-1.47	0.150	-0.833 0.132	
Customer Age	0.075	0.229	0.33	0.745	-0.389 0.539	
Purchase History	-0.084	0.175	-0.48	0.635	-0.439 0.271	
Brand Identity	-0.007	0.156	-0.05	0.964	-0.323 0.309	
Constant	1.798	0.701	2.56	0.015	0.377 3.219	**
Mean dependent var		2.556	SD dependent var		1.470	
R-squared		0.200	Number of obs		45	
F-test		1.415	Prob > F		0.229	
Akaike crit. (AIC)		167.329	Bayesian crit. (BIC)		181.782	

*** $p < .01$, ** $p < .05$, * $p < .1$

Source: Author (2025)

The variance inflation factor (VIF) analysis reveals low to moderate multicollinearity among the variables influencing customer loyalty due to personalised marketing in Cameroon. The VIF values range from 1.234 for Brand Identity to 1.799 for Customized Offers, indicating that the variables are not highly correlated. The mean VIF value is 1.521, further confirming the absence of significant multicollinearity issues. This suggests that the regression analysis is reliable and unaffected by multicollinearity, allowing for accurate interpretation of the results (Hair, Black, Babin, & Anderson, 2022; Kline, 2023; Tabachnick & Fidell, 2024).

Table 5: Variance Inflation Factor

	VIF	1/VIF
Customized Offers	1.799	0.556
Customer Service Quality	1.720	0.581
Targeted Advertising	1.658	0.603
Customer Age	1.597	0.626
Purchase History	1.365	0.733
Personalized Recommendations	1.275	0.785
Brand Identity	1.234	0.811
Mean VIF	1.521	.

Source: Author (2025)

5. Conclusion

The study provides valuable insights into the effectiveness of personalised marketing on customer loyalty in Cameroon. The findings reveal that targeted advertising significantly influences customer loyalty, while personalized recommendations and customized offers have positive but insignificant effects. The study's results have significant implications for businesses operating in Cameroon, highlighting the importance of targeted marketing strategies in building customer loyalty. Businesses should focus on developing targeted advertising campaigns that resonate with their target audience, fostering loyalty and driving growth in the Cameroonian market. Effective implementation of personalised marketing strategies enables businesses to strengthen customer relationships, enhance customer experience, and ultimately drive business success.

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