Chapter 72
Examining the Impact of E–Shopping on Customer Loyalty

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ABSTRACT

The majority decisions of online customers make are by tracing the electronic word of mouth and online comments which belong to previous customers and is affected by some fears. This study applied a decision tree method to customer data of those who visit a popular group on Facebook (SouqEgypt). Findings in this study indicated that social media marketing for increasing customer's retention and loyalty are influenced by customer's income, education level and occupation. This study helps marketing managers to enhance customer loyalty and in the long run maximize returns on marketing.

1. INTRODUCTION

Customers are using online shopping media to exchange opinions, share information, and recommendations. In that, they spread positive and negative word-of-mouth (WOM) on products and services reputation, influencing the attitude of others (De Bruyn & Lilien, 2008).

Online reviews generate the (eWOM) effect to influence future customer purchase decisions and therefore have significant business value (Book, Tanford, Montgomery, & Love, 2015).

Social networking websites has become a vital source of information and considered an important factor to form customer behavior (Kietzmann, Hermkens, McCarthy, & Silvestre, 2011) as it has the ability to affect reputation, sales, and survival of product and service providers.

As an example, travelers read, respond to related comments and share their travel experiences. This type of trusted information has been produced by the trusting relationship between communion members.

Harris and Rae (2009) said that in the future the social network channels will play an important role in marketing as they transform businesses to be more open and collaborative, an approach that is considered more helpful in the modern business environment. Despite of that, the social media usage

among marketing organizations is still in its experimental stage with a high degree of variation in terms of their strategies (Hays, Page & Buhalis, 2013).

The objective of this study is to explore how interaction on social sites impacts consumers' vulnerability to social influence and how it shows in behavioral intention (i.e., purchasing, supporting, etc.).

This study uses one of the best supervised machine learning methods, it is decision tree (Kirkos et al., 2010) which embedded feature selection approach. The purest node in the tree will be considered as important factors (Social media networking factor) which achieves highest information gain.

2. LITERATURE REVIEW

2.1. Consumers Shopping

Many challenges will face online customers, such one that is not try on the products or being able to smell and touch, which are considered hinders comparing with buying from brick-and-mortar stores.

(Chen and Xie 2005) argued that customer reviews has an important role to make a decision of purchasing online, these reviews includes opinions, experiences, estimations and composed from users who have bought and used the product (Park et al. 2007).

Charlton (2010) said many shoppers before making their final purchase decision, they look forward the customer reviews during their shopping.

(Dellarocas 2003) said that consumers like to trust customer opinions than seller words about his product and (Nielsen Global 2012, Anderson 2013) said that 70% -99% of consumers trust online consumer reviews as much as personal recommendations.

Amazon allows users to rate the review if it is "helpful" or "not", also it prioritized the best useful customer opinions and show it to the top of the page. This feature makes customers sense more comfort in seeing that reviews is available (Park and Lee 2008).

2.2. Electronic Word of Mouth

Customer reviews (as eWOM) are perceived to be more reliable and trustworthy than marketer messages (Nyilasy 2004), it has more influence on customers compared with marketing methods (Bansal et al. 2000). Table1, presented several definitions of eWOM.

Table 1. Definitions of eWOM

Author	Definition of eWOM
Hennig-Thurau et al. 2004	"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"
Ho and Dempsey, 2010	Illustrated eWOM activities as "sending email, instant messaging or using social networking sites."
Petrescu and Korgaonkar, 2011	"Electronic customer-to-customer communication correspondence in regard to a brand or item."
Cantallops et al., 2014; Chen et al. 2014	Pointed that "numerous connection spread through the web can be called (e-WOM)"

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