

International Journal of Education, Social Studies, And Management (IJESSM)

e-ISSN: 2775-4154

Volume 5, Issue 1, February 2025

The International Journal of Education, Social Studies, and Management (IJESSM) is published 3 times a year (**February, Juny, November**).

Focus: Education, Social, Economy, Management, and Culture.

LINK: http://lpppipublishing.com/index.php/ijessm

The Influence of Digital Marketing and Brand Trust on Customer Loyalty Through Customer Satisfaction of Food and Beverage Companies

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ABSTRACT

This study aims to analyze the effect of digital marketing and brand trust on customer loyalty, with customer satisfaction serving as a mediating variable, within the context of food and beverage companies in East Java. In addition, the research seeks to examine the strategic role of customer satisfaction in strengthening the relationships among the key variables. A quantitative approach was employed, utilizing Structural Equation Modeling (SEM) as the method for data analysis. Data were collected through a survey questionnaire distributed to customers of food and beverage companies in East Java, using a purposive sampling technique. The findings reveal that both digital marketing and brand trust have a significant positive influence on customer loyalty. Furthermore, customer satisfaction was found to mediate the relationship between digital marketing and brand trust on customer loyalty, suggesting that customer satisfaction plays a crucial role in enhancing customer loyalty. This research provides valuable contributions to the existing literature by expanding the understanding of how digital marketing, brand trust, and customer satisfaction interact to influence customer loyalty, particularly in the food and beverage industry. Additionally, the findings offer practical implications for businesses in designing more effective customeroriented digital marketing strategies. By focusing on customer satisfaction, companies can enhance their competitive advantage and foster long-term customer loyalty, which is essential for sustaining growth in an increasingly competitive market.

ARTICLE INFO

Article history:
Received
10 November 2024
Revised
26 Desember 2024
Accepted
25 January 2024

Keywords Corresponding Author : Digital Marketing, Brand Trust, Customer Satisfaction, Customer Loyalty.

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INTRODUCTION

The food and beverage industry is one of the continuously growing sectors in Indonesia, particularly in East Java. With increasing competition, companies in this sector are required to adopt innovative marketing strategies to maintain market share and enhance customer loyalty. One key strategy that has garnered significant attention is the implementation of digital marketing,

given the shift in consumption patterns that increasingly rely on digital technology. According to data from the Indonesian Internet Service Providers Association (APJII), internet penetration in Indonesia reached over 77% in 2023, offering a significant opportunity for companies to leverage digital platforms in promoting their products.

Furthermore, brand trust has become a key factor in building customer loyalty. Customers who trust a brand are more likely to remain loyal and recommend the brand to others. However, the relationship between digital marketing, brand trust, and customer loyalty is not always direct. Customer satisfaction often serves as a mediating variable that connects these factors. In this context, it is important to understand the extent to which digital marketing and brand trust influence customer loyalty through customer satisfaction in food and beverage companies in East Java. The focus of this study is: first, how digital marketing influences customer satisfaction in food and beverage companies; second, how brand trust impacts customer satisfaction in food and beverage companies; third, how customer satisfaction affects customer loyalty in food and beverage companies; and finally, how digital marketing and brand trust influence customer loyalty through customer satisfaction in food and beverage companies.

Research on digital marketing, brand trust, customer satisfaction, and customer loyalty has been extensively discussed in marketing management literature. Alam, M. (2023) suggests that digital marketing significantly contributes to customer perceptions of a brand. Meanwhile, H. Zou et al. (2022) highlight the importance of trust as the foundation for building long-term customer relationships. However, research integrating digital marketing, brand trust, customer satisfaction, and customer loyalty simultaneously, particularly in the food and beverage industry in East Java, remains limited. Therefore, this study aims to fill this gap in the literature by providing a holistic approach to the relationship among these variables.

Previous studies have revealed several interesting findings regarding the influence of digital marketing, brand trust, customer satisfaction, and customer loyalty. Mohammad (2022) emphasizes how the success of digital marketing can enhance customer loyalty through more personalized and effective relationship management. Politeknik et al. (2023) also confirm that digital marketing has a significant effect on purchase decisions, with customer satisfaction acting as a mediating variable. Moreover, Rudzewicz and Strychalska-Rudzewicz (2021) identify that brand trust has a direct relationship with customer loyalty, while Amani (2020) demonstrates that brand trust, when

mediated by customer satisfaction, has a significant impact on customer loyalty in the banking industry.

The relationship between customer satisfaction and customer loyalty has also been explored by Iqbal et al. (2021), who highlight the role of customer satisfaction as a mediating variable that strengthens the connection between brand trust and customer loyalty. Similarly, Javed et al. (2021) stress the importance of social trust in enhancing the impact of customer satisfaction on brand loyalty. In the context of the food and beverage industry, Jeharus and Nuvriasari (2024) show that the combination of brand trust and marketing mix can enhance customer satisfaction, which ultimately contributes to customer loyalty.

Although various studies have explored the relationships between digital marketing, brand trust, customer satisfaction, and customer loyalty, several gaps remain. Many studies have been conducted in the banking or e-commerce sectors, as highlighted by Amani (2020), Pasaribu et al. (2022), and Kurniawan et al. (2023), but few have focused on the food and beverage sector. Furthermore, previous studies often focus on a single mediating variable, such as customer satisfaction, without examining the simultaneous role of other variables like brand trust. Most research has also been conducted in specific countries such as Vietnam (Giao et al., 2020) or Saudi Arabia (Alam, 2023), meaning the results may not be directly applicable to the Indonesian context.

This study aims to analyze the impact of digital marketing on customer loyalty in the food and beverage sector. Additionally, it seeks to test the role of brand trust in mediating the relationship between digital marketing and customer loyalty, while also exploring the role of customer satisfaction as a mediating variable between digital marketing and brand trust on customer loyalty. This research is expected to provide specific insights for the Indonesian food and beverage industry, which can serve as a basis for developing more effective digital marketing strategies.

RESEARCH METHOD

This study uses a quantitative approach with a survey method. The objective of the research is to analyze the relationship between digital marketing, brand trust, customer satisfaction, and customer loyalty. The research model will be tested using Structural Equation Modeling (SEM) with a Partial Least Squares (PLS) approach. The population of the study consists of customers of food and beverage companies in East Java who have interacted or transacted through digital platforms. The sampling technique used is purposive sampling, with the following criteria: (1) customers who use the company's

digital platform for transactions, and (2) customers who have used the service at least twice in the past six months. The sample size is determined based on purposive sampling, with a total of 125 respondents.

Data will be collected using a structured questionnaire, which is developed based on the indicators of the research variables. The questionnaire consists of two main parts: (1) demographic data of the respondents, and (2) statements measuring the variables of digital marketing, brand trust, customer satisfaction, and customer loyalty. A 5-point Likert scale is used, ranging from 1 (strongly disagree) to 5 (strongly agree). Data analysis will be conducted in several stages. First, Validity and Reliability Test: Using outer loading values (>0.7) and Cronbach's Alpha (>0.7) to ensure the reliability and validity of the instruments. Next, Measurement Model Test: Including analysis of convergent validity, discriminant validity, and composite reliability. Then, Structural Model Test: Examining the relationships between variables using path coefficients and t-statistic values. Hypotheses will be accepted if the t-statistic value >1.96 at a 5% significance level. Finally, Mediation Analysis: Using a bootstrapping approach to test the mediating effect of customer satisfaction in the relationship between digital marketing, brand trust, and customer loyalty. The software used for data analysis is SmartPLS version 3.0, which allows for the simultaneous analysis of structural relationships between variables. The research model tests the relationships between digital marketing (X1) and brand trust (X2) with customer loyalty (Y), with customer satisfaction (M) as the mediating variable.

RESULT AND DISCUSSION

The results of the data analysis from table 1 indicate that the reliability and validity measures for each variable in the model meet the required criteria. Specifically, Cronbach's Alpha, rho_A, Composite Reliability (CR), and Average Variance Extracted (AVE) for each variable demonstrate satisfactory values. Cronbach's Alpha and rho_A for all variables exceed the acceptable threshold of 0.70, suggesting high internal consistency. Additionally, the Composite Reliability values for each construct are well above the minimum threshold of 0.70, further confirming the reliability of the measurement model. The Average Variance Extracted (AVE) values for each variable are also above the recommended threshold of 0.50, indicating that the variables account for a substantial proportion of the variance in their respective indicators. These results collectively confirm that the measurement model is both reliable and valid, ensuring the robustness of the subsequent structural analysis.

Tabel 1. Contruct Validity and Reliability

	Cronbach's	rho_A	Composite	Average	
	Alpha		Reliability	Variance	
				Extracted (AVE)	
Brand Trust	0.929	0.930	0.942	0.669	
Customer Loyalty	0.906	0.907	0.927	0.681	
Customer Satisfaction	0.920	0.921	0.940	0.758	
Digital Marketing	0.937	0.938	0.950	0.760	

Table 2 shows the value of the Effect of Digital Marketing and Brand Trust on Customer Loyalty in food and baverage companies in East Java.

Table 2.
Influence between variables

	Origina	Sampl	Standard	T Statistics	P
	1	e	Deviatio	(O/STDEV	Value
	Sample	Mean	n)	s
	(O)	(M)	(STDEV)		
Brand Trust ->					
Customer Loyalty	0.293	0.295	0.069	4.270	0.000
Customer Satisfaction					
-> Customer Loyalty	0.311	0.306	0.064	4.880	0.000
Digital Marketing ->					
Customer Loyalty	0.364	0.367	0.068	5.348	0.000

This study aims to analyze the impact of Digital Marketing, Brand Trust, and Customer Satisfaction on Customer Loyalty in food and beverage companies in East Java. The results of the statistical analysis using Structural Equation Modeling (SEM) reveal several important findings that support the research hypotheses. These findings are outlined as follows:

The Impact of Digital Marketing on Customer Loyalty

The analysis shows that Digital Marketing has a significant impact on Customer Loyalty. This indicates that the implementation of effective digital marketing strategies, such as the use of social media, email marketing, and ecommerce platforms, can enhance customer loyalty. Customers who experience ease of access to information and services through digital platforms tend to have a stronger attachment to the company. This finding is in line with Mohammad (2022), who emphasizes the importance of digital marketing in building customer loyalty through more personal and interactive approaches.

The Impact of Brand Trust on Customer Loyalty

Brand Trust is also found to have a positive and significant impact on Customer Loyalty. Customers who have high trust in a brand tend to show greater loyalty toward the products or services offered. This trust is built through consistent product quality, transparent communication, and a strong brand reputation. These results support Rudzewicz and Strychalska-Rudzewicz (2021), who revealed that brand trust is a critical foundation for creating long-term customer loyalty.

The Impact of Customer Satisfaction on Customer Loyalty

Customer Satisfaction was found to have a significant impact on Customer Loyalty. Customers who are satisfied with the products or services received tend to become loyal customers. This satisfaction includes positive experiences felt by customers during the purchase process, from transaction ease to product quality. These results align with Iqbal et al. (2021), who show that customer satisfaction plays a crucial role in strengthening customer loyalty.

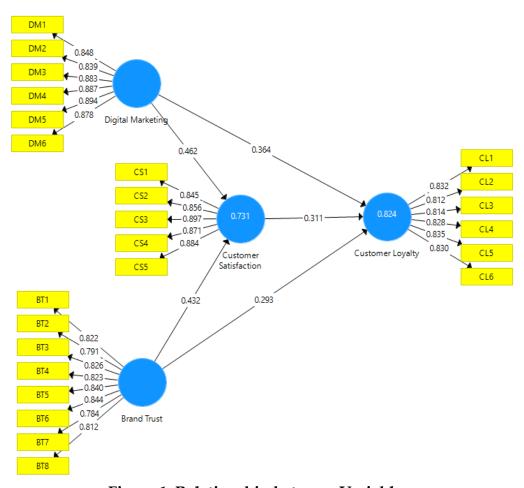


Figure 1. Relationship between Variables

Table 3 shows the mediation value of Customer Satisfaction in mediating the effect of Digital Marketing on Customer Loyalty and the mediation value of Customer Satisfaction in mediating the effect of Brand Trust on Customer Loyalty in food and beverage companies in East Java.

Table 3. Mediation effect between variables

	Origina 1 Sample (O)	Sampl e Mean (M)	Standard Deviatio n (STDEV)	T Statistics (O/STDEV)	P Value s
Brand Trust ->					
Customer Loyalty	0.134	0.134	0.038	3.526	0.000
Digital Marketing ->					
Customer Loyalty	0.144	0.140	0.042	3.459	0.001

The Mediating Role of Customer Satisfaction in the Relationship between Digital Marketing and Customer Loyalty

The analysis shows that Customer Satisfaction mediates the effect of Digital Marketing on Customer Loyalty. This means that the effectiveness of Digital Marketing not only contributes directly to customer loyalty but also through enhancing customer satisfaction. When customers are satisfied with their digital experience, such as easy website navigation or quick responses through social media, their loyalty to the company increases. This finding aligns with the research by Politeknik et al. (2023), which emphasizes the role of customer satisfaction as a mediator in the relationship between digital marketing and customer loyalty.

The Mediating Role of Customer Satisfaction in the Relationship between Brand Trust and Customer Loyalty

Customer Satisfaction also mediates the effect of Brand Trust on Customer Loyalty. In other words, brand trust does not only directly affect customer loyalty but also through customer satisfaction. Customers who trust the brand and are satisfied with the product or service tend to be more loyal to the brand. This finding supports the research by Amani (2020), which indicates that customer satisfaction strengthens the relationship between brand trust and customer loyalty.

These findings underscore the importance of Digital Marketing and Brand Trust as key factors in building Customer Loyalty, with Customer Satisfaction playing a significant mediating role. In the context of the food and beverage industry in East Java, companies can leverage innovative digital marketing

strategies to enhance customer satisfaction and build strong brand trust. The combination of these factors will create more loyal customers, which ultimately contributes to long-term business success.

This study also provides practical implications for companies in designing integrated marketing strategies. Focusing on enhancing the customer experience through digital marketing, as well as building consistent brand trust, is an important step toward increasing customer satisfaction. Additionally, this study fills a gap in the literature by offering a holistic approach to the relationship between Digital Marketing, Brand Trust, Customer Satisfaction, and Customer Loyalty in Indonesia's food and beverage sector. As a recommendation, future research could expand the scope by incorporating other variables, such as Customer Engagement or Social Media Interaction, to gain a more comprehensive understanding of customer loyalty dynamics in the digital era.

CONCLUSION

This study aims to analyze the impact of digital marketing and brand trust on customer loyalty, with customer satisfaction as a mediating variable, in food and beverage companies in East Java. The analysis results show that both digital marketing and brand trust have a significant positive impact on customer loyalty. Moreover, customer satisfaction has been proven to play a significant mediating role in strengthening the relationship between digital marketing and brand trust on customer loyalty. Thus, these findings support the hypothesis that effective digital marketing strategies, supported by strong brand trust, can enhance customer loyalty through customer satisfaction.

Based on these findings, several policy recommendations can be made. Companies in the food and beverage sector are advised to increase investment in digital marketing strategies, such as optimizing social media, interactive content, and digital-based services to strengthen customer relationships. Additionally, building brand trust through transparency, product quality, and consistent service should be a top priority to create long-term relationships with customers. Furthermore, companies need to actively monitor and improve customer satisfaction levels through surveys, feedback, and other proactive approaches. An integrated strategy combining digital marketing, brand trust enhancement, and customer satisfaction improvement is expected to drive sustainable customer loyalty.

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