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**THE ROLE OF DIGITAL MARKETING, CUSTOMER SATISFACTION, AND
CUSTOMER TRUST IN MAINTAINING MILLENNIAL CUSTOMER LOYALTY: CASE
STUDY ON THE TOKOPEDIA INDONESIA MARKETPLACE**

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ABSTRACT

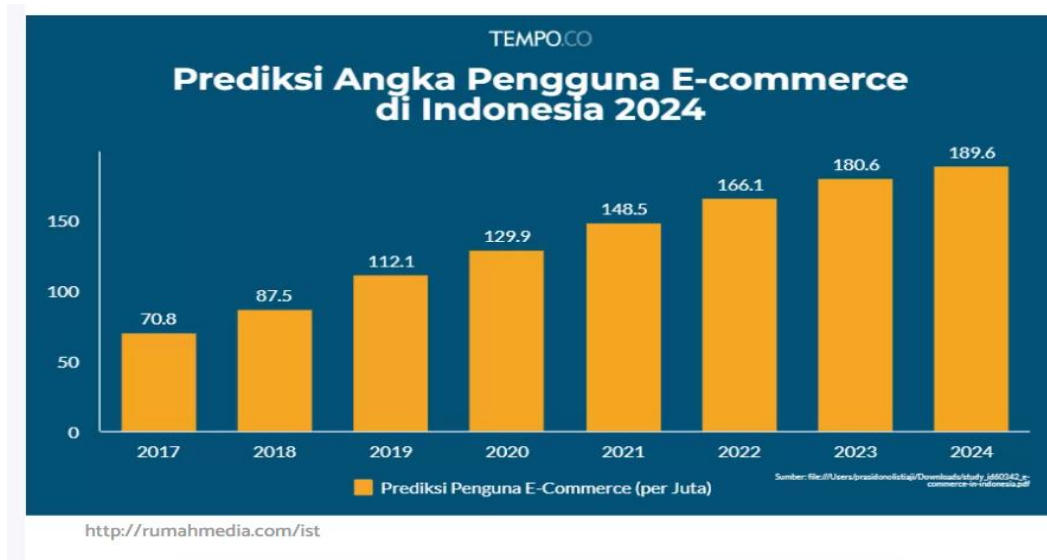
This study aims to analyze the influence of digital marketing, customer trust, and customer satisfaction on customer loyalty. The population in this study are millennials in Jakarta, Bogor, Depok, Tangerang, and Bekasi (Indonesia) who use Tokopedia e-commerce as an online shopping platform. The sample used in this study is 100 respondents. The sample is taken using a probability sampling method with a simple random sampling technique. Primary data processing uses IBM SPSS version 26. The research results show that all dependent variables, which are digital marketing, customer trust, and customer satisfaction, positively influence customer loyalty. Thus, Tokopedia, one of Indonesia's biggest e-commerce platforms, must give special attention to those variables to maintain customer loyalty.

KEYWORDS: Sales Promotion, Celebrity Endorsement, Electronic Word of Mouth (e-WOM), Purchase Decision, E-Commerce

INTRODUCTION

Shifting societal trends have changed people's lifestyle patterns in various ways, including fulfilling primary and secondary needs. An evident shift is the occurrence of shopping habits that were previously carried out in person to be carried out through digital-based media, one of which is e-commerce. Data released by rumahmedia.com shows the rapid use of e-commerce in Indonesia. In 2023, e-commerce users will reach 180.6 million, which is predicted to continue to increase in 2024 to reach 189.6 users.

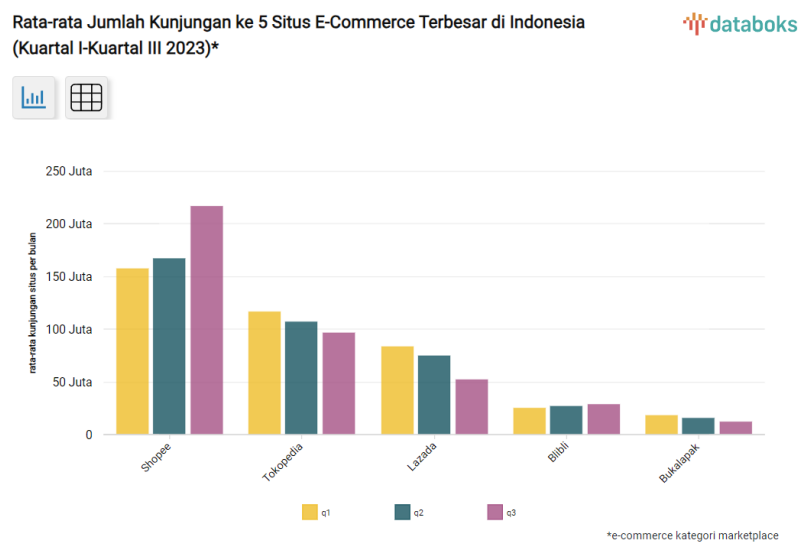
Figure 1 E-commerce User Predictions 2024



Source: Rumahmedia.com (2023)

Competition between e-commerce is inevitably increasing. From year to year, Indonesia's five largest e-commerce companies continue to fight for a position to be at the top. In the third quarter of 2023, Shopee, Tokopedia, Lazada, Blibli, and Bukalapak ranked from highest to lowest (Databoks, 2023).

Figure 2 Average visits to the largest e-commerce in Indonesia



Source: Databoks (2023)

Tokopedia will be the second most visited e-commerce site in the third quarter of 2023. This Indonesian company in the Unicorn category has succeeded in establishing itself at the top of the rankings for several periods. Reporting from <https://www.scribd.com/document/535259961/Siapa-pengguna-Tokopedia> Tokopedia is very popular with millennials who are very attached to modernization and digitalization. This is also the reason for choosing the e-commerce platform as the object of this research.

The rapid increase in the use of services, including Tokopedia e-commerce, cannot be separated from several factors that are why consumers choose and remain loyal to these services. These factors include digital marketing, customer trust, customer satisfaction, and customer Loyalty. Digital marketing is an inevitability that companies in this era of digitalization must carry out. Research conducted by Susanti, R. et al. (2022), Zhang, D. (2022), and Krishnaprabha and Tarunika (2020) have proven the importance of using digital marketing in increasing customer loyalty in various industries. Moreover, for e-commerce at Tokopedia's level, digital marketing establishes long-term relationships with its consumers, who are, incidentally, millennials.

Digital marketing will direct Tokopedia consumers to make repeat purchases (an indicator of customer loyalty) because customers will usually choose a platform that suits their character. Apart from that, another determining factor of customer loyalty is customer satisfaction. Satisfied customers will tell others about their experiences (positive word of mouth) and repurchase a product. In online purchasing, buyers who experience a series of satisfying online shopping experiences will enter the loyalty phase (Massad et al., 2006).

Evidence that customer satisfaction is a factor that influences customer loyalty was also presented by Tzavlopoulos et al. (2019), Menidjel et al. (2020), and Li et al. (2015). Apart from digital marketing and customer satisfaction, a factor that is no less important in determining customer loyalty is the trust factor. Research conducted by Budi, S. C. et al. (2021), Anaya-Sánchez, R. (2020), and Aslam, W. et al. (2020) shows that there is a positive influence between trust and customer loyalty. Based on this explanation, this research aims to prove the relationship between digital marketing, customer satisfaction, and customer trust in Tokopedia e-commerce customer loyalty.

LITERATURE REVIEW

Digital Marketing

Digital marketing is promotional activities and market search through online digital media utilizing various means such as social networks and e-commerce. Along with the increasingly rapid

development of information technology, using digital marketing to introduce products while targeting the market has become the leading choice for companies. Research conducted by Susanti, R. et al. (2022), Zhang, D. (2022), Krishnaprabha & Tarunika (2020), Qurhtuby (2021), and Astari (2021) has explained how unique the role of digital marketing is in marketing products. Moreover, in the post-COVID-19 pandemic era, digital marketing is the leading choice for reducing promotions.

The digital marketing platforms used by marketers today are increasingly varied. Ryan (2016) mentioned platforms frequently accessed by the public and used as digital marketing channels by marketers. These channels include Website, SEO (Search Engine Optimization), PPC Advertising, Affiliate Marketing and Strategic Partnership, Online Public Relations, Social Networks, Email Marketing, and Customer Relationship Management (CRM).

Customer satisfaction

Customer satisfaction is an essential factor for a company. Therefore, customer satisfaction should be the most crucial goal and activity in a marketing process (Kotler, 2000; Chiu & Cho, 2019). In increasingly tight business competition, all companies must pay attention to customer satisfaction to survive. Customer satisfaction is a factor in customers' repeat purchases of goods or services produced by the company. The research results by Sheu & Chang (2022) and Goutam et al. (2021) prove that satisfied customers will repurchase a product. On the other hand, (Tzavlopoulos et al., 2019) have proven that dissatisfied customers will provide negative testimonials about a product.

Customer satisfaction represents the level of satisfaction achieved by buyers after comparing the purchase experience and perceived expectations with the post-purchase experience (Kim et al., 2009). In other words, expectations directly determine satisfaction (Madininos & Theodoridis, 2010). In online purchasing, expectations describe consumers' beliefs about what they should or will get after a particular online transaction. Expectations are an essential source of relevant information for consumers to achieve satisfaction. In addition, consumers usually demand company consistency in meeting their expectations.

Customer satisfaction is influenced by several factors, namely product features, customer emotions, attribution of service success or failure, and perceptions of fairness as other product users (Zeithaml & Bitner, 2002). Product features directly influence customer satisfaction because, during the purchasing process, customers have their expectations regarding the product features they purchase. Whether or not customer expectations are met regarding the features of the product purchased will influence whether the customer is satisfied or dissatisfied. Customer emotions describe customer feelings that can influence customer reactions to a product. Apart from that, another factor influencing customer satisfaction is the attribution of success or failure, namely the cause of an event that

determines whether the customer is satisfied. Another factor that influences customer satisfaction is the perception of fairness. Customers will assess the reasonable value of a product when compared to the amount of money they spend. Another critical factor determining customer satisfaction is information from other parties using similar products.

Customer Trust

Customer trust is a psychological result of using or using a good or service that becomes suitable for use or use where the user or user experiences satisfaction and a sense of confidence in a product that can be purchased or received again properly and correctly. Researchers hope that there will be Consumer RO (Repeat Order) regarding use or reuse so that feedback can occur where the benefits from customers can be felt and have a significant influence on the data that will be discussed in the discussion and results.

Denise et al. (1998) suggest that trust is a psychological state consisting of the intention to accept vulnerability based on positive expectations of the intentions or behavior of other people. In online purchasing, trust shows users' positive perceptions of online sites (Liu, 2023). Customer trust is the main determining factor for customers to use certain products. Research conducted by Swastika and Shihab (2023) shows that customer trust influences customer loyalty on the intensity of application use in Jakarta. Customer trust influences customer loyalty through the intentions of the people of Jakarta who use the Tokopedia application.

Customer loyalty

Customer loyalty has been defined as a repeat purchasing process carried out by customers. Customer loyalty is a multidimensional concept that depends on context (Pan et al., 2012). This means that customer loyalty is something dynamic. It can change according to the context and adapt to conditions. During its development, experts divided customer loyalty into several categories, namely behavioral, attitudinal, and composite Loyalty (Yoo & Bai, 2013). Attitude loyalty is a deeply held commitment to repurchase a particular product, service, or brand. This is related to a sense of commitment and emotional and psychological attachment (Aksoy et al., 2015). Behavioral Loyalty refers to indicators such as repeat purchases, share-of-wallet, or the sustainability of a purchase over a long period (Yoo & Bai, 2013). Meanwhile, composite Loyalty combines behavioral and attitudinal Loyalty (Wolter et al., 2017).

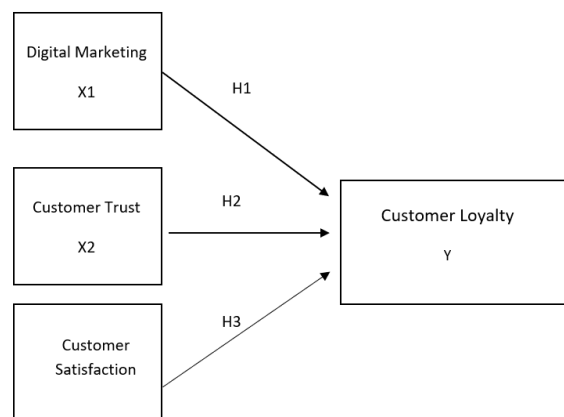
Kotler and Keller (2012) explain that Loyalty can be measured from several indicators: repeat purchases, retention, and referrals. Repeat purchase is a term used to describe customer loyalty towards purchasing a particular product. Retention is resistance to negative issues about the company. Referrals show the existence of a company. Companies that are considered successful will be used as

a reference or point of reference for their consumers.

Research Framework

Based on the above explanation, the research framework of this study can be stated as follows.

Figure 3. Research Framework



METHOD

This research uses case studies of Tokopedia E-Commerce users with millennial generation subjects in the Jakarta, Bogor, Depok, Tangerang, and Bekasi areas. The method used in research is quantitative. Data collection was carried out from November to December 2023. The research sample consisted of 100 respondents. Data analysis uses the SPSS Version 26 Platform to conduct multiple linear regression tests on the variables of Digital Marketing, Customer Satisfaction, and Customer Trust in Customer Loyalty.

RESULT AND DISCUSSION

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.314	2.407		.130	.897
	Digital Marketing (X1)	.503	.181	.241	2.772	.007
	Customer satisfaction (X2)	.269	.190	.208	1.416	.160
	Customer Trust (X3)	.379	.165	.324	2.296	.024

a. Dependent Variable: Customer Loyalty (Y)

Hypothesis testing shows significant results and shows that the linear relationship between variables is positive. First, Digital Marketing (X1) on Customer Loyalty (Y) is influential and significant, with a sig value of $0.0007 < 0.05$. Satisfied customers are at the general level of "millennials." Furthermore, the coefficient results support the hypothesis. Second, these results are compared with customer satisfaction (X2) to Customer Loyalty (Y), which has no effect or is not significant with a sig value of $0.160 > 0.05$. This shows that attitudes determine overall customer satisfaction, where customer satisfaction does not affect customer loyalty, in the sense that the large number of online-based money market platforms causes uncertainty in choosing the Tokopedia platform. Third, Customer Trust (X3) on Customer Loyalty (Y) is influential and significant with a sig value of $0.024 < 0.05$. There is an element of customer trust regarding the use of Tokopedia. In other words, these elements are usually due to the attractiveness or fast response of the Tokopedia Platform without any elements of hoaxes or fraud.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	612.927	3	204.309	21.647	.000 ^b
	Residual	887.196	94	9.438		
	Total	1500.122	97			

a. Dependent Variable: Loyalitas Pelanggan (Y)

b. Predictors: (Constant), Digital Marketing (X1), Customer Satisfaction (X2), Customer Trust (X3).

The Anova data above shows that the influence of Digital Marketing (X1), Customer Satisfaction (X2), and Customer Trust (X3) simultaneously on Y is influential and significant with a sig value of $0.000 < 0.05$. So, Customer Loyalty will also increase by 887,196. So, the Customer Loyalty variable

will also experience a decrease of 9,438, assuming the variable has a fixed value or zero (0). Furthermore, the ANOVA model above also shows that the resulting regression value is a positive value of 612,927, which means that if there is no influence from the independent variables X1,

These results confirm the three hypotheses regarding the impact of Digital Marketing (X1), Customer Satisfaction (X2), and Customer Trust (X3) on Customer Loyalty. Some dimensions influence Customer Loyalty. However, the "Digital Marketing" dimension significantly contributes to explaining the influence on Customer Loyalty. Consumers become more satisfied when they can run the digital marketing applications offered. Customer Trust can contribute to the explanation of Customer Loyalty but to a lesser extent than the previous factors. Meanwhile, Customer Satisfaction does not influence Customer Loyalty.

CONCLUSIONS AND MANAGERIAL IMPLICATIONS

Customer loyalty is a factor that companies must pay attention to in order to remain competitive, both in local and global markets. Three essential things to maintain customer loyalty include digital marketing, customer trust, and customer satisfaction. This also applies to e-commerce in Indonesia, including Tokopedia, an e-commerce platform loved by millennials. Research conducted on Tokopedia users proves that digital marketing, trust, and satisfaction have a positive and significant influence. The results of this research support previous research conducted by Susanti, R. et al. (2022), Zhang, D. (2022), Krishnaprabha & Tarunika (2020), Tzavlopoulos et al. (2019), Menidjel et al. (2020), Li et al., (2015), Budi, S. C., et al (2021), Anaya-Sánchez, R., (2020), and Aslam, W. et al., (2020).

The managerial implication of the results of this research is that companies must continue to upgrade themselves in the field of information technology so that they can meet consumer needs for digital marketing platforms that suit their characteristics. Apart from that, various services related to the product must be prioritized so that consumers feel confident and satisfied. Consumer trust and satisfaction will bring them Loyalty.

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