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The Influence of Digital Marketing and Service Quality on Customer Loyalty at Cafe Storyline in Palopo City

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Abstract: Digital marketing today This play a role important in introducing products and reach customer in a way directly . Digital marketing techniques have the potential big in increase preference customers in buy something products, especially among child young people who tend to easy adapt with digital systems . Research This done in frame know influence digital marketing and quality service to loyalty Customers of Storyline Cafe in Palopo City. Research using primary data in the form of questionnaire to 100 respondents. Research results with analysis regression simple show influential digital marketing direct positive and significant to loyalty customers, but quality service No influential direct to loyalty. In No direct, digital marketing and quality service are influential significant to loyalty through satisfaction customer.

Introduction

Digital marketing is a series of activities carried out by marketing departments, both at the company and individual levels, aimed at introducing and marketing the products or brands offered, whether goods or services. According to Khairunnisa (2022) , digital marketing is a marketing activity conducted online using the internet. Like conventional marketing, digital marketing also has a marketing mix concept and various methods that can be used to determine the right marketing strategy.

As internet technology develops, business people are starting to utilize online platforms by building online stores and marketing their products to people who actively surf the internet. (Muslimah, Aqsa, and Kunci 2021) . In today's digital era, social media has become a major trend in the implementation of digital marketing. Social media is an online-based medium that allows its users to actively participate, share information, and express ideas and concepts, such as through blogs, social networks, wikis, forums, and virtual worlds. Through this media, business actors can quickly develop, test, and implement various new innovations (Administration et al. n.d.) . Some of the social networking platforms that are widely used today include Instagram, TikTok, Facebook, and WhatsApp, which initially functioned as a means of communication, but have now transformed into

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effective digital promotional media.

Service quality describes the level of service or product excellence that consumers expect to meet their needs and desires. Service quality plays a crucial role in long-term customer retention. Continuous service system improvement efforts are considered more effective in maintaining business continuity. Customer expectations of service quality are shaped by previous experiences, recommendations from close friends, and information and promises made by marketers and competitors. Customer satisfaction is influenced by various factors, such as service quality, product quality, price, emotional factors, costs, and strategic business location. Therefore, service quality must be consistently maintained, with every employee required to provide the best possible service to consumers. According to (Reza Nurul Ichsan, Ahmad Karim 2021) , service is an activity offered by individuals or organizations to customers that is intangible and cannot be owned.

According to Herlambang and Komara (2022) , service quality is not solely determined by the service provider but is more dominantly determined by the customer as the recipient of the service, as they directly experience the benefits of the service. Quality service will have a positive impact in the form of increased customer satisfaction and loyalty, which encourages repeat purchases, thus contributing to increased revenue from marketed products or services.

The cafe industry is currently showing significant growth in line with changing lifestyles. Cafes are no longer just places to eat and drink, but have also evolved into social spaces and work spaces. This situation has triggered increasingly fierce competition among cafes to attract and retain customers. Therefore, strategies for building and maintaining customer loyalty are crucial for ensuring long-term business sustainability.

Consumer loyalty is a form of customer loyalty that is based on awareness, perception of quality, satisfaction, and a sense of pride in a product, which is realized through repeat purchases. (Parhusip 2024) . Loyal customers not only provide benefits through repeat transactions but also serve as a means of indirect promotion through word of mouth. This benefits cafes by allowing them to expand their market share without requiring large promotional expenditures.

Customer loyalty can be defined as a customer's commitment to a brand, store, or service provider, demonstrated by a positive attitude and repeat purchasing behavior. However, according to Urriyati (2005), as cited by Dedek Kurniawan Gultom, Arif, and Fahmi (2020), customer loyalty is a strong commitment to continue subscribing to or purchasing a particular product or service in the future, even though circumstances and marketing efforts can change customer behavior.

Based on descriptions of various previous studies, the author was motivated to conduct this research due to the inconsistencies found in previous research results. This study used variables X1: digital marketing, X2: service quality, and Y: customer loyalty, with Cafe Storyline employees as the research object.

Digital Marketing

Digital marketing is one of the important components in marketing strategy which is included in the study of Marketing Strategy or Market Plan. Digital marketing strategy can be understood as an approach used by organizations to promote products and services online through various channels, such as websites, email, social media, and search engines. Some of the main elements in a digital marketing strategy include: (1) content marketing, which is the process of creating and distributing valuable and relevant content to attract

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the attention of the target audience; (2) social media marketing, which utilizes social media platforms to promote products or services while building relationships with customers; (3) email marketing, which is delivering commercial messages directly to specific groups via email; and (4) Search Engine Optimization (SEO), which is the effort to optimize a website so that it can rank at the top of search engine results.

According to (Aisah et al. 2024), marketing strategies serve not only to address existing competition but also as a tool to anticipate potential future attacks. In the rapidly evolving digital era, digital marketing is often viewed as a new strategic approach for various industrial sectors. Advances in digital technology enable a transformation in the relationship between businesses and consumers. Implementing digital marketing strategies is considered capable of helping MSMEs reduce promotional costs, expand market reach, and increase competitiveness. With the right digital marketing strategy, MSMEs have a greater opportunity to grow their businesses and survive competition in the digital era.

Content marketing is a marketing strategy that focuses on the process of creating and distributing valuable, relevant, and consistent content with the aim of attracting, acquiring, and engaging a predetermined audience, thereby driving profitable consumer action. (Sari and Putri 2024) . This strategy has various benefits, including building customer trust and loyalty through the delivery of informative and useful content, thereby strengthening the brand image in the eyes of consumers. Furthermore, content marketing also plays a role in increasing brand credibility, as consumers tend to have a positive perception of brands that provide added value through the content they present. Consistency in content publication can also increase visibility and traffic to websites and other digital platforms.

Content marketing has become an effective tool for building brand authority while increasing audience engagement. Research conducted by (Sono, Erwin, and Muhtadi 2023) highlights the importance of creating engaging content, distributing it across various digital channels, and its impact on customer acquisition and retention. Furthermore, creative and targeted digital advertising campaigns can increase brand exposure to audiences previously unreached by conventional marketing methods. Collaboration with influencers and content creators is also considered effective in increasing consumer engagement on social media. (Husna, Mala, and Sutantri 2024) . Regular product information updates through social media not only serve as a means of product introduction, but can also increase consumer trust in the products offered (Snades et al. 2021) .

H_1 : Whether Influential Digital Marketing To Loyalty Customer

Quality Service

Good service quality begins with an understanding of customer needs, followed by tailoring appropriate service delivery and delivering services that create customer satisfaction (Muzammil et al. 2024) . Service quality can be viewed as an effort to create comfort for consumers, thereby ensuring they perceive value in line with their expectations. The higher the perceived service quality, the greater the level of customer satisfaction. Conversely, declining service quality often leads to low customer loyalty.

A positive experience experienced by customers during a service can increase their level of satisfaction (Agustiono, Listyorini, and Nugraha 2022) . Continuously providing quality service will foster customer satisfaction with the fulfillment of their needs. If the service received falls far short of expectations, consumers are less likely to return.

However, if the service they receive exceeds expectations, consumers will be encouraged to use the service or visit the cafe again.

In the cafe industry, consumers expect not only good-tasting food but also a comprehensive experience that encompasses the cafe's ambiance and satisfactory service quality (Sam et al. 2023) . A match between promises made to customers and the service actually received reflects high service quality, thus creating a positive experience and building customer trust (Sihombing et al. 2022).

H 2 : Whether Quality Service Influential To Loyalty Customer

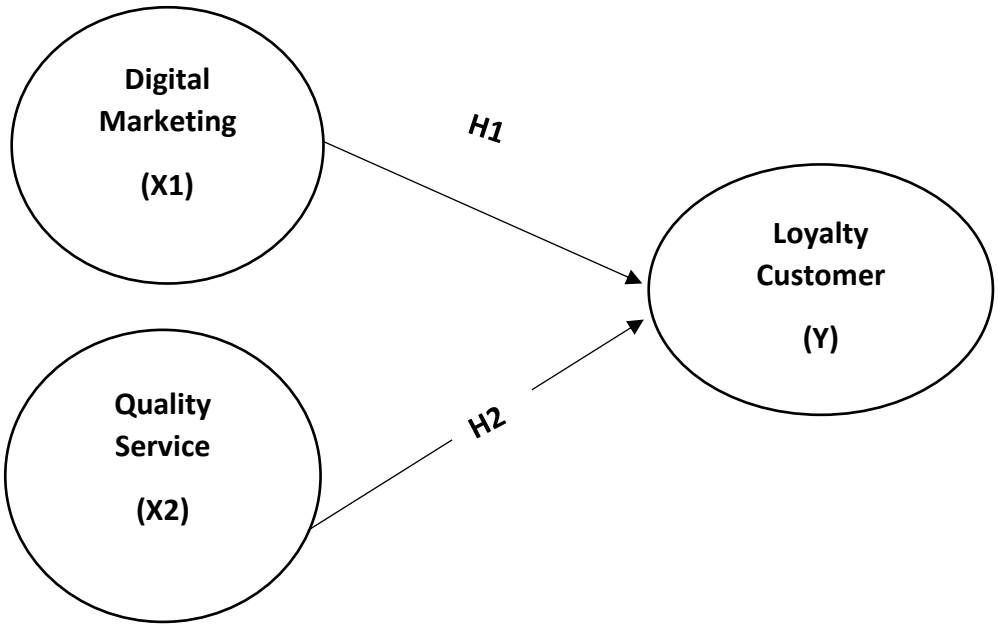


Figure 1. Research Model

Method Study

This study used a quantitative approach, and data were collected through questionnaires distributed to respondents. This study employed a purposive sampling method. The aim was to evaluate the influence of two independent variables, Service Quality (X2) and Digital Marketing (X1), on the dependent variable, Customer Loyalty (Y), at Cafe Storyline in Palopo City.

Cafe Storyline, located at Jalan Mungkasa No. 10, Palopo, was the location of this research. The study was conducted for approximately one month, starting in September 2025 . Cafe Storyline customers are subject study this . Research sample consists of from one hundred people visited cafe . Purposive sampling is method taking samples based on established standards determined by researchers .

Determination amount sample in study This counted use Margin of Error (MoE) formula with level error as big as 10% , considering amount large and undeveloped population known in a way sure . Formula MoE used is as following :

$n = Z^2 / 4(MoE)^2$

Information:

n = number of samples

Z = 95% confidence level (Z = 1.96, α = 5%)

MoE = margin of error of 10% (0.1)

Based on formula mentioned , the calculation amount sample is as following :

$n = (1, 96)^2 / 4(0,1)^2$

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n = 3.84 / 0.04
n = 96.04

Calculation results show amount sample as big as 96.04 , which then rounded become 100 respondents Visitors to the Storyline Cafe in Palopo City .

Table 1.1. Rate of Return Questionnaire

No	Information	Amount
1	Questionnaires distributed	100
2	Completed questionnaire	100
3	Completed questionnaire No complete	0
4	Questionnaires that can processed	100

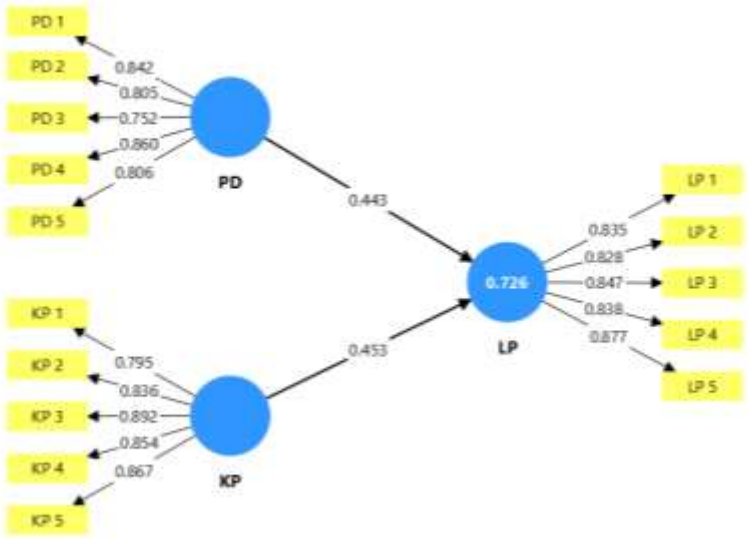


Figure 2. Outer model of SmartPLS4.

Results and Discussion

Study This apply method Partial Least Squares (PLS) as technique analysis of processed data use device soft SmartPLS version 4. Assessment to connection between latent variables and indicators the gauge done through outer model testing. The purpose of outer model testing is for evaluate validity and reliability instrument research. PLS model scheme at the outer model stage used in study This presented in the picture following.

Load value outside for every indicators for each variable study shown in the results analysis; part big indicator own mark burden outside above 0.7 , which indicates that indicator fulfil criteria good validity . Load value outside can also accepted in range from 0.5 to 0.6, according to with data processing.

AVE value of each variable study served in table following. Besides mark burden outside, validity convergence is also tested with consider Average Variance Extracted (AVE) value . AVE value of construct considered Good If more big from 0.5.

Table of Average Variance Extraction Values Based on the table presented , each variable study own mark Average Variance Extracted (AVE) that exceeds minimum limit of 0.5. The AVE value for variables digital marketing as big as 0.722, variable quality service as big as 0.715, and the variable loyalty customer as big as 0.662. The result show that all over variables in study This has fulfil criteria validity discriminant .

Next, testing validity indicators are also carried out with use mark outer loading indicator stated fulfil criteria validity if own adequate outer loading value, where the value is in the range 0.5 - 0.6 Still can accepted as condition fulfillment validity convergent.

Table 1.2. outer loading

	Quality Service	Loyalty Customer	Digital Marketing	Information
KP 1	0.795			*Valid*
KP 2	0.836			*Valid*
KP 3	0.892			*Valid*
KP 4	0.854			*Valid*
KP 5	0.867			*Valid*
LP 1		0.835		*Valid*
LP 2		0.828		*Valid*
LP 3		0.847		*Valid*
LP 4		0.838		*Valid*
LP 5		0.877		*Valid*
PD 1			0.842	*Valid*
PD 2			0.805	*Valid*
PD 3			0.752	*Valid*
PD 4			0.860	*Valid*
PD 5			0.806	*Valid*

According to Ghozali et al. (2014), data is considered valid if mark factor shelter more big from 0.5. Test results validity show that all indicator statement that describes three variables study own mark factor more shelter big of 0.5. Therefore, it can be concluded that all indicators are valid.

Furthermore, composite reliability is used to assess the level of reliability of measuring constructs or components in a variable. The composite value reliability used For evaluate internal consistency of the indicators that form something variable . Construction considered reliable If mark combination its reliability more big from 0.7. Combined value reliability for each variable study served in table following .

Table 1.3 *Composite Reliability*

Variables	Reliability composite (rho_a)	Reliability composite (rho_c)
Quality Service	0.906	0.928
Loyalty Customer	0.902	0.926
Digital Marketing	0.882	0.907

Test results reliability composite show that all variables study own value above 0.7; variable Quality Service own value 0.906, Variable Loyalty Customer own value 0.902, and Variable Digital Marketing has value 0.882. The result show that criteria reliability composite has fulfilled by each construct. Therefore that, can concluded that variables study own level high consistency and reliability.

Besides reliability composite, Cronbach's Alpha is also used for test construct. In study This is the minimum value of Cronbach's Alpha for this study. is 0.60, which indicates that the construct being tested fulfil criteria reliability . Therefore that , the result Cronbach's Alpha test shows that the construct being tested in study This fulfil criteria reliability .

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Table 1.4 Cronbach's Alpha

Variables	Cronbach's alpha
Quality Service	0.903
Loyalty Customer	0.900
Digital Marketing	0.873

All variables in this study have a Cronbach's Alpha value greater than 0.6 , as shown in the table presented. show that each variable has fulfil criteria reliability, so that instrument study can stated reliable.

Stage furthermore in PLS analysis is evaluation inner model, which aims for evaluate connection structural between latent variables. Testing the inner model in study This done through two analysis main, namely measurement mark R-Square (R^2) and path coefficient.

R-Square (R^2) Value used For explain how much big endogenous variables can influenced by variables exogenous. The higher the R^2 value, the better the level of determination of the resulting model. R^2 values of 0.75 , 0.50 , and 0.25 indicate that the model is in the strong , moderate , and weak categories, respectively . The coefficient of determination (R-Square) values in this study are presented in the following table.

Table 1.5 R-Square and Adjusted R-Square

Variables	R-square	Adjusted R-square
Loyalty Customer	0.726	0.721

The test results table shows the R-Square (R^2) value or coefficient of determination. The R-Square value of 0.726 indicates that the independent variables E-Commerce and Online Store Business , along with their interactions, are able to explain variations in the dependent variable of consumer visits to conventional markets by 72.6% , while the remaining 27.4% is influenced by other factors not included in this research model.

The next stage is significance testing , which aims to determine whether the research hypothesis has a significant effect. This significance testing is conducted using statistical tests, the results of which are presented in the following table.

Table 1.6 *Significant Test Results*

Variables	Sample original (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	Information
Quality Service -> Loyalty Customer	0.453	0.452	0.107	4,213	0.000	*Valid*
Marketing -> Loyalty Customer	0.443	0.447	0.106	4,182	0.000	*Valid*

Based on the table presented, it is known that the path coefficient value between Service Quality and Customer Loyalty is 0.453 and is positive. This indicates that an increase in service quality will be followed by an increase in customer loyalty at Cafe Storyline, Palopo City. The

results of the significance test indicate that Service Quality has a positive and significant effect on Customer Loyalty, so the proposed hypothesis is declared accepted .

Furthermore, the test results also show that the path coefficient value between Digital Marketing and Customer Loyalty is 0.443 . In addition, the P-Value value of 0.000 , which is smaller than the significance level of 0.05 , indicates that Digital Marketing has a positive and significant influence on Customer Loyalty at Cafe Storyline, Palopo City. Thus, the hypothesis stating that there is an influence of Digital Marketing on Customer Loyalty is declared accepted .

Based on the data samples obtained by the researchers indicate that digital marketing and service quality have a significant influence on customer loyalty. Reviewing the results of questionnaires distributed to customers of Cafe Storyline in Palopo City, it was found that digital marketing and service quality have a positive influence on customer loyalty.

Discussion

The Influence of Digital Marketing on Customer Loyalty

The results of the study indicate that Digital Marketing has a significant influence on Customer Loyalty at Cafe Storyline, Palopo City. This is evidenced by a coefficient value of 0.44 and P-Value <0.05 , which indicates a positive and significant influence. This finding indicates that the implementation of effective digital marketing can increase customer loyalty. This impact is reflected in the increasing number of customer visits to Cafe Storyline, Palopo City, which indicates that digital marketing plays a role in encouraging customer re-visit interest. The results of this study are in line with the findings of (Fahrika, Rachma, and Slamet 2019) in their study entitled *"The Effect of Online Marketing and E-Service Quality on Loyalty with Satisfaction as an Intervening Variable in the Online Shop Joyism Malang"* . The study proves that online marketing has a significant influence on customer satisfaction, which in turn has an impact on increasing customer loyalty.

The Influence of Service Quality on Customer Loyalty

In "The Effect of Service Quality on Customer Loyalty with Customer Satisfaction as an Intervening Variable", research conducted by Zahara (2020) shows that service quality influences customer loyalty, based on the results of hypothesis testing on the second structural equation. The path coefficient of the influence of service quality on customer loyalty is 0.138, or 14.1%, indicating that service quality positively influences the level of customer loyalty; higher service quality, higher level of customer loyalty.

Conclusion

Based on the research results, it can be concluded that there has been an increase in the number of customer visits to Cafe Storyline in Palopo City. This increase indicates that the implementation of digital marketing and service quality have a positive impact on customer loyalty at Cafe Storyline in Palopo City. The analysis of the research shows that digital marketing and service quality have a positive and significant impact on customer loyalty.

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