The Effect of Digital Marketing on Purchase Loyalty with Customer Satisfaction as an Intervening Variable on Products Starbucks in Sukoharjo

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	Abstract
Received: 28 Mei 2023	*The purpose of this study was to determine the effect of digital marketing on purchase loyalty with customer satisfaction as an intervening variable on Starbucks products in Sukoharjo. This research method is quantitative. The population in this study was Starbuck Coffee consumers in Sukoharjo. The sampling technique for this research is nonprobability sampling. The sample in this study amounted to 100 respondents. The data analysis technique in this study uses Partial Least Square (PLS) using the help of SMARTPLS Software. The results of this study are digital marketing has a significant positive effect on purchase loyalty. Digital marketing has a significant positive effect on customer satisfaction. Customer satisfaction has a significant positive effect on digital marketing. The conclusion of this study is that digital marketing affects purchase loyalty with customer satisfaction as an intervening variable on Starbucks products in Sukoharjo.*
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INTRODUCTION

The growth of coffee drinkers in Indonesia shows that there is an increase in the demand for coffee. The high demand has opened up many coffee business opportunities. This lifestyle change is what influences coffee sales in Indonesia to get bigger and prospects, coffee shops are now sought after by consumers for various things such as a place to do assignments / look for inspiration so as not to stress working at home because of work from home or to find a place with a different atmosphere, can be a place to chat and meet with friends, can be a place to meet with clients, etc. (Irena & Sitinjak, 2018; Santoso, 2021).

One of the most famous coffee shops in Indonesia a long time ago and has many customers is Starbucks Coffee. The Starbucks brand is one of the most iconic brands in the world because it has been able to change the mindset of the world community about how to enjoy a cup of coffee. The history of Starbucks began in 1971, as a global business of ground coffee, coffee beans, tea, and spices, with 31,256 stores in 79 countries (Starbucks Coffe, 2021). In this case,

what attracts attention is that Starbucks coffee follows the times where now is the digital era, where the marketing strategy uses digital marketing.

The definition of digital marketing itself is a marketing or promotional activity for a brand or product using digital media or the internet which aims to attract consumers and potential consumers quickly. Digital marketing costs less and is able to produce a fairly high return on investment. Companies can use search engine optimization, search engine marketing, digital advertising, and content marketing strategies to improve their performance (Santoso, 2021).

As is known, the acceptance of technology and the internet in society is so broad that it is not surprising that digital marketing activities are the main choice by many companies, so many companies compete with each other to create interesting content to be displayed in their marketing in cyberspace (Mahmud, 2022). This is done in order to attract customers.

The Starbucks company tries to meet customer expectations in order to create customer satisfaction. Customer satisfaction is an important concept in marketing and consumer research. Consumers are satisfied with a product or they are likely to buy and use it and tell others about their pleasant experience with the product (Peter & Olson, 1996).

Customer satisfaction has an impact on customer loyalty, according to (Griffin et al., 2003) The concept of customer loyalty is more associated with behavior than attitude. Behavior is when a customer makes a purchase. Meanwhile, attitude is the feeling shown by the customer after using the product. Loyal customers will show purchasing behavior from time to time.

Customer loyalty is a condition where customers or consumers regularly or regularly make purchases at a business. This is because consumer loyalty can provide information and benchmarks for a businessman in predicting sales and regular purchases. Maintaining consumer loyalty Starbucks Coffee Sukoharjo guarantees consumers that its products are of very good quality so that consumers do not need to hesitate to buy them. In addition, to make consumers comfortable and feel at home sitting is the provision of several facilities such as differentiating seating which is divided into two areas, namely the smoking area and nonsmoking area, providing a condiment bar, namely a place to provide milk, sugar, chocolate, vanilla powder to complement the taste of drinks that are not quite right for the customer's own taste, also providing straws and tissues so that customers who need them can directly take them themselves at the condiment bar. Then Starbucks Coffee in Sukoharjo also provides Wi-Fi facilities so that visitors can access the internet for free.

Based on the description above, the authors are interested in researching and identifying related digital marketing and customer loyalty using the intervening variable of Starbucks coffee customer satisfaction in Sukoharjo. Therefore, in order for this research to be more focused, the authors

took the title "The Effect of Digital Marketing on Purchase Loyalty with Customer Satisfaction as an Intervening Variable on Starbucks Products in Sukoharjo".

METHODS

Based on the analysis and research objectives, the type of research conducted by researchers is the quantitative method. The quantitative method is a research method based on the philosophy of positivism in certain populations or samples that use statistical survey tools to collect research data. This method is in the form of numbers obtained from the results of measuring the scale of the variables in the study (Sugiyono, 2014).

The population in this study was Starbuck Coffee consumers in Sukoharjo. Samples are part of psychological objects or members of the population taken according to certain procedures (Sugiyono, 2014). The sampling technique in this study was nonprobability sampling. The sampling technique used is purposive sampling where this technique is used to determine research samples with certain considerations or criteria that have the aim that the data obtained is representative data (Sugiyono, 2014). Not all samples have criteria that match the author, so the samples that are able to become respondents are as follows:

a. People who live in Sukoharjo and its surroundings

b. Aged 17-55 years.

c. Have visited and purchased Starbuck Coffee products

Due to the unknown population size, the calculation needed to determine the minimum sample size is the Malhottra calculation. According to the calculation (Malhotra, 2010) the sample size must be greater than at least four to five times the number of questions. In this research, there are 17 indicators of questions, then the number of indicators is multiplied by 5 to obtain the minimum sample required. Through Maholtra's calculation, the minimum sample size needed is 100 respondents.

This study uses primary data in its preparation. Data is obtained through respondents' answers using a closed questionnaire type. Primary data refers to information obtained directly from the first hand by researchers related to variables of interest for the specific purpose of the study. The data collection method used in this research is by distributing questionnaires. The questionnaire was made using a Likert scale format.

Research variables are anything in the form of anything that is determined by the researcher to study so that information about it is obtained, then conclusions are drawn (Sugiyono, 2014). This study uses dependent variables, independent variables, and mediating variables. The dependent variable studied in this study is customer loyalty. The independent variables in this study are Digital Marketing and Purchase Loyalty. Furthermore, the mediating variable in this

study is customer satisfaction. PLS-SEM analysis is used as a tool to predict and explore complex models with less stringent requirements for data (Hair et al., 2019). The data analysis technique in this study uses Partial Least Square (PLS) using the help of SMARTPLS software.

Framework of Thought

The framework in this study is based on the thoughts of researchers and also references the results of research that has been done before. This framework is used for direction in carrying out research, namely explaining the "effect of digital marketing on purchase loyalty with customer satisfaction as an intervening variable".

Figure 1. Framework of Thought
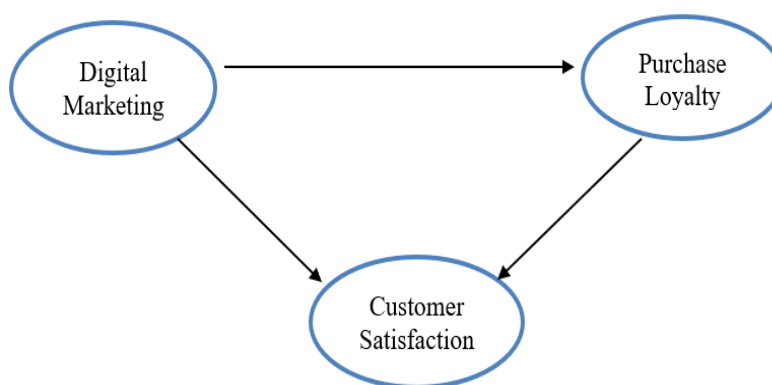
This model aims to test the relationship between the influence of Digital Marketing variables on purchase loyalty H1. Digital Marketing on Customer Satisfaction H2. Customer Satisfaction mediates the relationship between Digital marketing on purchase loyalty H3

Hypothesis development

The Influence of digital marketing on purchase loyalty

(Kotler & Keller, 2012) concluded that digital marketing includes ways that are able to provide additional dimensions that uniquely differentiate from other products designed to provide the satisfaction of similar needs. Defining digital marketing is the exploitation of digital technology used to create a channel to reach potential recipients to achieve company goals by fulfilling consumer needs more effectively. And loyal customers will use products or services continuously from the same company. Loyal is not only a strong basis for the company but also reflects the company's growth potential in the future (Widyawati, 2008). According to (Muhari, 2012) that customers are loyal or not seen from the consistency of their purchasing behavior towards a brand. (Komang et al., 2020) prove that there is a positive and significant effect of digital

marketing on customer satisfaction and researchers found that customer satisfaction has a positive impact on loyalty. Based on the explanation above, the researcher formulates the following hypothesis:

H1: It is suspected that digital marketing has an effect on consumer loyalty at Starbucks Sukoharjo.

The Effect of Digital Marketing on Customer Satisfaction

Satisfaction is the level of a person's feelings after comparing the perceived performance or results with his expectations. According to (Hutasoit, 2011) if performance describes that service quality is the suitability and degree of ability to use the overall characteristics of products and services provided in fulfilling the needs and expectations desired by consumers with attributes or factors including direct evidence, personal attention from employees to consumers, responsiveness, reliability, and assurance. According to (Alwan & Alshurideh, 2022) digital marketing has a significant influence on creating customer satisfaction. Based on the explanation above, the researcher formulates the following hypothesis:

H2: It is suspected that digital marketing has an effect on customer satisfaction

Customer satisfaction mediates the relationship between digital marketing and purchase loyalty.

Here researchers use customer satisfaction as an intervening variable that mediates the relationship between digital marketing and purchase loyalty. According to research (Koay et al., 2019) customer satisfaction has a significant positive effect on customer loyalty. Based on the explanation above, the researcher formulates the following hypothesis:

H3: It is suspected that customer satisfaction mediates the relationship between digital marketing and purchase loyalty.

RESULT AND DISCUSSIONS
1) Data Instrument Test

The data instrument test used in this study is the validity and reliability test distributed to 100 Starbucks consumers, to be analyzed for validity and reliability and the results of the analysis are used as reference material in obtaining data for further analysis. Data analysis was carried out using SmartPLS 3.0 software. In this study, hypothesis testing used Partial Least Square (PLS)

analysis techniques with the SmartPLS 3.0 program. The following is a scheme of the proposed

PLS program model:

Figure 2. Outer Model Scheme
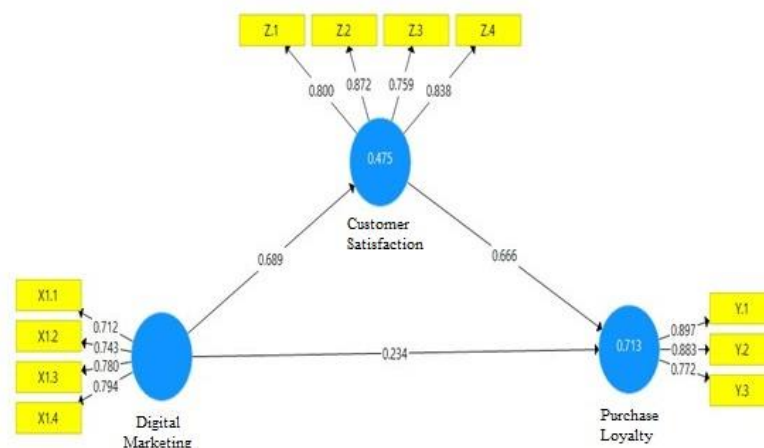
2) Outer Model Analysis

The final outer model of this study resulted in a Purchase Loyalty variable reflected by 3 indicators, a Customer Satisfaction variable reflected by 4 indicators, and a Digital Marketing variable reflected by 4 indicators. The stages in the SEM PLS analysis in the outer model use 4 criteria, namely testing the validity and reliability of variables by looking at Convergent validity, Discriminant validity, Composite reliability, Average Variance Extracted (AVE), and Cronbach alpha. The test results are as follows:

a) Convergent Validity

Testing convergent validity uses the outer loading value or loading factor. An indicator is declared to meet convergent validity in a good category if the outer loading value is> 0.7. The outer loading value of each variable indicator. Based on data analysis, it is found that each research variable has a lot of outer loading of> 0.7. The data above shows that there are no indicators that show an outer loading value <0.5 so the indicator is declared feasible or valid.

b) Discriminant Validity

Discriminant validity can be seen through the Average Variance Extracted (AVE) method for each indicator that has a criterion of> 0.5 said to be valid.

Table 1. Average Variance Extracted (AVE) Results

Variable	AVE
Digital Marketing	**0.575**
Customer Satisfaction	**0.670**
Purchase Loyalty	**0.726**

Source: Primary data processing results, 2023

Based on the data in Table 1, it is found that the value of AVE for all variables is above 0.5, which means that all variables have good discriminant validity values.

c) Composite Reliability

Composite reliability is the part used to test the reliability value of variable indicators. Variables can be said to fulfill composite reliability if the composite reliability value is> 0.7. The following is the value of the results of the composite reliability of each variable.

Table 2. Composite Reliability Results

Variable	Composite Reliability
Digital Marketing	0.844
Customer Satisfaction	0.890
Purchase Loyalty	0.888

Based on Table 2, it is found that the value of Composite reliability for all variables is above 0.7, which means that all variables are reliable.

d) Cronbach's Alpha

The reliability test with composite reliability above can be strengthened by using Cronbach's alpha value. A variable can be said to be reliable if it has a Cronbach's alpha value> 0.7. The following is the Cronbach's alpha value of each variable.

Table 3. Cronbach's Alpha Results

	Cronbach's Alpha
Digital Marketing	0.757
Customer Satisfaction	0.835
Purchase Loyalty	0.809

Based on Table 3, it is found that the value of Cronbach's alpha for all variables is above 0.7, which means that all variables are reliable.

3) Multicollinearity Assumption Test

The purpose of this multicollinearity test is to determine multicollinearity between variables by looking at the correlation value between independent variables. The above criteria that apply well in the multicollinearity test are if the VIF (Variance Inflation Factor) value is <5, which means that the regression model is free from multicollinearity (Solimun, 2017). The following are the results of the multicollinearity test of each variable.

Table 4. Collinearity Statistic (VIF)

Variable	Digital Marketing	Customer Satisfaction	Purchase Loyalty
Digital Marketing		1.000	1.903
Customer Satisfaction			1.903
Purchase Loyalty			

Based on Table 4, it can be seen that the VIF value of each variable is <5, so it can be said that the model is free from multicollinearity symptoms.

4) Inner Model Analysis

This study will explain the results of the path coefficient test, goodness of fit test, and hypothesis testing.

Figure 2. Inner Model Scheme
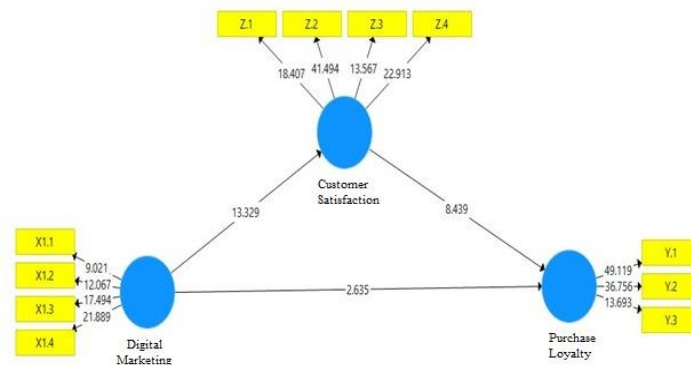
a) R Square Test

The magnitude (R-Square) is used to measure how much the dependent variable is fulfilled by other variables. Based on data processing that has been carried out using smart PLS 3.0, the R-square value is obtained:

Table 5. R-Square Value

	R Square	R Square Adjusted
Customer Satisfaction	0.475	0.469
Purchase Loyalty	0.713	0.707

Based on Table 5, the effect on the Customer Satisfaction variable is 0.475 or 47.1%. Meanwhile, the effect on the Repurchase Intention variable is 0.713 or 71.3%.

b) F square test

Testing the structural model is done by looking at Q^2 (Predictive relevance). This test is conducted to determine the predictive capability of how well the resulting value is, if the resulting value of 0.02 (small), 0.15 (medium), and 0.35 (large) affects the structural level. Based on data processing that has been done using smart PLS 3.0, the F-square (F^2) is obtained.

Table 6. F-Square value

	Digital Marketing	Customer Satisfaction	Purchase Loyalty
Digital Marketing		**0.903**	0.100
Customer Satisfaction			**0.811**
Purchase Loyalty			

Based on Table 6, shows that the predictive capability of the value of Digital Marketing on Customer Satisfaction is 0.903, which is classified as large. The prediction capability of Digital Marketing on Purchase Loyalty is 0.100, which is classified as small. Customer Satisfaction on Purchase Loyalty is 0.811 which is classified as large.

c) **Predictive relevance (Q square)**

This test is conducted to determine the predictive capability of how well the resulting value is. If the value obtained is 0.02 (small), 0.15 (medium), and 0.35 (large). Can only be done for endogenous constructs with reflective indicators. The assessment of goodness of fit is known from the Q-Square value. The Q-Square value has the same meaning as the coefficient determination (R-Square) in regression analysis, where the higher the Q-Square, the better or more fit the model is with the data. The calculation results of Q-Square are as follows:

Q-Square $= 1 - [(1-R^2 1) \times (1-R^1 2)]$

$= 1 - [(1- 0{,}469) \times (1 - 0{,}707)]$

$= 0{,}844$

Based on the calculation results, the Q-Square value is 0.844. This shows that the amount of diversity of research data that can be explained by the research model is 84.4%, while the remaining 15.6% is explained by other factors that are outside this research model. From this research model, it is stated that it has been declared to have good goodness of fit.

5) **Hypothesis Test**
   a) Direct Effect Test

Based on the data processing carried out, the results can be used to answer the hypothesis in this study. Hypothesis testing in this study was carried out by looking at P Values. This hypothesis is accepted if the P Values <0.05. In this study, there are direct effects and indirect effects because there are independent variables, dependent variables, and intervening variables. In the SmartPLS program, the results of hypothesis testing can be seen through the path coefficient of the Bootstrapping technique as follows:

Table 7. Direct Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values
Digital Marketing-> Customer Satisfaction	0.689	0.695	0.052	13.329	**0.000**
Digital Marketing -> Purchase Loyalty	0.234	0.240	0.089	2.635	**0.009**

Customer Satisfaction-> Purchase Loyalty	0.666	0.661	0.079	8.439	**0.000**

Based on Table 7, it is known that the Digital Marketing variable has a significant effect on Purchase Loyalty, it is evidenced that the sig value is 0.009, which means 0.009 <0.05, which means that there is a significant effect on the Digital Marketing variable on Purchase Loyalty. From these results, it shows that the first hypothesis which states that Digital Marketing has an effect on the Purchase Loyalty of Starbucks consumers in the city of Sukoharjo is proven correct.

Followed by the results of the Digital Marketing variable which shows that there is a significant effect on Customer Satisfaction with P Values of 0.000, which is 0.000 <0.05, which means that there is a significant effect of the Digital Marketing variable on Customer Satisfaction. From the results of this data, it shows that the second hypothesis which states that Digital Marketing Has an Effect on Customer Satisfaction for Starbuck Products in Sukoharjo City is proven correct.

Meanwhile, the Customer Satisfaction variable has a significant effect with P values of 0.000, which means 0.000 <0.05, indicating that there is a significant effect of the Customer Satisfaction variable on Purchase Loyalty.

b) Indirect Effect

Testing the indirect effect to determine the indirect effect of the Marketing Mix variable on Repurchase Intention through Customer Satisfaction as an intervening variable and the indirect effect of the Brand Image variable on Repurchase Intention through Customer Satisfaction as an intervening variable. The analysis results can be seen through the Indirect Effect table of the bootstrapping technique as follows:

Table 8. Indirect Effect Path Results

	Original Sample (O)	Sample Mean (M)	STDEV	T-Statistics	P -Values
Digital Marketing -> Customer Satisfaction -> Purchase Loyalty	0.459	0.459	0.061	7.486	**0.000**

Based on Table 8, shows that the level of significance in the effect of digital marketing on purchase loyalty mediated by customer satisfaction is 0.000 which is <0.05,

so it can be said that customer satisfaction mediates digital marketing on purchase loyalty. from the results of this data, it proves that the third hypothesis which states that customer satisfaction mediates the relationship between digital marketing and purchase loyalty is proven correct.

Discussion

The Effect of Digital Marketing on Purchase Loyalty

The first hypothesis in this study is that digital marketing is thought to have an effect on purchase loyalty. Based on statistical results show that digital marketing has a positive and significant effect on purchase loyalty. This means that the more digital marketing is carried out by the company, the more product purchase loyalty will increase among consumers. These results prove the first hypothesis that digital marketing is thought to have an effect on purchasing loyalty for Starbucks products. These results are in line with research conducted by (Komang et al., 2020) proving that there is a positive and significant effect of digital marketing on customer satisfaction, and researchers found that customer satisfaction has a positive impact on loyalty.

The Effect of digital marketing on customer satisfaction

The second hypothesis in this study is that digital marketing is thought to have an effect on customer satisfaction. Based on the statistical results, it shows that digital marketing has a significant positive effect on customer satisfaction. This means that the more digital marketing owned by Starbucks increases customer satisfaction, so the digital marketing carried out by Starbucks has succeeded in creating customer satisfaction These results prove the second hypothesis that shows the truth. These results are in line with research conducted by (Alwan & Alshurideh, 2022). Digital Marketing has a significant influence on creating customer satisfaction.

Customer Satisfaction Mediates the Relationship between Digital Marketing and Purchase Loyalty

Statistical results show that customer satisfaction mediates the relationship between digital marketing and purchase loyalty. This means that customer satisfaction causes influence of the relationship between digital marketing and purchase loyalty. These results are in line with research conducted by (Koay et al., 2019) customer satisfaction has a significant positive effect on customer loyalty.

CONCLUSION

Based on the results of the analysis that has been carried out, this study can be concluded that Digital Marketing has a significant positive effect on purchase loyalty so the first hypothesis is accepted. Digital Marketing has a significant positive effect on customer satisfaction so the second hypothesis is accepted. Customer satisfaction has a significant positive effect on Digital Marketing so the third hypothesis is accepted.

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