

The Influence of Digital Marketing, Customer Experience, and Brand Image on McDonald's Customer Loyalty: The Mediating Role of Customer Engagement (A Study of McDonald's Customers in Surabaya)

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ABSTRACT

This study aims to analyze the influence of digital marketing, customer experience, and brand image on customer loyalty through customer engagement among McDonald's customers in Surabaya. A quantitative research approach was employed using descriptive and verificative methods to examine the relationships among the variables. The study involved 190 respondents. Data were collected through questionnaires and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4. The results indicate that digital marketing, customer experience, and brand image have positive and significant effects on customer engagement. Furthermore, digital marketing, customer experience, brand image, and customer engagement significantly affect customer loyalty. Customer engagement was also found to significantly mediate the relationships between digital marketing, customer experience, and brand image and customer loyalty. Among the independent variables, digital marketing demonstrated the strongest effect on customer loyalty, with a path coefficient of 0.363.

In conclusion, enhancing digital marketing activities, customer experience, and brand image can strengthen customer engagement and ultimately increase customer loyalty. The study highlights the important role of customer engagement as a mediating variable in building long-term customer loyalty in the fast-food industry, particularly at McDonald's Surabaya.

Keywords: *Digital Marketing, Customer Experience, Brand Image, Customer Engagement, Customer Loyalty*

1. INTRODUCTION

The fast-food industry has experienced rapid growth due to changing consumer lifestyles, increasing urbanization, and advances in digital technology. These developments have intensified competition among fast-food restaurants, requiring companies to continuously develop effective strategies to attract and retain customers. In this highly competitive environment, customer loyalty has become a critical factor for sustaining long-term business performance.

McDonald's is one of the leading fast-food restaurant brands globally and in Indonesia. Despite intense competition from both international and local brands, McDonald's has maintained a strong market position through consistent product quality, innovative marketing strategies, and a strong brand image. The ability of McDonald's to sustain customer loyalty in a highly competitive market such as Surabaya represents an interesting phenomenon that warrants further investigation.

Previous studies have identified several factors influencing customer loyalty, including digital marketing, customer experience, brand image, and customer engagement. Effective digital marketing enables firms to establish interactive communication with customers through various digital platforms. Customer experience reflects customers' overall evaluation of their interactions with a company, while brand image influences customer perceptions and trust toward a brand. In addition, customer engagement has been recognized as an important factor that strengthens customer relationships and encourages long-term loyalty.

A study conducted by Keni and Clarissa (2024) found that social media marketing, brand experience, and customer engagement significantly influenced brand loyalty in the restaurant industry. However, the study focused employed social media marketing as the primary marketing variable. Therefore, there remains an opportunity to extend the existing literature by examining digital marketing, which represents a broader concept encompassing various digital communication channels, including social media and mobile applications.

Accordingly, this study investigates the effects of digital marketing, customer experience, and brand image on customer loyalty, with customer engagement serving as a mediating variable among McDonald's customers in Surabaya. The findings are expected to contribute to the marketing literature and provide managerial insights for enhancing customer loyalty in the fast-food industry.

2. RESEARCH METHODS

This study employed a quantitative approach using descriptive and verificative methods to examine the relationships among digital marketing, customer experience, brand image, customer engagement, and customer loyalty. The research was conducted on McDonald's customers in Surabaya, Indonesia.

The population consisted of all McDonald's customers in Surabaya. Since the exact population size was unknown, purposive sampling was employed. Respondents were selected based on the following criteria: residing in Surabaya, belonging to Generation Z (14–29 years old), having been exposed to McDonald's digital marketing content, and purchasing McDonald's products at least four times per month. Based on the rule of thumb proposed by Hair et al. (2019), the sample size was determined by multiplying the number of indicators by ten. With 19 indicators, the study involved 190 respondents.

Data were collected through a structured questionnaire and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4 software. The analysis was conducted in two stages. First, the measurement model (outer model) was evaluated through convergent validity, discriminant validity, Average Variance Extracted (AVE), Composite Reliability, and Cronbach's Alpha. Second, the structural model (inner model) was assessed using R-square (R^2), effect size (f^2), and path coefficient analysis. Hypothesis testing was performed using the bootstrapping procedure with a significance level of 5%.

3. RESULTS AND DISCUSSIONS

3.1 Results

3.1.1 Outer Model

The measurement model was evaluated through convergent validity, discriminant validity, and reliability testing. The results indicate that all indicators met the convergent validity criteria, with outer loading values ranging from 0.702 to 0.887, exceeding the recommended threshold of 0.70. Furthermore, the Average Variance Extracted (AVE) values ranged from 0.593 to 0.695, indicating that all constructs explained more than 50% of the variance of their indicators. Discriminant validity assessed through cross-loading analysis showed that each indicator had the highest loading on its respective construct compared to other constructs. In addition, all constructs achieved satisfactory reliability levels, as indicated by Cronbach's Alpha and Composite Reliability values above 0.70. Therefore, all constructs were considered valid and reliable for further structural model analysis.

3.1.2 Inner Model

The structural model was evaluated using the coefficient of determination (R^2), effect size (f^2), and hypothesis testing results. The R^2 value for Customer Engagement was 0.473, indicating that Digital Marketing, Customer Experience, and Brand Image explained 47.3% of the variance in Customer Engagement. Meanwhile, the R^2 value for Customer Loyalty was 0.773, indicating that Digital Marketing, Customer Experience, Brand Image, and Customer Engagement explained 77.4% of the variance in Customer Loyalty. These results suggest that the model has moderate explanatory power for Customer Engagement and substantial explanatory power for Customer Loyalty.

The effect size (f^2) analysis showed that Digital Marketing had the strongest effect on Customer Loyalty ($f^2 = 0.384$), followed by Brand Image ($f^2 = 0.244$) and Customer Engagement ($f^2 = 0.153$). In explaining Customer Engagement, Brand Image showed the largest contribution ($f^2 = 0.111$), followed by Customer Experience ($f^2 = 0.078$) and Digital Marketing ($f^2 = 0.067$). Overall, the findings indicate that Digital Marketing is the most influential factor affecting Customer Loyalty in the proposed model.

3.1.3 Hypothesis Test

The hypothesis testing results indicate that all proposed hypotheses were supported. Digital marketing, customer experience, and brand image were found to have positive and significant effects on customer engagement. Similarly, digital marketing, customer experience, brand image, and customer engagement significantly influenced customer loyalty. Among the direct relationships, digital marketing showed the strongest effect on customer loyalty ($\beta = 0.363$, $p < 0.001$), indicating that digital marketing plays a dominant role in strengthening customer loyalty among McDonald's customers in Surabaya.

Furthermore, customer engagement was found to significantly mediate the relationships between digital marketing, customer experience, and brand image and customer loyalty. Since both the direct and indirect effects remained significant, customer engagement acted as a partial mediator in all mediation relationships. These findings highlight the importance of customer engagement as a mechanism through which digital marketing, customer experience, and brand image contribute to customer loyalty.

Table 1. Direct Effect Testing

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Decision
Digital marketing -> Customer engagement	0,223	0,222	0,080	2,789	0,005	Significant
Customer experience -> Customer engagement	0,267	0,268	0,076	3,517	0,000	Significant
Brand Image -> Customer engagement	0,332	0,333	0,094	3,527	0,000	Significant
Digital marketing -> Customer Loyalty	0,363	0,366	0,062	5,854	0,000	Significant
Customer experience -> Customer Loyalty	0,111	0,107	0,054	2,052	0,040	Significant
Brand Image -> Customer Loyalty	0,340	0,339	0,067	5,111	0,000	Significant
Customer engagement -> Customer Loyalty	0,257	0,256	0,066	3,868	0,000	Significant

Table 2. Indirect Effect Testing (Mediation Effect)

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Decision
Digital marketing -> Customer engagement -> Customer Loyalty	0,057	0,058	0,029	2,000	0,046	Significant
Customer experience -> Customer engagement -> Customer Loyalty	0,068	0,068	0,024	2,811	0,005	Significant
Brand Image -> Customer engagement -> Customer Loyalty	0,085	0,086	0,035	2,450	0,014	Significant

3.2 Discussions

The findings indicate that digital marketing, customer experience, and brand image have positive and significant effects on customer engagement. These results suggest that effective digital marketing activities, positive customer experiences, and a strong brand image encourage customers to interact more actively with a brand. Customers who receive relevant information through digital channels, experience satisfying services, and perceive a brand positively are more likely to participate in brand-related activities and maintain ongoing interactions with the company. This finding is consistent with previous studies by Mohammed (2024), Agarwal (2024), Safitri and Komaryatin (2025), and Rowi et al. (2024), which reported that digital marketing, customer experience, and brand image are important determinants of customer engagement.

In the context of McDonald's Surabaya, digital marketing activities through social media platforms, mobile applications, and online promotional campaigns enable customers to access information easily and interact directly with the brand. At the same time, positive experiences related to product quality, service performance, and restaurant convenience strengthen customer perceptions and encourage greater engagement. A favorable brand image further enhances customer trust and emotional connection, motivating customers to actively follow and participate in brand activities.

Furthermore, digital marketing, customer experience, brand image, and customer engagement were found to positively and significantly influence customer loyalty. Among these variables, digital marketing demonstrated the strongest effect on customer loyalty. This result indicates that digital marketing has become an essential strategic tool for maintaining customer relationships in the highly competitive fast-food industry. Effective digital marketing not only provides information and promotional benefits but also strengthens customer trust and reinforces brand preference. This finding supports the studies of Ilyas et al. (2021), Ramadhani et al. (2025), Hasanah (2025), Aditya et al. (2025), Rohayati and Gunawan (2024), Purnami and Nurcaya (2025), and Suwardi and Oktariswan (2025), which concluded that these variables play significant roles in enhancing customer loyalty.

The results also reveal that customer engagement significantly affects customer loyalty. Customers who actively engage with a brand through interactions, participation, and communication tend to develop stronger emotional attachment and long-term commitment. Higher levels of engagement encourage customers not only to repurchase products but also to recommend the brand to others and maintain a positive relationship with the company. In the context of McDonald's Surabaya, customers who actively follow promotional activities, interact through social media, and participate in brand-related programs are more likely to remain loyal and continue purchasing McDonald's products.

Moreover, customer engagement was found to partially mediate the relationships between digital marketing, customer experience, and brand image and customer loyalty. These findings support the studies of Owais et al. (2025), Yudha et al. (2025), Hasanah (2025), and Laulita and Dewantara (2024), which identified customer engagement as an important mechanism in strengthening customer loyalty. The partial mediation effect indicates that digital marketing, customer experience, and brand image influence customer loyalty both directly and indirectly through customer engagement.

4. CONCLUSION

This study concludes that digital marketing, customer experience, and brand image positively and significantly affect customer engagement and customer loyalty among McDonald's customers in Surabaya. Customer engagement also has a positive and significant effect on customer loyalty. Among the examined variables, digital marketing demonstrates the strongest influence on customer loyalty. Furthermore, customer engagement is proven to partially mediate the relationships between digital marketing, customer experience, and brand image and customer loyalty. These findings indicate that improving digital marketing activities, delivering positive customer experiences, and strengthening brand image can enhance customer loyalty both directly and indirectly through increased customer engagement. Therefore, customer engagement plays an important role in strengthening the relationship between customers and the company and in fostering long-term customer loyalty.

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