THE INFLUENCE DIGITAL MARKETING, CUSTOMER EXPERIENCE & BRAND EQUITY ON CUSTOMER LOYALTY OF ARCHIPELAGO HOTELS IN THE YOGYAKARTA

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Abstract. *This study aims to analyze the influence of digital marketing, customer experience, and brand equity on customer loyalty at Archipelago Group Hotel in the Special Region of Yogyakarta (DIY). The sampling technique uses purposive sampling, with total of 130 respondents. Primary data is collected through an online questionnaire (Google Forms) that has been tested for validity and reliability. Data analysis includes descriptive statistics, instrument testing (validity and reliability), classical assumption tests (normality, linearity, heteroscedasticity, multicollinearity), and hypothesis testing (t-test and F-test). The coefficient of determination (R^2) measures the extent to which the independent variables influence the dependent variable. Data analysis is conducted using multiple linear regression, processed quantitatively with IBM SPSS version 25. The results indicate that digital marketing, customer experience, and brand equity positively influence customer loyalty. Simultaneously, these three variables are also significantly affecting customer loyalty at Archipelago Group Hotel in DIY.*

Keywords: *Archipelago Group Hotel, Brand Equity, Customer Experience, Customer Loyalty, Digital Marketing*

1. INTRODUCTION
1.1 Background

The hotel industry in the Special Region of Yogyakarta (DIY) experienced significant dynamics in early 2025, with the occupancy rate of star-rated hotels dropping sharply from 56.84% (January) to 23.15% (March). This decline was triggered by a decrease in tourist visits, competition from alternative accommodations like homestays, and shifting consumer preferences post-pandemic, with travelers becoming more selective based on price, comfort, and experience. These challenges require hotels to optimize digital marketing strategies and strengthen brand equity to build customer loyalty amid consumers' growing reliance on online platforms.

As a leading hotel operator in Indonesia with brands like Aston and Favehotel, Archipelago International must adapt by enhancing personalized services, leveraging big data, and collaborating with local stakeholders. Research indicates that customer experience, digital marketing, and brand equity are key factors in maintaining customer loyalty, particularly in competitive markets like Yogyakarta, which caters to diverse tourists including younger generations who prioritize authentic experiences. However, previous studies remain fragmented, with inconsistent findings on the impact of digital marketing on loyalty and a lack of comprehensive analysis of these three variables in the context of chain hotels.

Addressing this research gap, this study aims to analyze the simultaneous influence of digital marketing, customer experience, and brand equity on customer loyalty at Archipelago Group hotels in DIY. The findings are expected to provide theoretical and practical contributions for strengthening marketing strategies and brand equity management in the hospitality industry, particularly in key tourist destinations like Yogyakarta, which faces declining occupancy rates and intense competition.

2. LITERATURE REVIEW

2.1 Marketing Theory

According to Kotler et al. (2022), marketing is about identifying and meeting human and social needs in ways that align with organizational objectives. The social definition of marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others. The American Marketing Association (AMA), as cited in Kotler et al. (2022), defines marketing as the set of activities, institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

2.2 Digital Marketing

According to Silviana (2020), digital marketing is defined as a form of marketing strategy that utilizes digital technology and online platforms to reach, engage, and influence consumer behavior in the purchasing decision-making process. Silviana emphasizes that digital marketing not only includes promotions through social media, websites, or paid advertisements but also involves data analysis, content personalization, and real-time campaign effectiveness measurement to target markets more efficiently and measurably. Silviana explains that digital marketing is shaped by four key indicators: accessibility, interactivity, informativeness, and trust.

2.3 Customer Experience

According to Musari (2023), a holistic customer experience serves as the fundamental foundation for building sustainable customer loyalty. Five interconnected dimensions of customer experience – sense, feel, think, act, and relate – collectively form a comprehensive loyalty cycle. These dimensions do not operate in isolation but rather reinforce each other to create both emotional and rational bonds between consumers and brands. Musari (2023) further explains that customer experience is shaped through five key indicators: Sense, Feel, Think, Act, and Relate.

2.4 Brand Equity

According to Ermawati (2016), brand equity refers to the added value associated with a brand resulting from consumers' positive perceptions, which manifests in their willingness to pay premium prices, recommend the brand, and demonstrate long-term loyalty. In her research, Ermawati explains that brand equity is formed through four key dimensions: Brand Awareness, Brand Associations, Perceived Quality, and Brand Loyalty.

2.5 Customer Experience

According to Kotler and Keller (2016), customer loyalty represents a customer's commitment to making repeated purchases of a particular brand based on consistent preferences, despite competing marketing influences. In their Marketing Management 15th Edition, they identify three key indicators of loyalty: Repeat Purchase, Retention, and Referrals.

3. RESEARCH METHODS

The data analysis method in this study is a quantitative method using IBM SPSS software version 25. Data analysis includes descriptive statistical analysis, instrument tests (validity and reliability), classical assumption tests (normality, linearity, heteroscedasticity, multicollinearity), and hypothesis testing (t-test and F-test). The population in this study consists of customers who have stayed at hotels under the Archipelago Group in the Special Region of Yogyakarta (DIY). The sampling technique used is purposive sampling, with the criteria of respondents being customers who have stayed more than once at one of the Archipelago Group hotels in DIY. Based on the Cochran formula calculation, a minimum sample size of 97 respondents was obtained.

This study uses primary data collected through an online questionnaire (Google Forms).

4. RESULTS AND DISCUSSION

4.1 Descriptive Analysis

This study uses primary data collected through an online questionnaire (Google Forms) distributed to customers who have stayed at Archipelago Group hotels in the Special Region of Yogyakarta (DIY). The respondents in this study totaled 130, with the majority being female (53.1%, 69 respondents). In terms of age, the largest group was 27–37 years old (42.3%, 55 respondents). Geographically, most respondents were domestic visitors (83.8%, 109 respondents), with the highest proportion having stayed 2–3 times (68.5%, 89 respondents). The primary purpose of visits was tourism (63.1%, 82 respondents).

Table 1. Descriptive Analysis

No.	Respondents	Characteristic	Total	Percentage
1	Gender	Woman	61	46.9%
		Men	69	53.1%
2	Age	18-27 Years	45	34,6%
		28-37 Years	55	42.3%
		38-47 Years	16	12.3%
		>47 Years	14	10.8%
3	Visitor Origin	Domestik	109	83.8%
		Internasional	21	16.2%
4	Frequency of Stay	2-3 Times	89	68.5%
		3-4 Times	32	24.6%
		>4 Times	9	6.9%
5	Purpose of Visit	Leisure/Tourism	82	63.1%
		Business/Corporate	17	13.1%
		Family Events	31	23.8%

(Source: Data Processing Results, 2025)

4.2 Test Instruments

4.2.1 Validity Test

According to Ghozali (2021), a validity test is used to measure whether a questionnaire is valid or not. A questionnaire is considered valid if the statements within it can reveal what the questionnaire is intended to measure. An item statement is deemed valid if the calculated r-value (r-count) > r-table. Conversely, if the r-count ≤ r-table, the instrument is considered invalid. In this study, the significance level used is 5%. If the significance value is < 0.05, the item statement is considered valid. However, if the significance value is ≥ 0.05, the item statement is deemed invalid.

Table 2. Results of the Validity Test of Research Instruments

No	Variable	Indicator	r-count	r-table	Sig.	Remarks
1		DM1	0.575	0.175	.000	Valid
2		DM2	0.676	0.175	.000	Valid
3	*Digital Marketing (DM)*	DM3	0.528	0.175	.000	Valid
4		DM4	0.619	0.175	.000	Valid
5		DM5	0.568	0.175	.000	Valid
6		DM6	0.669	0.175	.000	Valid

No	Variable	Indicator	r-count	r-table	Sig.	Remarks
7		DM7	0.486	0.175	.000	Valid
8		DM8	0.480	0.175	.000	Valid
9	*Customer Experience (CE)*	CE1	0.520	0.175	.000	Valid
10		CE2	0.536	0.175	.000	Valid
11		CE3	0.475	0.175	.000	Valid
12		CE4	0.460	0.175	.000	Valid
13		CE5	0.481	0.175	.000	Valid
14		CE6	0.598	0.175	.000	Valid
15		CE7	0.532	0.175	.000	Valid
16		CE8	0.544	0.175	.000	Valid
17		CE9	0.650	0.175	.000	Valid
18		CE10	0.507	0.175	.000	Valid
19	*Brand Equity (BE)*	BE1	0.694	0.175	.000	Valid
20		BE2	0.525	0.175	.000	Valid
21		BE3	0.671	0.175	.000	Valid
22		BE4	0.582	0.175	.000	Valid
23		BE5	0.578	0.175	.000	Valid
24		BE6	0.613	0.175	.000	Valid
25		BE7	0.538	0.175	.000	Valid
26		BE8	0.460	0.175	.000	Valid
27	*Customer Loyalty (CL)*	CL1	0.637	0.175	.000	Valid
28		CL2	0.602	0.175	.000	Valid
29		CL3	0.597	0.175	.000	Valid
30		CL4	0.544	0.175	.000	Valid
31		CL5	0.606	0.175	.000	Valid
32		CL6	0.761	0.175	.000	Valid
33		CL7	0.762	0.175	.000	Valid

(Source: Processed Data, 2025)

4.2.2 Reliability Test

The instrument reliability test is used to assess the consistency of respondents' answers to the given questions. This test employs Cronbach's Alpha analysis technique by examining the reliability statistics in SPSS 25. A variable is considered reliable if the

Cronbach's Alpha value is > 0.70. The results of the instrument reliability test in this study can be seen in the following table:

Table 3. Instrument Reliability Test Results.

No	Variable	Cronbach`s Alpha	Threshold Value	Remarks
1	*Digital Marketing* (X_1)	0,707	0,70	*Reliabel*
2	*Customer Experience* (X_2)	0,711	0,70	*Reliabel*
3	*Brand Equity* (X_3)	0,707	0,70	*Reliabel*
4	*Customer Loyalty* (Y)	0,762	0,70	*Reliabel*

(Source: Processed Data, 2025)

Based on the reliability test results, all research variables demonstrated Cronbach's Alpha values that met the reliability criteria, exceeding the minimum threshold of 0.70. The Cronbach's Alpha values were 0.707 for digital marketing, 0.711 for customer experience, 0.707 for brand equity, and 0.707 for customer loyalty. Therefore, it can be concluded that all research instruments across these four variables are considered reliable.

4.3 Classical Assumption Test
4.3.1 Normality Test
The normality test aims to determine whether the data used in this study is normally distributed or not. The results of the normality test can be seen in the following table:

Table 4. Normality Test

One-sample Kolmogorov-Smirnov Test	
	Unstandardized Residual
N	130
Monte-Carlo sig (2-tailed)	0,769

(Source: Processed Data, 2025)

Based on Table 4, the normality test results show a significance value of 0.769, which is greater than the significance level of 0.05. Therefore, it can be concluded that the variables digital marketing, customer experience, brand equity, and customer loyalty are normally distributed.

4.2.2 Linearity Test
The linearity test is used to assess whether the model specification is correct. The linearity test results can be seen in the following table:

Table 5 Linearity Test

No	Variable	Sig	F Count	F Table	Description
1	Digital marketing	0,109	1,523	2,68	Linear
2	Customer experience	0,187	1,441	2,68	Linear
3	Brand equity	0,299	1,199	2,68	Linear

(Source: Processed Data, 2025)

Based on the linearity test results, it is found that the variables digital marketing, customer experience, and brand equity have a significant linear relationship with customer loyalty. The Deviation from Linearity F values are 0.473 (sig. 0.936), 1.183 (sig. 0.290), and 1.247 (sig. 0.260), respectively, all of which are lower than the F-table value (2.68), and their significance values exceed 0.05. Thus, it can be concluded that these variables exhibit linearity.

4.3.2 Heteroskedasticity Test
In this study, the researcher conducted a heteroskedasticity test using the Park test

to determine whether heteroskedasticity or homoskedasticity was present. The results of the heteroskedasticity test can be seen in the following table:

Table 6. Heteroskedasticity Test

No	Variable	Sig.	Description
	Uji Park		
1.	Digital marketing (X_1)	0,332	No heteroscedasticity
2.	Customer experience (X_2)	0,922	No heteroscedasticity
3.	Brand equity (X_3)	0,226	No heteroscedasticity

(Source: Processed Data, 2025)

Based on the Park test results in Table 4.11, the significance values (sig.) for all variables digital marketing (X1), customer experience (X2), and brand equity (X3) are greater than 0.05. Therefore, it can be concluded that no heteroskedasticity was detected based on the Park test.

4.3.3 Multicollinearity Test

The multicollinearity test aims to examine whether the regression model exhibits correlation among independent variables. The multicollinearity test results can be seen in the following table:

Table 7. Multicollinearity Test

No	Variable	Collinearity Statistics		Description
		Tolerance	VIF	
1.	Digital marketing (X_1)	0,571	1,752	No multicollinearity
2.	Customer experience (X_2)	0,510	1,959	No multicollinearity
3.	Entertainment (X_3)	0,508	1,968	No multicollinearity

(Source: Processed Data, 2025)

Based on the multicollinearity test results in Table 6, the digital marketing variable has a VIF value of 1.752 (< 10) and a tolerance value of 0.571 (> 0.10). Similarly, the customer experience variable shows a VIF of 1.959 (< 10) and a tolerance of 0.510 (> 0.10), while the brand equity variable has a VIF of 1.968 (< 10) and a tolerance of 0.508 (> 0.10). These results confirm that the assumption is met, indicating no multicollinearity issues in this analysis.

4.3.4 Multiple Regression Equation Results

To analyze the influence of digital marketing (X1), customer experience (X2), and brand equity (X3) on customer loyalty (Y), the results can be seen in the following table:

Table 7. Multiple Regression Equation Results

Variable	Unstandardized Coefficient B
Constant	-5,183
Digital Marketing	0,242
Customer Experience	0,232
Brand Equity	0,491
a. Dependent Variable: Customer Loyalty	

(Source: Processed Data, 2025)

The multiple regression model concludes that all independent variables have positive constant values. This indicates that if the factors in the independent variables increase, they will enhance customers' likelihood to become loyal customers of Archipelago Group Hotels in DIY.

4.4 Hypothesis Testing Results
4.4.1 t-Statistical Test

The t-test was conducted to measure the extent of the influence of independent variables on the dependent variable. The decision-making criterion states that if the t-count > t-table and the significance value < 0.05, it indicates a significant influence between the independent and dependent variables. The results of the t-test in this study can be seen in the following table:

Tabel 8. t Statistical Test

Variable	Standard Coeffisien Beta	T Count	Sig.
Digital marketing	0,673	8,429	0,000
Customer experience	0,635	9,082	0,000
Brand equity	0,819	10,821	0,000
a. *Dependent Variable: Customer Loyalty*			

(Source: Processed Data, 2025)

Based on Table 8, the analysis reveals a significant positive relationship between all independent variables and customer loyalty: digital marketing (t=8.429 > t-table=1.978, sig=0.000), customer experience (t=9.082, sig=0.000), and brand equity (t=10.821, sig=0.000) all demonstrate positive coefficients with significance values below 0.05. These results indicate that increases in digital marketing, customer experience, and brand equity each lead to corresponding improvements in customer loyalty, thereby supporting hypotheses H1, H2, and H3. The positive constant values further reinforce the direct proportional relationship between the predictor variables and the outcome variable.

4.4.2 F-Test (Simultaneous Test)

The F-test or simultaneous test was conducted to determine whether all independent variables collectively influence the dependent variable. The F-test results can be seen in the table below:

Tabel 9. F-Test (Simultaneous Test)

ANOVA[a]						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1172.236	3	390.745	52.960	.000[b]
	Residual	929.641	126	7.378		
	Total	2101.877	129			
a. Dependent Variable: CL						
b. Predictors: (Constant), BE, DM, CE						

(Source: Processed Data, 2025)

Based on Table 9, it can be observed that the calculated F-value of 52.960 exceeds the F-table value of 2.68, with a significance level of 0.000 (p < 0.05). Therefore, the null hypothesis (Ho) is rejected and the alternative hypothesis (Ha) is accepted. This leads to the conclusion that the variables digital marketing, customer experience, and brand equity collectively have a positive and significant influence on customer loyalty. Thus, hypothesis H4 is supported.

4.5 Coefficient of Determination (R²)

The coefficient of determination (R^2) measures the extent to which the model can explain the variation in the dependent variable. The results of the coefficient of determination in this study can be seen in the following table:

Tabel 10. Coefficient of Determination (R^2)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.748a	.558	.547	2.716
a. Predictors: (Constant), BE, DM, CE				

(Source: Processed Data, 2025)

Table 10 shows that the Adjusted R Square value is 0.547, indicating that the variables digital marketing, customer experience, and brand equity collectively explain 54.7% of the variation in customer loyalty. The remaining 45.3% is influenced by other variables not included in the model.

4.6 Discussion
Summary of Hypotheses
4.6.1 The Effect of Digital Marketing on Customer Loyalty
Digital marketing (X1) has a positive effect on customer loyalty (Y), as evidenced by the t-statistic (8.429) > t-table (1.978) and significance level (0.000) < 0.05. Indicators such as accessibility, interactivity, and trust enhance customer loyalty, consistent with studies by Prasetyo & Wijaya (2023) and Smith et al. (2024). This implies that an effective digital marketing strategy strengthens consumer loyalty.

4.6.2 The Effect of Customer Experience on Customer Loyalty
Customer experience (X2) positively influences customer loyalty (Y), with a t-statistic (9.082) > t-table (1.978) and significance (0.000) < 0.05. Indicators such as sense, feel, and think demonstrate that satisfying customer experiences boost loyalty, supported by research from Kotler & Keller (2023) and Homburg et al. (2024). Companies should focus on interaction quality to foster long-term relationships.

4.6.3 The Effect of Brand Equity on Customer Loyalty
Brand equity (X3) has a positive impact on customer loyalty (Y), indicated by a t-statistic (10.821) > t-table (1.978) and significance (0.000) < 0.05. Factors like brand awareness and perceived quality strengthen loyalty, aligning with findings from Aaker (2023) and Keller & Swaminathan (2024). Brands with strong equity tend to achieve higher customer retention in competitive markets.

4.6.4 The Combined Effect of Digital Marketing, Customer Experience, and Brand Equity on Customer Loyalty
Digital marketing (X1), customer experience (X2), and brand equity (X3) collectively have a positive effect on customer loyalty (Y), with an F-statistic (52.960) > F-table (2.68) and significance (0.000) < 0.05. The integration of these three factors is more effective in enhancing loyalty than individual efforts, supported by Kotler et al. (2023) and Lemon & Verhoef (2024). The synergy between digital strategies, customer experience, and brand equity is key to long term loyalty.

CONCLUSION
Based on the findings of the research titled "The Influence of Digital Marketing, Customer Experience, and Brand Equity on Customer Loyalty at Archipelago Group Hotels in the Special Region of Yogyakarta (DIY)", it can be concluded that the variables of digital marketing, customer experience, and brand equity both individually and simultaneously have a positive influence on customer loyalty. First, digital marketing has a positive effect, meaning that the higher the level of digital marketing efforts, the greater the increase in customer loyalty. Second, customer experience also has a positive impact, indicating that better customer experiences lead to stronger loyalty. Third, brand equity contributes positively, showing that stronger brand equity results in higher customer loyalty. Additionally, these three variables collectively have a significant

influence on customer loyalty, meaning that simultaneous improvements in digital marketing, customer experience, and brand equity will further strengthen customer retention. Therefore, hotels should prioritize these three factors to foster long-term customer relationships.

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