

Building Trust and Loyalty in Digital Marketplace: Determinants Influencing Online Customer in Pahang, Malaysia

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ABSTRACT

In the era of digital advancements, the digital marketplace has transformed consumer behavior, fundamentally altering the landscape of online shopping and interaction. This research investigates the elements influencing customer loyalty toward the digital market, focusing on privacy and security, delivery options, ease of use, and promotional efforts. Drawing on data collected from 321 online marketplace customers in Pahang, Kuantan, the study examines the correlations between these factors and customer loyalty through a quantitative research approach. Results indicate strong positive relationships between privacy and security measures, delivery service, user-friendly interfaces, promotions, and customer loyalty. Specifically, robust privacy and security protocols, efficient delivery service, intuitive interfaces, and targeted promotions significantly enhance customer loyalty in the digital marketplace.

Keywords: customer loyalty, delivery service, privacy/security, promotion, user-friendly interface

INTRODUCTION

Digital technology has developed significantly over a few decades (Yuan Li Mohd Zain et al., 2022). Businesses utilize the Internet as an inexpensive yet helpful marketing promotional tool (Chai et al., 2023). In the modern digital era, online platforms are crucial for business, making it easy and convenient to buy and sell goods and services. As the popularity of online shopping rises, it has changed the traditional retail landscape and become the cornerstone of modern consumer behavior. Thus, digital marketplaces are essential for businesses in the current digital era because they make

buying and selling products and services incredibly simple and convenient (Gurbaxani & Dunkle, 2019). In addition, digital marketplaces frequently provide small business owners with the potential to increase their market penetration (Mohd Ali et al., 2024). The rise of digital marketplaces has significantly altered people's consumption habits, and they are preferred by many due to their convenience. Digital marketplaces have grown in popularity, particularly in Malaysia, and have become the primary means of shopping for the general public. Consumers choose digital marketplaces instead of traditional shopping for convenience (Wei et al., 2023).

Due to the wide variety of online items and the growing use of mobile devices for online transactions, Malaysian firms rely more on digital marketing tactics to successfully target online consumers. In addition, the Malaysian East Coast is witnessing significant economic development and enhanced infrastructure alongside the rising influence of digital marketplaces, reshaping consumer purchasing habits. This region encompasses rural landscapes, where consumer behavior can exhibit marked differences across these diverse settings. Rural consumers often strongly prefer traditional and locally produced products that align with their cultural heritage and values (Kumar, 2019). Thus, understanding the rural population's preferences and purchasing habits is critical for firms looking to flourish in the Malaysian East Coast market. Previously, internet usage in urban and rural areas was 98.3 percent and 94.5 percent, respectively, in 2023 (DOSM, 2023). However, as of January 2024, Malaysia boasted over 33.59 million internet users (Howe, 2024).

Customer loyalty is essential for digital marketplaces to maintain long-term financial prosperity. Loyal customers who consistently support a particular brand help sustain ongoing revenue streams and bring in new customers through positive word-of-mouth recommendations. It comes as no surprise that customer loyalty is seen as an important asset for digital marketplaces (Yi et al., 2023). For most digital marketplace companies, this is the direct focus of their customer base growth, as the cost to acquire a new paying shopper is typically much higher than to retain an active one. Businesses invest in as many marketing initiatives as they can to create bonds, such as loyalty marketing. Customer loyalty is not only a useful tool for e-retailers but also serves as a brand ambassador and word-of-mouth marketing generator, increasing a brand's exposure and credibility.

To understand how companies may effectively manage and grow customer loyalty in the competitive digital marketplace, it is important to study the elements that impact and influence customer loyalty in the context of brand and consumer loyalty. Consumers will continue to choose specific brands even when faced with superior offers, goods, and services from other brands (Aboulhosn, 2018). Keeping customers loyal is essential to a brand's ongoing success in the fiercely competitive digital marketplace, where many players are fighting for customers' time and revenue. Businesses may stand out from rivals and retain consumers for the long term by fostering strong brand loyalty and positive consumer experiences. Therefore, to enhance customer loyalty, it is essential to study its characteristics, thoroughly examine the factors influencing it, and analyze how to establish and manage it effectively.

Problem Statement

While the convenience of digital marketplaces is undeniable, it is accompanied by persistent security concerns. To safeguard customer transactions, the implementation of secure payment gateways and robust encryption protocols is imperative. For instance, HTTPS ensures the secure transmission of sensitive data, while additional security measures such as passwords, facial recognition, and fingerprint scans authenticate user identity, thereby enhancing transaction security (Odogwu, 2021). Moreover, privacy violations can undermine confidence and lead customers to seek alternatives from organizations that prioritize data security. Businesses that emphasize privacy will find it easier to earn customers' trust and loyalty. The International Association of Privacy Professionals (IAPP) (2024) posits that enterprises that prioritize privacy during the online purchasing process are poised to reap the rewards of sustained customer relationships, recurring patronage, and

enhanced retention. It is thus concluded that the prioritization of privacy and security in e-commerce transactions fosters consumer confidence and trust, thereby augmenting loyalty.

In the digital marketplace, consumers demand expedient, secure, and reliable delivery services (Wei et al., 2023). Consequently, the efficacy of delivery services is paramount to achieving customer satisfaction and fostering loyalty within the digital marketplace. However, many e-commerce platforms struggle to provide timely and precise delivery, resulting in frequent delays and mishaps. These problems can negatively affect the entire purchasing experience, leading to dissatisfaction and a decline in trust. In addition, 87% of online customers cited shipment speed as a critical consideration when deciding whether to make another purchase from an e-commerce company (MH&L, 2016). Thus, providing a reliable delivery service that meets customer expectations, builds trust, and fosters loyalty is crucial. While the digital marketplace is becoming more popular for shopping and information, many websites have poorly designed user interfaces that affect user experience (Kim, 2024). This issue frequently causes users to experience frustration and confusion, contributing to substantial return rates and missed sales opportunities. Creating an intuitive, aesthetically pleasing, and easily navigable user interface is a significant challenge for digital marketplaces. In a highly competitive industry, failing to resolve this issue can negatively influence customer retention, loyalty-building, and long-term success. Thus, enhancing website usability and design is essential for customer satisfaction and loyalty.

Digital marketplaces often employ exclusive deals and discounts to attract and retain customers (Chen, 2022). By providing consumers with special offers and savings opportunities, these promotions encourage purchases by creating a sense of value. Discounts represent a prevalent pricing strategy, as they provide an immediate incentive for consumers to purchase the promoted product (Adipradana et al., 2023). However, the efficacy of exclusive deals and discounts in increasing consumer loyalty is still being investigated. While these promotions may boost sales and interest, their long-term effects on consumer retention and brand loyalty remain uncertain (Light, 2023). Risks such as customers becoming transactional, seeking discounts without developing loyalty to the brand, and reducing brand value by consistently offering discounts highlight the need for further examination of the impact of exclusive deals and discounts on customer loyalty.

Research Objectives:

1. To evaluate how privacy & security affect consumer loyalty in digital marketplace.
2. To examine how delivery affects consumer loyalty in digital marketplace.
3. To explore how a user-friendly interface affects consumer loyalty in digital marketplace.
4. To investigate how promotions affect consumer loyalty in digital marketplace.

Research Questions:

1. What is the relationship between privacy & security and consumer loyalty on digital marketplace?
2. What is the relationship between delivery and customer loyalty in digital marketplace?
3. What is the relationship between user-friendly interface and customer loyalty in digital marketplace?
4. What is the relationship between promotions and consumer loyalty in digital marketplace?

LITERATURE REVIEW

Customer Loyalty

According to Jacoby and Kyner (1973), loyalty is a biased behavioral buying process caused by a psychological process. This indicates that when a customer is loyal to a brand, product, or service,

their decision-making is impacted by their psychological connection or commitment to that organization. Engel and Blackwell (1982) described brand loyalty as a consumer's preference, attitudinal, and behavioral response to one or more brands in a product category over time. In addition, brand loyalty stems from customer satisfaction, the enjoyment of a positive experience, and the perception of the overall value of the products or services obtained from a company (Yi et al., 2023). This definition highlights that brand loyalty is not merely about repeated purchases but also involves the emotional and cognitive connections that consumers develop with brands. Thus, customer loyalty is often influenced by customer satisfaction, enjoyable experiences, and the value customers believe they receive from an organization's products or services.

The rise of digital marketplaces has revolutionized the way consumers engage with products and services, making it essential to understand customer loyalty in this dynamic landscape. In addition, businesses are leveraging social media as a powerful digital branding tool to promote their products and services and generate substantial customer value (Mohd Johan et al., 2022b). Recent research suggests that customer loyalty in the digital realm is primarily driven by customer satisfaction and experiences while using the platform (Tyrväinen et al., 2020). Moreover, customer loyalty in digital marketplaces is demonstrated by customers' satisfaction and experiences while using the platform. Digital customer experience and emotional marketing significantly influence customer loyalty by increasing satisfaction and retention (Sianipar et al., 2023). Numerous journal articles explore customer satisfaction and loyalty in digital marketplaces; however, limited research specifically examines these factors in the context of Pahang, Malaysia. Nawi et al. (2015) focus on customer satisfaction in Malaysian e-commerce, highlighting factors such as website design and customer service, but do not specifically address customer loyalty within the context of Pahang. Fong et al. (2023) examine online shopping satisfaction in Malaysia but do not specifically explore customer satisfaction and loyalty within Pahang's digital marketplace. Thus, distinct lack of empirical studies exploring these dynamics within Pahang, Malaysia, where local business ecosystems, infrastructure readiness, and digital literacy may shape unique customer loyalty patterns in digital marketplaces. In addition, understanding the factors that drive loyalty can help businesses refine their strategies to retain customers and foster long-term relationships. A recommended framework may serve as a valuable guide for marketing practitioners to enhance the efficacy of their loyalty programs, ensuring relevance and competitiveness in the ever-evolving digital marketplace (Seridaran & Noor, 2021). Therefore, evaluating customer behavior concerning satisfaction and intention to repurchase is crucial for enhancing the online purchasing experience and building customer loyalty.

Privacy and Security

In the contemporary digital marketplace, the symbiotic relationship between privacy and security has emerged as a critical determinant of customer loyalty. As consumers increasingly engage in online transactions, their expectations regarding the protection of personal information and the integrity of their digital interactions have grown significantly. The lack of in-person business interactions in online shopping can heighten consumers' sense of risk (Mohd Johan et al., 2022a). This heightened awareness underscores the importance of robust privacy and security measures as essential components of a trustworthy online retail experience. Privacy, in this context, refers to the protection of customers' personal data from unauthorized access and misuse. It encompasses the safeguarding of sensitive information such as contact details, payment information, and browsing habits. Internet users may be subjected to threats such as network and data transaction attacks or unauthorized access (Mohd Johan et al., 2022a). Additionally, consumers' privacy concerns are influenced by their understanding and motivation to safeguard personal information, which varies depending on privacy attitudes, information sensitivity, and settings (Brough & Martin, 2020). Online retailers that demonstrate a commitment to privacy by implementing stringent data protection policies and transparent data handling practices are more likely to engender trust and loyalty among their customer base. Thus, enhancing transparency and control within a company's data management strategies can mitigate the detrimental impact of customer data vulnerability on trust and loyalty (Martin et al., 2017).

Security, on the other hand, involves implementing measures to protect the online retail environment from threats such as hacking, malware, and phishing attacks. Consumers are concerned about the security of their credit card information when using e-commerce platforms, given the potential for hackers to exploit advancements in technology and innovation (Johan et al., 2016). Thus, recognizing the key elements of cybersecurity that influence consumers' perceptions of digital marketplaces is essential for reducing cyber threats and enhancing consumer confidence (Sadab et al., 2023). A secure platform not only protects customer data but also ensures the continuity of service, preventing disruptions that could lead to customer dissatisfaction and loss of trust. Furthermore, fostering customer loyalty requires online retailers to recognize that privacy and security are not just technical concerns but also integral to their brand's reputation and customer relationships. By prioritizing these elements, retailers can create a secure and trustworthy online environment that encourages repeat business and positive word-of-mouth, ultimately contributing to long-term customer loyalty and business success. Mofokeng (2021) indicates that perceived security significantly influences customer satisfaction, which in turn affects loyalty. Thus, digital marketplace retailers should protect customer privacy by implementing notice, consent, and disclosure in their privacy policies, as well as by using security measures such as user authentication and data encryption. These efforts are crucial for maintaining trust, ensuring a safe online shopping experience, and fostering consumer loyalty.

Delivery

Timely delivery positively affects customer satisfaction and loyalty in the digital marketplace (Gopalakrishna et al., 2021). As online shopping becomes more convenient and seamlessly integrated into busy lifestyles, consumer expectations for delivery are evolving to align with their preferences (Lobo, 2024). Research consistently demonstrates that the timely and efficient delivery of orders plays a crucial role in attracting customers, fostering loyalty, and enhancing satisfaction in the digital marketplace (Ahmed et al., 2023). Thus, on-time and efficient delivery is an essential element for building customer loyalty in digital marketplaces (Dündar & Öztürk, 2020; Mujianto et al., 2023; Wong et al., 2023).

In addition, fast delivery promotes confidence and reliability in the digital marketplace, as it demonstrates a commitment to promptly meeting customer needs. When delivery is faster than expected, consumers are more likely to purchase from the platform again (Aziz & Mehra, 2021). Customers highly value the timely delivery of their goods, as it not only meets their immediate needs but also exceeds their expectations for exceptional service (Dixon et al., 2010). A strong connection develops between customers and brands that consistently deliver on time, increasing loyalty. In the competitive e-commerce sector, investing in efficient logistics and fulfillment systems to ensure timely delivery is key to retaining customers and achieving success (Woods, 2023). Furthermore, factors such as the integrity of goods in transit, packaging quality, delivery speed, and time reliability determine consumer satisfaction and trust (Johan et al., 2022). Thus, as technology evolved, the number of delivery methods and choices expanded (Wei et al., 2020).

User-friendly Interface

Research on customer loyalty highlights the importance of a user-friendly interface in developing and retaining customer loyalty on digital marketplace platforms. Studies consistently demonstrate that a well-designed and easy-to-use interface enhances user satisfaction, positively affects purchase behavior, and fosters brand loyalty and trust (Guo et al., 2023). A seamless interface simplifies the shopping process by allowing customers to view products at a glance, make selections, and complete payments quickly (Evelyn, 2020). Additionally, an intuitive design that contributes to an exceptional shopping experience enhances customer satisfaction and loyalty (Cheng, 2023).

An eye-catching and easy-to-use interface also enhances a company's perceived credibility and professionalism (Windasari et al., 2022). When users find a digital marketplace easy to navigate, they are more likely to remain loyal to the brand. A simple and efficient interface encourages repeated interactions, leading to higher customer retention. Faster and more convenient navigation increases customer satisfaction and the likelihood of repeat visits (Mohd Ali et al., 2024). Loyal customers tend to return to platforms where they can confidently find what they need, reinforcing trust and long-term loyalty. Furthermore, ensuring continuous customer satisfaction is vital to an organization's long-term sustainability (Mohd Johan et al., 2020). Thus, this study underscores the crucial role of a user-friendly interface in establishing and maintaining customer loyalty in the competitive digital marketplace environment.

Promotional Effort

The promotional strategies employed by digital marketplaces significantly influence customer preferences, making these strategies essential for benefiting both the platform and the consumer (Adipradana et al., 2023). These strategies include various tactics such as discounts, sales promotions, loyalty programs, coupons, and vouchers designed to enhance customer trust, loyalty, and retention. Coupons and vouchers encourage consumers to return to digital marketplace platforms to take advantage of limited-time deals, thereby increasing user engagement and transaction frequency by creating a sense of exclusivity and urgency. Numerous studies highlight the ways in which promotional efforts and incentives contribute to building long-term relationships between customers and digital marketplace platforms (Kaveh et al., 2020; Chi et al., 2021; Sun et al., 2021; Zhang & Li, 2024). Thus, digital marketplace sellers must tailor their promotional strategies to meet their customer base's evolving needs and expectations.

The digital landscape has evolved significantly over the past decades, transforming online promotional strategies in the process. This shift has been driven by the implementation of AI-driven marketing, live streaming, influencer marketing, omnichannel marketing, content marketing, fear of missing out (FOMO) marketing, and social commerce. The transformation of the digital marketplace has provided sellers with new opportunities to connect with consumers, build trust, and maintain loyalty. A comprehensive online marketing strategy is essential for businesses competing in today's digital landscape. Additionally, customers prefer digital marketplaces for the variety of options and time savings they offer (Johan, 2019). To remain competitive, businesses must adopt a multifaceted approach that leverages the latest technologies, digital platforms, and data-driven insights to effectively reach and engage their target audience (Noori Hussain et al., 2023).

Theory Underpinnings and Conceptual Framework

The DeLone and McLean Information Systems Success Model (2003) explains how system quality, information quality, and service quality influence customer satisfaction and loyalty. Strong privacy and security measures build trust by protecting personal data and ensuring secure transactions. Reliable delivery services enhance service quality, leading customers confident that their orders will arrive on time and in good condition. A user-friendly interface makes online shopping more enjoyable and encouraging repeat use. Accurate and appealing promotions improve information quality, increasing perceived value and strengthening customer loyalty over time.

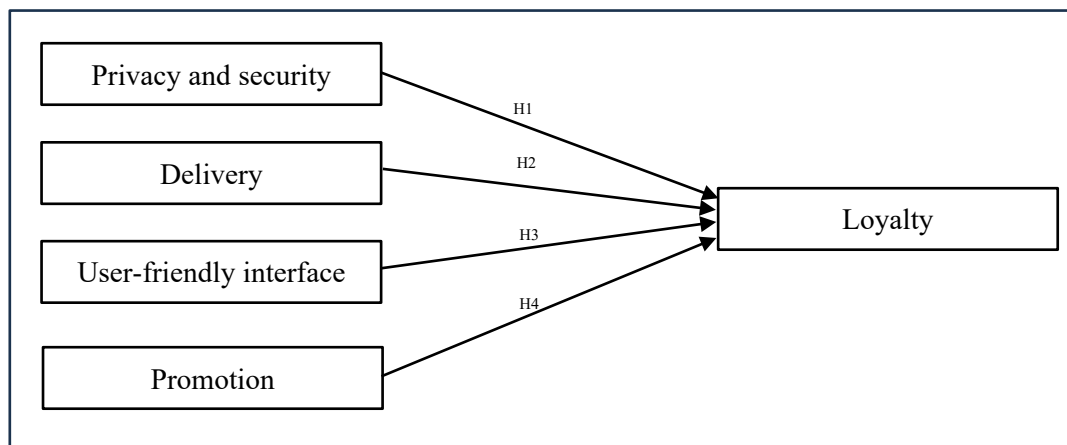


Figure 1: Conceptual Framework

METHODOLOGY

This study examines the determinants of customer loyalty within the digital marketplace ecosystem, focusing specifically on the East Coast region of Malaysia, particularly in Pahang. A quantitative research approach was adopted, enabling data collection at a single point in time from a diverse group of digital marketplace users in Malaysia. This methodology facilitated the capture of customer perceptions and behaviors, providing valuable insights for digital marketplace platforms. To ensure the reliability of data collection, analysis, and interpretation, the research design was carefully structured, aligning research materials with the study's objectives. A structured questionnaire was chosen as the primary data collection instrument due to its reliability and ease of use (Mohd Johan et al., 2020). The questionnaire, designed to measure key study variables, was distributed via Google Forms for efficient data collection. The gathered data was then coded, refined, and imported into SPSS for statistical analysis and hypothesis testing (Ho et al., 2024).

Additionally, secondary data from credible publications, industry reports, and statistical databases were incorporated to provide context and support the primary findings. The sampling frame included digital marketplace users residing in Pahang, Kuantan, spanning various age groups (under 18 to 65 and above). Random sampling was employed to ensure accessibility, willingness to participate, and respondent anonymity. A total of 330 questionnaires were distributed, ensuring diverse perspectives and experiences were captured, enriching the study's findings.

To analyze the quantitative data, SPSS was used for statistical processing. A 5-point Likert scale measured respondent agreement levels across study variables. Pearson's Correlation analysis was conducted to determine the strength and direction of relationships between selected variables. Furthermore, Cronbach's Alpha was employed to assess the internal consistency and reliability of the collected data (Taahir et al., 2020). Multiple regression analysis was applied to validate the relationships between independent and dependent variables.

RESULT AND DISCUSSION

Cronbach's alpha reliability analysis was conducted to evaluate the internal consistency of variables associated with customer loyalty. This test measures the interrelatedness of questionnaire items to ensure data reliability (Johan et al., 2016). The results demonstrated strong reliability across all examined dimensions. The internal consistency of the measured variables was deemed high, as all Cronbach's alpha values exceeded the recommended threshold of 0.700, as proposed by Guenther et al. (2023). This

indicates that the collected data accurately represents the core concepts under investigation, enhancing the trustworthiness and validity of the study's findings.

Table 1: Cronbach's Alpha

Variables	Number of Items	Cronbach's Alpha
Customer Loyalty	2	0.888
Privacy and Security	5	0.899
Delivery	5	0.887
User-friendly Interface	5	0.927
Promotion	5	0.850

In this study, 330 questionnaires were distributed, of which 321 responses were accepted for analysis. The findings indicate a predominantly young audience, with 57% of respondents aged 18-24. Gender distribution shows a slight female majority (62.5%), compared to 37.3% male respondents. Regarding ethnicity, the majority of participants are Chinese (85%), followed by Indian (8.4%) and Malay (6.5%) respondents. In terms of educational background, 42% hold qualifications such as STPM, A-Level, UEC, Diploma, or Foundation. Additionally, 51.7% of respondents are students, and 37.3% report having no household income.

Table 2: Demographic details

Individual Value Variables		Frequency	Percentage
Age	Below 18	9	2.8
	18-24	184	57.3
	25-34	67	20.8
	35-44	32	9.9
	45-54	13	4
	55-64	9	2.8
	65 and above	7	2.1
Gender	Female	201	62.5
	Male	120	37.3
Race	Malay	21	6.5
	Chinese	273	85
	Indian	27	8.4
	Other	0	0
Highest Level of Education Completed	Primary Education	6	1.8
	SPM / IGCSE / O-Level / Other	57	17.7
	STPM / A-Level / UEC / Diploma /	135	42
	Bachelor Degree	103	32
	Master's	15	4.6
	Doctoral / PhD / Postdoc	3	0.9
	Other	2	0.6
Employment information	Student	166	51.7
	Full-employment	97	30.2
	Part-time employment	34	10.5
	Self-employment	17	5.2
	Unemployed	1	0.3
	Retired	1	0.3
	Other	5	1.5
Monthly Household income	None	120	37.3
	Less than RM 2,000	96	29.9
	RM 2,000 - RM 4,999	52	16.1
	RM 5,000 - RM 9,999	37	11.5
	RM 10,000 - RM 14,999	5	1.5
	RM 15,000 - RM 19,999	0	0
	RM 20,000 and above	0	0
	Prefer not to say	11	3.4

The Pearson correlation between privacy and security and customer loyalty recorded a coefficient of 0.775, indicating a strong positive relationship. This finding highlights the critical role of robust privacy and security protocols in fostering customer trust and loyalty in digital marketplace platforms. According to the DeLone and McLean Information Systems Success Model (2003), system quality and information quality are critical factors influencing customer satisfaction and intention to continue using a system. The result aligns with previous studies, which suggest that customers are more likely to remain loyal to platforms that prioritize their privacy and security concerns (Iqbal et al., 2023). Therefore, implementing strong security measures can serve as a strategic approach to enhancing long-term customer loyalty in the digital marketplace. Practically speaking, this means that in order to improve customer satisfaction and loyalty, digital platforms should put in place adequate security and privacy policy.

Table 3: Correlation between Frequency of Privacy and Security and Customer Loyalty

		Customer Loyalty
Privacy and Security	Pearson Correlation	.775**
	Sig. (2-tailed)	<.001
	N	321

The Pearson correlation between delivery services and customer loyalty recorded a coefficient of 0.568, indicating a moderately positive relationship. This finding highlights the importance of efficient delivery services in strengthening customer trust and loyalty on digital marketplace platforms. The result aligns with previous studies (Mofokeng, 2021), which suggest that customers are more likely to remain loyal to brands that consistently meet their delivery expectations. Therefore, prioritizing reliable and timely deliveries can enhance customer relationships and foster long-term loyalty in the digital marketplace. According to the DeLone and McLean Information Systems Success Model (2003), service quality is a critical factor influencing user satisfaction and continued use. In this context, reliable and timely deliveries reflect high service quality that directly improves the customer experience. Practically, investing in advance logistical systems, and real-time tracking may improve perceived service quality while decreasing turnover. Digital platforms can establish long-term client relationships and gain competitive advantage by consistently delivering on their commitments.

Table 4: Correlation between Frequency of Delivery and Customer Loyalty

		Customer Loyalty
Delivery	Pearson Correlation	.568**
	Sig. (2-tailed)	<.001
	N	321

The Pearson correlation between user-friendly interface and customer loyalty recorded a coefficient of 0.709, indicating a significant positive relationship. This finding suggests that a more user-friendly interface fosters higher levels of customer loyalty. The result is consistent with previous studies, which indicate that consumers tend to avoid digital marketplaces with poorly designed interfaces (Gunawan et al., 2023). Therefore, enhancing user-friendly interfaces is a crucial strategic priority for strengthening customer loyalty, improving market positioning, and driving long-term growth in the digital marketplace. This relationship demonstrates that system quality, as defined in the DeLone and McLean (2003) model, is crucial for achieving customer satisfaction and loyalty. A user-friendly interface makes the platform easier to navigate, encouraging repeat use and trust. Practically, investing in intuitive design and regular usability improvements can help digital marketplaces stand out and retain customers. This focus supports long-term growth by delivering the net benefits highlighted in the model.

Table 5: Correlation between Frequency of User-friendly Interface and Customer Loyalty

		Customer Loyalty
User-friendly Interface	Pearson Correlation	.709**
	Sig. (2-tailed)	<.001
	N	321

Similarly, the Pearson correlation between promotion efforts and customer loyalty recorded a coefficient of 0.634, indicating a positive relationship. This finding underscores the pivotal role of promotions in fostering customer loyalty. The result aligns with previous studies, which suggest that strategic promotions in online shopping can boost customer trust and loyalty (Imawan & Ekasari, 2020). Thus, by investing in well-planned promotional strategies, digital marketplace sellers can effectively engage their target audience, meet customer needs, and enhance overall satisfaction and loyalty. According to the DeLone and McLean model, promotion efforts contribute to service quality and can also enhance information quality by clearly communicating value to customers. Effective promotions not only attract new buyers but also reinforce trust and positive perceptions of the platform. Practically, digital markets should provide targeted, clear promos that are simple to comprehend and redeem. By matching promotional methods with consumer preferences, businesses can enhance customer satisfaction and foster repeat business.

Table 6: Correlation between Frequency of Promotion and Customer Loyalty

		Customer Loyalty
Promotion	Pearson Correlation	.634**
	Sig. (2-tailed)	<.001
	N	321

The model summary reveals a significant correlation between the independent variables (Promotion, Delivery, Privacy & Security, and User Interface) and the dependent variable (Customer Loyalty). With an R-value of 0.825, the correlation is statistically significant, indicating a strong relationship between these variables. The R-Square value of 0.681 suggests that 68.1% of the variation in customer loyalty can be explained by the combined impact of these independent variables.

The goodness of fit of the model is reflected in the R-Square value, where higher values indicate a better-fitting regression model. However, as Kumar (2024) notes, achieving high R-squared values in studies involving human behavior can be challenging due to the influence of unpredictable factors. Thus, even R-Square values of 0.50 or higher are considered acceptable, provided the model is theoretically sound and the results hold statistical significance. In this study, the R-Square value of 0.681 meets this threshold, reinforcing the model's effectiveness in explaining customer loyalty based on the specified independent variables.

Table 7: Model Summary in Regression Analysis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.825 ^a	.681	.677	1.00128
a. Predictors: (Constant), Promotion, Delivery, PrivacySecurity, UserInterface				

Beta coefficients play a crucial role in understanding the relationship between independent variables (Privacy & Security, Delivery, User Interface, and Promotion) and the dependent variable (Customer Loyalty) in regression analysis. Among these variables, Privacy & Security exhibits the highest beta coefficient (0.470), indicating that it has the strongest impact on customer loyalty. This is followed by User Interface (0.190), Promotion (0.182), and Delivery (0.117). Additionally, all independent variables demonstrate a high degree of significance ($p < 0.001$), confirming that these predictors are statistically significant in explaining customer loyalty. The findings support the hypothesis that these factors contribute meaningfully to customer loyalty, demonstrating a strong, unbiased relationship between the independent variables and the dependent variable.

- H1: Privacy and security have a positive relationship with customer loyalty in the digital marketplace.
H2: Delivery have a positive relationship with customer loyalty in the digital marketplace.
H3: User-friendly interfaces have a positive relationship with customer loyalty in the digital marketplace.
H4: Promotion have a positive relationship with customer loyalty in the digital marketplace.

Table 8: Coefficients in Regression Analysis

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	.391	.313		1.247
	PrivacySecurity	.461	.047	.470	<.001
	Delivery	.222	.076	.117	.004
	UserInterface	.395	.109	.190	<.001
	Promotion	.356	.088	.182	<.001
a. Dependent Variable: CustomerLoyalty					

CONCLUSION

This study demonstrates the relationship between key independent factors and customer loyalty within Malaysia's digital marketplace. The findings confirm that all hypotheses are validated, aligning with prior research. By analyzing factors such as delivery services, user-friendly interfaces, privacy and security, and promotional efforts, this study successfully addresses its research objectives.

The results emphasize the critical role of privacy and security in building trust and encouraging repeat purchases, as well as the impact of promotions on customer engagement and satisfaction. Moreover, the study reaffirms that fast delivery and an intuitive interface are not just added benefits but fundamental expectations that drive customer retention. However, certain limitations exist, including limited geographic coverage and the potential bias of self-reported data. Future research should consider larger-scale studies that encompass Malaysia's six demographic clusters, incorporating qualitative methods to gain deeper insights into customer loyalty drivers and the factors influencing platform attractiveness. Ultimately, this study contributes valuable insights into building trust and ensuring customer loyalty, both of which are essential for sustaining competitiveness in the evolving digital marketplace.

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AUTHORS' CONTRIBUTION

Yap Chen Wei, Lim Shi Qing, Soo Pee Shen, and Wong Xin Yi conceived and planned the study and carried out the data collection and analysis, as well as provided final comments and revision guidelines. Mohd Remie, Nursyamilah, Aeshah and Noraine provided the guidelines throughout the writing process, as well as helping with post-article refinements. All authors provided critical feedback and helped shape the research, analysis, and manuscript.

CONFLICT OF INTEREST DECLARATION

We certify that the article is the Authors' and Co-Authors' original work. The article has not received prior publication and is not under consideration for publication elsewhere. This research/manuscript has not been submitted for publication nor has it been published in whole or in part elsewhere. We testify to the fact that all Authors have contributed significantly to the work, validity and legitimacy of the data and its interpretation for submission to Jurnal Intelek.

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