



Impact of Digital Marketing, Seller Response, and Price Perception on Purchase Decisions and Customer Loyalty

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ARTICLE INFO

Keywords: Digital Marketing, Seller Response, Price Perception, Purchase Decision, Customer Loyalty

Received : 4 April 2026

Revised : 19 May 2026

Accepted : 20 June 2026

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ABSTRACT

This study looks at how digital marketing affects, seller response, and price perception on purchase decisions and customer loyalty at a Balinese traditional clothing retailer. Using a quantitative approach, questionnaires were distributed to 190 consumers via purposive sampling from January to March 2026. SmartPLS was employed to test direct and mediated relationships. Results reveal that all three predictors significantly drive purchase decisions, which in turn enhance customer loyalty. Purchase decisions fully mediate digital marketing and seller response effects but not price perception. Findings offer strategic insights for cultural fashion SMEs optimizing digital commerce and customer retention

INTRODUCTION

The quick development of communication and information technology has transformed consumer behavior in communication, interaction, and shopping activities. One of the most significant changes is the shift from traditional marketing to digital marketing, where businesses utilize social media, websites, e-commerce, and other digital platforms to reach consumers more effectively. This transformation has also influenced the fashion industry, including the Balinese traditional clothing sector, which has cultural and economic value in Bali. Balinese traditional clothing products such as kebaya, kamen, udeng, and endek are not only cultural identities but also important products for local Small and Medium Enterprises and tourism industries. However, despite their large market potential, many traditional clothing businesses still face challenges in optimizing digital marketing strategies to maintain competitiveness in the modern market.

This phenomenon indicates a mismatch between high digital engagement and unstable sales performance. Although digital marketing activity is intensive and consumer exposure is high, purchase transactions remain fluctuating. This condition suggests that digital visibility alone is insufficient to ensure consistent consumer purchasing behavior. The fluctuation may occur due to differences in consumer perception, interaction quality, and price evaluation, which are not fully captured through digital engagement metrics, thus forming the core research problem of this study.

Digital marketing enables businesses to increase product exposure, strengthen brand awareness, and facilitate consumer access to product information (Nitami et al., 2024). In addition, seller response plays an important role in online transactions, as fast, responsive, and informative communication enhances consumer trust and satisfaction (Madjowa et al., 2023). Furthermore, price perception is a key determinant in consumer evaluation, reflecting whether product prices are considered fair relative to the perceived quality and benefits received (Juwita, 2023). These factors are closely linked to purchase decisions and customer loyalty, particularly in digital shopping environments.

This research adds to the body of knowledge on consumer behavior and digital marketing by creating an integrated model that simultaneously examines the effects of online advertising, seller response, and the sense of price on both purchase decision and customer loyalty in a culturally embedded SME context. This study's uniqueness comes from its focus on Balinese traditional clothing SMEs, where cultural and symbolic product values interact with digital engagement, providing a more nuanced understanding of how non-price experiential factors influence consumer loyalty in traditional fashion markets. Unlike previous studies that analyze purchase decision and loyalty separately, this research offers a more comprehensive explanation of consumer behavior in terms of culture rooted digital commerce settings. Practically speaking, the results show that increasing digital visibility alone is insufficient; instead, responsive seller interaction and fair price perception are essential to sustain both purchase decisions and long-term customer loyalty in competitive digital markets.

This research attempts to analyze The impact of online advertising, seller response, and price perception on purchase decision and customer loyalty in Balinese traditional clothing SMEs, specifically at MA Busana Store. The research is conducted to provide a comprehensive understanding of how digital engagement strategies, service responsiveness, and perceived price fairness influence consumer purchasing behavior and long-term loyalty in culturally based fashion products. By employing a quantitative method utilizing primary data gathered via surveys and analyzed using statistical methods, this study seeks to identify the direct and simultaneous connections between the variables. The results are anticipated to help theoretically to the development of digital marketing literature in culturally embedded SME contexts and practically to assist business actors in optimizing digital marketing strategies to enhance consumer purchase decisions and loyalty in the Balinese traditional clothing industry.

LITERATURE REVIEW

Digital Marketing

Digital marketing is a type of advertising that makes use of digital technology and various online platforms such as social media, marketplaces, websites, and applications to reach and interact with consumers. Digital marketing enables businesses to build more personalized relationships, increase brand awareness, and expand market reach compared to traditional marketing methods (Nitami et al., 2024). In the fashion industry, particularly in the Balinese traditional clothing sector, Digital marketing is crucial to visually presenting products and facilitating consumers in obtaining product information. Prior research has demonstrated that digital marketing has a favorable influence on consumer purchase intention and purchase decisions. Effective digital marketing activities can increase product exposure and encourage consumers to make purchases.

H1: Purchases are positively and significantly impacted by digital marketing decisions.

Seller Response

Seller response refers to the seller's ability to provide fast, informative, and responsive communication regarding consumer inquiries and reviews on digital platforms. The caliber of seller response is crucial to building effective communication and increasing consumer trust in online transactions (Madjowa et al., 2023). Positive online interactions can create a satisfying shopping experience that enhances consumer satisfaction and loyalty. Previous research indicates that seller response has a favorable impact on consumer decisions about purchases in digital-based transactions.

H2: Seller response has a favorable and substantial impact on purchases decisions.

Price Perception

Price perception refers to consumers' evaluation of the fairness, affordability, and suitability of product prices in relation to the benefits and

quality received. Consumers tend to consider the relationship between price and product value before making purchase decisions (Juwita, 2023). In the Balinese traditional clothing market, price perception is an important factor because consumers are faced with various product options and price variations. Previous studies explained that price perception significantly influences consumer purchase decisions in selecting products.

H3: Purchase decisions are positively and significantly impacted by price perception decisions.

Purchase Decision

Purchase decision pertains to the customer's action in purchasing a product after evaluating information, alternatives, prices, quality, and services. Purchase decisions are influenced by personal and psychological elements that form the consumer preferences in selecting products (Wijayanti et al., 2023). Regarding internet shopping, purchase decisions are influenced by ease of access to information, previous experiences, and trust in sellers. Previous studies have shown that purchase decisions positively influence consumer loyalty because satisfied consumers frequently make repeat purchases and suggest products to other people.

H4: Purchase decisions have a favorable and notable impact on customer loyalty.

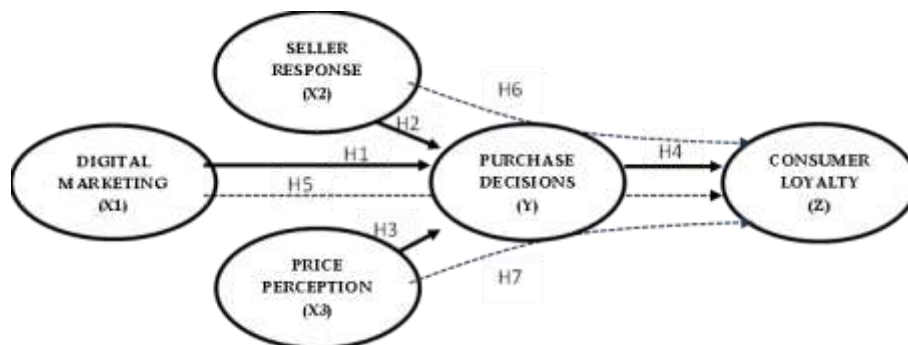
Consumer Loyalty

Customer loyalty refers to the level of customer commitment to repurchasing products and recommending products or brands to others. Loyalty reflects consumers' commitment to maintaining long-term relationships with a brand or business (Primasari & Dwita, 2025). For MA Busana Store, consumer loyalty is an important factor in improving business sustainability and competitiveness. Previous studies indicate that consumer loyalty can be developed through positive purchasing experiences, service quality, and effective digital marketing strategies.

H5: Decisions on purchases mediate Digital marketing's impact on consumer loyalty.

H6: Decisions on purchases mediate the effect of seller response on consumer loyalty.

H7: Purchase decisions mediate how price perception affects customer loyalty.



Picture 1. Conceptual Framework

METHODOLOGY

This study was conducted at MA Busana Store, a Balinese traditional clothing retailer located in Tabanan Regency, Bali. The choice of This location was chosen with the understanding that the store actively implements digital marketing strategies and serves a broad consumer base. The research was completed from January to March 2026, covers the phases of data gathering, analysis, and preparation.

The population of This investigation included consumers who had purchased Balinese traditional clothing products at least twice from MA Busana Store, either offline or online, during the January–March 2026 period. Purposive sampling was used, with inclusion criteria requiring Respondents to have made a minimum of two purchases within the specified period. Based on store membership records and verified non-member transaction data, respondents meeting the criteria were chosen accordingly. The sample size was calculated using the 10-times rule of SEM-PLS, where Ten times the greatest number of structural routes aimed at a construct or the number of indicators employed is the minimum sample. Given that 19 indicators were used in this investigation, the minimum necessary sample size was 190 respondents (Hair Jr et al, 2021).

This study involved five variables, including three one dependent variable, one mediating variable, and one independent variable. Digital marketing was the independent variable (X1), Seller Response (X2), and Price Perception (X3). Purchase Decision (Y1) was used as the variable that mediates, while Customer Loyalty (Y2) served as the dependent variable. Digital Marketing refers to promotional activities using digital platforms like social media and marketplaces. Seller Response refers to the responsiveness of sellers in providing information and handling consumer inquiries. Price Perception refers to consumers' evaluation of price fairness and value. Purchase Decision reflects the consumer's final purchasing action, while Consumer Loyalty refers to repeat purchase behavior and long-term commitment to the store.

A systematic questionnaire was given to qualified responders in order to gather data. A 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree) that was modified from validated instruments was used to measure each construct in prior literature. Primary data were obtained directly from respondents, while Secondary data was gathered from sales reports, digital marketing records, journals, and relevant literature. Data SmartPLS software was used for the analysis. The analysis included measurement model evaluation (validity and reliability), model of structure assessment (R^2), and hypothesis testing using bootstrapping procedures. 0.05 was used as the significant level. SEM-PLS was employed to investigate both direct and indirect (mediation) effects among variables. Standard ethical research guidelines, such as informed consent and voluntary involvement, were followed in this work, confidentiality, and anonymization of respondent data to ensure privacy and minimize any potential harm.

RESULT

Validity and Reliability Test

Reliability testing indicates the level of consistency and stability of a measurement instrument in measuring a concept or construct. This study employs two methods for reliability assessment, namely composite reliability and Cronbach's alpha. Composite reliability is used to evaluate a construct's real reliability value, whereas Cronbach's alpha is used to test the lower bound of a construct's dependability. Although values of 0.60 might still be deemed acceptable in exploratory research, the general consensus is that Cronbach's alpha and composite reliability values should be more than 0.70.

Another By comparing the square root of each construct's Average Variance Extracted (AVE) with the correlations between that construct and other constructs in the model, discriminant validity can be evaluated. The model demonstrates adequate legitimacy of discrimination when The AVE value exceeds 0.50.

Table 1. Validity and Reliability Test Results

No	Variable	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)	Decision
1	Digital Marketing	0,877	0,925	0,804	Reliable & Valid
2	Seller Response	0,932	0,952	0,832	Reliable & Valid
3	Price Perception	0,886	0,922	0,748	Reliable & Valid
4	Purchase Decision	0,900	0,930	0,769	Reliable & Valid
5	Consumer Loyalty	0,950	0,964	0,870	Reliable & Valid

All constructs exhibit strong internal consistency and convergent validity, with Cronbach's Alpha > 0.70, CR > 0.70, and AVE > 0.50.

R-Square (R2)

One of the main factors used to evaluate the structural model's quality is the endogenous construct's R-square value. But, since there is no universally agreed threshold for R-square values, this study follows Cohen's guidelines. The goodness of fit is represented by the R-square value, where thresholds of 0.10, 0.25, and 0.36 are interpreted as tiny, medium, and big effect sizes, respectively.

Table 2. R-Square Test Results

	R ²	R ² Adjusted	Interpretation
Purchase Decision	0,702	0,697	Substantial
Consumer Loyalty	0,826	0,822	Strong
Consumer Loyalty	0,826	0,822	Strong

The value of R-square for the variables digital marketing, price perception, seller response, and consumer loyalty on purchase decision is 0.702. This indicates that the model clarifies 70.2% of the difference in purchase decision ($0.702 \times 100\% = 70.2\%$). Meanwhile, the R-square value for digital marketing, price perception, and seller response on consumer loyalty is 0.826. This means that the model clarifies 82.6% of the difference in consumer devotion ($0.826 \times 100\% = 82.6\%$).

The results indicate that digital marketing, seller response, and price perception explain 70.2% of the variance in purchase decision, which is categorized as a substantial explanatory power. Furthermore, these variables together with purchase decision explain 82.6% of the variance in consumer loyalty, indicating a strong predictive capability of the model.

F-Square (F²)

The F-square (F²) assesses Each exogenous variable's contribution to the endogenous constructs by examining the change in R² when a specific predictor is either part of the model or not. According to Cohen's criteria, values of 0.02, 0.15, and 0.35 represent effects that are modest, medium, and substantial, respectively.

Table 3. R-Square Test Results

	Purchase Decision	Consumer Loyalty
Digital marketing	0,171	0,319
Seller response	0,004	0,048
Price Perception	0,095	0,007
Purchase Decision	-	0,167

The findings indicate that digital marketing has a moderate impact on purchase decision and a medium effect on consumer loyalty. Purchase decision also demonstrates a medium effect on consumer loyalty. Meanwhile, seller response and price perception exhibit small effects on both purchase decision and consumer loyalty, indicating relatively weaker individual contributions compared to digital marketing.

Q -Square (Q²)

The structural model's predictive relevance is evaluated by the Q-square (Q²) value, which shows how well the model reconstructs observed values. While values below zero indicate a lack of predictive relevance, a Q² value greater than zero indicates that the model has predictive relevance. This is how the Q2 value is determined:

$$Q^2 = 1 - [(1-R_1^2) (1- R_2^2)] \quad (1)$$

$$Q^2 = 1 - [(1-0,702) (1-0,826)]$$

$$Q^2 = 1 - [(0,298) (0,174)]$$

$$Q^2 = 1 - (0,052)$$

$$Q^2 = 0,948$$

The resulting Q² value of 0.948 indicates a very high predictive relevance of the model, suggesting that the structural model is highly predictive accuracy when elucidating consumer behavior.

Hypothesis Testing

The process of assessing the null hypothesis is known as hypothesis testing, which may be either accepted or rejected based on statistical evidence. The alternative hypothesis represents a statement indicating a significant The distinction between statistics and parameters. This test of hypotheses is conducted by examining the t-statistic value at a 95% confidence level (α = 0.05 or 5%). The corresponding t-table value at a 95% confidence level is 1.96. The decision criteria for hypothesis acceptance or rejection are as follows: the an alternate theory (Ha) is supported and the The null hypothesis (H0) is not supported if the t-statistic value is greater than 1.96.

Table 4. Results of Direct Effect Testing

	β (beta)	T Values	P Values	Result
Digital marketing -> Purchase decision	0.466	8.184	0.015	supported
Digital marketing -> Consumer loyalty	0.526	138.521	0.000	supported
Purchase decision -> Consumer loyalty	0.312	12.001	0.007	supported
Persepsi Harga -> Purchase decision	0.339	4.994	0.038	supported
Persepsi Harga -> Consumer loyalty	-0.072	5.336	0.033	not supported
Seller response -> Purchase decision	0.075	5.540	0.031	supported
Seller response -> Consumer loyalty	0.194	118.574	0.000	supported

Digital marketing -> Purchase decision -> Consumer loyalty	0.145	22.983	0.002	supported
Persepsi Harga -> Purchase decision -> Consumer loyalty	0.106	3.334	0.079	not supported
Seller response -> Purchase decision -> Consumer loyalty	0.023	7.207	0.019	supported

- (1) At the significance level of 0.05, the p-value for the impact of digital marketing on purchase decisions is 0.015. It may be inferred that digital marketing has a favorable and significant impact on purchase decisions since the p-value is less than 0.05 ($0.015 < 0.05$), the beta coefficient is 0.466, the t-statistic is 8.184, and the t-table value is 1.96..
- (2) At the significance level of 0.05, the p-value for the impact of digital marketing on customer loyalty is 0.000. It may be inferred that digital marketing has a favorable and significant impact on customer loyalty because the p-value is less than 0.05 ($0.000 < 0.05$), the beta coefficient is 0.526, the t-statistic is 138.521, and the t-table value is 1.96. Therefore, the hypothesis is supported.
- (3) In comparison to the significance level of 0.05, the p-value for the impact of purchase choice on customer loyalty is 0.007. Purchase decisions have a positive and significant impact on customer loyalty since the p-value is less than 0.05 ($0.007 < 0.05$), the beta coefficient is 0.312, the t-statistic is 12.001, and the t-table value is 1.96. Consequently, the hypothesis is validated..
- (4) At the significance level of 0.05, the p-value for the impact of price perception on purchase decision is 0.038. It may be inferred that price perception has a favorable and significant impact on purchasing decisions because the p-value is less than 0.05 ($0.038 < 0.05$), with a beta coefficient of 0.339 and a t-statistic of 4.994 in contrast to a t-table value of 1.96. Consequently, the hypothesis is validated.
- (5) At the significance level of 0.05, the p-value for the impact of price perception on customer loyalty is 0.033. Price perception has a negative and substantial impact on customer loyalty since the p-value is less than 0.05 ($0.033 < 0.05$), the beta coefficient is -0.072, the t-statistic is 5.336, and the t-table value is 1.96. Thus, there is no evidence to support the hypothesis.
- (6) At the significance level of 0.05, the p-value for the impact of seller reaction on buy decision is 0.031. It may be inferred that seller reaction has a favorable and substantial impact on purchase choice because the p-value is less than 0.05 ($0.031 < 0.05$), with a beta coefficient of 0.075 and a t-statistic of 5.540 in contrast to a t-table value of 1.96. Consequently, the hypothesis is validated.

- (7) At the significance threshold of 0.05, the p-value for the impact of seller reaction on customer loyalty is 0.000. It may be inferred that seller reaction has a positive and substantial impact on customer loyalty because the p-value is less than 0.05 ($0.000 < 0.05$), with a beta coefficient of 0.194 and a t-statistic of 118.574 in contrast to a t-table value of 1.96. Consequently, the hypothesis is validated.
- (8) With a beta coefficient of 0.145, a t-statistic of 22.983, and a t-table value of 1.96, the p-value is less than 0.05 ($0.002 < 0.05$), indicating that purchase decision mediates the impact of digital marketing on customer loyalty. Consequently, the hypothesis is validated.
- (9) At the significance level of 0.05, the p-value for the impact of price perception on customer loyalty through purchase decision is 0.079. It may be inferred that purchase decision does not mediate the influence of price perception on consumer loyalty because the p-value is greater than 0.05 ($0.079 > 0.05$), with a beta coefficient of 0.106 and a t-statistic of 3.334 in contrast to a t-table value of 1.96. Thus, there is no evidence to support the hypothesis.
- (10) At the significance threshold of 0.05, the p-value for the impact of seller reaction on customer loyalty through purchase choice is 0.019. Since the p-value is lower than 0.05 ($0.019 < 0.05$), with a beta coefficient of 0.023 and a t-statistic of 7.207 compared to a t-table value of 1.96, it can be argued that purchase decision mediates the influence of seller reaction on consumer loyalty. Consequently, the hypothesis is validated.

DISCUSSION

This research offers theoretical and empirical insights regarding the determinants of consumer purchase decision and loyalty in the context of Balinese traditional clothing retailing. The findings indicate that digital marketing, seller response, and price perception function as important stimuli that shape consumer purchase decision, which in turn contributes to the formation of consumer loyalty. However, the mediating role of purchase decision is not uniformly supported across all relationships, suggesting the presence of more complex behavioral mechanisms in culturally embedded consumption contexts.

Digital Marketing and Purchase Decision

The findings confirm that digital marketing considerably influences purchase decision, indicating that digital engagement strategies effectively stimulate consumer purchasing behavior. This relationship can be explained through the framework of Stimulus-Organism-Response (S-O-R), where digital marketing acts as an external input that molds consumer cognition and affect before resulting in purchases as a behavioral reaction decisions. Consistent with prior research, digital marketing enhances brand visibility, consumer engagement, and information accessibility, thereby reducing uncertainty during the process of determining decisions (Nitami et al., 2024). In fashion retail contexts, particularly cultural apparel, visual storytelling and interactive content on digital platforms play a crucial part in forming consumer perception and emotional engagement. This conclusion is also validated by (Bachri et al., 2023), who emphasize the

effectiveness of digital marketing in increasing purchase-related behavioral outcomes in fashion industries. However, compared to conventional fashion markets, This research expands previous conclusions by proving that in culturally embedded products, Digital marketing serves as a media in addition to a promotional instrument for cultural representation and symbolic meaning creation.

Seller Response and Purchase Decision

The findings show that the choice to buy is significantly influenced favorably by the seller's reaction. This emphasizes how crucial response is. dimension of perceived service quality in digital commerce environments. From a theoretical perspective, seller response reduces perceived risk and strengthens trust, which are critical determinants of consumer decision-making in online transactions. Within the S-O-R framework, seller response operates as a relational stimulus that enhances consumer confidence and facilitates behavioral responses. This finding is consistent with (Zahra et al., 2025), who argue that timely and informative seller communication improves consumer trust and purchase likelihood. Similarly, (Oulahou, 2021) emphasizes that responsiveness in online interactions significantly increases transactional success and customer satisfaction. Nevertheless, this study extends prior literature by showing that in cultural product markets, seller response is not only functional but also relational, where interpersonal communication contributes to perceived authenticity and trustworthiness of traditional brands.

Price Perception and Purchase Decision

The results show that pricing perception has a big impact on buying decisions, indicating that consumers evaluate fairness and value before engaging in purchasing behavior. This is consistent with the theory of expectation-confirmation, which explains that consumers compare perceived value with expected costs before making decisions. Prior studies confirm that price perception plays a central role in shaping consumer behavior, particularly in competitive markets where consumers compare alternatives before purchasing (Menhard et al., 2025). In the context of Balinese traditional clothing, price evaluation is not purely economic but also symbolic, as consumers assess whether the price reflects cultural authenticity and craftsmanship value. However, unlike some conventional retail studies, this research suggests that price sensitivity may be moderated by cultural and experiential value considerations, where consumers may tolerate higher prices when symbolic meaning is strong.

Purchase Decision and Consumer Loyalty

The results demonstrate that purchase decision significantly influences consumer loyalty, indicating that positive purchasing experiences contribute to long-term relational commitment. This result is in line with consumer behavior theory, which posits that satisfaction derived from purchase outcomes leads to repeat purchasing behavior and loyalty formation. Prior studies by (Yulihapsasi et al., 2025) and (Sadjadah et al., 2025) similarly confirm the strong linkage between purchase decision and loyalty. This relationship reflects the post-purchase

evaluation process, where consumers develop emotional attachment based on satisfaction and trust. In this context, purchase decision acts as a behavioral bridge between cognitive evaluation and long-term loyalty formation, reinforcing the importance of ensuring positive consumer experiences at the point of purchase.

Mediating Role of Purchase Decision: Digital Marketing and Loyalty

The findings confirm that purchase decision mediates The connection between digital marketing and consumer loyalty. This suggests that digital marketing influences loyalty both directly and indirectly through behavioral conversion. This outcome is consistent with the S-O-R model, where digital marketing acts as a stimulus that influences cognitive and affective states, leading to purchase decisions that subsequently strengthen loyalty. (Alamsyah & Fikri, 2024) similarly highlight that effective digital engagement enhances both purchase intention and loyalty outcomes through consumer involvement. This study extends prior literature by emphasizing that in cultural fashion markets, loyalty is not only driven by digital exposure but also by meaningful purchase experiences that reinforce cultural appreciation and brand attachment.

Mediating Role of Purchase Decision: Seller Response and Loyalty

The study finds that purchase decision mediates The connection between seller response and customer loyalty. This indicates that responsiveness alone is insufficient to directly generate loyalty unless it translates into actual purchasing behavior. Responsive communication enhances trust and reduces uncertainty, which increases purchase likelihood. These positive purchase experiences then reinforce satisfaction and long-term loyalty. This finding is consistent with (Firdaus & Astuti, 2024), who emphasize the importance of service responsiveness in shaping satisfaction and loyalty through transactional experiences. Thus, purchase decision serves as a critical transformation mechanism that converts relational communication quality into sustained customer loyalty.

Mediating Role of Purchase Decision: Price Perception and Loyalty

In contrast, the findings show that purchase decision does not act as a mediator in the connection between price perception and consumer loyalty. This suggests that loyalty formation in cultural fashion retail is not primarily driven by price-based evaluations. Instead, loyalty is more strongly influenced by symbolic authenticity, emotional attachment, service experience, and cultural meaning. Even when price perception is favorable, it does not guarantee long-term loyalty unless supported by experiential and relational value. This finding contrasts with (Sihombing & Silitonga, 2024), who reported a significant mediating role of purchase decision in the price-loyalty relationship. The discrepancy may be explained by contextual differences, particularly the cultural embeddedness of Balinese traditional clothing, where symbolic and experiential consumption outweigh purely economic considerations.

Managerial Implications

For Balinese traditional clothing SMEs, these findings suggest that digital marketing strategies should focus not only on increasing visibility but also on strengthening cultural storytelling and visual authenticity. Seller responsiveness should be maintained as a key trust-building mechanism in online interactions. Meanwhile, pricing strategies should emphasize perceived value and cultural authenticity rather than cost competitiveness alone. Most importantly, businesses should recognize that customer loyalty in cultural markets is driven by experiential and symbolic value rather than purely transactional considerations.

CONCLUSION AND RECOMMENDATION

This research offers empirical support regarding the determinants of purchase decision and consumer loyalty in the context of Balinese traditional clothing SMEs, specifically at MA Busana Store. The findings demonstrate that digital marketing, seller response, and price perception significantly influence purchase decision. Furthermore, purchase decision significantly contributes to consumer loyalty, indicating that positive purchasing experiences strengthen long-term consumer commitment. The study also confirms the mediating function of purchase decision in the connections between seller response and customer loyalty, as well as between digital marketing and customer loyalty. However, purchase decision does not mediate the relationship between price perception and consumer loyalty, suggesting that loyalty in cultural fashion markets is influenced more strongly by experiential, symbolic, and relational factors rather than transactional price evaluations alone.

Theoretical and Practical Implications

Theoretically, by expanding the use of the Stimulus–Organism–Response (S-O-R) framework, this study adds to the literature on digital marketing and customer behavior and experiential consumption perspectives into culturally embedded SME contexts. The findings highlight that digital engagement, responsiveness, and perceived value collectively shape consumer behavior in traditional fashion markets where symbolic and cultural values are highly relevant. Unlike conventional retail studies that emphasize economic considerations, this research demonstrates that loyalty toward Balinese traditional clothing products is strongly associated with experiential and authenticity-related dimensions.

Practically, the findings provide important implications for SMEs operating in cultural and traditional fashion industries. Digital marketing should not only focus on increasing visibility but also on communicating cultural authenticity, craftsmanship, and symbolic value. In addition, seller responsiveness plays a crucial role in reducing consumer uncertainty and strengthening trust in online transactions. Businesses should also recognize that competitive pricing alone is insufficient to maintain long-term loyalty without positive service experiences and relational engagement.

Actionable Recommendations for MA Busana

MA Busana Store is recommended to strengthen its digital marketing strategy through consistent and visually engaging social media content, interactive storytelling, and clearer product information related to cultural value and product authenticity. The business should implement a structured omnichannel response system with a maximum response time of two hours across social media and marketplace platforms to improve consumer trust and responsiveness.

Furthermore, MA Busana is encouraged to develop customer loyalty programs based on purchase frequency and long-term engagement rather than price discounts alone. Personalized communication, live-selling sessions, customer review integration, and interactive social commerce features may enhance customer experience and emotional attachment toward the brand. The company should also maintain transparent and value-based pricing strategies by emphasizing product quality, traditional craftsmanship, and personalized service experiences.

Limitations and Future Research

There are a number of limitations to this study that should be noted. First, the study used a cross-sectional design, which makes it more difficult to track changes in consumer behavior over time. Second, the research focused only on a single SME, namely MA Busana Store, which may limit the generalizability of the findings to other cultural fashion businesses or regions. Third, the study used data from self-reported questionnaires, which could be response bias and subjective interpretation by respondents.

Upcoming studies is recommended to conduct Longitudinal studies to look at the customer loyalty development over time and to expand the research scope across multiple cultural fashion SMEs in different regions. Further studies may additionally include other factors like product quality, consumer trust, customer experience, perceived authenticity, and brand image to provide a more thorough comprehension of consumer behavior in culturally embedded digital environments for trade.

SUGGESTION

This study has several limitations, particularly in the limited number of variables used, namely digital marketing, seller response, price perception, purchasing decisions, and consumer loyalty. Therefore, future research is suggested to develop the research model by adding other variables such as product quality, consumer trust, and customer experience in order to obtain broader and more comprehensive research results.

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