

# The Impact of Digital Marketing on Consumer Loyalty in Small Businesses

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## Abstract

This article presents a comprehensive analysis of the impact of digital marketing on the formation and maintenance of consumer loyalty in the small business segment, taking into account regional and institutional specifics. The study adopts a theoretical-analytical approach that combines the comparison of up-to-date empirical data obtained through structural modeling, qualitative comparative analysis, and autoregressive time series models. Particular attention is given to identifying mediating mechanisms that channel the relationship between digital marketing activities and loyalty components, including trust, satisfaction, emotional attachment to the brand, behavioral engagement, and the Omnichannel Share of Time construct. The findings indicate that direct effects of social media marketing activities on loyalty are often absent, while a sustainable impact is achieved through a complex system of emotional and cognitive mediators, whose significance varies depending on cultural and market contexts. The paper analyzes strategic differences in digital platforms and omnichannel models that shape consumers' perception of value and convenience. Regional patterns are identified: technological and CRM capabilities as growth drivers in Africa, emotional engagement in Asian and Gulf countries, and professional social media management in Europe. It is argued that digital loyalty in small businesses is the result of an interplay of behavioral, affective, and cognitive factors, and that the effectiveness of digital marketing depends on a company's ability to integrate channels, personalize the customer experience, and maintain high engagement levels. This article will be of interest to marketing researchers, small business entrepreneurs, digital communications specialists, omnichannel strategy developers, and analysts evaluating the effectiveness of marketing campaigns in a dynamically transforming digital economy.

## Keywords

Digital Marketing, Consumer Loyalty, Small Business, SMM, Engagement,

## 1. Introduction

In recent years, digital marketing has established itself as a key tool for building and sustaining consumer loyalty, particularly given businesses' growing dependence on online communications. It reshapes the mechanisms for promoting goods and services and creates new forms of interaction between brand and consumer, mediated by personalization algorithms, platform logics, and social interactivity. These changes have prompted a shift from a transactional understanding of loyalty to a complex, multi-level view that encompasses cognitive, affective, and behavioral components.

Digital marketing is especially consequential for small businesses, where it becomes both a reach-expansion tool and a means of cultivating durable customer relationships under resource constraints. In the context of this study, "small business" refers to companies with up to 50 employees and/or an annual turnover of up to USD 10 million, which corresponds to the criteria of the European Commission. At the same time, the author acknowledges that different countries apply varying operational definitions of small business, and these differences need to be taken into account when interpreting the results. The high sensitivity of small firms to the performance of digital channels and their ability to adapt quickly make this segment a promising object of analysis in terms of loyalty resilience (Banerji & Singh, 2024). At the same time, approaches to implementing digital strategies remain highly variable, which complicates the derivation of universal patterns and reduces the reproducibility of effects.

Loyalty in the digital environment is shaped by a broad spectrum of factors, from the quality of the customer experience to the degree of emotional identification with the brand (Akin, 2024). Interactions with digital interfaces, brand responsiveness, communication interactivity, expectation fulfillment, and content individualization create an environment in which classical loyalty models evolve. Meanwhile, the current research agenda highlights the emergence of new behavioral indicators that capture the level and dynamics of consumer engagement in multichannel settings (Dwivedi et al., 2021).

Despite active theoretical and applied work, the systemic link between components of digital marketing and the structure of consumer loyalty in small businesses remains unresolved. In the absence of a unified conceptual approach, given heterogeneous metrics and limited aggregated data, a comparative analysis of recent empirical studies on this question appears warranted.

The purpose of this study is to analyze the impact of digital marketing on consumer loyalty in the small business segment, to determine the interrelations between different kinds of digital influence and loyalty elements, and to identify me-

diating mechanisms of this influence with regard to geographic and institutional context.

## 2. Materials and Methods

The research follows a theoretical-analytical approach and rests on comparing empirical data reported in recent publications. This study was conducted in the format of a systematic comparative literature review. The selection of sources was carried out using the keywords “digital marketing,” “consumer loyalty,” and “small business” in the Scopus and Web of Science databases, with a time frame limited to 2021-2025. This approach ensured the reproducibility of the procedure and the consistency of inclusion criteria for the publications. The sample includes studies on digital marketing, consumer loyalty, and behavioral analytics across various small-business sectors. Methodological coherence is ensured by including works that employ established quantitative methods: structural modeling (PLS-SEM and SEM), fuzzy set qualitative comparative analysis (fsQCA), and autoregressive time-series models (ARIMA).

The geographic coverage spans several macro-regions, enabling a cross-continental analytical base. In particular, [Akin \(2024\)](#) examines e-commerce competitiveness in Türkiye through the lens of customer experience and digital strategies. [Deku](#) proposes a performance assessment model for SMEs in emerging economies using Ghana as an example, emphasizing the role of digital marketing capabilities ([Deku et al., 2024](#)). [Khalid \(2024\)](#) investigates customer experience in Thailand’s omnichannel retail, allowing the inclusion of elements related to multichannel consumer behavior. A behavioral engagement model in social media as a predictor of revenue is presented by [Matosas-López \(2024\)](#), focusing on Spanish small retail companies.

The comparative foundation includes studies centered on the impact of SMM activities on trust, engagement, and commitment. [Ali](#) employs a dual symmetric/asymmetric model to identify alternative causal paths to loyalty formation ([Ali et al., 2025](#)). [Banerji](#) confirms the mediating role of relationship quality in e-commerce ([Banerji & Singh, 2024](#)). [Fetais](#) introduces additional constructs—lovemark and emotional attachment—that bridge digital campaigns and loyalty in the fashion segment ([Fetais et al., 2023](#)). [Rahman](#) proposes the Omnichannel Share of Time (OSoT) as an alternative to traditional engagement and repeat-purchase metrics ([Rahman et al., 2025](#)).

The business types considered range from digital retailers to firms with physical presence that actively use omnichannel practices. In all cases, these are small and medium-sized enterprises that are sensitive to the effectiveness of digital communications and dependent on the quality of the customer experience. [Laradi](#) underscores the importance of digital capabilities—publishing, interaction, and monitoring—as drivers of firm performance, considered within the resource-based view and dynamic capabilities theory ([Laradi et al., 2024](#)).

The analysis compared key findings—both quantitative (weights, significant re-

relationships,  $R^2$ ,  $\beta$ ) and qualitative (identified configurations, mediating links, practical effects). An integrative table of models and parameters is presented in the Results section.

Thus, the methodological structure of the study combines contextual diversity with uniformity of approach. This made it possible to consider digital marketing comprehensively as a multifaceted factor that influences consumer loyalty amid the transformation of small businesses.

### 3. Results

The evolution of digital marketing in small businesses is inseparable from the transformation of interaction channels and platform architectures underpinning the customer experience. E-commerce firms must adapt their marketing strategies to platform environments that dictate the rules of the game for both the user journey and algorithmic promotion. Under high market concentration—especially in regional markets—platforms effectively define the boundaries of marketing influence and set the logistics, transactional, and communication structure.

Akin (2024) shows how Amazon, Trendyol, and Hepsiburada shape distinct architectures of consumer interaction in Türkiye. Amazon emphasizes logistics optimization and assortment breadth, encouraging repeat transactions through delivery speed and breadth of choice. Trendyol, in turn, focuses on localization, discount campaigns, and the mobile interface as the primary engagement channel. Hepsiburada combines elements of both, offering a hybrid model integrated with banking and financial services. These differences generate unique patterns in perceived value, convenience, and accessibility, directly affecting the durability of consumer loyalty. Table 1 presents key differences in the strategies of the three platforms and their reflection in channel aspects of marketing.

**Table 1.** Channel and strategic features of digital marketing in e-commerce (Compiled by the author based on sources: Akin, 2024; Khalid, 2024; Rahman et al., 2025).

Platform/Parameter	Amazon	Trendyol	Hepsiburada
Main engagement channel	Web interface, logistics	Mobile app	Hybrid model
Strategic focus	Fast delivery, product range	Discounts, localized content	Financial services, cashback
Channel integration level	Low	Medium	High
Omnichannel support	Limited	Developing	Implemented
Perceived ease and value	Medium	High	High

As Table 1 indicates, platform strategies differ markedly in channel configuration and marketing emphasis. Amazon prioritizes breadth of assortment and logistics speed but shows a limited degree of omnichannel integration. By contrast, Hepsiburada implements a more holistic model, combining digital retail with in-

tegrated financial tools such as post-payment and cashback. Trendyol occupies an intermediate position, emphasizing mobile engagement and geo-targeted promotions.

Omnichannel capability is especially important as a way to equalize user experience and increase perceived value. [Khalid \(2024\)](#) finds that perceived integration across channels (online and offline), along with subjective ease, enjoyment, and usefulness, enhances customer satisfaction and thus the likelihood of repeat purchases. Technical seamlessness in moving between channels and coherence in communications and promotional strategies are crucial. Operational elements such as order fulfillment, customer support, and interface quality should be perceived as a single ecosystem.

Rahman introduces and empirically validates a new behavioral indicator—the share of time a consumer spends within a retailer’s omnichannel ecosystem (Omnichannel Share of Time, OSOT) ([Rahman et al., 2025](#)). This construct captures not the absolute frequency of contacts but the relative preference for one brand over others within multichannel behavior. OSOT is shown to be closely linked to engagement and mediates the impact of the overall omnichannel customer experience (OCX) on deeper forms of loyalty.

Platform logic and channel architecture lay the groundwork for digital marketing by defining personalization opportunities, interaction depth, and the structure of the customer journey. In a small business, where every touchpoint matters, platform choice and channel configuration are not auxiliary but strategic factors.

In the digital economy, loyalty is no longer only a function of repeat purchases; it becomes a complex behavioral-emotional construct mediated by engagement, brand perception, and the design of the user experience. Recent studies show that the direct effect of social media marketing activities (SMMa) on loyalty is often absent, while engagement and emotional identification with the brand play key mediating roles. Fetais empirically confirms a fully mediated model in which the influence of SMMa components—entertainment, customization, trendiness—reaches loyalty exclusively through community engagement and emotional attachment (lovemark) ([Fetais et al., 2023](#)). Direct paths from SMMa to loyalty are statistically insignificant, whereas indirect, emotion-driven paths are robust. **Table 2** situates this configuration alongside other empirical models.

**Table 2.** Effects of SMMa, engagement, and CE on customer loyalty (Compiled by the author based on sources: [Ali et al., 2025](#); [Banerji & Singh, 2024](#); [Fetais et al., 2023](#)).

Antecedents	Mediators	Outcome	Model Type	Key Finding
Entertainment, Customization, Trendiness	Community Engagement, Lovemark	Customer Loyalty	PLS-SEM	Full mediation; direct paths not significant
Trust, Identification, Brand Equity	—	Customer Loyalty	PLS-SEM + fsQCA	CE → CL path confirmed in both symmetric and asymmetric models

## Continued

SMMa (5 dimensions)	Commitment, Trust, Satisfaction	Customer Loyalty	SEM	All hypotheses supported; CE and CRQ as mediators
Customer Engagement	—	Operating Revenue	ARIMA (time series)	CE predicts revenue only under professional social media management

As shown in **Table 2**, behavioral engagement is a consistent predictor of loyalty across both symmetric and configurational models. Ali identifies paths through which customer engagement (CE) directly builds loyalty via brand identification and trust (Ali et al., 2025). Banerji extends these findings by introducing relationship-quality mediators—satisfaction, commitment, trust—that bridge perceptions of social media marketing with behavioral outcomes (Banerji & Singh, 2024).

Particular attention should be paid to CE's predictive value over the long term. Matosas-López (2024) conducts ARIMA modeling on customer behavior in Spanish small retail companies and shows that social-media engagement predicts operating revenue—but only under professional social-media management. Without specialized management, the correlation between CE and revenue disappears. This underscores the critical role of competent digital management in loyalty strategies.

Accordingly, digital loyalty in small businesses is not a linear function of marketing but the result of a complex interaction among emotional, cognitive, and behavioral factors. Engagement and sustained consumer attention become not mere byproducts of advertising activity but essential conditions for forming stable brand relationships.

#### 4. Discussion

An analysis of digital marketing in small businesses shows that the effect of marketing activities on customer loyalty is most often realized indirectly, through a layered system of mediators. Key mediators include trust, satisfaction, emotional attachment to the brand, and the recently proposed Omnichannel Share of Time. **Table 3** compares major mediating variables, their roles in transmitting digital marketing's effects to loyalty, and the measurement approaches employed.

**Table 3.** Comparison of mediating variables in the impact of digital marketing on CL (Compiled by the author based on sources: Banerji & Singh, 2024; Fetais et al., 2023; Matosas-López, 2024; Rahman et al., 2025).

Source	Mediators	Direct SMMa → CL Effect	Measurement Approach	Key Insight
Banerji & Singh	Trust, Satisfaction, Commitment	Significant	SEM	Relationship quality mediates between SMMa and CL
Fetais et al.	Lovemark, Community Engagement	Not significant	PLS-SEM	Full affective mediation; emotional factors critical

## Continued

Matosas-López	—	Not assessed	ARIMA (time series)	CE predicts revenue only under professional management
Rahman et al.	OSoT (via CE)	Not direct	PLS-SEM, scale validation	OSoT mediates OCX → CE → CL link, refining omnichannel loyalty measurement

As **Table 3** indicates, the mediator structure ranges from emotional to operational, and their presence or absence determines the persistence of digital marketing's effect on loyalty. The absence of a direct SMMa → CL path, identified by [Fetais et al. \(2023\)](#) and corroborated by indirect links via trust and engagement, underscores the need for systematic strategy design.

[Fetais et al. \(2023\)](#) show that SMMa's direct effect on loyalty is absent and that transmission occurs entirely through emotional mediation—emotional and behavioral variables including brand love and community engagement. Even high-quality customization or interactivity does not guarantee higher CL without sustained emotional resonance.

Banerji confirms that perceptions of social-media activity translate into loyalty via improvements in relationship quality ([Banerji & Singh, 2024](#)). Rahman's OSoT construct ([Rahman et al., 2025](#)) measures the share of time a consumer devotes to a single retailer's channels relative to all omnichannel contacts. Unlike traditional engagement indicators, OSoT operationalizes the allocation of attention in a multichannel environment and links to CL through CE (customer engagement). [Matosas-López \(2024\)](#) shows that CE can predict operating revenue, but only when social media is managed professionally. It should be emphasized that “professional social media management” functions more as a moderator than a mediator: it does not transmit the effect of digital activities to loyalty but rather strengthens or weakens these links depending on the quality of management. The distinction between a mediator and a moderator has important theoretical significance for the correct interpretation of the identified relationships. These results strengthen the argument that mediators are not merely “transit” variables but strategic control points for marketing programs.

The assembled evidence shows that the influence of digital marketing and social media on loyalty in small businesses varies with national context and the maturity of digital infrastructure. In North African countries such as Algeria, the development of SMM capabilities—content creation, publishing, analytics, and real-time audience interaction—is a key driver of firm effectiveness. These competencies directly shape brand equity and, through it, overall business performance ([Laradi et al., 2024](#)). Similar patterns appear in West Africa, including Ghana, where strong technological orientation and CRM competencies intensify the linkage between digital marketing practices and firms' financial outcomes ([Deku et al., 2024](#)).

In South Asia and the Gulf, including India and Qatar, emotional components—engagement and brand identity—dominate loyalty formation. In India,

social-media activity increases trust and satisfaction, which in turn mediate gains in CL (Banerji & Singh, 2024). In Qatar's luxury fashion segment, emotional attachment and community engagement fully mediate the link between marketing activities and loyalty (Fetais et al., 2023). In the European context, using Spain as an example, the effectiveness of digital marketing for SMEs depends heavily on how social media channels are managed. Customer engagement predicts operating revenues only when management is professional rather than ad-hoc by non-specialist staff (Matosas-López, 2024). This points to the importance of qualifications and a structured content strategy for measurable outcomes.

Thus, regional differences in how digital marketing affects loyalty arise from technological and organizational factors as well as cultural-behavioral specificities that determine whether emotional or rational components of loyalty prevail.

## 5. Conclusion

This study identifies the key mechanisms by which consumer loyalty in small businesses is formed under the influence of digital marketing and establishes that the durable effects of digital activities are most often realized through mediating variables rather than directly. It is shown that factors such as trust, satisfaction, emotional attachment to the brand, behavioral engagement, and Omnichannel Share of Time play strategic roles in transmitting the influence of digital communications to customer behavior.

A comparison of empirical models indicates that which mediators dominate depends on national and cultural context, firms' technological maturity, and the quality of digital channel management. In African countries, the growth drivers are SMM capabilities and CRM competencies; in India and Qatar, emotional engagement and brand identity; in Europe, professional social-media management. This differentiation underscores that there are no universal digital-marketing strategies for small businesses; effectiveness depends on the capacity to adapt to local conditions and audience specifics.

For small business managers, the practical implications of the study are as follows:

- 1) In the African context, it is necessary to invest in the development of SMM competencies and CRM systems;
- 2) In South Asia and the Gulf countries, the focus should be on emotional engagement and building brand identity;
- 3) In Europe, the key factor is professional social media management and a high-quality content strategy.

Taken together, this means that digital marketing strategies must adapt not only to technological but also to cultural conditions of the target market.

The analysis confirms that platform choice and channel configuration are strategic, not auxiliary, factors determining interaction depth and the structure of the customer journey. High levels of channel integration, personalization, and communication coherence strengthen perceived brand value, increasing the likelihood

of repeat purchases and long-term retention.

Accordingly, digital loyalty in small businesses is the result of a complex interaction among cognitive, emotional, and behavioral components, and its formation hinges on a comprehensive strategy that combines technological capabilities, high-quality customer experience, and emotional engagement. Future research should refine instruments for measuring digital loyalty, develop predictive models based on behavioral analytics, and examine the role of artificial intelligence in automating and personalizing digital marketing strategies for small businesses.

Limitations of the study are related to the heterogeneity of the included business contexts. The results obtained in one regional sample may not be replicated in another. In addition, the review is based on open-access publications, which does not allow for the inclusion of data from internal corporate studies. It should also be noted that the selection of sources was limited to English-language journals and predefined search criteria, which may have led to the exclusion of relevant works.

### Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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