Customer Engagement As A Moderation Between The Effect Of Digital Marketing On Customer Retention On Online Shop

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Abstract: In fact, currently in the digital era and internet marketing, digital marketing such as social media, market places and websites has a significant impact on consumer behavior, and is a must for business actors. Utilization of social media and the web as digital marketing tools for customer retention requires good customer relations, customer engagement as mediation. The results showed that the significance of digital marketing was 0.000 < 0.05, meaning that there is an indication that the use of digital marketing in the marketing process is carried out at the online shop. Furthermore, the digital marketing significance value is 0.013 < 0.05. So there is an indication that the better the use of digital marketing by the online shop, the better the relationship with customers.

The effect of customer retention on customer engagement shows a significant value of customer retention of 0.000 <0.05. So it can be stated that there are indications that repeat purchases (customer retention) made by online shop customers can create a good relationship between online shops and customers. In testing the indirect effect of Digital Marketing variables on Customer Retention, Customer Engagement as moderating in online shops is proven the value of t count is 3,125 > t table 1,980.

Keywords: Customer engagement, digital marketing and customer retention

I. INTRODUCTION

In fact, currently in the digital era and internet marketing, digital marketing such as social media, market places and websites have a significant impact on consumer behavior, and it is a must for business actors or a company to adapt to current conditions. The digital era provides a new and easy way for marketers to learn about consumer behavior, what products, brands/brands and services are in accordance with customer needs and desires (Fajrillah et al., 2020). Companies seek to use social media to persuade consumers to a valuable company, product and/or service. Digital marketing is an activity using digital technology to create integrated, purposeful and measurable communications to help get and retain customers while building deeper engagement (Royle and Laing, 2014). As a branch of traditional marketing, digital marketing uses modern digital channels in product placement as well as a means of communication with stakeholders, namely customers and investors to discuss brands, products

and business progress. Digital Marketing involves online communities, social networks, marketing blogs, e-mail, databases and much more.

Customer retention or maintaining a sustainable relationship with customers in the long term is also one of the most important parts in developing a business. Customer retention is a consumer who chooses to stay using the brand for a period of several periods and does not switch to using the brand. Customer retention begins with a business's first contact with a customer and continues throughout life or as long as the customer is active. Companies need to pay attention to customer loyalty and retention, while the key to customer retention is customer satisfaction which can lead to: a. Longer loyalty b. Tend to pay less attention to competing brands and advertisements and c. The service fee is less than the new customer service fee.

Consumer satisfaction that causes a positive attitude effect on the brand is largely influenced by customer engagement as a mediation. Marketers also need to maintain

good relationships with customers or commonly referred to as customer engagement. The use of social media and the web as a digital marketing tool to retain customers (customer retention) requires mediation, namely good customer relationships. By building good relationships and increasing customer retention, it will be much more meaningful than just selling to new customers, so marketers need to know many things about customers, starting from recognizing consumers, making consumers become customers, creating the best service system, and motivating customers.

II. LITERATURE REVIEW

DIGITAL MARKETING

Digital marketing is a medium that is used as a platform to build a brand image of a company or product and also supports the sales function of target consumers. Turban et al. (2004), Katawetawaraks and Wang (2011) explain that online shopping is the activity of purchasing products (either goods or services) through the internet. Online shopping activities include Business to Business (B2B) and Business to Consumers (B2C) activities. E-marketing is a development of traditional marketing, where traditional marketing is a marketing process through offline communication media through TV and radio advertisements, advertising brochures (billboards).

Social media has become a widely used marketing medium today. Especially in this digital era, many people are competing to set up an online business. So that knowledge about social media marketing is very important for everyone, especially those who are running an online business. There are many strategies that can be done to do marketing on social media.

FACEBOOK USAGE:

Almost everyone is on Facebook of all interests and ages. Most likely the target market is also on Facebook. But because of the very large volume, Facebook has a strict filter. Organically, less than 1% of people who follow a Page will interact. The types of content on Facebook are more diverse. There are many options ranging from just text, images, videos, and links. If you use Facebook, it's better not to focus on just one type. The frequency of content on Facebook is low, but the quality must be high.

TWITTER USAGE:

The target market is young people. Twitter is more popular in the 18-35 year age group. Moreover, very few people use Twitter. Indonesian Twitter users are more interested in short and casual content, preferring links to websites. If what is being promoted can be consumed in 140 letters or can attract other people to visit the website. There are no filters, reaching followers is easier than Facebook.

INSTAGRAM USAGE:

What is paired can be presented in beautiful photos. If you can't provide beautiful photos or if something you're selling doesn't fit into a photo, don't use Instagram. Instagram is easy to manage alongside Facebook or Twitter. Content on Instagram is mostly just images. Images uploaded on Instagram can be reused for content on Facebook or Twitter, the level of interaction by followers on Instagram is much higher.

GOOGLE+ USAGE:

If you have content on your website and want to rank high on Google. Unique from Google+, when followers use Google Search, the search results of the people they follow will rank higher. So even though Google+ isn't crowded, it's still worth it. In some industries, there are communities on Google+ that are much more active than Facebook.

LINKEDIN USAGE:

Business to Business (B2B) and Business to Consumers (B2C). B2B. In other words, use LinkedIn if your target market is businesses, not individuals. This is because LinkedIn is filled with professionals and business owners.

CUSTOMER RETENTION

Customer retention is a consumer who chooses to stay with a brand for a period of time and does not switch to using another brand (Dawes, 2009). Kaguri (2016), that companies that manage customer retention well have more advantages than companies that do not develop customer retention. According to (Nischal, C.K, 2015) there are three dimensions to measure customer retention: Product, Communications and Distribution.

CUSTOMER ENGAGEMENT

Consumer satisfaction that causes a positive attitude effect on the brand is largely influenced by customer engagement, therefore every company has the main goal of increasing product engagement with consumers (Schamari & Schaefers, 2015). Customer engagement is an easy way to achieve business or business success, such as customer loyalty, repeat purchases or customer reention, customer-based profits, and also customer ambassadorship. When a brand connects with consumers, it indirectly makes consumers closer to the company or business actor. So when any program is created, consumers will be more motivated to participate. Engagement starts from recognizing consumers, making consumers become subscribers, creating the best service system, and motivating customers to become ambassadors who promote the business. We call this method Customer Engagement.

ONLINE SHOP, MARKETPLACE AND E-COMMERCE

ONLINE SHOP

In general, that an online shop is a place for a product sale transaction on the internet. The online shop does not have to be on the website, it can open an online shop on social media such as Facebook and Instagram or Twitter. Chat applications that can be used for ordering are WhatsApp or LINE, then payment via transfer, send proof of payment, nd seller. The development of internet technology in Indonesia, gave rise to a lot of startups, building online stores that sell very complete products such as malls with their respective advantages. The goal is to facilitate sellers and buyers to make transactions easily and quickly without the hassle of just being in front of a laptop, tab or smartphone as long as the device is connected to the internet. Some online shops that are quite well known in Indonesia, such as Tokopedia; Bukalapak; Shoppe, Lazada Indonesia, OLX Indonesia,

MARKETPLACE

Marketplace is a website that connects a seller with a buyer via the internet. One of the first marketplaces in the world to popularize marketplaces was eBay. Released in 1995, this website makes the sales process easier and more efficient. Two decades later, the marketplace has grown a lot and you can now find marketplaces for everything from second-hand goods to food. In Indonesia itself, marketplaces are some of the most successful startups in Indonesia, and have even reached unicorn status such as Tokopedia and Bukalapak.

E-COMMERCE

E-commerce only sells products from the website itself, meaning you won't find more than one online store like in the marketplace. A brand or a seller does create a special website to sell the goods he sells. In addition, all transactions are also carried out through the website using shopping cards and payment gateways.

III. PREVIOUS RESEARCH

✓ Yoga Sudharma in 2016, "Brodo Digital Marketing Strategy Analysis" in this study discusses the digital marketing strategy carried out by 7 Brodo, an e-commerce fashion startup company that has succeeded in gaining sales. In this study the authors used the method of online interviews and observations. The resource persons in data collection were Mr. Yukka Herlanda as the founder and CEO of Brodo and Mrs. Meirna Utami Hapsari as Brodo's digital marketing manager. In this research, the writer uses STP (Segmenting, Targeting, Positioning) analysis method, Marketing Mix analysis, and digital marketing promotion mix analysis. Based on research results, Brodo involves digital roles starting from determining market STP, company marketing mix, as well as Brodo's marketing and sales promotion mix, Brodo markets its products online by optimizing digital

marketing tools in an integrated manner in carrying out marketing functions effectively and efficiently. The difference between this research and the research to be conducted lies in the object of research. The object of this research is digital marketing at Brodo while the object to be studied is the influence of digital marketing on customer retention and customer engagement on online shops.

✓ Jody Yudha Prawira, Islamic University of Indonesia Yogyakarta entitled "Chalkboard Asia's Digital Marketing Strategy in Building a Brand Image of Extra Joss Blend as an Energy Drink". This study discusses digital marketing in building a company brand image of Extra Joss Blend as an energy drink. This research uses constructivism paradigm and qualitative approach. The result of this research is that digital marketing builds a brand image of extra joss blend as an energy drink using the "Feel and Look" strategy through digital platforms such as Facebook, Twitter, Instagram and the Web. And also Facebook is the digital platform that Chalkboard Asia prioritizes in working on the Extra Joss Blend brand image branding. The "Feel and Look" strategy of the Asian chalkboard includes visuals (tone colors) in the images that will be used as material for the strategy, the designs used and also the relaxed language style and content discussed in relation to Extra Joss Blend's marketing targets, namely young people who are involved in with sports. The difference between this research and the research to be conducted lies in the object of research. The object of this research is the digital chalkboard marketing strategy in Asia, while the object to be studied is the influence of digital marketing on customer retention and customer engagement by online shops.

✓ Aini Azizah, an online-based marketing communication strategy through the social network twitter (descriptive study on the online shop "dvd message"), communication science student, faculty of social and political science, sultan ageng tirtayasa university in 2013. The type of research used is a descriptive method with a qualitative approach. Data collection methods used were observation, interviews, case studies. To test the validity of the data using source triangulation, theoretical methods. The results show that the marketing strategy through Twitter is successful in marketing the "messagedvd" online shop. The similarity with this research and the research being studied is that both of them use a descriptive qualitative approach. There is a difference between this research and the research to be conducted, which lies in the object of research. The object of this research is an online-based marketing communication strategy through the Twitter social network (descriptive study on the online shop "pesandvd"), while the object to be studied is the influence of digital marketing on customer retention and customer engagement on the online shop.

✓ Akhmad Mustajib, University of Muhammadiyah Yogyakarta, 2013, with the research title "Online Media (Website, Twitter, Facebook) As a Marketing Communication Strategy for Dablongan Clothing in Increasing Sales". The purpose of this study is to describe the marketing communication strategy carried out by

Dablongan Clothing and the marketing communication mix carried out in increasing sales on online media (website, twitter, facebook). The results of this study indicate that the marketing communication strategy carried out by Dablongan Clothing has not met the stages of evaluating the effectiveness of promotional activities and the use of internet marketing communication mix, there are several basic elements of each medium that have not been optimized by Dablongan Clothing to increase sales. The difference lies in the research subject and the similarity lies in the object studied, which is the same as focusing on online or digital media as a marketing communication strategy.

CONCEPTUAL MODEL

Based on a review of the theoretical basis and previous research, a conceptual model can be drawn up as follows:
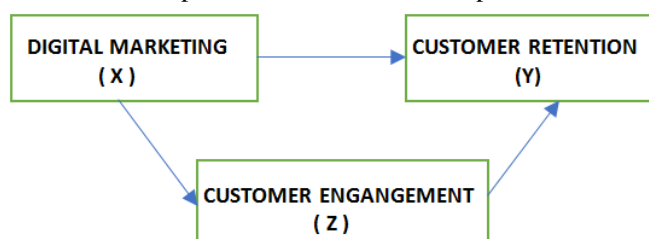
Picture: Conceptual Model

HYPOTHESIS DEVELOPMENT

✓ Digital marketing has a significant effect on customer retention
✓ Digital marketing has a significant effect on customer engagement
✓ Customer engagement has a significant effect on customer retention

RESEARCH METHODS

This study uses a non-case quantitative approach to causality and descriptive. Causality research is research to test the truth of the causal relationship (cause-and-effect), namely the relationship between the independent variable (which affects) and the dependent variable (which is influenced). Sugiyono, 2009:57). Quantitative research using a descriptive approach aims to explain, summarize, various conditions, various situations, or various variables that arise in the community, which are the object of this research, based on the research that occurs.

POPULATION AND SAMPLE

Population according to Sugiyono (2011: 80) is a generalization area consisting of objects or subjects that have certain qualities and characteristics set by researchers to be studied and then drawn conclusions (Pradana & Reventiary, 2016). The population or universe is the total number of units of analysis whose characteristics will be estimated. The population is the whole of a collection of elements that have a number of common characteristics, which consist of fields to

be studied. In this study, the population is the online shop customer. The right sample for this research is customers who like to shop at online shops. This research uses probability sampling with simple random sampling technique. The sampling technique was carried out using the accidental sampling method, that is, any consumers who happened to be met by the researcher could be used as respondents. The number of samples used in this study were 100 respondents. The determination of the sample size of 100 respondents supports the opinion of Sekaran (2006) which states that "Survey research (in the category of quantitative research) requires a minimum of 100 respondents from the main group and a minimum of 50 respondents from the minor group.".

Variable, operational and measurement
Variable.

According to Sugiyono (2014), research variables are everything in the form of anything that is determined by the researcher to be studied so that information is obtained about it, then conclusions are drawn.

✓ *Dependent Variable (Y)*

The dependent variable or the dependent variable is a variable that is influenced or is the result of an independent variable (Sugiyono, 2014). The related variable in this research is Customer Retention.

✓ *Independent Variable (X)*

The independent variable or independent variable is a variable that will affect the dependent variable or in other words the independent variable is the cause of the formation of the dependent variable. The independent variable used in this research is Digital Marketing.

✓ *Moderating Variables*

Intervening variables are variables that theoretically mediate the relationship between the independent variable and the dependent variable into an indirect relationship. In this study the intervening variable used is Customer Engagement.

OPERATIONAL VARIABLES AND MEASUREMENTS

The operational definition will indicate the indicators or constructs used to collect research data. In this study the operational definitions of variables are:

✓ *Digital Marketing*

All marketing efforts use electronic/internet devices with various marketing tactics and digital media which can communicate with potential consumers who spend time online, with indicators:
• Ads (facebook ads/ Instagram ads/ google ads)
• Social media (facebook, Instagram, Twitter)
• E-commerce
• Websites
• Attractive content marketing

✓ *Customer Retention*

It is an action taken by the company to maintain customers to continue to use products and services, with indicators:

- Sales Promotion (given vouchers)
- Product Quality
- Price (Price)

✓ *Customer Engagement*

Communication relations or interactions that exist between external stakeholders such as customers and producers or companies through various channels, both offline and online, with indicators:

- Communications (Continuous communication)
- Sharing (related to content, information)
- Enjoyment (The level of positive emotions that customers feel when dealing with a brand or brand)

METHOD OF COLLECTING DATA

The research instrument is a tool used to measure the observed natural and social phenomena (Sugiyono, 2014:102). The research instrument used in this study was a questionnaire. The researcher designed a questionnaire using Google Docs to obtain the required data based on the information and information provided to respondents through questionnaires distributed using the score method. The scoring uses a positive Likert scale of 5, ranging from Strongly Disagree (1) to Strongly agree (score 5).

RESEARCH INSTRUMENT TEST

Validity test shows the extent to which a tool measures what it wants to measure (Singarimbun and Effendi, 2006). To test the validity of this research instrument used correlation techniques such as product moment Singarimbun (2006:137). The validity of an instrument item can be known by comparing the Pearson Product Moment correlation index with a significance level of 5%. If the probability of the correlation result is less than 0.05 (5%), then the instrument is declared invalid. In addition, it can be done by comparing $r_{(count)} > r_{tabel}$ Then the item or variable is valid.
$r_{hitung} < r_{table}$ Then the item or variable is invalid.
Reliability Test, is an assessment of the consistency between various measurements of a variable. There are several ways to measure the reliability of a concept in research. One way is by using Cronbach's alpha method. According to Arikunto (2006: 197), Croanbach's alpha is the most frequently used to measure the reliability value of the data collected with the lowest value for Croanbach's alpha is 0.6.

ANALYSIS METHOD

Path analysis is an analysis to test the effect of the mediating variable and the results of the analytical test are used to compare which effect is greater between the direct and indirect effects, and draw a conclusion whether the presence of this mediating variable can strengthen or weaken the

independent influence on the dependent (Ghozali, 2012). In the PLS (Partial Least Square) method, the analysis techniques are carried out as follows:

✓ Outer model analysis is carried out to ensure that the measurement used is feasible to be used as a measurement (valid and reliable). In the analysis of this model, it specifies the relationship between latent variables and their indicators. Outer model analysis can be seen from several indicators:

- Convergent Validity
- Discriminant Validity
- Composite reliability
- Cronbach's Alpha

✓ Inner model analysis (inner relations, structural model and substantive theory) which describes the relationship between latent variables based on substantive theory. The analysis of the inner model can be evaluated by using R-square for the dependent construct, Stone-Geisser Q square test for predictive relevance and t-test as well as the significance of the structural path parameter coefficients and PLS (Partial Least Square) in evaluating the inner model. In testing the hypothesis using statistical values, for alpha 5% the t-statistic value used is 1.96. So that the criteria for acceptance/rejection of the hypothesis are that Ha is accepted and
H0 is rejected when the t-statistic > 1.96.

✓ Descriptive statistics, serves to provide an overview of the object under study through sample data or population as it is, without conducting data analysis to make conclusions that apply to the public (Sugiyono, 2007:29). The results of the questionnaire answers can be seen the percentage of the scale strongly agree to strongly disagree to describe the respondents' responses to the condition of the object under study.

IV. ANALYSIS AND DISCUSSION RESULTS

Path analysis model I (one) is used to determine the strength of the relationship of the variable X (independent) to the variable Y (dependent).

A. INDIVIDUAL PARAMETER SIGNIFICANCE TEST (T TEST)

Partial test is used to test the effect of Digital marketing (X) on Customer retention (Y) partially. Partial test in this study was conducted to determine the effect of digital marketing variables partially on customer retention. From the table above, it can be seen that the significance of the variable X, namely, X = 0.000 is smaller than 0.05. These results conclude that the regression model 1, namely the X variable (digital marketing) has a significant effect on the Y variable (Customer retention).

Coefficient*

Model	Unstandardized Coefficients		Standardized Coefficients	
	B		Std. Error	Beta
(Constant) DIGITAL	8.058		1.600	

| MARKETING | .877 | .089 | .706 |

Dependent Variable:: CUSTOMER RETENTION

Meanwhile, the value of e1 can be found with the formula e1 = (1-0.499) = 0.7078.

Table 1: Individual parameter significance test (t test) 1

Regression equation model 1:

$Y1 = a + b1X1 + e1$

$= 8.058 + 0.877X1 + 0.7078$

Regression analysis model 2 is used to determine the strength of the relationship between digital marketing (X) and customer retention (Y) on customer engagement (Z).

The partial test in this study was conducted to determine the effect of digital marketing and customer retention variables partially on customer engagement.

B. INDIVIDUAL PARAMETER SIGNIFICANCE TEST (T TEST) MODEL 2

Partial test is used to partially test the effect of Digital marketing (X) and Customer retention (Y) on Customer Engagement (Z). The partial test in this study was conducted to determine the effect of digital marketing and customer retention variables partially on customer engagement. The statistical results of the model 2 t test can be seen as follows:

C. INDIVIDUAL PARAMETER SIGNIFICANCE TEST (T TEST) 2

The results of the SPSS Summary model analysis show that the value of R square contained in the table above is 0.477, this indicates that the contribution of Digital marketing (X) and Customer retention (Y) to Customer engagement (Z) is 47.7% while the remaining 52 ,3% is the contribution of other variables not examined.

Meanwhile for the value of e2 = (1-0.477) = 0.7231.

Based on the results of the SPSS test above, the regression equation that reflects the variables in this study is

$Y2 = a + b2X1 + b3X2 + e2$

$= 4.355 + 0.409X1 + 0.277X2 + 0.7231$

Model	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta	T	Sig.
(Constant)	4.355	1.571		2.772	.007
CUSTOMER RETENTION	.409	.088	.480	4.623	.000
DIGITAL MARKETING	.277	.110	.262	2.527	.013

Dependent Variable: Costumer Engagement

Table 2

V. PATHWAY ANALYSIS

The path diagram can provide an explicit causal relationship between variables based on theory. In the results of the SPSS regression output sub 1 produces a value of Standardized Coefficients beta digital marketing (X) of 0.706 which is the value of path 1 (p1). While the results of the SPSS regression output sub 2 produce a value of Standardized Coefficients beta digital marketing (X) of 0.262 which is the value of path 2 (p2) and the value of Standardized Coefficients

beta customer retention (Y) of 0.480 is the value of path 3 (p3).

The magnitude of e1 = (1-0.499) = 0.7078, and the value of e2= (1-0.477) = 0.7231.
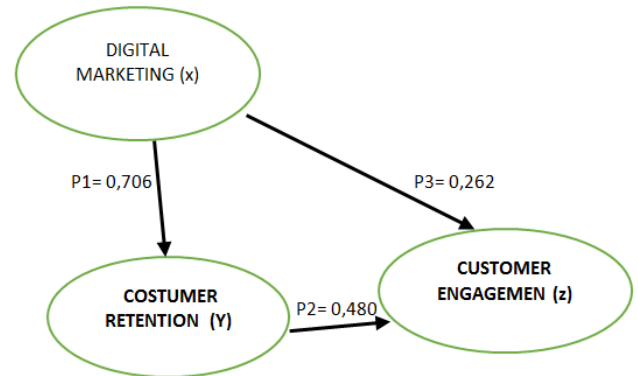

Table 3: path diagram model

Based on the path diagram above, it shows that digital marketing (X) can have a direct effect on customer retention (Y) and can also have an indirect effect. The magnitude of the direct influence of digital marketing (X) on customer retention (Y) is 0.706 while the magnitude of the indirect effect must be calculated by the indirect coefficient (0.262) x (0.480) = 0.125 and the total effect obtained is:

$0.706 + 0.125 = 0.831$

Mediation hypothesis testing is carried out with the following procedure: the Sobel test:

Sp2p3 $=\sqrt{}$ p2 2sp2 2 + p2 2sp3 2 + sp2 2sp3 2

$= (0.480) 2(0.088) 2 + (0.262) 2(0.110) 2 + (0.262) 2(0.088) 2$

$= (0.00177) + (0.00083) + (0.0052)$

$=\sqrt{} 0.0078 ------ = 0.0883$

Based on the calculation results above, it can be calculated the statistical t value of the mediation effect with the following formula:

$t = p2p3/sp2p3$

$= ((0,262)(0,480))/((0,088)(0,480))$

$= 0,125/0,048 = 3,125$

with ttable as follows:

Number of variables (k) = 3

Significance = 5%

Number of respondents (N) = 100

df = N- k = 100 – 3

= 97 ttable = 1,980

Based on the calculation by the above formula, the tcount value is 3.125 > ttable 1.980 and the mediation coefficient is 0.125. So it can be concluded that Customer Engagement (Z) mediates Digital marketing (X) on Customer Retention (Y).

VI. RESULTS AND DISCUSSION

A. THE EFFECT OF DIGITAL MARKETING ON CUSTOMER RETENTION

From the results of the analysis above, the significance of digital marketing (X) is 0.000 <0.05, so it can be concluded that there is a direct significant effect of digital marketing (X) on customer retention (Y). This indicates that the use of digital

marketing in the marketing process carried out by online shops can increase customer retention. This research is in line with the research conducted by Afan Nurcahyo (2018) regarding the Role of Digital Marketing and Competitive Prices on Indihome Subscription Decisions, which is a study that analyzes the role of digital marketing on Indihome subscription decisions. This study provides results where digital marketing has a significant effect on purchasing decisions. With digital marketing, customers can get information about prices, promos, advantages, facilities, and requirements from the official Indihome Fiber web page through search sites, Indihome Fiber advertisements on the internet and websites, through social networks such as Facebook, or email.

B. THE INFLUENCE OF DIGITAL MARKETING ON CUSTOMER ENGAGEMENT

From the above analysis, the digital marketing significance value (X) is $0.013 < 0.05$. So it can be concluded that there is a direct significant effect of digital marketing (X) on customer engagement (Z). This indicates that the better the use of digital marketing carried out by the online shop, the better the relationship with its customers or the relationship can be meant as customer engagement. Customer engagement is an interaction or communication relationship that is established by the company or business actor with the customer. This interaction relationship can be done through various ways and media. One of them is by utilizing digital marketing platforms such as social media to reach more customers and more broadly introduce the products or services it offers. This research is in line with previous research conducted by Zulfa Nabila, and R. Nurafni Rubiyanti S.M.B., M.B.A. (2020) entitled the effect of content marketing on customer retention with customer engagement as an intermediary variable on the use of the zomato website. Based on the results of testing the research hypothesis to determine the effect of the Content Marketing variable on Customer Engagement, the original sample value was 0.740 with a t-statistic value of $16,842 > 1.96$ which explains that content marketing has a positive effect on customer engagement.

Web Series Marketing Communication Trough Digital Traveloka is a research conducted by Eka Prastianto, Farhan Julian, and Dini Safitri (2019). This study discusses the optimization of social media as a digital marketing communication medium for Traveloka as a service application that supports travel business in Indonesia. The results of this study are that the online market in the digital era has many positive sides, namely being able to be closer to consumers and faster in time, and quickly promoting or introducing products to the public, there are no market limits to reach all corners of the world that are connected to the internet and the accuracy and speed services become the main needs of consumers in the era of globalization.

C. THE EFFECT OF CUSTOMER RETENTION ON CUSTOMER ENGAGEMENT

From the above analysis, the significance value of Customer retention (Y) is $0.000 < 0.05$. So it can be concluded that there is a direct significant effect of customer retention (Y) on customer engagement (Z). This indicates that repeat purchases (customer retention) made by online shop customers can create a good relationship between the online shop and its customers. Customer engagement is related to the establishment of good relationships between customers and producers or business owners. When relationships and interactions are well maintained, businesses can bind customers to continue to make purchases on their products or services on a regular basis. That way, even though business competition is fierce, the risk of customers switching will be smaller. This research is directly proportional to previous research conducted by Zulfa Nabila, and R. Nurafni Rubiyanti S.M.B., M.B.A. (2020) entitled the effect of content marketing on customer retention with customer engagement as an intermediary variable on the use of the zomato website. Based on the results of testing the research hypothesis, to determine the effect of the Customer Engagement variable on Customer Retention, the original sample value was 0.384 with a t-statistic value of $3.506 > 1.96$ which explains that customer retention has a positive effect on customer engagement.

D. THE INFLUENCE OF DIGITAL MARKETING ON CUSTOMER RETENTION THROUGH CUSTOMER ENGAGEMENT.

In this hypothesis to test the indirect effect of the Digital Marketing variable (X) on Customer Retention (Y) through Customer Engagement (Z). Testing the effect of mediation is carried out using the Sobel Test formula. Based on the calculation by the above formula, the tcount value is $3.125 > $ ttable 1980, it can be concluded that the results of the intervening analysis show that Digital Marketing (X) affects Customer retention (Y) through Customer Engagement (Z) in the online shop. This analysis is in line with previous research conducted by Zulfa Nabila, and R. Nurafni Rubiyanti S.M.B., M.B.A. (2020) entitled the effect of content marketing on customer retention with customer engagement as an intermediary variable on the use of the zomato website. In this study, it is explained that this hypothesis is for testing the indirect effect of the Content Marketing variable on Customer Retention through Customer Engagement. Testing the effect of mediation is carried out using the Sobel Test formula. Thus, the t test value is obtained as follows: $t = P12\ Se12 = 0.284\ 0.0794 = 3.576$ This shows that Customer Engagement as a mediating effect between Content Marketing and Customer Engagement is proven to have a significant effect.

VII. CONCLUSION

Based on the results of research and data processing that has been carried out by the author, it can be concluded as follows:

✓ From the results of the analysis, it can be seen that there is a significant influence between digital marketing and customer retention. This proves that the online shop has carried out good digital marketing activities so as to create good retention as well.

- ✓ From the results of the analysis, it can be seen that there is a significant influence between digital marketing and customer engagement. This proves that the online shop has carried out good digital marketing activities so as to create a good relationship between the online shop and its customers.
- ✓ From the results of the analysis, it can be seen that there is a significant relationship between customer retention and customer engagement. This proves that customer retention or repeated purchases made by online shop customers can create good relationships or customer engagement between the online shop and its customers.
- ✓ From the results of the total calculation, it can be seen that Customer Engagement as a mediating effect between Content Marketing and Customer Engagement is proven to have a significant influence.

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