The Mediating Role of Brand Equity in Viral Marketing, User-Generated Content, and Endorsements toward Brand Loyalty

Haeruddin
Politeknik LP3I Makassar; Makassar, Indonesia
E-Mail: haeruddindml@gmail.com

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ABSTRACT

This study examines how brand equity functions as a mediating mechanism linking viral marketing, user-generated content, and endorsements to brand loyalty. The central aim is to gain a deeper understanding of how digital marketing initiatives cultivate customer loyalty by strengthening perceptions of brand equity. Using a quantitative design and analyzed through Structural Equation Modeling Partial Least Squares (SEM-PLS), data were collected from 554 active social media users in Indonesia. The results reveal that viral marketing, user-generated content, and endorsements each exert a significant positive influence on both brand equity and brand loyalty. Moreover, brand equity is found to mediate these relationships, underscoring its strategic significance as a bridge connecting marketing activities with consumer behavioral outcomes. The findings emphasize that authenticity, consumer engagement, and credible endorsements are critical drivers for building trust and fostering loyalty in the digital environment. This research enriches the current understanding of digital branding dynamics and offers practical insights for marketers in crafting integrated, consumer-oriented strategies that enhance both brand equity and sustained loyalty.

Keywords: *Brand Equity, Brand Loyalty, Digital Marketing, Endorsement, User Generated Content, Viral Marketing.*

ABSTRAK

Penelitian ini mengkaji peran mediasi ekuitas merek dalam hubungan antara pemasaran viral, konten buatan pengguna dan dukungan selebritas (endorsement) terhadap loyalitas merek. Tujuan utamanya adalah untuk menjelaskan bagaimana praktik pemasaran digital dapat memperkuat loyalitas konsumen melalui peningkatan ekuitas merek. Dengan menggunakan kerangka penelitian kuantitatif dan metode analisis Structural Equation Modeling Partial Least Squares (SEM-PLS), penelitian ini memanfaatkan data dari 554 pengguna media sosial di Indonesia. Temuan empiris menunjukkan bahwa pemasaran viral, konten buatan pengguna, dan endorsement memiliki pengaruh positif signifikan terhadap ekuitas merek dan loyalitas merek. Lebih lanjut, hasil penelitian mengonfirmasi bahwa ekuitas merek berperan sebagai variabel mediasi, memperkuat fungsi strategisnya sebagai penghubung antara aktivitas pemasaran digital dan hasil perilaku konsumen. Bukti empiris ini mengindikasikan bahwa keaslian pesan merek, partisipasi aktif konsumen, serta dukungan dari endorser yang kredibel merupakan elemen penting dalam membangun kepercayaan dan meningkatkan loyalitas jangka panjang di lingkungan digital. Penelitian ini memberikan kontribusi terhadap pengembangan literatur manajemen merek digital dan menawarkan implikasi praktis bagi pengambil keputusan dalam merancang strategi pemasaran yang holistik dan berfokus pada konsumen guna memperkuat ekuitas merek serta loyalitas pelanggan.

Kata kunci: *Ekuitas Merek, Loyalitas Merek, Pemasaran Digital, Dukungan, Konten Buatan Pengguna, Pemasaran Viral.*

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INTRODUCTION

In today's digital landscape, marketing has experienced a profound shift, moving beyond the limitations of conventional advertising toward a more participatory, interactive, and network-driven digital communication model (Diansyah & Andri, 2024; Media & Intention, 2025). The accelerated rise of social media platforms such as Instagram, TikTok, and YouTube has empowered consumers to actively engage in co-creating and sharing brand-related content, evolving their role from mere spectators to collaborative storytellers within the brand ecosystem (Purwati & Ariyani, 2025). This evolution marks the rise of digital marketing, which emphasizes engagement, authenticity, and community as key determinants of brand success. Within this context, brand loyalty becomes a critical factor in ensuring sustainable competitiveness, as loyal consumers tend to exhibit stronger purchase intention, advocacy, and resistance to competing brands (Oliver, 1999). Underpinning this relationship, brand equity serves as a strategic intangible asset that enhances perceived value and differentiates a brand from its competitors (Aaker, 1991; Keller, 1993).

Among the many digital marketing tools, viral marketing, User Generated Content (UGC), and endorsement have become dominant instruments in driving brand engagement and loyalty. Viral marketing leverages social connectivity to amplify messages rapidly, often through consumer participation that mimics word of mouth on digital platforms (Liu & Wang, 2019). In contrast, UGC encompasses consumer-produced material such as reviews, testimonials, videos, and social media posts that infuse brand communication with greater authenticity and credibility (Hermaren & Achyar, 2021; Yousry & Fahmy, 2024). Endorsement utilizes influencers' credibility and appeal to enhance consumer trust and brand affinity (Erdogan, 1999; Anggraheni & Haryanto B, 2023). Together, viral marketing, UGC, and endorsement shape digital brand perception, yet their combined impact on brand loyalty lacks theoretical and empirical clarity.

A growing body of literature has explored the extent to which various elements of digital marketing shape brand-related outcomes (Godey et al., 2016). For instance, the study by Awad (2025) highlighted that viral marketing plays a crucial role in enhancing brand awareness and brand association by strengthening brand equity. In a similar vein, research by Triono et al. (2021) and Soekotjo et al. (2025) confirmed that user-generated content positively influences brand credibility, perceived quality, and consumer engagement, which collectively contribute to the improvement of brand equity. Moreover, findings from Khan (2022) and Fajriyah (2025) demonstrated that influencer endorsements significantly foster brand trust and brand loyalty, particularly when the endorser's credibility and congruence with the brand image are well established.

However, not all studies have produced consistent results. For example, Severi and Ling (2013) and Mustika (2023) reported that variables such as viral marketing and endorsement do not always exert a direct influence on brand loyalty, but rather affect it indirectly through mediating constructs such as brand equity or brand trust. These contrasting outcomes suggest the importance of reassessing the mediating function of brand equity in connecting diverse digital marketing practices to consumer loyalty, thereby offering new insights into the mechanisms that underpin effective digital branding strategies (Keller, 1993; Lubis & Muryati, 2025).

The research gap arises from the limited number of empirical studies that integrate viral marketing, UGC, and endorsements into a single comprehensive model to assess their combined effects on brand loyalty through brand equity. Most studies, such as Awad (2025) and Soekotjo et al. (2025), examine these factors separately, resulting in weak theoretical cohesion and limited generalizability. In Indonesia, where social media marketing dominates sectors such as fashion, cosmetics, and food and beverages, it is important to examine whether brand equity mediates the relationship between digital marketing and consumer loyalty (Media & Intention, 2025; Rizky et al., 2025; Setiawan & Hurriyati, 2025).

This study aims to examine how viral marketing, user-generated content, and endorsement influence brand loyalty, as well as to assess the extent to which brand equity mediates the relationship between these digital marketing variables and brand loyalty. The study proposes that brand equity serves as a central mediating mechanism linking digital marketing antecedents to long-term consumer loyalty. Investigating these relationships is crucial not only for advancing theoretical insights but also for providing practical direction in the development of digital brand management strategies. The main objective of this research is to evaluate both the direct and indirect effects of viral marketing, UGC, and endorsement on brand loyalty through brand equity.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

Factors Influencing Brand Equity

Viral marketing is a digital strategy that motivates consumers to voluntarily share marketing messages, enabling rapid content diffusion across social networks, much like a "virus" (Kaplan & Haenlein, 2011). Empirical evidence indicates that viral marketing plays a pivotal role in strengthening various dimensions of brand equity, including brand awareness, brand associations, perceived quality, and brand loyalty. This participatory mechanism leverages users' engagement with entertaining, emotional, or valuable content (Puriwat & Tripopsakul, 2021). Studies by Godey et al. (2016) and Perera (2023) reveal that viral marketing enhances brand awareness and perceived value through emotionally resonant content. Empirical evidence further shows its significant influence on brand equity dimensions, awareness, associations, perceived quality, and loyalty. Though its effectiveness varies by industry and culture, depending on content quality, message relevance, and audience engagement (Mustika, 2023).

According to Christodoulides et al. (2012), User-Generated Content (UGC) comprises consumer-created media such as reviews, photos, and videos produced voluntarily to express personal brand experiences. Audiences often trust peer opinions more than corporate messages, making UGC vital for building credibility and reinforcing brand equity through trust and connection (Yousry & Fahmy, 2024; Soekotjo et al., 2025). Empirical studies confirm UGC's positive effects on perceived quality, brand image, and emotional attachment, emphasizing its strategic role in strengthening brand equity.

Endorsement leverages the presence of celebrities or social media influencers to represent a brand's identity and communicate its message (McCracken, 1989). According to the Source Credibility Model, which emphasizes three fundamental attributes: expertise, trustworthiness, and attractiveness that shape consumer perceptions of endorsement effectiveness, credible endorsements enhance brand equity by strengthening trust and positive associations. While authentic and expert influencers further enhance the brand experience (Fajriyah, 2025). Conversely, poor credibility or a mismatch between the brand endorser and the brand can damage brand perception (Tarabasz, 2024).

H1: Viral marketing has a positive effect on brand equity.
H2: User-generated content has a positive effect on brand equity.
H3: Endorsement has a positive effect on brand equity.

Factors Influencing of Brand Loyalty

Brand equity represents the added worth a brand contributes to a product from the consumer's perspective (Aaker, 1991; Rezvani et al., 2017). In the framework proposed by Keller (1993), the Customer-Based Brand Equity (CBBE) model defines this concept through four core dimensions: brand awareness, perceived quality, brand associations, and brand loyalty. When a brand possesses high equity, it tends to foster deeper emotional connections, greater purchase intentions, and stronger consumer advocacy.

Research by Purwati and Ariyani (2025) consistently shows that brand equity has a positive and significant influence on brand loyalty. Oliver (1999) conceptualizes loyalty as a behavioral outcome arising from emotional and cognitive attachment to a brand, reinforced by positive brand experiences. In Indonesia's digital landscape, Lubis and

Muryati (2025) found that brand equity effectively mediates digital marketing efforts in fostering long-term consumer loyalty. Beyond its mediating role, empirical findings indicate that digital marketing elements such as viral marketing, User-Generated Content (UGC), and endorsements can directly stimulate brand loyalty. Liu and Wang (2019) observed that viral content drives sustained engagement and repeat customers, while Mustika (2023) reported that UGC increases trust and commitment through peer validation mechanisms. Similarly, Khan (2022) emphasized that endorsements from credible influencers strengthen loyalty by fostering authenticity and trust in consumers, thereby strengthening emotional bonds with the brand.

H4: Brand equity has a positive effect on brand loyalty.
H5: Viral marketing has a positive effect on brand loyalty.
H6: User-generated content has a positive effect on brand loyalty.
H7: Endorsement has a positive effect on brand loyalty.

Brand Equity as a Mediator

A growing body of research highlights the pivotal mediating role of brand equity in connecting diverse marketing activities with consumer behavioral outcomes. According to Keller (1993), brand equity represents a set of consumer-based associations and perceptions that enhance a brand's value and serve as the foundation for favorable behavioral responses. Similarly, Severi and Ling (2013) describe brand equity as a psychological connector that translates positive consumer perceptions into behavioral intentions such as purchase decisions, advocacy, and loyalty. This theoretical perspective underscores that strong brand equity functions not merely as an intangible asset but also as a mechanism that channels the effects of marketing efforts into measurable behavioral outcomes (Qotrunada, 2017).

Within the digital marketing landscape, brand equity becomes particularly essential, as online interactions rely heavily on perceived credibility, trust, and authenticity. Digital marketing tools such as viral marketing, User-Generated Content (UGC), and endorsement contribute to brand equity by shaping how consumers perceive a brand's reliability and emotional appeal. As suggested by Awad (2025) and Soekotjo et al. (2025), these digital communication forms enhance consumer engagement, reinforce perceived value, and establish trust, which in turn foster stronger brand attachment and loyalty. Viral marketing amplifies awareness through participatory sharing, UGC infuses authenticity through peer-generated narratives, and endorsement builds credibility through influencer trust (Ohanian, 1990; Erdogan, 1999; Anggraheni & Haryanto, 2023). Collectively, these mechanisms strengthen brand equity, which subsequently drives long-term brand loyalty (Hermaren & Achyar, 2021; Triono et al., 2021).

H8: Brand equity mediates the relationship between viral marketing and brand loyalty.
H9: Brand equity mediates the relationship between user-generated content and brand loyalty.
H10: Brand equity mediates the relationship between endorsement and brand loyalty.

The conceptual framework of this study combines viral marketing, user-generated content, and endorsement as key antecedent variables that shape brand loyalty, both directly and indirectly through the mediating influence of brand equity. This framework is grounded in Keller's (1993) Customer-Based Brand Equity (CBBE) theory and further reinforced by insights from recent digital marketing literature (Liu & Wang, 2019; Mustika, 2023; Lubis & Muryati, 2025).

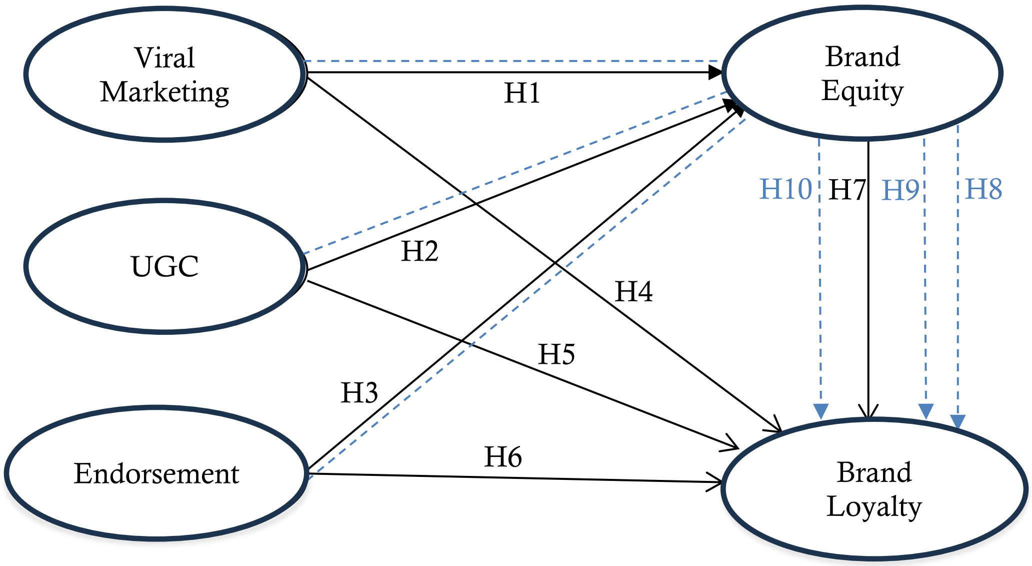

Figure 1. Conceptual Framework

The conceptual framework illustrated in Figure 1 depicts the relationships among viral marketing, user-generated content, endorsement, brand equity, and brand loyalty. It shows that viral marketing, user-generated content, and endorsement function as key independent variables that directly influence both brand equity and brand loyalty. Brand equity, positioned as an intervening or mediating variable, also exerts a direct effect on brand loyalty, suggesting its pivotal role in transforming digital marketing efforts into sustained consumer commitment. This structure implies that the effectiveness of viral marketing, user-generated content, and endorsement in fostering brand loyalty is partly mediated through the enhancement of brand equity. In other words, strong brand equity developed through credible endorsements, authentic consumer-generated content, and engaging viral campaigns serves as the mechanism that converts positive consumer perceptions into enduring loyalty.

RESEARCH METHODS

This research utilizes a quantitative method with an explanatory design to explore the causal relationships among viral marketing, User-Generated Content (UGC), and endorsement in relation to brand loyalty, with brand equity acting as a mediating variable. The explanatory approach is selected because it allows for the identification of both direct and indirect relationships through hypothesis testing, which is vital for validating the conceptual framework developed in this study. This design is particularly suitable for understanding how digital marketing strategies shape brand-related outcomes within Indonesia’s competitive and rapidly evolving digital consumer landscape. The target population comprises active consumers familiar with digital marketing practices, especially those who have engaged with viral campaigns, UGC, or endorsement-based promotions. These respondents were chosen because of their firsthand experience with branded content, enabling them to provide accurate insights into how such activities influence their perceptions of brand equity and brand loyalty. A purposive sampling technique is employed, ensuring the selection of participants who meet specific criteria aligned with the research objectives. According to Sugiyono (2019), this method enhances the validity and contextual relevance of data by targeting individuals who possess relevant knowledge of the phenomenon.

A total of 554 respondents participated in the study, surpassing the minimum sample size recommended for Structural Equation Modeling (SEM) analyses. As suggested by Magno et al. (2022), a sample between 100 and 200 is adequate, making this larger sample ideal for achieving statistical robustness and reliability. The respondent profile encompasses diverse demographics including age, gender, education, and frequency of digital media use to ensure representation of Indonesia's varied online consumer base. Data were gathered using an online questionnaire with a five-point Likert scale ranging from "strongly disagree" (1) to "strongly agree" (5), adapted from established instruments on brand equity, viral marketing, user-generated content, and endorsement (Keller, 1993; Liu & Wang, 2019; Awad, 2025). A pilot test involving 30 participants confirmed that all items met reliability standards, with Cronbach's Alpha values exceeding 0.70. The data analysis process includes descriptive statistics to summarize respondent characteristics and response patterns and inferential analysis using Structural Equation Modeling with Partial Least Squares (SEM-PLS), a technique suitable for complex models and non-normally distributed data (Guenther et al., 2023).

The SmartPLS software is used to perform reliability and validity testing (Cronbach's alpha, composite reliability, convergent and discriminant validity), along with bootstrapping for hypothesis testing. Model performance is assessed through R-square, Q-square, and Goodness of Fit (GoF) values, while mediation is examined via bootstrapping to confirm the indirect effect of brand equity. This methodological approach combines systematic data collection, targeted sampling, and rigorous statistical evaluation to ensure valid and replicable findings. By employing SEM-PLS, the study is able to assess multiple relationships simultaneously and verify the mediating role of brand equity with precision. The large, diverse sample enhances generalizability, while the analytical design ensures that the study produces credible empirical evidence on how digital marketing elements, specifically viral marketing, user-generated content, and endorsement, collectively influence brand equity and brand loyalty in Indonesia's dynamic digital marketplace.

RESULTS

This section outlines and interprets the statistical outcomes obtained from the Partial Least Squares Structural Equation Modeling (PLS-SEM) analysis. The discussion encompasses several key analytical components, including respondent descriptive statistics, evaluation of the measurement model, assessment of discriminant validity, collinearity diagnostics, structural model evaluation, hypothesis testing, as well as tests of predictive relevance and overall model fit.

The respondent profile offers a comprehensive summary of the demographic characteristics of the participants who took part in the research. This information is crucial to confirm that the sample appropriately represents the target population engaged with viral marketing, User-Generated Content (UGC), and endorsement-based marketing strategies. The demographics considered in this study include gender, age, educational attainment, occupation, daily media usage patterns, and income levels. A detailed summary of these characteristics is provided in Table 1.

Table 1. Respondent Demographic Description

Respondent Characteristics	Category	N	Percentage (%)
Gender	Others	7	1.3
	Male	205	37.0
	Female	342	61.7
Age	< 20 years	217	39.2
	20–29 years	262	47.3
	30–39 years	37	6.7
	40–49 years	18	3.2
	50–59 years	14	2.5
	> 60 years	6	1.1
Education	Junior High School	11	2.0
	High School	317	57.2
	Diploma	27	4.9
	Bachelor's Degree (S1)	153	27.6
	Master's Degree (S2)	28	5.1

Respondent Characteristics	Category	N	Percentage (%)
	Doctoral (S3)	18	3.2
Occupation	Student	304	54.9
	Private Employee	96	17.3
	Entrepreneur	23	4.2
	Civil Servant	22	4.0
	Housewife	24	4.3
	Others	85	15.3
Media Usage	< 1 hour	38	6.9
	1–3 hours	134	24.2
	4–6 hours	209	37.7
	7–9 hours	94	17.0
	> 9 hours	79	14.3
Monthly Income	< IDR 1.000.000	299	54.0
	IDR 1.000.000–3.000.000	101	18.2
	IDR 3.000.000–5.000.000	81	14.6
	IDR 5.000.000–7.000.000	34	6.1
	> IDR 7.000.000	39	7.0

Based on Table 1, the data reveal that the majority of respondents are young (20–29 years old), female, and student demographics that align with the most active digital media users in Indonesia. The dominance of younger respondents reinforces the study's relevance in exploring digital marketing dynamics, as this segment interacts heavily with UGC, influencers, and viral content (Ghozali, 2014).

The measurement model was assessed using Outer Loadings, Cronbach's Alpha (CA), Composite Reliability (CR), and Average Variance Extracted (AVE). These indicators evaluate convergent validity and reliability, ensuring that latent constructs are accurately represented by their observed indicators. Table 2 presents the results.

Table 2. Measurement Model Evaluation

Variable	Item	Indicator	Outer Loadings	CA	CR	AVE
Brand Equity	BE1–BE4	Awareness, Association, Quality, Loyalty	≥ 0.877	0.910	0.937	0.788
Brand Loyalty	BL1–BL4	Repeat Purchase, Recommendation, Satisfaction, Preference	≥ 0.883	0.906	0.934	0.780
Endorsement	END1–END4	Credibility, Congruence, Trust, Purchase Influence	≥ 0.829	0.874	0.914	0.726
UGC	UGC1–UGC4	Content Quality, Trust, Purchase Influence	≥ 0.829	0.888	0.922	0.748
Viral Marketing	VM1–VM4	Engagement, Consumption, Sharing, Impact	≥ 0.821	0.869	0.911	0.719

Table 2 shows that all constructs met the validity and reliability criteria (Outer Loadings ≥ 0.7; CA, CR ≥ 0.7; AVE ≥ 0.5), confirming that measurement indicators consistently and validly represent their respective constructs (Hair et al., 2012). Discriminant validity was evaluated using both the Heterotrait Monotrait Ratio (HTMT). Table 3 show that most construct pairs achieved acceptable HTMT values (≤ 0.90), confirming that each latent variable measures a unique concept. Minor overlaps (e.g., UGC ↔ Endorsement = 0.894) were noted but remained within acceptable exploratory thresholds.

Table 3. Discriminant Validity – HTMT

Construct Pair	HTMT
Viral Marketing ↔ UGC	0.902
Viral Marketing ↔ Endorsement	0.843
Brand Loyalty ↔ Brand Equity	0.896
Endorsement ↔ Brand Equity	0.894

The Fornell-Larcker test results show that the AVE root value for each construct (BE = 0.888; BL = 0.883; END = 0.852; UGC = 0.865; VM = 0.848) is higher than the correlation between other variables. This confirms that each construct has good discriminant validity and is able to represent its variables accurately. The structural model was evaluated using R^2, F^2, Q^2, and path coefficients. The R^2 value for brand equity is 0.71, and for brand loyalty is 0.728, indicating that the model explains 71–72.8% of the variance in the dependent variables, representing a strong explanatory power (Hair et al., 2022).

Table 4. Hypothesis Testing

Hypothesis	Path	Path Coeff.	T-Stat	P-Value	Result
H1	VM → BE	0.121	2.696	0.007	Supported
H2	UGC → BE	0.357	6.203	0.000	Supported
H3	END → BE	0.297	7.009	0.000	Supported
H4	BE → BL	0.300	5.745	0.000	Supported
H5	VM → BL	0.126	2.010	0.045	Supported
H6	UGC → BL	0.208	2.722	0.007	Supported
H7	END → BL	0.162	2.513	0.012	Supported
H8	VM → BE → BL	0.185	2.211	0.027	Supported
H9	UGC → BE → BL	0.154	3.568	0.000	Supported
H10	END → BE → BL	0.185	5.255	0.000	Supported

All hypotheses (H1–H10) were supported ($p \leq 0.05$), indicating that both direct and mediated effects are statistically significant. The results of hypothesis testing presented in Table 4 indicate that all proposed hypotheses are supported, demonstrating significant relationships among the studied variables. Viral marketing (VM), User-Generated Content (UGC), and Endorsement (END) each show positive and significant effects on Brand Equity (BE), with path coefficients of 0.121 (T = 2.696; p = 0.007), 0.357 (T = 6.203; p = 0.000), and 0.297 (T = 7.009; p = 0.000), respectively. Brand equity itself has a strong positive influence on brand loyalty (β = 0.300; T = 5.745; p = 0.000). Additionally, direct effects from viral marketing (β = 0.126; T = 2.010; p = 0.045), UGC (β = 0.208; T = 2.722; p = 0.007), and endorsement (β = 0.162; T = 2.513; p = 0.012) toward brand loyalty are also significant. The mediating role of brand equity is confirmed, as indicated by significant indirect effects: VM → BE → BL (β = 0.185; T = 2.211; p = 0.027), UGC → BE → BL (β = 0.154; T = 3.568; p = 0.000), and END → BE → BL (β = 0.185; T = 5.255; p = 0.000). These findings collectively affirm that brand equity effectively mediates the influence of digital marketing activities on brand loyalty, highlighting its critical role in enhancing consumer commitment through viral engagement, authentic content, and credible endorsements.

Figure 2 shows a PLS-SEM structural model that examines the influence of Viral Marketing (VM), User-Generated Content (UGC), and Endorsement (END) on Brand Equity (BE) and Brand Loyalty (BL). All relationships between variables are significant ($p < 0.05$). BE has a strong influence on BL (R^2 BE = 0.710; R^2 BL = 0.728), indicating that BE is an important link that strengthens the influence of VM, UGC, and END on brand loyalty.

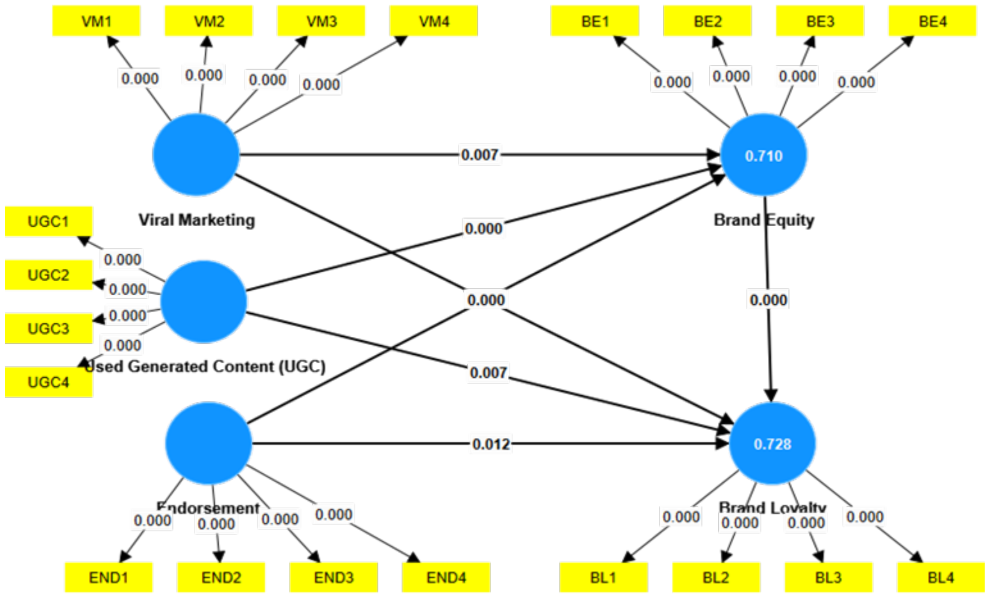

Figure 2. Structural Model and Hypothesis Testing

Table 5. PLS Predict Comparison

Indicator	RMSE (PLS)	MAE (PLS)	RMSE (LM)	MAE (LM)
BE1	0.478	0.343	0.488	0.346
BL1	0.608	0.439	0.616	0.442
BL3	0.462	0.337	0.472	0.340

The model exhibits high predictive relevance ($Q^2 > 0$) and low prediction errors (RMSE, MAE). As shown in Table 5, all PLS-SEM RMSE and MAE values are lower than those of the Linear Model (LM), indicating superior predictive accuracy. The predictive test results in Table 5 show that the PLS model has lower RMSE and MAE values than the LM for all indicators, namely BE1, BL1, and BL3. The RMSE and MAE values for BE1 are 0.478 and 0.343, respectively, in the PLS model, slightly smaller than 0.488 and 0.346 in the LM model. A similar trend is seen for BL1 and BL3, where PLS produces lower prediction errors. These findings indicate that the PLS model has better and more efficient predictive capabilities than the traditional linear regression model.

Table 6. Model Fit Summary

Index	Value	Threshold	Evaluation
SRMR	0.050	≤ 0.08	Good Fit
NFI	0.891	≈ 1	Acceptable Fit
d_ULS	0.520	Low	Acceptable
d_G	0.307	Low	Acceptable

Additionally, model fit indices (SRMR = 0.050, NFI = 0.891) confirm that the model fits well within the acceptable threshold (SRMR $\leq$ 0.08). The model fit test results in Table 6 show that the SRMR value of 0.050 is below the threshold of 0.08, indicating a good fit. Furthermore, the NFI value of 0.891 is close to 1, thus categorizing it as an acceptable fit. The low d_ULS (0.520) and d_G (0.307) values also indicate that the model is in the appropriate category and is in accordance with the research data.

DISCUSSION

The empirical evidence obtained in this research provides strong validation for the proposed conceptual model, which positions brand equity as a central mediating construct linking viral marketing, User Generated Content (UGC), and endorsement to brand loyalty. The subsequent discussion not only interprets these empirical outcomes but also elaborates on their theoretical significance and managerial relevance, integrating them with prior scholarly findings. Collectively, the results deepen understanding of how digital marketing initiatives shape consumer perceptions, influence behavioral responses, and nurture brand relationships within the increasingly participatory digital landscape (Aaker, 1991; Keller, 1993; Onny, 2019).

The findings indicate that UGC positively affects brand equity, confirming Christodoulides et al. (2012) and Triono et al. (2021) that consumer participation enhances authenticity and trust. UGC strengthens collective brand meaning and consumer–brand relationships, though its impact depends on message quality and credibility (Widya, 2021; Wisianto & Keni, 2023). Similarly, endorsement significantly influences brand equity, aligning with Ohanian's (1990) Source Credibility Model, where expertise, trustworthiness, and attractiveness enhance brand evaluations. Studies by Spry et al. (2011) and Dwivedi (2015) support this, but incongruence between endorser and brand, as noted by Anggraheni and Haryanto (2023) and Fajriyah (2025), may weaken effects, consistent with McCracken's (1989) Meaning Transfer Model.

Moreover, brand equity strongly drives brand loyalty, as confirmed by Saputro (2016), Tresna and Seminari (2018) and Clarissa and Ellitan (2023). Viral marketing also enhances loyalty, supported by eWOM theory, though inauthentic campaigns risk skepticism (Bae & Lee, 2015; Wang et al., 2017).

The analysis reveals that endorsement significantly enhances brand equity, consistent with Ohanian's (1990) Source Credibility Model, which highlights expertise, trustworthiness, and attractiveness as key factors influencing brand evaluations. Empirical findings by Spry et al. (2011) and Dwivedi (2015) confirm that credible endorsements build brand trust and perceived value. However, studies by Anggraheni and Haryanto (2023) and Fajriyah (2025) indicate that misalignment between endorser image and brand identity may weaken the effect, aligning with McCracken's (1989) meaning transfer model emphasizing value congruence.

Furthermore, brand equity strongly drives brand loyalty, as noted by Aaker (1991) and Keller (1993), who view it as a strategic asset fostering long-term relationships. Empirical results from Saputro (2016), Tresna and Seminari (2018), Clarissa and Ellitan (2023), show that perceived quality and strong brand associations enhance satisfaction and repeat purchases. Viral marketing also positively impacts loyalty, supported by Electronic Word of Mouth (eWOM) Theory, though excessive commercialization may cause skepticism (Bae & Lee, 2015; Wang et al., 2017). Similarly, UGC strengthens loyalty through Social Proof Theory, as user reviews build trust and emotional connection (Cialdini, 2001; Hossain & Kibria, 2024; Lariba, 2024). Drawing on Self-Determination Theory, creating UGC fulfills autonomy and relatedness needs, although negative content can damage brand image (Deci & Ryan, 1985; Godey et al., 2016; Kucuk, 2019).

The study finds that endorsement positively and significantly affects brand loyalty, consistent with Spry et al. (2011) and Djafarova and Rushworth (2017), who show that credible endorsements build trust and emotional attachment. This supports Meaning Transfer Theory, where endorsers' qualities transfer to brands, enhancing loyalty (McCracken, 1989). Wang et al. (2022) also note indirect effects through brand equity. Moreover, brand equity mediates the relationships between digital marketing variables and loyalty. This aligns with Severi and Ling (2013) and Liu and Wang (2019) for viral marketing, Rahmawati and Ramli (2024) for UGC, for endorsement, emphasizing brand credibility and perceived value as key mediating mechanisms.

These results advance both theoretical understanding and managerial practice. Theoretically, they affirm the relevance of Customer-Based Brand Equity (CBBE) and Source Credibility frameworks, demonstrating that digital marketing activities cultivate brand equity, which in turn fosters loyalty. This study extends the literature by integrating viral marketing, UGC, and endorsement into a unified model, contextualized within Indonesia's dynamic digital landscape. From a managerial lens, the findings stress the importance of designing authentic viral campaigns, encouraging meaningful user participation, and selecting value-congruent endorsers to strengthen brand equity and nurture sustainable loyalty amid intensifying digital competition.

CONCLUSION

This study concludes that brand equity plays a pivotal mediating role linking viral marketing, User Generated Content (UGC), and endorsement to brand loyalty. The results indicate that each of these digital marketing dimensions has a significant positive influence on both brand equity and brand loyalty, highlighting the essential contributions of credibility, authenticity, and consumer participation in fostering robust relationships between brands and consumers in the digital era. From a managerial perspective, the findings suggest that firms should design emotionally engaging viral marketing initiatives, encourage the creation of valuable and authentic user-generated content, and select endorsers whose personal image aligns closely with the brand's identity to strengthen brand equity and promote enduring consumer loyalty.

Despite its valuable contributions, this study recognizes several limitations. The cross-sectional research design and exclusive focus on Indonesian consumers may restrict the broader applicability of the findings. Future research is therefore encouraged to employ longitudinal methods, undertake cross cultural comparisons, and incorporate qualitative approaches to develop a deeper understanding of how digital marketing strategies influence brand equity and brand loyalty across contexts and over time. In summary, the research reinforces the strategic importance of brand equity as both a mediating construct and a key outcome of effective digital marketing communication, offering practical insights for marketers striving to build sustainable customer loyalty in an increasingly competitive digital marketplace.

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