

THE EFFECT OF DIGITAL STORYTELLING ON CUSTOMER ENGAGEMENT AND BRAND AWARENESS AMONG GENERATION Z

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ABSTRACT

This research investigates the impact of digital storytelling on customer engagement and brand awareness among Generation Z social media users in Indonesia. Recent studies indicate that immersive, character-driven, and authentic digital narratives enhance emotional attachment, cognitive processing, and behavioral responses, subsequently influencing engagement and brand-related outcomes. A quantitative explanatory design was utilized, with data gathered via an online survey targeting active Generation Z social media users who engaged with digital storytelling content. Structural Equation Modeling was employed to analyze the data, examining the direct and mediating effects among digital storytelling, customer engagement, and brand awareness. The findings demonstrate that digital storytelling significantly influences customer engagement and has a moderate direct impact on brand awareness, whereas customer engagement strongly enhances brand awareness. Mediation analysis indicates that customer engagement serves as a partial mediator in the relationship between digital storytelling and brand awareness, with a significant portion of the total effect conveyed through engagement. The findings indicate that digital storytelling strategies should focus on enhancing cognitive, affective, and behavioral engagement to establish sustainable brand awareness within Generation Z.

Keywords : Digital Storytelling; Customer Engagement; Brand Awareness; Generation Z; Social Media

ABSTRAK

Penelitian ini mengkaji dampak digital storytelling terhadap keterlibatan pelanggan (customer engagement) dan kesadaran merek (brand awareness) di kalangan pengguna media sosial Generasi Z di Indonesia. Studi terkini menunjukkan bahwa narasi digital yang imersif, berbasis karakter, dan autentik mampu meningkatkan keterikatan emosional, pemrosesan kognitif, serta respons perilaku, yang pada akhirnya memengaruhi keterlibatan dan hasil yang berkaitan dengan merek. Penelitian ini menggunakan desain kuantitatif eksplanatori, dengan data yang dikumpulkan melalui survei daring yang menargetkan pengguna media sosial aktif Generasi Z yang pernah berinteraksi dengan konten digital storytelling. Structural Equation Modeling (SEM) digunakan untuk menganalisis data, dengan memeriksa efek langsung dan efek mediasi antara digital storytelling, keterlibatan pelanggan, dan kesadaran merek. Temuan penelitian menunjukkan bahwa digital storytelling berpengaruh signifikan terhadap keterlibatan pelanggan dan memiliki dampak langsung yang moderat terhadap kesadaran merek, sementara keterlibatan pelanggan terbukti secara kuat meningkatkan kesadaran merek. Analisis mediasi mengindikasikan bahwa keterlibatan pelanggan berperan sebagai mediator parsial dalam hubungan antara digital storytelling dan kesadaran merek, dengan proporsi efek total yang signifikan disalurkan melalui keterlibatan. Temuan ini mengimplikasikan bahwa strategi digital storytelling perlu berfokus pada peningkatan keterlibatan kognitif, afektif, dan perilaku guna membangun kesadaran merek yang berkelanjutan di kalangan Generasi Z.

Kata kunci : Digital Storytelling, Customer Engagement, Brand Awareness, Generation Z, Social Media

INTRODUCTION

Digital transformation has redefined marketing communication, establishing narrative-based strategies as a key method for fostering emotional connections between consumers and brands (Alexander, 2011; Pera & Viglia, 2016; van Laer et al., 2019; Febrianawati et al., 2024). Digital storytelling utilizes interactive narratives, multimedia components, and immersive experiences to enhance enduring consumer brand relationships within social media contexts (Crespo et al., 2023; Hao et al., 2025; Liu et al., 2025). Generation Z, identified as digital natives with significant engagement in social media, demonstrates a greater responsiveness to story-driven content compared to conventional persuasive advertising, particularly when the narratives are perceived as authentic, visually engaging, and emotionally impactful (Coker et al., 2021; Rawangngam et al., 2025; Theocharis & Tsekouropoulos, 2025).

Recent studies indicate that digital storytelling markedly improves customer engagement and brand outcomes by fostering emotional attachment, cognitive elaboration, and participatory behaviors (Dessart & Pitardi, 2019; Hao et al., 2025; Richter et al., 2025). Character-driven narratives, relatable protagonists, and culturally relevant visual elements are recognized as essential factors for enhancing engagement in social media campaigns aimed at younger demographics (Boeck et al., 2025; Mohamed, 2025; Nie & Wang, 2021). Micro-influencers utilize narrative strategies, including educating, advising, evaluating, and entertaining, to develop "sticky narratives" that enhance follower engagement and build trust (Richter et al., 2025; Shen, 2021; Weiger et al., 2025).

Digital storytelling enhances brand awareness by improving brand recognition, recall, and familiarity through consistent, emotionally engaging, and easily shareable narratives (Aaker, 1996; Rachbini et al., 2023; Zimand-Sheiner, 2024). Visual storytelling that embodies local culture and shared values fosters enhanced symbolic connections, thereby increasing brand memorability and personal relevance for Generation Z consumers (Mohamed, 2025; Nie & Wang, 2021; Theocharis & Tsekouropoulos, 2025). Narrative Transportation Theory elucidates how immersive story structures diminish counterarguing and enhance message acceptance, thereby reinforcing engagement and evaluations related to the brand (Ryu et al., 2019; van Laer et al., 2019; Vega & Camarero, 2024).

Customer engagement has become a key concept in understanding the relationship between interactive communication and brand-related outcomes (Brodie et al., 2011; Hollebeek et al., 2021; Rawangngam et al., 2025). Engagement is generally understood as a complex psychological state that includes cognitive, affective, and behavioral elements, which are reflected in attention, emotional involvement, and active participation, such as commenting, sharing, or co-creating content (Brodie et al., 2011; Dang et al., 2025; Dessart & Pitardi, 2019).

Recent evidence indicates that engagement often serves as a mediating mechanism in digital environments, linking marketing stimuli to outcomes such as brand awareness, loyalty, and purchase intention (Ghaleb & Alawad, 2024; Mustafa et al., 2024; Weiger et al., 2025).

Despite the increasing interest in digital storytelling and engagement, notable research gaps persist. A significant number of studies concentrate on global brands, the entertainment industry, and the luxury and tourism sectors, while empirical research in emerging markets, local SMEs, and digital startups remains limited (Crespo et al., 2023; Kaur et al., 2024; Theocharis & Tsekouropoulos, 2025). Furthermore, although evidence suggests that storytelling improves engagement, limited research specifically investigates the mediating effect of customer engagement on the relationship between digital storytelling and brand awareness among Generation Z in Indonesia (Ghaleb & Alawad, 2024; Mustafa et al., 2024; Rawangngam et al., 2025).

Generation Z in Indonesia represents a significant and growing demographic, dedicating considerable time to platforms like Instagram, TikTok, and YouTube, and regularly engaging with branded content and narratives produced by influencers (Coker et al., 2021; Shen, 2021; Theocharis & Tsekouropoulos, 2025). Empirical evidence regarding the influence of digital storytelling on engagement and brand awareness among Indonesian Gen Z users is limited, especially in the context of robust SEM-based approaches that model mediating mechanisms (Tan & Tran, 2024; An & Ngo, 2025; Kock, 2024). Comprehending these mechanisms is crucial for local companies, SMEs, and digital startups seeking to develop effective storytelling-based campaigns.

This study examines the impact of digital storytelling on customer engagement and brand awareness among Generation Z in Indonesia, specifically assessing the mediating role of customer engagement (Brodie et al., 2011; Ghaleb & Alawad, 2024; Mustafa et al., 2024). This research is structured around the following questions: Does digital storytelling have a significant impact on customer engagement? Does digital storytelling have a significant impact on brand awareness? Does customer engagement have a significant impact on brand awareness? Does customer engagement serve as a mediator in the relationship between digital storytelling and brand awareness?

This study aims to empirically investigate the direct impact of digital storytelling on customer engagement and brand awareness, along with the indirect effect mediated by customer engagement, specifically among Generation Z social media users in Indonesia (Dessart & Pitardi, 2019; Rawangngam et al., 2025; Richter et al., 2025). This study advances theoretical understanding by synthesizing digital storytelling, narrative transportation, and customer engagement frameworks within the context of emerging markets. It also offers practical insights

for marketers and SMEs in developing engagement-focused storytelling strategies (Boeck et al., 2025; Mohamed, 2025; Weiger et al., 2025).

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Digital Storytelling

Digital storytelling is characterized by the strategic application of narrative frameworks, characters, and multimodal components, including text, images, audio, and video, within digital contexts to communicate brand messages and foster significant experiences (Alexander, 2011; Crespo et al., 2023; Pera & Viglia, 2016). Unlike traditional one-way advertising, digital storytelling prioritizes interactivity, participation, and emotional engagement, thereby positioning audiences as active co-creators or participants instead of passive recipients (Crespo et al., 2023; Gemser et al., 2025; Rawangngam et al., 2025).

Effective digital storytelling encompasses narrative clarity, authenticity, character relatability, emotional depth, visual appeal, and cultural relevance, which collectively enhance consumer-brand connections (Boeck et al., 2025; Hao et al., 2025; Nie & Wang, 2021). Hao et al. (2025) demonstrate that visual narratives with human or natural themes attract attention in initial phases, whereas emotionally impactful language fosters greater involvement and extended engagement periods in interactive media settings. Mohamed (2025) demonstrates that culturally aligned visual narratives enhance identification and perceived relevance, particularly in social media advertising aimed at younger audiences in the Gulf region.

Micro-influencers have proven to be effective storytellers on social media, utilizing personal, authentic, and episodic narratives to establish trust and emotional connections with niche audiences (Richter et al., 2025; Shen, 2021; Weiger et al., 2025). Richter et al. (2025) delineate four prevalent narrative strategies employed by micro-influencers: educating, evaluating, advising, and entertaining. These strategies collectively generate "sticky narratives" that enhance follower engagement and cultivate trust. The narratives frequently obscure the distinctions between personal and promotional content, rendering the brand story more organic and relatable (Boeck et al., 2025; Li et al., 2025; Vega & Camarero, 2024).

Narrative Transportation Theory provides a significant framework for analyzing the mechanisms through which digital storytelling affects consumer responses (Ryu et al., 2019; van Laer et al., 2019; Vega & Camarero, 2024). Narrative transportation denotes the degree to which individuals engage mentally and emotionally with a story, leading to a temporary detachment from reality and a decrease in counterarguing. This phenomenon enhances persuasion and fosters favorable evaluations of brands (Ryu et al., 2019; van Laer et al., 2019; Wu & Lai, 2025). Meta-analytic evidence indicates that narrative transportation effects are more pronounced in digital and social media environments, especially when stories are hedonic,

first-person, and vividly detailed (van Laer et al., 2019; Vega & Camarero, 2024; Wu & Lai, 2025).

Customer Engagement

Customer engagement is understood as a multidimensional psychological state that includes cognitive, affective, and behavioral components, arising from interactive and co-creative brand experiences (Brodie et al., 2011; Hollebeek et al., 2021; Rawangngam et al., 2025). Cognitive engagement encompasses focused attention, absorption, and information processing concerning brand-related content, reflecting the extent of mental involvement (Brodie et al., 2011; Dang et al., 2025; Mustafa et al., 2024). Affective engagement includes emotions like enthusiasm, enjoyment, and emotional attachment to the brand, indicating the degree of emotional involvement (Dessart & Pitardi, 2019; Dang et al., 2025; Pera & Viglia, 2016). Behavioral engagement is evidenced through observable actions including likes, shares, comments, reviews, and advocacy, reflecting active participation and contribution to brand-related interactions (Dessart & Pitardi, 2019; Ghaleb & Alawad, 2024; Weiger et al., 2025).

Empirical studies demonstrate that these dimensions of engagement are distinct but interrelated, typically creating a sequential process where cognitive and affective engagement occur prior to behavioral engagement (Dang et al., 2025; Mustafa et al., 2024; Rawangngam et al., 2025). Dang et al. (2025) illustrate, within a cognitive affective behavior framework, that multidimensional perceived value and affective responses positively affect impulsive and compulsive behaviors in social commerce, emphasizing the critical role of cognitive and affective states as catalysts for behavioral outcomes. Mustafa et al. (2024) demonstrate that customer engagement serves as a mediator in the relationship between the effectiveness of social media marketing and brand loyalty within an e-commerce framework, highlighting engagement as a crucial mechanism that connects digital stimuli to loyalty outcomes.

Within Generation Z, engagement is significantly influenced by interactive features, authenticity, and the perceived entertainment value of social media content (Coker et al., 2021; Ghaleb & Alawad, 2024; Shen, 2021). Ghaleb and Alawad (2024) demonstrate that engagement with influencer content plays a significant mediating role in the relationship between social media influencer attributes and purchase intentions, while the intensity of social media usage moderates these effects among Gen Z users. Weiger et al. (2025) differentiate between influencer engagement and brand engagement, demonstrating that both contribute to brand performance via partially distinct pathways. This highlights the necessity of comprehending engagement as a multi-layered construct within social media contexts.

Brand Awareness

Brand awareness denotes the extent of a brand's visibility in the consumer's cognition, encompassing the capacity to identify and remember a brand across various contexts (Aaker, 1996; Rachbini et al., 2023; Zimand-Sheiner, 2024). Brand awareness is typically measured using indicators like brand recognition, brand recall, familiarity, and top-of-mind awareness, which together reflect the ease and frequency with which the brand is recalled (Aaker, 1996; Nie & Wang, 2021; Theocharis & Tsekouropoulos, 2025). Elevated brand awareness enhances the probability of a brand being included in purchasing decisions and promotes the development of more robust brand associations and brand equity (Aaker, 1996; Rachbini et al., 2023; Zimand-Sheiner, 2024). Brand image is a set of tangible and intangible traits, representing all internal and external characteristics that can influence how a brand is perceived by its target market or customers (Sarippudin, et al. 2019).

Storytelling is acknowledged as an effective mechanism for enhancing brand awareness, as narratives offer a structured framework that aids consumers in organizing information, retaining essential brand components, and forming significant associations (Pera & Viglia, 2016; Ryu et al., 2019; Zimand-Sheiner, 2024). Zimand-Sheiner (2024) identifies four dimensions of brand storytelling: message, medium, audience, and context. The study demonstrates that aligning these dimensions effectively enhances brand visibility and recognition in online environments. Rachbini et al. (2023) illustrate that narrative branding and brand society initiatives enhance brand image and purchase behavior within luxury fashion brands, highlighting the significance of narrative-rich communication in increasing brand salience.

Brand awareness among Generation Z is increasingly influenced by digital and social media experiences, with visual storytelling, influencers, and interactive formats serving significant roles (Coker et al., 2021; Mohamed, 2025; Theocharis & Tsekouropoulos, 2025). Theocharis and Tsekouropoulos (2025) demonstrate that brand dimensions associated with sustainability and innovation play a significant role in Gen Z consumers' acceptance of new technological products, underscoring the critical role of value-driven narratives in fostering brand awareness within this demographic. Mohamed (2025) demonstrates that visual storytelling and cultural connection in social media advertising enhance brand relationships, subsequently improving awareness and recall.

Relationships Among Variables and Hypothesis Development

Prior research demonstrates that digital storytelling improves customer engagement through immersive, authentic, and emotionally compelling narratives that encourage consumers to process and interact with brand messages (Dessart & Pitardi, 2019; Hao et al., 2025; Richter et al., 2025). Richter et al. (2025) demonstrate that micro-influencer storytelling, which

includes educational, advisory, and entertaining narratives, markedly enhances audience engagement and retention. Hao et al. (2025) illustrate that visual narratives featuring human-centered themes and emotionally impactful language enhance attention and interactive engagement within edutainment environments. The findings indicate that effectively designed digital storytelling can enhance customer engagement within Generation Z.

Digital storytelling is anticipated to directly enhance brand awareness by improving the memorability and distinctiveness of brand messages via narrative structures and vivid cues (Pera & Viglia, 2016; Ryu et al., 2019; Zimand-Sheiner, 2024). Kaur et al. (2024) demonstrate that digital storytelling enhances brand image and consumer awareness by integrating emotional and informational elements within social media campaigns. Mohamed (2025) demonstrates that culturally aligned visual narratives in social media advertising enhance viewer attention and brand recall. The results indicate a positive direct effect of digital storytelling on brand awareness.

Customer engagement often serves as a mediator between marketing stimuli and brand-related outcomes, including loyalty, advocacy, and awareness (Brodie et al., 2011; Mustafa et al., 2024; Weiger et al., 2025). Ghaleb and Alawad (2024) illustrate that engagement with influencer content mediates the relationship between influencer attributes and purchase intention among Gen Z, suggesting that engagement serves as a crucial psychological mechanism that converts communication into behavioral outcomes. Mustafa et al. (2024) demonstrate that the effectiveness of social media marketing impacts brand loyalty mainly through customer engagement, highlighting that engagement serves as a link between digital marketing efforts and brand-level outcomes.

This literature suggests that digital storytelling influences brand awareness directly and indirectly via customer engagement, especially in social media contexts where interaction, participation, and emotional connection are pivotal (Dessart & Pitardi, 2019; Rawangngam et al., 2025; Weiger et al., 2025). Engagement can improve brand awareness by augmenting exposure to and processing of brand-related content, thereby reinforcing memory traces and associations over time (Aaker, 1996; Dessart & Pitardi, 2019; Mustafa et al., 2024).

Hypothesis

- H₁: Digital storytelling has a significant effect on consumer engagement among Generation Z social media users.
- H₂: Digital storytelling has a significant effect on brand awareness among Generation Z social media users.
- H₃: Consumer engagement has a significant effect on brand awareness among Generation Z social media users.

RESEARCH METHODS

This research employed a quantitative explanatory design to examine theoretically hypothesized associations between digital storytelling, customer engagement, and brand awareness among Generation Z social media users in Indonesia. The explanatory approach was selected to test theory-derived hypotheses through Partial Least Squares Structural Equation Modeling (PLS-SEM), which allows for the systematic assessment of directional relationships among latent constructs. As a cross-sectional design, this study does not establish causality in a strict experimental sense; rather, it evaluates the strength, direction, and significance of hypothesized associations consistent with established theoretical frameworks (Hair et al., 2019; Kock, 2024). The explanatory design is appropriate for testing theoretically grounded hypotheses and modeling mediating mechanisms through Structural Equation Modeling (SEM) (Hair et al., 2019; Kock, 2024; Mustafa et al., 2024).

The target population comprised Indonesian Generation Z individuals aged 18–25 years who actively use social media platforms specifically Instagram, TikTok, and YouTube and have previously engaged with digital storytelling-based marketing content. Purposive sampling was employed to ensure respondent eligibility aligned with the study's theoretical focus. Screening questions were embedded at the outset of the online questionnaire to verify eligibility; respondents who did not meet the specified criteria were automatically excluded. The questionnaire was distributed via Google Forms through social media channels and student networks at several universities in West Kalimantan, Indonesia. To minimize duplicate responses, each submission was restricted to one response per device, and data cleaning procedures were applied to remove inconsistent or incomplete entries prior to analysis. Sample size adequacy was evaluated based on contemporary PLS-SEM recommendations and statistical power considerations. Following the power-analytic approach recommended for PLS-SEM, a minimum of 200–300 observations is generally sufficient to detect medium effect sizes ($f^2 \geq 0.15$) at a statistical power of 0.80 and a significance level of 0.05 (Hair et al., 2019; Kock, 2024). The 500 valid responses obtained in this study substantially exceed this threshold, providing sufficient statistical power to detect even small effect sizes and enhancing the precision of coefficient estimation in the structural model.

The measurement instrument was adapted from validated scales previously employed in the digital marketing and consumer behavior literature, using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Digital storytelling was measured using eight indicators adapted from Richter et al. (2025), Hao et al. (2025), and Kaur et al. (2024), capturing narrative clarity, authenticity, emotional resonance, character relatability, visual appeal, interactivity, cultural relevance, and entertainment value. Customer engagement was assessed

through eight indicators reflecting cognitive, affective, and behavioral dimensions, drawn from Brodie et al. (2011), Dessart and Pitardi (2019), and Dang et al. (2025). Brand awareness was measured using eight indicators encompassing recognition, recall, familiarity, and top-of-mind awareness, based on Aaker (1996), Nie and Wang (2021), and Zimand-Sheiner (2024). Content validity was assessed through expert review involving three academics with expertise in digital marketing and consumer behavior, who evaluated item clarity, relevance, and representativeness. A pilot study was subsequently conducted with 30 Generation Z respondents to evaluate item comprehension, internal consistency, and preliminary construct validity prior to the main data collection. Data analysis utilized WarpPLS 8.0 to estimate the PLS-SEM model, assess the measurement model, and examine structural relationships including mediation (Kock, 2024).

Common Method Bias Assessment

Given that all data were collected from a single source at a single point in time, potential common method bias (CMB) was assessed using both procedural and statistical approaches. Procedurally, the questionnaire was designed to minimize CMB by separating predictor and outcome items and by assuring respondents of anonymity to reduce social desirability bias (Podsakoff et al., 2003). Statistically, Harman's single-factor test was conducted; the first unrotated factor explained less than 30% of total variance, suggesting that common method bias was not a substantial concern. Full collinearity VIF assessments reported by WarpPLS 8.0 further confirmed the absence of CMB-induced multicollinearity, as all AFVIF values remained below the threshold of 3.3 (Kock, 2015; Kock, 2024).

Ethical Considerations

This study was conducted in accordance with ethical principles governing social science research involving human subjects. Prior to participation, all respondents were informed of the research objectives, the voluntary nature of their involvement, and their right to withdraw at any time without consequence. Anonymity was ensured by collecting no personally identifiable information, and the confidentiality of responses was maintained throughout the data collection, storage, and analysis process. Informed consent was obtained from all participants prior to completing the questionnaire.

RESULTS AND DISCUSSIONS

Sample Profile

The analysis comprised 500 Generation Z respondents, primarily aged 20 to 23 years, with a slight female majority, consistent with demographic patterns noted in comparable studies on Gen Z social media (Coker et al., 2021; Ghaleb & Alawad, 2024; Shen, 2021). Respondents predominantly utilized Instagram, TikTok, and YouTube on a daily basis, with average social media engagement surpassing 4 hours per day. This aligns with previous research indicating

elevated digital intensity among Gen Z users (Coker et al., 2021; Rawangngam et al., 2025; Theocharis & Tsekouropoulos, 2025). A significant percentage reported regular exposure to storytelling content generated by influencers and brands, which aligns the sample with the study's emphasis on digital storytelling (Ghaleb & Alawad, 2024; Richter et al., 2025; Weiger et al., 2025).

Measurement Model Evaluation

Internal consistency reliability was assessed using Cronbach's alpha (α) and composite reliability (CR). Alpha values ranged from 0.641 to 0.730, and CR values ranged from 0.765 to 0.809, all meeting the minimum acceptable threshold of 0.60 for Cronbach's alpha and 0.70 for CR as recommended in PLS-SEM contexts (Kock, 2024; Solimun et al., 2017). Convergent validity was confirmed as AVE values for all three constructs Digital Storytelling, Consumer Engagement, and Brand Awareness exceeded 0.50, demonstrating that each construct captured more variance from its indicators than from measurement error (Fornell & Larcker, 1981; Kock, 2024). These results collectively confirm that the measurement model satisfies the validity and reliability standards required for structural analysis.

Structural Model and Hypothesis Testing

The structural model was assessed using the full suite of fit indices generated by WarpPLS 8.0, following the evaluation criteria established by Kock (2024) and Solimun et al. (2017). All reported indices satisfied their respective benchmarks: the Average Path Coefficient (APC = 0.428, $p < .001$), Average R-Squared (ARS = 0.374, $p < .001$), and Average Adjusted R-Squared (AARS, $p < .001$) confirmed the overall significance of the structural paths and the explanatory power of the model. The Average Block VIF (AVIF = 1.459) and Average Full Collinearity VIF (AFVIF = 1.741) both remained well below the threshold of 3.3, ruling out multicollinearity concerns throughout the model (Kock, 2024). The Tenenhaus GoF value of 0.354 qualifies as a large effect according to WarpPLS criteria, indicating that the model achieves strong overall explanatory performance (Kock, 2024; Solimun et al., 2017). Additional quality indices Simpson's Paradox Ratio (SPR = 1.0), R-Squared Contribution Ratio (RSCR = 1.0), Statistical Suppression Ratio (SSR = 1.0), and Nonlinear Bivariate Causality Direction Ratio (NLBCDR = 1.0) all met their benchmarks, confirming the absence of directional distortions or suppression effects within the model.

The R^2 value for Consumer Engagement was 0.307, indicating that Digital Storytelling explained 30.7% of the variance in engagement a moderate and meaningful level of explanatory power for a single-predictor path in behavioral research (Kock, 2024; Solimun et al., 2017). The R^2 value for Brand Awareness was 0.441, indicating that Digital Storytelling and Consumer Engagement jointly explained 44.1% of the variance in Brand Awareness, reflecting moderate-

to-substantial predictive capacity within a parsimonious three-construct model (Hair et al., 2019; Kock, 2024). Predictive relevance was further confirmed by Q^2 values from blindfolding procedures: Q^2 for Consumer Engagement was 0.307 and for Brand Awareness was 0.442, both substantially above zero, affirming the model's out-of-sample predictive accuracy (Kock, 2024; Hair et al., 2019).

The hypothesis tests indicated that digital storytelling significantly enhances customer engagement ($\beta = 0.556$, $p < .001$), thereby supporting H1 (Dessart & Pitardi, 2019; Hao et al., 2025; Richter et al., 2025). The robust path coefficient indicates that effectively crafted digital storytelling strategies featuring narrative clarity, authenticity, emotional resonance, and visual appeal successfully enhance cognitive, affective, and behavioral engagement among Generation Z users (Boeck et al., 2025; Ghaleb & Alawad, 2024; Rawangngam et al., 2025). The findings are consistent with previous studies indicating that immersive and authentic narratives enhance attention, empathy, and engagement within social media environments (Dessart & Pitardi, 2019; Hao et al., 2025; Vega & Camarero, 2024).

Digital storytelling significantly enhanced brand awareness ($\beta = 0.177$, $p < .001$), thereby supporting H2 (Kaur et al., 2024; Mohamed, 2025; Zimand-Sheiner, 2024). This direct effect, while smaller than its impact on engagement, demonstrates that storytelling enhances brand recognition and recall in addition to its engagement-driving role (Aaker, 1996; Pera & Viglia, 2016; Rachbini et al., 2023). The modest coefficient indicates that digital storytelling has a greater impact on brand awareness when facilitated by engagement mechanisms, rather than through direct exposure effects (Dessart & Pitardi, 2019; Mustafa et al., 2024; Weiger et al., 2025).

Customer engagement significantly influenced brand awareness ($\beta = 0.550$, $p < .001$), thereby validating H3 (Brodie et al., 2011; Mustafa et al., 2024; Weiger et al., 2025). This finding demonstrates that engagement serves as a vital factor in brand-related memory and salience. Consumers who exhibit cognitive and emotional involvement, along with behavioral activity concerning brand content, are more inclined to remember, recognize, and consider the brand (Dessart & Pitardi, 2019; Ghaleb & Alawad, 2024; Rawangngam et al., 2025).

Mediation Analysis

Mediation analysis was conducted using WarpPLS 8.0's indirect effects estimation procedure, which applies resampling-based significance testing to assess the statistical robustness of mediated pathways (Kock, 2024; Solimun et al., 2017). The indirect effect of Digital Storytelling on Brand Awareness through Consumer Engagement was 0.306 ($p < .001$), computed as the product of the two structural paths connecting Digital Storytelling to Consumer Engagement ($\beta = 0.556$) and Consumer Engagement to Brand Awareness ($\beta = 0.550$). The

significance of this indirect effect confirms that Consumer Engagement operates as a meaningful mediating mechanism in this model. The direct effect of Digital Storytelling on Brand Awareness remained statistically significant after controlling for Consumer Engagement ($\beta = 0.177, p < .001$), establishing partial rather than full mediation. The total effect of Digital Storytelling on Brand Awareness was 0.483 ($p < .001$), and the mediation proportion — the ratio of the indirect to total effect was 63.4%, indicating that the predominant pathway through which Digital Storytelling enhances Brand Awareness operates via Consumer Engagement rather than through direct exposure alone (Kock, 2024; Solimun et al., 2017).

The findings corroborate and expand upon earlier research indicating that engagement serves as a mediator in the relationship between digital marketing activities and brand or behavioral outcomes (Ghaleb & Alawad, 2024; Mustafa et al., 2024; Weiger et al., 2025). Ghaleb and Alawad (2024) demonstrated that engagement with influencer content mediates the relationship between influencer characteristics and purchase intention among Gen Z. Similarly, Mustafa et al. (2024) indicated that customer engagement mediates the impact of social media marketing effectiveness on brand loyalty. This study supports these patterns within the realm of digital storytelling and brand awareness, offering evidence from an emerging market context.

Discussion

The evidence indicates that digital storytelling significantly enhances customer engagement, underscoring the importance of narrative strategies in fostering cognitive, affective, and behavioral involvement in Generation Z (Dessart & Pitardi, 2019; Hao et al., 2025; Richter et al., 2025). Character-driven narratives that are authentic, emotionally resonant, and visually appealing are particularly effective in capturing attention and promoting deeper processing and interaction (Boeck et al., 2025; Hao et al., 2025; Mohamed, 2025). This is consistent with the findings of Richter et al. (2025), which indicate that the storytelling strategies of micro-influencers namely educating, evaluating, advising, and entertaining substantially improve follower engagement and retention. Additionally, it aligns with the work of Hao et al. (2025), which highlights the significance of visual and linguistic elements in fostering audience involvement.

The notable yet limited direct effect of digital storytelling on brand awareness indicates that although narratives enhance brand recognition and memorability, their influence is heightened when consumers actively engage with the content (Aaker, 1996; Kaur et al., 2024; Zimand-Sheiner, 2024). This pattern indicates that storytelling serves mainly as a catalyst for engagement, subsequently enhancing brand salience through repeated exposure, elaboration, and social diffusion (Dessart & Pitardi, 2019; Mustafa et al., 2024; Weiger et al., 2025).

Mohamed (2025) observes that visual storytelling enhances brand connections by evoking emotional and cultural resonance, thereby likely increasing both engagement and awareness.

The significant positive impact of customer engagement on brand awareness highlights the necessity of fostering engagement as a strategic goal in digital marketing (Brodie et al., 2011; Mustafa et al., 2024; Rawangngam et al., 2025). Consumers who are engaged demonstrate a higher likelihood of brand recall and recognition, sharing content with peers, and incorporating brand narratives into their personal experiences, which enhances the reach and longevity of brand awareness (Dessart & Pitardi, 2019; Ghaleb & Alawad, 2024; Weiger et al., 2025). This finding aligns with previous research indicating that engagement mediates the impact of social media marketing on loyalty and performance outcomes (Mustafa et al., 2024; Weiger et al., 2025; Rawangngam et al., 2025).

The mediation results provide a detailed analysis of the impact of digital storytelling on brand awareness within Generation Z. The significant mediated effect suggests that storytelling enhances brand awareness mainly by promoting engagement, rather than merely through direct exposure (Ghaleb & Alawad, 2024; Mustafa et al., 2024; Rawangngam et al., 2025). This indicates that brands ought to develop storytelling campaigns aimed not only at conveying information or eliciting emotions but also at fostering attention, emotional engagement, and interactive behaviors, including sharing, commenting, and co-creating content (Crespo et al., 2023; Gemser et al., 2025; Pera & Viglia, 2016).

The findings theoretically integrate Narrative Transportation Theory with customer engagement literature, demonstrating how immersive narratives influence psychological states that mediate the impact of digital communication on brand outcomes (Brodie et al., 2011; Ryu et al., 2019; van Laer et al., 2019). Engagement with digital stories seems to promote both cognitive and emotional involvement, subsequently leading to behavioral engagement and increased brand awareness (Dessart & Pitardi, 2019; Vega & Camarero, 2024; Wu & Lai, 2025). This study further develops existing research by applying these frameworks within an emerging market context and concentrating on Generation Z, a demographic for which digital and social media serve as the main platforms for brand engagement (Coker et al., 2021; Ghaleb & Alawad, 2024; Theocharis & Tsekouropoulos, 2025).

The findings indicate that marketers focusing on Generation Z ought to emphasize the creation of authentic, visually appealing, and emotionally resonant narratives that promote active engagement rather than passive exposure (Boeck et al., 2025; Mohamed, 2025; Richter et al., 2025). Strategies may involve the integration of interactive storytelling formats, the utilization of micro-influencers to convey personal narratives, and the exploitation of co-creation opportunities that allow consumers to contribute to or remix brand stories (Gemser et

al., 2025; Pera & Viglia, 2016; Rawangngam et al., 2025). Small and medium-sized enterprises (SMEs) and digital startups in Indonesia can enhance engagement and brand awareness on platforms such as Instagram, TikTok, and YouTube by implementing storytelling campaigns that resonate with local cultural themes and align with Gen Z values (Coker et al., 2021; Mohamed, 2025; Theocharis & Tsekouropoulos, 2025).

CONCLUSION

This research investigated the impact of digital storytelling on customer engagement and brand awareness among Generation Z social media users in Indonesia, while also assessing the mediating role of customer engagement through Structural Equation Modeling (SEM) using WarpPLS. The empirical findings indicate that digital storytelling significantly enhances customer engagement and has a modest yet notable direct impact on brand awareness. Furthermore, customer engagement exerts a strong influence on brand awareness. Mediation analysis reveals that customer engagement serves as a partial mediator in the relationship between digital storytelling and brand awareness, with a significant portion of the total effect transmitted through engagement.

This study theoretically contributes by integrating digital storytelling, Narrative Transportation Theory, and customer engagement frameworks within the context of an emerging market, specifically targeting Generation Z. The findings emphasize engagement as a crucial psychological mechanism through which immersive narratives lead to increased brand awareness, thereby advancing existing models of digital communication effects. This research also contributes to the limited empirical literature on digital storytelling within Indonesia, particularly among local SMEs and startups focused on Generation Z.

From a managerial perspective, the findings suggest that brands ought to design digital storytelling campaigns with engagement as a central objective, ensuring that narratives are authentic, emotionally impactful, culturally pertinent, and visually appealing to Generation Z audiences. Practitioners are encouraged to leverage micro-influencers, interactive formats, and co-creation opportunities to foster cognitive, affective, and behavioral engagement. Such an approach is likely to strengthen brand awareness and may yield downstream outcomes such as loyalty and advocacy.

This study is not without limitations. The cross-sectional design restricts the ability to draw strong causal inferences over time, suggesting that future research should consider longitudinal or experimental designs to better capture the dynamic effects of storytelling and engagement. The focus on Indonesian Generation Z limits the generalizability of the findings to other age groups and cultural contexts, underscoring the need for comparative research across different generations and nations. Additionally, reliance on self-reported measures may

introduce response bias; future studies could integrate survey data with objective behavioral metrics, such as click-through rates, viewing duration, and sharing behavior. Finally, this study did not explicitly model potential moderating variables, including platform type, content format, or individual differences such as need for closure and narrative preference, all of which may influence the effectiveness of digital storytelling.

Future research may explore the boundary conditions of digital storytelling effectiveness by examining the moderating roles of AI-generated content authenticity, platform characteristics, and user traits, including narrative transportation propensity. Longitudinal studies may further investigate the enduring effects of digital storytelling on brand loyalty and advocacy, extending inquiry beyond awareness to deeper dimensions of brand equity. Mixed-methods approaches that combine SEM with qualitative analyses are recommended to yield richer insights into the psychological and cultural nuances underlying Generation Z's interpretation and co-construction of brand narratives in digital environments.

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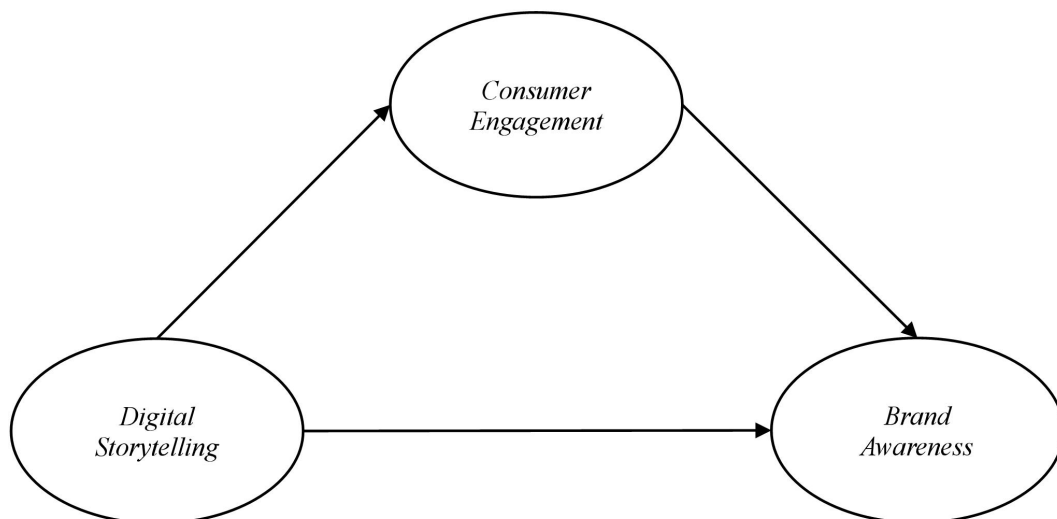
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GAMBAR, GRAFIK DAN TABEL



Gambar 1. Conceptual Framework

Tabel 1. Konvergen Validity

	DST.X1	CE.Z	BA.Y	P value
X1.2	0.541	0.057	-0.176	<0.001
X1.3	0.537	-0.189	0.161	<0.001
X1.4	0.558	-0.105	-0.001	<0.001
X1.5	0.641	-0.078	-0.080	<0.001
X1.6	0.501	-0.014	0.072	<0.001
X1.7	0.588	0.162	0.072	<0.001
X1.8	0.571	0.160	-0.033	<0.001
Z1.1	0.046	0.565	-0.029	<0.001
Z1.2	0.085	0.653	-0.118	<0.001
Z1.3	-0.121	0.505	0.005	<0.001
Z1.4	0.035	0.604	-0.167	<0.001
Z1.5	0.141	0.633	-0.044	<0.001
Z1.6	-0.056	0.538	0.287	<0.001
Z1.7	-0.139	0.517	0.156	<0.001
Z1.8	-0.050	0.580	-0.027	<0.001
Y1.1	-0.054	0.197	0.607	<0.001
Y1.2	-0.038	0.140	0.548	<0.001
Y1.3	0.022	-0.020	0.561	<0.001
Y1.4	-0.012	0.053	0.588	<0.001
Y1.5	-0.060	-0.065	0.627	<0.001
Y1.6	0.038	-0.149	0.638	<0.001
Y1.7	0.010	0.041	0.585	<0.001
Y1.8	0.101	-0.190	0.552	<0.001

Source: output WarpPLS 8.0, 2025

Tabel 2. Uji Reliability

Variable	Composite Reliability	Cronbach's alpha
Digital Storytelling	0.765	0.641
Consumer Engagement	0.798	0.711
Brand Awareness	0.809	0.730

Source: output WarpPLS 8.0, 2025

Tabel 3. Predictive Relevance

No	Index	Reference Value	Actual Value	Remark
1	Average Path Coefficient (APC)	$P < 0.05$	$P < 0.001$	Satisfied
2	Average R-Squared (ARS)	$P < 0.05$	$P < 0.001$	Satisfied
3	Average Adjusted R-Squared (AARS)	$P < 0.05$	$P < 0.001$	Satisfied
4	Average Block VIF (AVIF)	≤ 5	1.459	Satisfied
5	Average Full Collinearity VIF (AFVIF)	≤ 5	1.741	Satisfied
6	Tenenhaus GoF (GoF)	Small ≥ 0.1 ; Medium ≥ 0.25 ; Large ≥ 0.36	0.354	Large
7	Sympson's Paradox Ratio (SPR)	Ideally = 1	1	Satisfied
8	R-Squared Contribution Ratio (RSCR)	Acceptable if ≥ 0.9	1	Satisfied
9	Statistical Suppression Ratio (SSR)	≥ 0.7	1	Satisfied
10	Nonlinear Bivariate Causality Direction Ratio (NLBCDR)	≥ 0.7	1	Satisfied

Source: output WarpPLS 8.0, 2025

Tabel 4. R-Square

Variable	<i>R-Square</i>
<i>Consumer Engagement</i>	0.307
<i>Brand Awareness</i>	0.441

Source: output WarpPLS 8.0, 2025

Tabel 5. Q-Square

Variable	<i>Q-Square</i>
<i>Consumer Engagement</i>	0.307
<i>Brand Awareness</i>	0.442

Source: output WarpPLS 8.0, 2025

Tabel 6. Hypothesis Testing

Explanatory Variable	Response Variable	Path Coefficient	Sig.	Remark
Digital Storytelling	Consumer Engagement	0.556	< 0.001	Significant
Digital Storytelling	Brand Awareness	0.177	< 0.001	Significant
Consumer Engagement	Brand Awareness	0.550	< 0.001	Significant

Source: output WarpPLS 8.0, 2025

Tabel 7. Mediation Analysis

Explanatory Variable	Mediating Variable	Response Variable	Sig.	Remark
Digital Storytelling	Consumer Engagement	Brand Awareness	< 0.001	Significant

Source: output WarpPLS 8.0, 2025