

THE INFLUENCE OF EXPERIENTIAL MARKETING, SERVICE QUALITY AND PROMOTION ON CUSTOMER LOYALTY AT ROLAND BAKERY AND CAFÉ JEMBER

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Abstract: Research entitled "The influence of experimental marketing, service quality and promotion on customer loyalty at Roland Bakery and Café Jember" has four objectives, namely: (1) Knowing the effect of experimental marketing on customer loyalty, (2) Knowing the effect of service quality on customer loyalty, (3) Knowing the effect of promotion on customer loyalty, (4) Knowing the effect of experimental marketing, service quality and promotion simultaneously on customer loyalty. Roland Bakery and Café is a Food and Beverage business located in Jember Regency which was established in 2000 selling various appetizer to dessert menus. This study uses descriptive quantitative research methods. The population in this study are Roland Bakery and Café customers who make purchases at least 3 times a month. This research sample amounted to 160 people, data collection was carried out online and offline. Data processing is done by multiple linear analysis using the IBM SPSS 25 application as a tool. The results of this study are: (1) Experiential marketing significantly affects customer loyalty (2) Service quality significantly influences customer loyalty (3) Promotion significantly influences customer loyalty (4) Experiential marketing, service quality and promotion are simultaneous against customer loyalty.

Keywords: *experiential marketing, service quality, promotion, customer loyalty.*

1. Introduction

Jember is one of the districts in East Java which currently has a developing economy. This can be seen with the many industries that have sprung up in Jember Regency, one of which is the Food and Beverage Industry. The Central Statistics Agency of Jember noted that Industry Food and Beverage became the third highest which became the source of tax revenue in Jember Regency.

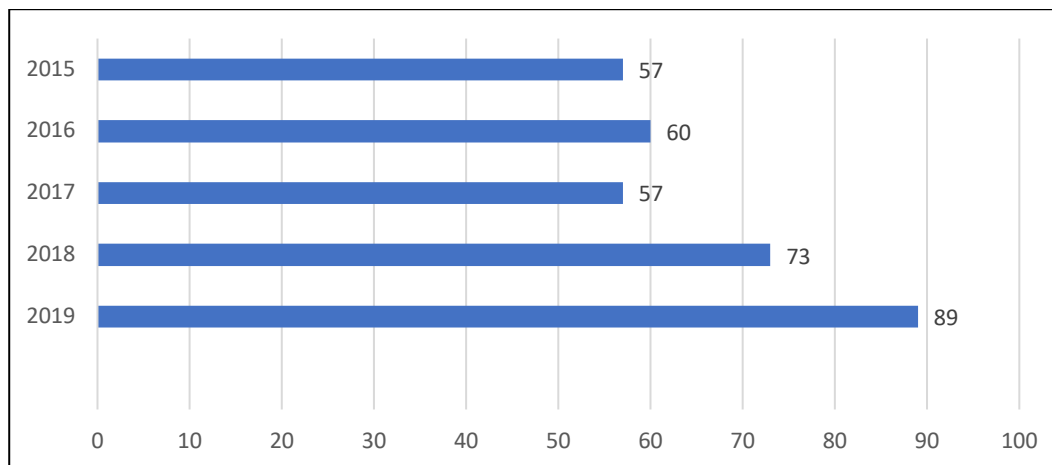


Figure 1.1. Growth of the Food and Beverage Industry in Jember Regency in 2015-2019
Source: BPS Jember (2022)

Figure 1.1 shows an increase in the regional income of Jember Regency from the Food and Beverage Industry sector which continued to increase from 2015 to 2019. In addition, the number of Food and Beverage businesses has increased, especially in Kaliwates, Summersari and Patrang Districts as seen from the many new restaurants and cafes that have sprung up in Jember Regency. However, with the many new food and beverage industries that have sprung up, there has been a lot of competition in business. As a business owner, of course, you have the right way to keep your business afloat, one of which is by maintaining customer loyalty.

Customer Loyalty is a customer behavior that can benefit the company can be proven through the possibility of customers conducting transactions continuously with the company, the tendency to buy certain brands and provide a good review by word of mouth (Molinillo et al., 2022).

Researchers conducted a pre-survey regarding criticism and suggestions to 34 Roland Bakery and Cafe customers to find out what problems there were in Roland bakery and Cafe. The results obtained show promotion (27%), service quality (24%), experiential marketing (20%), product quality (13%), brand image (9%), price (7%). There are six variables that become problems in the Roland Bakery and Cafe business, the three most common are promotion, service quality and experimental marketing. There is a possibility that these variables can affect customer loyalty because there are also previous researchers have found a significant influence between these variables.

Service Quality is an important variable in influencing customer loyalty at Coffee Shop Mall Mall Indonesia, because increasing service quality will increase customer loyalty (Wijaya and Bernardo, 2022) Other researchers in their research also said that in increasing customer loyalty the step that can be taken is to carry out promotions online (Setiawan an Harianto, 2021). In addition, experimental marketing and service quality are key in increasing loyalty because they can describe a company's ability to serve customers and how customers feel about receiving this (Bunjamin et al., 2021) According to (Arismunandar et al., 2019) the company's ability to apply experimental marketing that can create a five senses (sense), programs that affect customer feelings (feel), cognitive experience creation through problem solving (think), increase

interaction with customers (ACT) and creation of communication with Customers (relate) can effectively increase customer loyalty, especially in the Food and Beverage business. (Noor, 2020) also said that improving service quality is no less important in increasing customer loyalty. In addition, promotions can also affect customer loyalty by providing In-Store and online promotional programs such as discounts or product bundling (Cahyani & Elvina, 2021).

Roland Bakery and Cafe is a Food and Beverage business that has been established since 2000 by selling various menus ranging from appetizers to desserts and various breads produced every day. Currently the Roland Bakery and Cafe sales system is still with offline sales by coming directly to the place and delivery order with a minimum purchase of 3 types of products. However, with the development of the era from year to year, there are many similar business competitors so that the owners of Roland Bakery and Cafe as much as possible want their customers to be loyal to Roland and Cafe. After doing pre-survey which shows that there are things that can possibly affect customer loyalty such as experimental marketing, service quality and promotion, this research will be focused on these 3 things so that the research title taken is **"The Influence of Experiential Marketing, Service Quality and Promotion of Customer Loyalty at Roland Bakery and Café Jember. "**

2. Research Method

This study uses descriptive quantitative research with the support to explain the results of the necessary hypothesis testing. According to Riduwan (2018) this approach is related to the procedures for collecting data, translation and reviews of data carried out quantitatively starting from the distribution of questionnaires on the number of samples that have been determined then conduct data analysis by describing numbers without intending to do generalizations. The population in this study is all Roland Bakery and Café Jember customers who at least make a purchase at least 3 times a month. Determination of the number of samples in this study was carried out based on the representative sample formula, where the research sample that could be used was 5 to 10 the number of variable indicators used in the study (Sugiyono, 2017). The researcher took a maximum value of 10 and used a total of 16 indicators to explain the four indicators studied so that the number of samples used was 16×10 with a total of 160 customers of Roland Bakery and Café Jember. Sampling of this research uses a purposive sampling approach where the sample selection is carried out by making certain considerations (Sugiyono, 2017) with the following criteria: Age 17-60 years, male and female and have made a purchase at least 3 times in one month. The data analysis process is carried out using IBM SPSS version 25.

3. Results and Discussion

3.1. Results

The subjects in this study were Roland Bakery and Café Jember customers who had purchased at least 3 times a month. The independent variables in this study are experimental marketing, service quality, promotion while the related variables are customer loyalty.

Table 3.1 Characteristic of Repondents

Variable	Indicator	Frequency	Percentage
Gender	Male	48	30%
	Female	112	70%
Age	17-27 years old	47	29.4%
	28-38 years old	59	36.9%
	39-49 years old	43	26.9%
	50-60 years old	11	6.9%

Source: Output SPSS (2023)

Table 3.1 shows that this research uses two variables to explain the characteristics of the research respondent, namely the sex with indicators: (1) male, and (2) women and the age variable of respondents with indicators: (1) 17-27 years, (2) 28-38 years, (3) 39-49 years, and (4) 50-60 years. Of the 160 loyal customers of Roland Bakery and Café Jember which are used as research repetitions, 122 of them are women and 48 other repetitions of men. There are 59 loyal customers of Roland Bakery and Café Jember who are samples of research aged 28-38 years, 47 people aged 17-27 years, 43 people aged 39-49 years, while 11 others aged 50-60 years. Thus, it can be concluded that the majority of respondents are female, with a customer age range between 28 to 38 years.

Table 3.2 Validity and Reability

Variable	Indicator	r Count	Note	Alpha	Note
<i>Experiential Marketing</i>	EXPM1	1	Valid	0.911	Reliabel
	EXPM2	0.750	Valid		
	EXPM3	0.695	Valid		
	EXPM4	0.723	Valid		
Service Quality	KUAL1	1	Valid	0.922	Reliabel
	KUAL2	0.656	Valid		
	KUAL3	0.718	Valid		
	KUAL4	0.736	Valid		
	KUAL5	0.673	Valid		
Promotion	PROM1	1	Valid	0.864	Reliabel

Customer Loyalty	PROM2	0.756	Valid	0.926	Reliabel
	PROM3	0.676	Valid		
	LOYL1	1	Valid		
	LOYL2	0.875	Valid		
	LOYL3	0.745	Valid		
	LOYL4	0.792	Valid		

Source: Output SPSS (2023)

The results of testing the validity and reliability of the instrument in Table 3.2 indicate the value of r count from the Indicator of the Experiential Marketing (X1) variable is between 0.695 to 1.00, the service quality variable indicator (X2) is between 0.656 to 1.00, the promotional variable indicator (X3) It is between 0.676 to 1.00, while the indicator of the customer loyalty variable (Y) is between 0.745 to 1.00. Validity test results using the R count value indicate the overall indicator meets the validity criteria ($r \text{ count} > 0.20$).

In addition to testing validity, Table 3.2 also shows the results of reliability testing, where the value of Cronbach Alpha from the highest to the lowest is the customer loyalty variable (0.926), service quality (0.922), experiential marketing (0.911), and promotion (0.864). The results of the reliability test using the Cronach Alpha value show that the four variables have met the reliability criteria (Cronbach Alpha > 0.60).

Table 3.3 Classic Assumption Test

Variabel	Tolerance	VIF	t	Sig	t (K-S)	Sig	F Linearity	Sig.
EXPM	0.289	3.456	0.232	0.817	1.084	0.191	371.825	0.000
KUAL	0.207	4.828	0.459	0.647			384.975	0.000
PROM	0.267	3.740	-1.740	0.143			339.668	0.000

Source: Output SPSS (2023)

Based on Table 3.3, it can be seen that the tolerance value of the three variable X is valued between 0.206 to 0.289 (> 0.1) with a VIF value between 3.456 to 4.827 (< 10), so it is concluded that the research model meets multicollinearity.

The significance of t in the regression relationship between variable X and ABS_residual is used in heteroscedasticity testing. Based on the results of Table 3.3, it can be seen that the relationship between the three variable X is not significant (> 0.05) with its residual variables, so it is concluded that this research model meets heteroscedasticity.

The significance of t in the Kolmogorov-Smirnov (K-S) value is used in normality testing, where the residual data is not normally distributed if the $K-S < 0.05$. Based on Table 3.4, it can be seen that the value of Kolmogorov Smirnov that is not significant ($0.191 > 0.05$), so it is concluded that this research model meets the normality.

The significance of F Linearity is used in linearity testing, where variables X and Y have a linear relationship if linearity sigaters < 0.05 . Based on Table 3.3, it can be seen the value of Figinifies F lineraity, so it is concluded that this research model meets linearity.

Table 3.4 Multiple Linnear Regression Analysis and Hypothesis Testing

Variabel	Unstandardized β	t	Sig	F	Sig.	R	R ²
Constant	0.518	3.586	0.000				
EXPM	0.342	5.278	0.000	166.176	0.000	0.873	0.762
KUAL	0.311	3.795	0.000				
PROM	0.201	2.906	0.004				

Source: Output SPSS (2023)

Unstandardized beta (β) value is used to find out how much influence the variable X on Y, so that the multiple linear regression model This research is written with the following formula.

$$LOYL = 0,518 + 0,342EXMP + 0,311KUAL + 0,201PROM + e$$

It is known that there is a direct relationship between Experiential Marketing and customer loyalty, where customer loyalty will increase by 34.2% when there is an increase in experiential marketing activities carried out by Roland Bakery and Café. Service quality has a relationship that is in the same direction with customer loyalty, where customer loyalty will increase by 31.1% when there is an increase in the quality of services provided by Roland Bakery and Café employees to customers. Promotion also has a relationship that is in the direction of customer loyalty, where customer loyalty will increase by 20.11% when an increase in promotional activities carried out by Roland Bakery and Café.

The significant t value of the experimental marketing relationship, service quality and promotion to partial loyalty, and the significant F value of the three variables connecting simultaneously, indicates that:

1. Experiential marketing has an effect on customer loyalty Roland Bakery and Café, because experiential marketing variables have a significant relationship (Sig. 0.000 < 0.05) to customer loyalty.
2. Service quality affects customer loyalty Roland Bakery and Café, because service quality variables have a significant relationship (Sig. 0.000 < 0.05) to customer loyalty.

3. Promotion has an effect on customer loyalty Roland Bakery and Café, because promotion has a significant relationship (Sig. 0.004 <0.05) to customer loyalty.

4. Experimental marketing, service quality and promotion simultaneously influence customer loyalty Roland Bakery and Café, because the experiential marketing variables, service quality and promotion simultaneously have a significant relationship (Sig 0.004 <0.05) again customer loyalty.

The R value of 0.873 from the service quality, service quality and promotion relations to customer loyalty, shows that experiential marketing, service quality and promotion have a strong relationship with customer loyalty Roland Bakery and Café. On the other hand, the R Square value of 0.762 shows that the three variables have the ability of 76.2% in forming customer loyalty. This implies that there are other variables (23.8%) that might affect customer loyalty Roland Bakery and Café, but not tested in this study.

3.2 Discussion

3.2.1 Effect of Experiential Marketing on Customer Loyalty Roland Bakery and Café

Based on the results of this study shows that experimental marketing has a significant relationship with loyalty. The results of this study are in accordance with the findings of (Bunyamin et al., 2021) which found that the company's experimental marketing activity was found as an important marketing tool in influencing customer loyalty, especially in the marketing environment of coffee shops. As (Arismunandar et al., 2019) also explained that the Experiential Marketing Program for Food and Beverage companies can be said to be successful and able to increase the loyalty of the Pelangga if the company is able to create the experience of the five senses, cognitive experience, developing the positive mood of customers, the creation of communication between customers.

3.2.2 Effect of Service Quality on Customer Loyalty Roland Bakery and Café

The results of this study indicate that service quality has a significant relationship of customer loyalty. The results of this study are in accordance with the findings of (Surahman et al., 2020) who found that the high perception of customers on the quality of company services shown in employee attitudes and behavior, was found to have a customer loyalty. (Bunyamin et al., 2021) also found a significant relationship between service quality and customer satisfaction. In this case, the attention of employees, employee accuracy in publicizing customer needs, as well as employee ability to improve service efficiency, as well as a comfortable physical environment, are some important things that customers consider in assessing the quality of company services.

3.2.3 Effect of Promotion on Customer Loyalty Roland Bakery and Café

The results of this study indicate that promotion has a significant relationship with customer loyalty. The results of this study are in accordance with the findings of (Meitiana and Tuwuh Sembhodo, 2022) who found that promotional programs that were considered to provide additional benefits for customers were found to have high ability to influence customer loyalty. Anjani et al. 2019 also found that promotional programs such as discounts, other customer invitations to consume company products, as well as customer exposure to company products uploaded on social media, found significant influence on customer loyalty.

3.2.4 Experiential marketing capabilities, service quality and promotion in influencing customer loyalty Roland Bakery and Café

Based on the results of simultaneous hypothesis testing, it can be seen that experimental marketing, service quality and promotion simultaneously has a simultaneous influence on customer loyalty. The results of this study show support in several previous studies that found that experiential marketing and service quality (Bunyamin et al., 2021; Surahman et al., 2020), and promotion (Meitiana and Tuwuh Sembhodo, 2022; Suryana and Haryadi, 2019) are variables important that forms customer loyalty. Experiential marketing variables, service quality and promotion are also found to have a strong relationship with customer loyalty Roland Bakery and Café, where the three variables have the ability of 76.2% in forming customer loyalty.

3. Conclusion

1. There is a significant influence on the Variable Experiential Marketing (X1) on Customer Loyalty (Y).
2. There is a significant effect of service quality (X2) variable on customer loyalty (Y).
3. There is a significant influence on the promotion variable (X3) on customer loyalty (Y).
4. Experiential Marketing (X1), Service Quality (X2), Promotion (X3) has a simultaneous effect on Customer Loyalty (Y).

Suggestions for further researchers to examine other unique variables that can comply with customer loyalty other than experimental marketing, service quality and promotion for example the influence of parking lots and the convenience of the surrounding environment.

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