The Effect of Experiental Marketing on Customer Satisfaction and Loyalty Restaurant 150 Eatery in Bogor

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Abstract: *The purpose of this study is to determine the effect of Experiental Marketing on customer satisfaction and loyalty at 150 Eatery Restaurant Bogor. The population in this study is all the customers who has visited or are visiting 150 Eatery. Method of sampling is done by purposive sampling method, with the number of 175 respondents. Research hypothesis testing uses analysis of Structural Equation Modeling (SEM). The results showed that Experiental Marketing has a significant and positive impact on customer satisfaction. Customer satisfaction also has a significant and positive effect on customer loyalty, but Experiental Marketing has no direct effect on customer loyalty.*

Keywords: Experiental Marketing, Satisfaction, Loyalty

1. Introduction

The rapid development of the business world, the increasingly fierce competition becomes a challenge as well as a threat to the business actors in order to win the competition, maintain the owned market and seize the existing market. Every businessperson is required to have a sensitivity to any changes that occur, every changing customer demands must be able to be met.

As the economic growth of the interaction between customers and producers changes gradually. This leads to business and consumer change. Holbrook (2000) thinks that business is now entering a new era called "experience marketing" where businesses offer impressive hedonic consumption in an effort to satisfy consumer expectations. This process involves the intangible satisfaction experienced by consumers, "experience marketing" has rarely been considered before the 1990s (Holbrook 2000).

The development of the food industry sector is growing rapidly. Many restaurants with a variety of ideas are offered to lure consumers from various circles both in terms of age, education, and income. Restaurants always offer new innovations aimed at binding new consumers and retaining loyal customers. This spawned competition among restaurants. The new restaurant should introduce something new and not shared by other restaurants. While existing restaurants must retain existing customers by always making periodic changes let alone the proliferation of new restaurants with various types of concepts and menu offered potentially displacing the interest of the long-time consumers. Consumers not only judge a restaurant from the quality of its food alone but they want a restaurant that provides a touching sensation and can fulfill their lifestyle. Consumers want products that can give them an experience. To overcome this, the concept of marketing has grown rapidly to a given business experiental marketing so that

consumers have a distinctive experience of evaluation on the consumption situation, considering that consumers have rationality and emotionality (Schmitt 1999). Therefore, Experiental Marketing, in particular, makes the consumer purchase process easier as it relates to the perceived value of the customer's products, the enjoyment, personal characteristics and social groups, as an extension of the over-invented traditional segmentation (Prahalad and Ramaswamy 2000).

However, marketing is a concept focused on customer needs, where an integrated strategy is needed in order to generate profits as much as possible through customer satisfaction (Gilbert 2003). Satisfaction (satisfaction), in this case is defined as a consumer response to the perception between the expectations that came before and the reality given from the product after consumers do consumption (Tse and Wilton 1988), is the key to success of a good marketing strategy. Furthermore, customer satisfaction will increase customer loyalty, decrease price elasticity, limit market share from competitors, lower transaction costs, reduce failure rates to attract customers, and enhance the company's reputation (Sheth and Sisodia, in Egan 2008).

2. Problem Formulation

At this time the food and beverage industry in Indonesia is growing very rapidly caused by the high demand by consumers and culinary tourism has become part of the lifestyle that not only owned by urban communities, but also almost all levels of society.

Based on data from the Central Bureau of Statistics, throughout 2012 until the end of 2014, the growth of the number of micro food industry companies experienced a significant increase. In 2012, there were 2,812,747 micro-scale food companies. This figure has increased sharply in 2013, as many as 74,268 micro enterprises, to 2,887,015

micro-scale food companies. Then, that figure jumped by 450% from 2013 or 333,548 micro-scale food companies by the end of 2014, to 3,220,563 micro-scale food companies throughout Indonesia (Badan Pusat Statistik 2014).

Based on the culinary industry phenomenon that is currently developing, 150 Eatery present in culinary industry market with unique innovation. 150 Eatery offers the concept of quick dining or more similar to foodcourt, so the concept of the business referred to as eatery. In the selection of the location, the 150 Eatery chose Achmad Adnawijaya road

because of its position close to the target market, which is around the housing, offices, schools, as well as its location which many pass by city transportation. As well as Achmad Adnawijaya street is a growing culinary center. But with the proliferation of food business in Bogor give negative impact for 150 Eatery. In the year 2016, a few new culinary business open on the road Achmad Adnawijaya. Can be seen in picture 1 is the following turnover data that there is a decrease on 150 eatery's income.
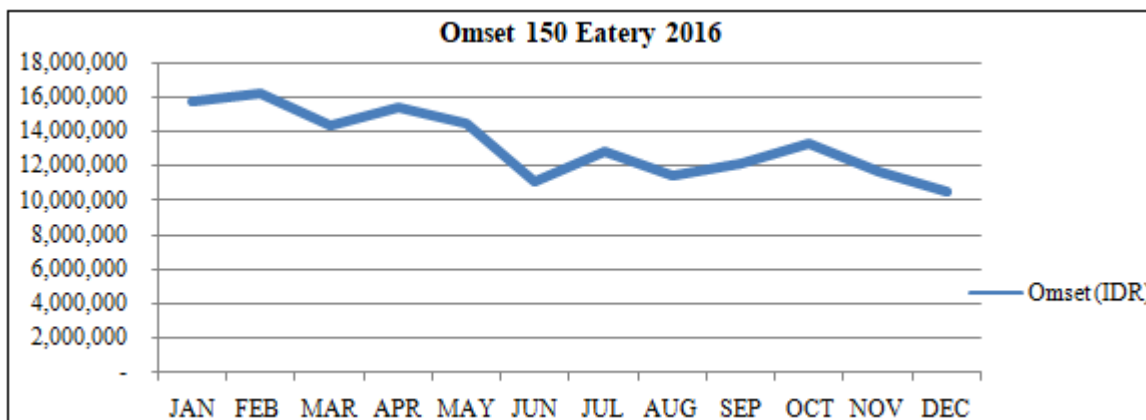
Picture 1: 150 *eatery's income 2016*(Sumber: 150 *Eatery*)

Based on the decline in Eatery 150 restaurant income, further research is needed related to what factors affect customer satisfaction and loyalty, influencing factors such as Experiental Marketing, which include sense, feel, think, act and relate need to be analyzed in depth at 150 Eatery so, management can know the root of the problem and can create the right marketing strategy that is able to stimulate consumers to dance loyal customers to 150 Eatery.

3. Objective of Research

In this research there are several goals to be achieved, namely:
1) To analyze the influence of Experiental Marketing on customer satisfaction in 150 Eatery,
2) To analyze the influence of Experiental Marketing on consumer loyalty in 150 Eatery
3) To analyze the effect of customer satisfaction on consumer loyalty in 150 Eatery, and
4) To determine the marketing strategy for 150 Eatery.

4. Scope of Research

In this study the scope to be in the research is Experiental Marketing variables, which affect customer satisfaction and consumer loyalty 150 Eatery. The object of research conducted is in the form of distribution of questionnaires to 150 Eatery customers having address at Jalan Achmad Adnawijaya no 150 Pandu Raya Bogor.

5. Research Framework

Hunt (1977) says that overall customer satisfaction is a result of a process that emphasizes the perceptual, evaluative, and psychological process, resulting from "the use of experience". The use of experience is part of Experiental Marketing, where the customer's perceived experience is everything that happens at every stage of the customer cycle from before the purchase until after the purchase and may include interactions beyond the product itself (Venkat, 2007).

Mano & Oliver (1997) show that emotional experience in satisfaction has a significant positive effect. Wang (2010) and Bigne et al. (2008) show clearly that the pleasure in shopping experience has a significant positive impact on customer satisfaction, it can even have a positive impact on repurchase intentions or customer loyalty. Wakefield & Blodgett (1996) and Baker et al. (1992) found a positive correlation between values in the customer experience, overall customer satisfaction, and quantitative re-purchases.

Picture 2 below is a conceptual framework to determine the influence of Experiential Marketing positively influence on customer satisfaction, customer satisfaction positively affects customer loyalty. And whether Experiental Marketing has a positive effect on customer loyalty.
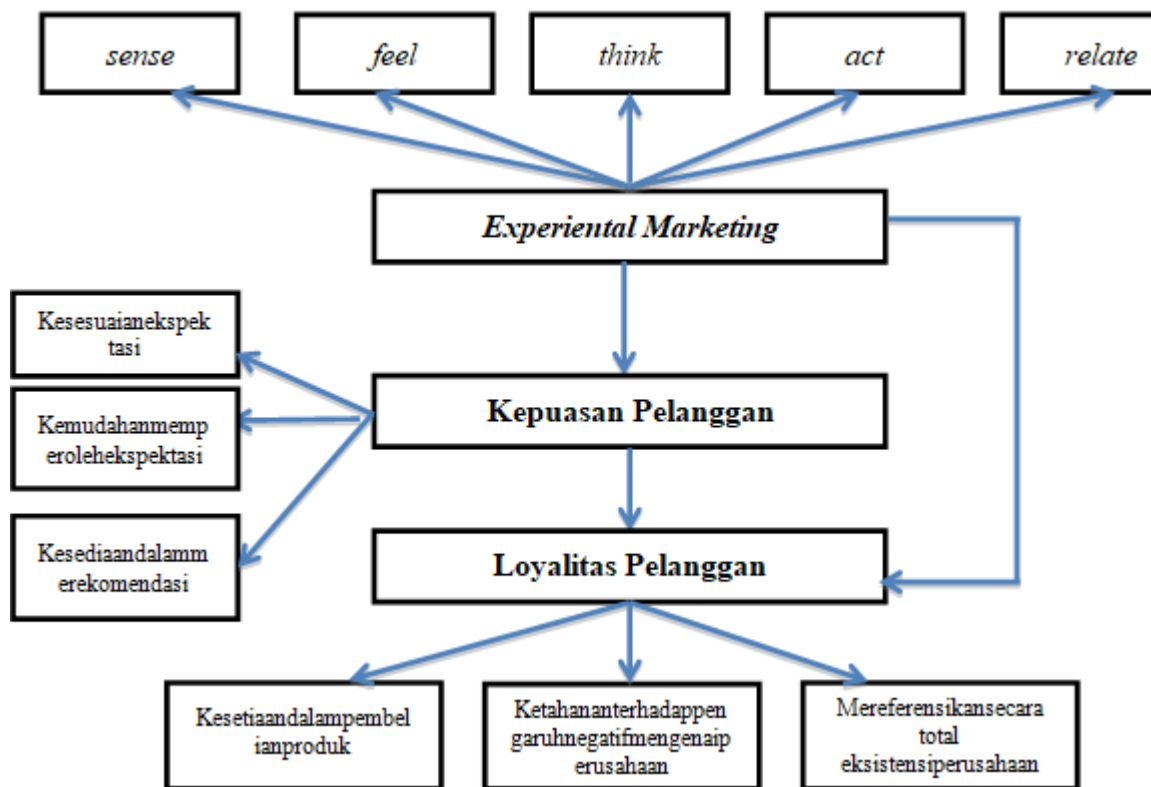
Picture 2: Research Framework

6. Research Hypothesis

The hypothesis built by the researchers based on the description above is
H1: Experiental Marketing has an influence on customer satisfaction 150 Eatery
H2: Experiental Marketing has an influence on 150 Eatery customer loyalty
H3: 150 Eatery customer satisfaction influences 150 Eatery Customer Loyalty.

7. Research Methodology

This research was conducted in 150 Eatery Bogor. The sampling technique was done by using nonprobability sampling that is by purposive sampling technique. This study was conducted from October to December 2016. The population in this study were customers who were visiting or had visited 150 Eatery. As the Rule of Thumb, the number of respondents required for minimal model estimation is 5 respondents for each observed variable (indicator). In this case there are 35 indicators, therefore required 175 respondents.

Data collection technique was done by direct interview to 150 Eatery customer, the interview was assisted by using questionnaire instrument. Interviews were conducted on customers who had finished eating at 150 Eatery. According Husein (2007), the questionnaire technique is a data collection by providing a series of questions submitted to the respondents in the hope of obtaining responses from respondents on the list of questions. To facilitate the respondents and researchers used Likert scale in providing value to the variables specified by the researcher. Here's an interpretation of the value of the likert 1-5 likert

measurement scale. Statistical analysis used is structural equation model (SEM) using Lisrel tool.

8. Results
Research Results

Characteristics of Respondents
Respondents in this study has various characteristics. Of the 175 respondents, as many as 50.3 percent of respondents are male, as many as 49.20 percent of respondents are in the age category 21-30 years and as many as 41.20 percent of respondents are in the age category 13-20. In the education category as many as 50.8 of the respondents are educated graduated S1. A total of 46.9 percent of the respondents were students and 45.8 percent were combined between private and self-employed employees. Of 175 respondents, 67.8 have income below Rp5.2000.000, -.

Overall Model Fit

Table 1: Measurement Model Fit Indices

Goodness-of-Fit	Cut-off-Value	Hasil	keterangan
RMR(*Root Mean Square Residual*)	≤ 0,05 atau ≤ 0,1	0.053	*Good Fit*
RMSEA(*Root Mean square Error of Approximation*)	≤ 0,08	0.08	*Good Fit*
CFI (*Comparative Fit Index*)	≥ 0,90	0.96	*Good Fit*
Normed Fit Index (*NFI*)	≥ 0,90	0.93	*Good Fit*
Non-Normed Fit Index (NNFI)	≥ 0,90	0.95	*Good Fit*
Incremental Fit Index (IFI)	≥ 0,90	0.96	*Good Fit*
Relative Fit Index (*RFI*)	≥ 0,90	0.91	*Good Fit*

In the table above. Criteria RMSEA produce value 0.08 ≤ 0.08 which means that the model is good (good fit). The use of other goodness of fit criteria of CFI, NFI, NNFI, IFI, and

RFI resulted in a value of> 0.90 which means that the resulting model is good (good fit). Likewise with other goodness of fit measurement criteria RMR yield value ≤ 0.1, which means Good model (good fit). Because the conclusion of several criteria resulted in the conclusion of goodness of fit model, the hypothesis testing of theory can be done.

Hipotesis Analysis
In the model test done in getting results that Think variables that is not included in the model is an indicator of Location 150 Eatery is very easy to access (TEM.4). Variable Act that is not included in the model is indicator 150 Eatery is the most suitable place to gather and relax with family and friends (AEM.2). The customer loyalty variable not included in the model is the loyalty variable in purchasing the product is customer indicator ensures 150 Eatery always as first choice (KPL.2). The most influential variables of experiental marketing from sense are food and beverage 150 Eatery (SEM.1) with loading value 0.69, feel variable with employee 150 eatery employee indicator in serving (FEM.1) with loading value 0.85, think variable is interest Customer on promotion given 150 Eatery (TEM.1) has a loading value of 0.69, variable act is 150 Eatery as the main purpose of looking for food (AEM.3) with loading value 0.69, relate variable has two influential indicator that is direct communication perceived by customer 150 Eatery with subscribers (REM.3) and imaging both 150 Eatery in the eyes of customers (REM.4) which equally have a loading value of 0.72. The dimension variable that most influence experiental marketing is act with loading value 0.98. In the variable of customer satisfaction, dimension of variable of conformity expectation (KEK) and ease of obtaining (KMK) most influential with loading value 1.00. Loyalty in product purchases (MPAs), resistance to negative corporate influences (KNL), and total firm reinforcement (MTL) have a significant effect on customer loyalty velocity with loading factor of 1.00.

Based on the data presented in the table can be described as follows: Experiental marketing has a positive and significant impact on customer satisfaction 150 Eatery. Based on the output data, the t-value generated from this study is 3.51, the hypothesis is accepted when the t-value is ≥ 1.96, so there is a positive effect between Experiental marketing and customer satisfaction.

Customer satisfaction has a positive and significant influence on customer loyalty. Based on the results of the output data, the t-value generated from this study was 2.40 (≥ 1.96), the figure indicating that the results were significant, where the proposed hypothesis was acceptable. Ziaul Hoq and Amin (2009), where the results of their research proves that customer satisfaction has a positive and significant impact on consumer loyalty.

Hypothesis 3 which states that Experiental marketing has a positive influence on customer loyalty. Based on the output data, the resulting t-value for the hypothesis of this study is 0.79, (<1.96) There is no positive effect between Experiental marketing and customer loyalty.

Table 2: Result of SEM Model

Reltionship between variables	Path coefficient	|t-hit|	Conclusion
Experience Marketing →Satisfaction	0.99	3.51	Significant
Experience Marketing →Loyalty	-0.42	0.79	Not Significant
Satisfaction→Loyalty	0.99	2.40	Significant
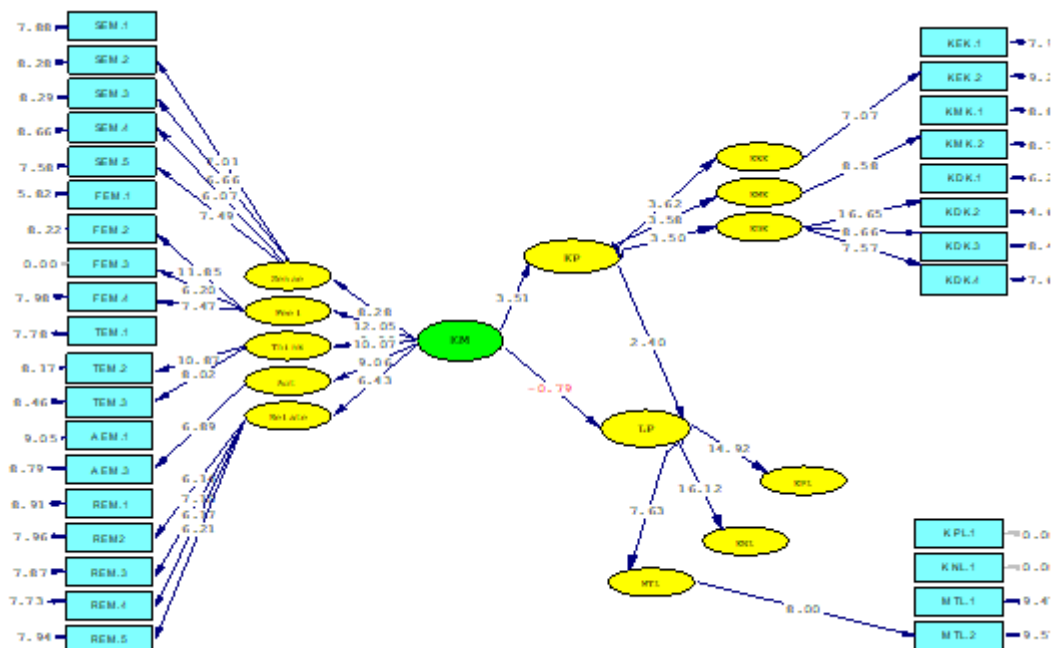
Gambar 3 Hasil uji SEM

9. Managerial Implication

Based on the results of the research, the researchers can provide some practical suggestions and associated with Restaurant 150 Eatery, namely:

a) Restaurant 150 Eatery should approach experiental marketing consisting of sense, feel, think, act, and relate marketing through experience provider at 150 Eatery or maximize the approach, because based on research result experiental marketing approach can increase customer satisfaction.

b) From the results of research showing that the variable Act. Act Marketing aims to influence experience, lifestyle, and interaction. Judging from the respondent's answer about the interest to try the new menu offered 150 Eatery. This can be maximized by adding menus and engaging customers in interacting with new menu feedback.

c) In addition, management of Eatery 150 should maximize the effort in doing think marketing to see this variable also has a significant influence in improving customer satisfaction. Thinking factor marketing needs to be expected to the restaurant and should keep the ideas emerging from the customer. Think marketing arises involving centralized and distorted customer thinking through surprises and intriguing curiosity. In accordance with customer feedback regarding promotion at 150 Eatery. This can be done by always updating the promotion program every month, and create a menu that is different from other restaurants that add to the curiosity of customers.

10. Conclusions and Recommendations

Based on the results of the study can be summarized as follows: experiental marketing has a positive effect on customer satisfaction. This means that experiental marketing that includes sense, feel, think, act and relate will increase customer satisfaction, from 5 dimensions of experiental marketing, the variable act that has the greatest influence. Customer satisfaction positively affects loyalty. This means that satisfied customers will increase the loyalty of visiting customers. There is no significant effect of experiental marketing on customer loyalty. Experiental marketing has no direct impact on customer loyalty. Experiental marketing will have an indirect impact on customer loyalty, through customer satisfaction. Improved experiental marketing related to customer satisfaction so that if there is an increase in experience received by customers and increased customer satisfaction this will impact customer loyalty.

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