THE INFLUENCE OF EXPERIENTIAL MARKETING, SATISFACTION ON CUSTOMER LOYALTY: A STUDY ON THE HOTEL INDUSTRY IN INDONESIA

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Abstract: This quantitative research investigates the relationship between Experiential Marketing (X1), Satisfaction (X2), and Customer Loyalty (Y) in the hotel industry. Data was collected through a questionnaire via goggle form with questions and statements related to the third variable. The research sample was selected based on hotels with a -+ 4 star rating. The data analysis method used multiple linear regression, T test, and F test using SPSS software. The research results revealed: 1). Experiential Marketing (X1) and Satisfaction (X2) have a significant positive influence on Customer Loyalty (Y) in multiple linear regression analysis. 2). The T test shows that both X1 and X2 separately have a significant effect on Customer Loyalty with the appropriate level of significance. 3). The results of the F test state that X1 and X2 together have a significant effect on Customer Loyalty. This research underscores the importance of creating engaging experiences for customers and ensuring their satisfaction to maintain and increase customer loyalty in the hotel industry. The implications of this research strengthen the role of these two variables in competition in the hotel industry and customer retention strategies.

Keywords: *Experiential Marketing, Customer Satisfaction, Loyalty*

1. Introduction

The hotel industry is a very important economic sector for Indonesia. With its natural charm, culture and friendly people, Indonesia has become a popular tourist destination for domestic and international tourists (Saleh & Anisah, 2019). On this basis, competition between hotels operating in Indonesia is getting tighter. This encourages hotel industry entrepreneurs to look for creative ways to maintain and increase their market share (Juliana et al., 2021). In competitive circumstances and environments, traditional marketing concepts are increasingly developing towards a more focused approach in creating valuable customer experiences (Fahrul, 2023). One marketing approach that has emerged to meet this need is experiential marketing.

Marketing based on experience or experiential marketing is a strategy that prioritizes creating positive and memorable experiences for customers as a way to build strong relationships and increase customer loyalty (Yufizar et al., 2017). The impact can be very positive, including: increasing customer engagement, creating positive memories, building customer loyalty, increasing brand awareness, and improving sales performance. However, its effectiveness depends on careful planning and implementation, as well as a good understanding of the target audience and marketing objectives (Wahyudi, 2021). With the various services and facilities offered, hotels try to create an unforgettable experience for visitors (Wahyudi, 2021). However, the question that arises is the extent of the influence of experiential marketing on customer satisfaction, and whether this has an impact on customer loyalty towards these hotels. Through a

deeper understanding of the relationship between the experience provided by the hotel and guest feedback (Pratiwi & Saino, 2022).

Apart from important experiential marketing, the thing that is really paid attention to is customer satisfaction. Customer satisfaction is the level felt by customers after interacting with a company's product, service or brand (Suretno, 2018). Satisfaction can be interpreted as a symbol of ensuring that customers are satisfied with their experience, so that they will return, buy the product or service again, and perhaps recommend it to others. Customer satisfaction plays an important role in maintaining customer loyalty (Pratiwi & Saino, 2022). So, being confirmed when customers are satisfied will have an impact on the level of customer loyalty.

Customer loyalty is a form of customer commitment or loyalty to a brand, product or company. Loyal customers tend to choose to continue shopping or interact with a brand or company consistently rather than switching to competitors (Firmansyah & Prihandono, 2018). Customer loyalty involves a long-term relationship between a customer and a business that is based on various factors, such as customer satisfaction, positive experiences, trust, and the value provided (Triadinda et al., 2018).

According to research results (Yufizar et al., 2017) show that experiential marketing has a significant and positive effect on customer satisfaction. And experiential marketing has a significant and positive effect on customer loyalty. This is supported by findings (Karuniatama et al., 2020) stating that experiential marketing has a positive and significant influence on customer satisfaction, customer satisfaction has a positive and significant influence on customer loyalty. Furthermore, according to research results (Muljani, 2021) it also supports previous research. By increasing experiential marketing which gives a positive and deep impression to customers, customer satisfaction will also increase and ultimately customers will become loyal.

Based on the research results above, this research will carry out a careful analysis to provide an in-depth understanding of the main factors that need to be considered by industry stakeholders. Through this research, it is hoped that it can contribute to the development of more effective marketing and customer management strategies in an effort to achieve high customer satisfaction and build strong customer loyalty in the hotel industry in Indonesia.

2. Research Method

This research uses a quantitative type, which involves collecting data in the form of numbers and analyzing the data using statistical methods (Purba et al., 2021). In quantitative research, data is obtained from the results of a questionnaire in the form of a number of questions and statements for each variable. This research uses three variables. Variable X1 is experiential marketing, Variable X2 is satisfaction, Variable Y is Loyalty. Each variable is given an indicator as a question item and statement distributed via a goggle form. Goggle form is the right tool in the era of digitalization to make research easier. The population in this study was 87 respondents in each province in Indonesia. However, to provide representative answers, researchers apply research samples with certain criteria. The sample for this research is hotels that have a Bintan rating of +- 4 and above.

The sample collection method was determined using purposive sampling because researchers did not have a clear sample frame (Purba et al., 2021). In data analysis, the research uses multiple linear regression methods, T Test and F Test to identify the relationship between the variables that are influenced and the variables that influence. Data analysis was carried out using SPSS statistical software. This research tests two hypotheses, namely:

H1: Experiential marketing has a positive and significant influence on customer satisfaction
H2: Customer satisfaction has a positive and significant influence on customer loyalty

H3: Experiential marketing, customer satisfaction has a positive and significant influence on customer loyalty

3. Results and Discussion

3.1. Results

Research results describe the findings found in the research, the conclusions that can be drawn from the data that has been collected, and the extent to which the hypothesis or research question has been answered. (Purba et al., 2021). The test results in this research were subjected to multiple regression analysis tests, T Test and F Test.

a. Multiple Linear Regression Test

Multiple linear regression analysis is a linear relationship between two or more independent variables (X1, X2,….Xn) and the dependent variable (Y). So the data used is usually on an interval or ratio scale. The multiple linear regression equation is as follows: $Y' = a + b_1X_1 + b_2X_2 + …. + b_nX_n$

Information :

Y' = Dependent variable (predicted value).

X1 and X2 = Independent variables.

a = Constant (Y' value if X1, X2…..Xn = 0).

b = Regression coefficient

Table 1.
Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.987	4,101		2,351	,025
	X1 *Experiential marketing*	,797	,114	,698	8,682	,000
	X2 Kepuasan	,667	,112	,462	6,781	,000
a. Dependent Variable: Y Loyalitas						

From the table above, it is known that the constat (a) is 10.987, while the value (b/regression coefficient) of X1 is 0.797 and X2 is 0.667. So, the regression equation can be written: Y = 10.987 + 0.797 (X1) + 0.667 (X2)

So it can be translated as follows:

1) A constant of 10.987 means that the consistent value of the experiential marketing variable is 10.987.

2) The regression coefficient

3) The regression coefficient The regression coefficient is positive, so it can be said that the influence of the variable on Y is positive.

b. Uji t

The t test is known as a partial test, namely to test how each independent variable influences the dependent variable and this t test is used to test and find out whether the alternative hypothesis (Ha) that has been mentioned is accepted or rejected using the SPSS program. The basis for making the decision is:

1) If Sig < 0.05 / t count > t table = Then Ha is accepted.

2) If Sig > 0.05 / t count < t table = Then Ha is rejected.

Table 2.
Partial t Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.987	4,101		-2,351	,025
	X1 *experiential marketing*	,797	,114	,698	8,682	,000
	X2 kepuasan	,667	,112	,462	6,781	,000
a. Dependent Variable: Y Loyalitas						

Source: Data processed from SPPS results

The table above explains that the significance value of X1 experiential marketing is 0.00 < 0.05 and it is known that the calculated t is 7.322 > t table 1.662 so it can be concluded that the hypothesis is accepted. This means that the experiential marketing variable (X1) influences the customer loyalty variable (Y). This means that the experiential marketing variable (X1) influences the customer loyalty variable (Y). Furthermore, the significance value of X2 satisfaction is 0.00 < 0.05 and it is known that t count is 6.781 > t table 1.662 so it can be concluded that H2 is accepted. This means that the satisfaction variable (X2) influences the customer loyalty variable (Y).

c.   Uji F

F test or Simultaneous test or Model test/Anova test, namely a test to see how all the independent variables influence the dependent variable together. Or to test whether the regression model created is good/significant or not good/non-significant. The F test can be done by comparing the calculated F with the F table, if the calculated F is > than the F table, (Ho is rejected, Ha is accepted) then the model is significant or can be seen in the significance column in Anova.

Table 3.
Simultaneous F Test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	265,035	2	132,518	40,265	,000[b]
	Residual	113,715	33	3,446		
	Total	378,750	35			
a. Dependent Variable: Y						
b. Predictors: (Constant), X2, X, X2						

The table above explains that variables X1 and X2 simultaneously influence variable Y. This is indicated by the calculated F value of 40.265 > F table 3.95, thus H3 is accepted.

3.2. Discussion

The results of the research presented are about the relationship between variables X1 experiential marketing, Indonesia. The discussion of the results of this research outlines several important things as material for discussion, including:

a. **The Positive Influence of Experiential Marketing on Customer Loyalty**

The research results show that Experiential Marketing (X1) has a positive and significant effect on Decisions (X2) in the world of hospitality. This emphasizes that the experiences offered to hotel guests can play a role in shaping their decisions to select and use particular hospitality services. This underscores the importance of creating engaging and memorable experiences for hotel guests. One example of an experiential marketing strategy to influence customer decisions and increase satisfaction (Maulidya et al., 2021):

1) Create unique experiences through special events, as well as interactions with customers.
2) Provide surprises, gifts and loyalty programs.
3) Recreational activities, story narration, and personalization of experiences.
4) Feedback collection and evaluation for continuous improvement.

Then, there are the main components of experiential marketing that influence customer decisions and increase satisfaction including immersive experiences, direct interactions, personalization, stories, surprises, customer feedback, space design and creative communication (Wahyudi, 2021).

b. **The Positive Influence of Satisfaction on Customer Loyalty**

The research results also show that satisfaction (X2) has a positive and significant influence on customer loyalty (Y). This means that the more satisfied customers are with the products, services or experiences provided by the company, the more likely they will remain loyal as customers. This emphasizes the importance of understanding and meeting customer expectations to maintain their loyalty. The key to satisfied customers can be expressed as follows (Gultom et al., 2020):

1) Responsive to Customers
   Respond to customer questions, complaints or requests quickly and efficiently.
2) Personalization
   Recognize and meet individual customer needs as much as possible.
3) Availability
   Make sure the product or service is available when customers need it.
4) Effective Communication
   Establish good communication with customers, both before, during and after transactions.
5) Enjoyable Experience
   Make shopping or interacting with brands a fun and memorable experience.
6) Feedback and Evaluation
   Receive feedback from customers and use it for continuous improvement.
7) Reliability
   Ensure consistency in the products or services offered.
8) Reasonable Price
   Determining prices in accordance with the value provided to customers.

Apart from keys, there are customer satisfaction indicators, which are metrics that measure customer satisfaction. Customer satisfaction indicators include general evaluation, customer loyalty, positive feedback, NPS, customer satisfaction surveys, complaints, return rate, waiting time, quality measurements, churn rate, and employee satisfaction rate. They help businesses understand and improve customer satisfaction (Djayapranata, 2020).

c. The Simultan Influence of Experiential Marketing and Satisfaction on Customer Loyalty

The results of the simultaneous F test show that Experiential Marketing (X1) and Decisions (X2) together have a positive and significant effect on Customer Loyalty (Y) in the hotel industry. This, of course, indicates that hotel companies that are able to combine interesting experiences with wise decisions will be more likely to maintain the loyalty of their guests. Effective strategies for hotel companies that can maintain guest loyalty by combining interesting experiences with wise decisions include (Fadilla et al., 2022):

1) Personalization

Understand guest needs and preferences and provide services tailored to each guest's preferences.

2) Loyalty Program

Offer a loyalty program that provides incentives to frequent guests, such as discounts, points, or exclusive benefits.

3) Timely Experience

Provide relevant and engaging experiences tailored to guest needs, such as special events, tours or unique room service.

4) Effective Communication

Communicate with guests proactively, provide useful information, and respond quickly to questions or requests.

5) Safety and Cleanliness

Ensuring high levels of hygiene and safety, especially in uncertain health conditions.

6) Surprises and Bonuses

Provide surprises or bonuses to guests, such as free spa services or upgraded rooms.

4. Conclusion

Based on the research results above, it is important for the hotel industry to create interesting experiences for customers (Experiential Marketing) and ensure customer satisfaction (Satisfaction) to maintain and increase customer loyalty. In this discussion, hotel company strategies involving personalization, loyalty programs, timely experiences, effective communication, safety and cleanliness, as well as surprises and bonuses can help achieve these goals. This can help understand that these factors play an important role in retaining customers and increasing competitive advantage in the hotel industry.

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