The Influence of Experiential Marketing and Relationship Marketing on Hotel Customer Loyalty

Estikowati1, Widji Astuti*1 and Harianto Respati1

1University of Merdeka Malang, Indonesia

Abstract: The research objectives, describe experiential marketing, relationship marketing, customer satisfaction and customer loyalty, analyze the effect of experiential marketing and relationship marketing on hotel customer satisfaction, analyze the effect of experiential marketing and relationship marketing on customer loyalty, analyzing the effect of experiential marketing and relationship manager on hotel customer loyalty through customer satisfaction, this research was conducted in a 3-star hotel in Malang Raya. The research design was carried out with a quantitative approach, and data collection techniques were carried out by distributing questionnaires. Technical analysis of data structural equation modelling with AMOS 21 software application. Determination of the sample in the analysis of Structural Equation Model (SEM) according to slovin with an error rate of 5% -10% with the formula obtained the number of respondents of 130 people. The results showed, the experiential marketing and relationship marketing affect customer loyalty and customer satisfaction affects customer loyalty, experiential marketing and relationship marketing affects customer loyalty through customer satisfaction. The contribution of this research is expected to enrich the theory of marketing strategies in the hospitality sector in maintaining customer loyalty. For hotel management, it can be used as a reference for improving marketing strategies and human resources in increasing room occupancy by building relationship marketing and experiential marketing.

Keywords: experiential marketing, relationship marketing, customer satisfaction, customer loyalty.

INTRODUCTION

The tourism industry is growing and developing every year. The development of the number of accommodation is also getting higher which is expected to be able to increase the number of tourists coming and staying to enjoy the holiday period. To anticipate the number of tourists who are currently growing rapidly, facilities and infrastructure are needed, one of which is a hotel, because accommodation is important for tourists. This implies, management competes to offer the concept and experience of staying to hotel guests.

In order to meet the needs of the travellers’ staying experience, hotels provide various types of lodging based on the classification which is divided into star and non-star hotels. Based on data from BPS in 2019, 3-star hotels have the largest number, namely 1302 (39.29%) of the total number of star hotels.

For hotel owners and managers to be able to survive and run a business, loyal customers are needed so that they can commit to maintaining and marketing what the hotel offers. Mowen and Minor (1998) state that loyalty is a feeling of pleasure and commitment to the brand and will make purchases in the future. Various ways and stages are needed so that customers are loyal, in addition to management being creative, innovative, and using the latest technology, it must also be able to show the advantages of the hotel over others. Research by Jesri et al. (2013), show that all components of relationship marketing in terms of trust and commitment have a positive impact on customer loyalty. Customer loyalty occurs when customers experience a stay and a relationship with the company is built. The experience of staying that is felt is in accordance with expectations or more, so the customer gets satisfaction (Kotler and Keller, 2007). Customer satisfaction is influenced by experiential marketing (Wijaya et al: 2014), also influenced by relationship marketing (Oztruk: 2015).

Literatur Review

Some experts suggest customer loyalty indicators (Kotler and Keller, 2009: 157), (Griffin, 2002: 31) state that these indicators consist of repeat purchases (loyalty to product purchases), retention
Customer satisfaction is basically related to the level of a person's feelings after comparing the performance or results that customers feel with their expectations (Kotler and Keller, 2013: 138-139), customer satisfaction is the feeling of a customer who is satisfied or disappointed with the results of comparing the perceived performance of the product or results in relation to customer expectations.

Relational marketing according to Chan (2003: 6) is the introduction of each customer more closely by creating two-way communication by managing a mutually beneficial relationship between the customer and the company. Morgan and Hunt (1994: 36), state that trust is an important issue in establishing a cooperative relationship and is the basis for the continuation of a relationship that requires the willingness of customers to rely on companies that are partners. Commitment is very much influenced by trust. Trust is a belief in the reliability and integrity of an exchange partner.

Schmitt (1999, 53-67) states that in order to approach, gain, and retain loyal customers, producers through their products need to provide unique, positive, and memorable experiences to consumers. Experiential Marketing is a process of offering products and services by marketers to consumers by stimulating consumer emotions which results in various experiences for consumers (Schmitt, 1999: 60), further Schmitt (1999,65) and Smilansky (2009: 5), dividing experiential types marketing into five dimensions, namely sensory experience (sense); affective experience (feel); creative cognitive experience (think); physical experience, behaviour and lifestyle (act); and socio-identity experiences resulting from a relationship with a reference community or culture (relate).

**Research Hypothesis**

**H1:** Experiential marketing and relationship marketing have a positive and significant effect on hotel customer satisfaction

**H2:** Experiential marketing and relationship marketing have a positive and significant effect on hotel customer loyalty

**H3:** Hotel customer satisfaction has a positive and significant effect on hotel customer loyalty

**H4:** Experiential marketing and relationship marketing have a significant effect on hotel customer loyalty through hotel customer satisfaction

**Research Methods**

This research is an explanatory research. This study uses four variables, namely experiential marketing, relationship marketing, customer satisfaction, and customer loyalty which are explored.
using a survey of customer opinions who stay at three-star hotels in Malang Raya for two days and one night.

The population in this study were all 54,796 three-star hotels in Malang Raya (PHRI, 2019; Dinas Pariwisata 2019). The sample in this study was taken by purposive sampling with the criteria that guests who had and were staying at the hotel at least two days and one night at the time of the study were at least 17 years old, and were able to fill out a questionnaire. To determine the number of samples used the Slovin formula with an error rate of 5% - 10% in order to obtain 130 respondents. Data from the questionnaire will be processed and analysed descriptively using the SEM method.

**Research Result**

**SEM Analysis**

![Structural Equation Model](image)

Fig 2. Structural Equation Model

Rejection or acceptance of the Structural Equation Model which is shown in Figure 9, as an analysis tool appears on the resulting Goodness of fit indexes value. The criteria for acceptance of the structural equation model will be compared with the recommended cut-off values.

**Validity Test**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Variabel Latent</th>
<th>Loading Factor</th>
<th>CR</th>
<th>P Value</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sense</td>
<td>Experiential Marketing</td>
<td>0.91</td>
<td>15,450</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>Feel</td>
<td>Experiential Marketing</td>
<td>0.99</td>
<td>18,669</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>Think</td>
<td>Experiential Marketing</td>
<td>0.87</td>
<td>Fixed</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>Act</td>
<td>Experiential Marketing</td>
<td>0.93</td>
<td>16,402</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>Relate</td>
<td>Experiential Marketing</td>
<td>0.89</td>
<td>14,575</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>Trust</td>
<td>Experiential Marketing</td>
<td>0.97</td>
<td>11,536</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>Commitment</td>
<td>Experiential Marketing</td>
<td>0.85</td>
<td>Fixed</td>
<td>0.000</td>
<td>Valid</td>
</tr>
</tbody>
</table>

| Reliability Construct | = 0.974 | (cut-off value = 0.7) | Reliabel |
| Variance Extract      | = 0.841 | (cut-off value = 0.5) | Valid |

Source: Primary data processed, 2019.
a. Based on Table 1 shows that the value of the factor loading for each indicator exceeds the standard cut-off value of 0.5, the probability value (p) is less than or equal to 0.05, the Reliability Construct value is 0.974 greater than the standard cut-off value of 0.7 and the Variance Extract value of 0.841 is greater than the standard cut-off value of 0.5. The results of this test indicate that the indicators tested have good reliability in forming and operationalizing the latent variables of Experiential Marketing and Relationship Marketing.

### Table 2. Results of the Validity Test of Intervening and Endogenous Variables

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Variabel Latent</th>
<th>Loading Factor</th>
<th>CR</th>
<th>P Value</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hope Suitability</td>
<td>Customer Satisfaction</td>
<td>0.97</td>
<td>22,316</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>Ease of Obtaining Products</td>
<td>Customer Satisfaction</td>
<td>0.94</td>
<td>Fixed</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>Needs Fulfilled</td>
<td>Customer Satisfaction</td>
<td>0.80</td>
<td>13,348</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>Saying Positive Things</td>
<td>Customer Loyalty</td>
<td>0.88</td>
<td>Fixed</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>Recommend Friends</td>
<td>Customer Loyalty</td>
<td>0.90</td>
<td>14,805</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>Continue Purchasing</td>
<td>Customer Loyalty</td>
<td>0.93</td>
<td>15,610</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>Reliability Construct</td>
<td>= 0.964</td>
<td>(cut-off value = 0.7)</td>
<td>Reliabel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variance Extract</td>
<td>= 0.819</td>
<td>(cut-off value = 0.5)</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2019

b. Based on the information in Table, it shows that the value of the loading factor for each indicator exceeds the standard cut-off value of 0.5, the probability value (p) is less than or equal to 0.05, the Reliability Construct value of 0.964 is greater than the standard cut-off value of 0.7 and the Variance Extract value of 0.819 is greater than the standard cut-off value of 0.5. The results of this test show that the indicators of customer satisfaction are: Suitability of Expectations, Ease of Acquiring Products, Needs Fulfilled and Customer Loyalty with indicators of Saying Positive Things, Recommending Friends, and Continue Purchasing which are tested in fact have good reliability in forming and operating variables. latent customer satisfaction and customer loyalty.

### Hypothesis Test Results

#### First Hypothesis

### Table 3. The effect of experiential marketing and relationship marketing on customer satisfaction

<table>
<thead>
<tr>
<th>Exogenous Variable</th>
<th>Intervening Variable</th>
<th>Standardized Regression Weight</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
<th>note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experiential marketing</td>
<td>Customer Satisfaction</td>
<td>0.34</td>
<td>0.417</td>
<td>0.108</td>
<td>3.875</td>
<td>0.004</td>
<td>Tested</td>
</tr>
<tr>
<td>Relationship marketing</td>
<td>Customer Satisfaction</td>
<td>0.33</td>
<td>0.377</td>
<td>0.102</td>
<td>3.683</td>
<td>0.000</td>
<td>Tested</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2019.

Table 3, the critical ratio (CR) of experiential marketing and relationship marketing shows that it is greater than 2 and the P value (P-value) of 0.0000 is smaller or equal to 0.05. In the form of standardized regression weight for experiential marketing has a significant effect on customer satisfaction (0.34). Relationship marketing has a significant effect on customer satisfaction in the form of a standardized regression weight with a value of 0.33, so experiential marketing and relationship marketing have a positive and significant effect on customer satisfaction, so the first hypothesis is accepted.
Second hypothesis

Table 4. The influence of experiential marketing and relationship marketing on customer loyalty

<table>
<thead>
<tr>
<th>Exogenous Variable</th>
<th>Endogenous Variable</th>
<th>Standardized Regression Weight</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experiential marketing</td>
<td>Customer Loyalty</td>
<td>0.22</td>
<td>0.191</td>
<td>0.068</td>
<td>2.809</td>
<td>0.005</td>
<td>Tested</td>
</tr>
<tr>
<td>Relationship marketing</td>
<td>Customer Loyalty</td>
<td>0.52</td>
<td>0.424</td>
<td>0.07</td>
<td>6.077</td>
<td>0.000</td>
<td>Tested</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2019.

Table 4 shows that the CR from experiential marketing and relationship marketing shows greater than 2 and the P value (P-value) of 0.0000 is smaller or equal to 0.05. In the form of standardized regression weight for experiential marketing has a significant effect on customer loyalty with a value of 0.22. Relationship marketing has a significant effect on customer loyalty in the form of standardized regression weight with a value of 0.52. Thus, experiential marketing and relationship marketing have a positive and significant effect on customer satisfaction, so the second hypothesis is accepted.

Third hypothesis

Table 5. Test Results of the Effect of Customer Satisfaction on Customer Loyalty.

<table>
<thead>
<tr>
<th>Intervening Variable</th>
<th>Endogenous Variable</th>
<th>Standardized Regression Weight</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction</td>
<td>Customer Loyalty</td>
<td>0.17</td>
<td>0.119</td>
<td>0.058</td>
<td>2.046</td>
<td>0.041</td>
<td>Tested</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2019

Table 5 CR of experiential marketing and relationship marketing shows that it is greater than 2 and the P value (P-value) of 0.0000 is smaller or equal to 0.05, because the probability obtained is 0.041 (less than 0.05). The direction and magnitude of the standardized direct effect coefficient is 0.17. The results of this test indicate that customer satisfaction has a significant effect on customer loyalty. Thus the third hypothesis is statistically tested.

The fourth hypothesis

Table 6. Causality Relationship Between Research Variables.

<table>
<thead>
<tr>
<th>Exogenous Variable</th>
<th>Intervening Variable</th>
<th>Endogenous Variable</th>
<th>Direct Effects</th>
<th>Indirect Effects</th>
<th>Total Effects</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experiential marketing</td>
<td>Customer satisfaction</td>
<td>Customer Loyalty</td>
<td>0.22</td>
<td>0.06</td>
<td>0.28</td>
<td>Tested</td>
</tr>
<tr>
<td>Relationship marketing</td>
<td>Customer satisfaction</td>
<td>Customer Loyalty</td>
<td>0.52</td>
<td>0.06</td>
<td>0.58</td>
<td>Tested</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2019

Table 4 shows that the total effect of experiential marketing 0.28 is greater than the direct effect of experiential marketing 0.22. Relationship marketing, the total effect of 0.58 is greater than the direct effect of 0.52, so that customer satisfaction is tested as an intervening variable that mediates relationship marketing and experiential marketing on customer loyalty.

DISCUSSION OF RESEARCH RESULTS

The research was conducted in 2019 where there has not been a Covid-19 pandemic which has been able to change basic human behaviour regarding the economy and health so that travel has not linked the situation and impact of the Covid-19 pandemic in generating customer satisfaction and bringing customer loyalty.

Experiential Marketing and Relationship Marketing Affect Customer Satisfaction
Experiential marketing affects customer satisfaction. The results of the study are in line with Alkialani (2013), Wijaya & Subagyo (2014), Christiana Damayanti (2013), Chao (2015), Ozruk (2015). The experiential marketing indicator that gives the biggest contribution to increasing customer satisfaction is the feel, which is reflected in the friendly hotel employees serving. Experiential marketing and relationship marketing have an effect on customer satisfaction, experiential marketing has a greater influence on customer satisfaction than relationship marketing even though the two variables have the same effect on customer satisfaction.

Experiential marketing has a dominant effect on customer satisfaction at three-star hotels in Malang Raya. The results showed that experiential marketing has a major contribution in the form of feel, which means that employees are friendly in serving and guests immediately receive service. During their stay at the hotel, customers prefer to be with their family to build more intimacy and plan to stay with customers for more than one night.

Relationship marketing affects customer satisfaction. The results of the study are as found by Rizan (2014). The customer marketing experience served by friendly employees gives a binding feeling to the hotel and the comfort obtained during the stay makes you believe that the hotel meets the needs of the customer in the stay so that the customer feels satisfaction.

Experiential Marketing and Relationship Marketing Affect Customer Loyalty

Experiential marketing, which is reflected in feel, has an effect on customer loyalty to continue purchasing, by adding more days to stay or extending stay. Loyalty shows the tendency of customers to use hotel services and facilities with a high level of consistency.

Relationship Marketing, which is reflected in the attitude of trust, has an effect on customer loyalty to continue to purchase, by adding more days to stay or extending stay. Relationship marketing creates relationships and more attention to customers in retaining hotel customers. The results of the research by Jesri, Ahmadi, Fatehipoor (2013), Husnain (2015), and Rizan (2014) prove that relationship marketing has an effect on customer loyalty.

Customer Satisfaction Affects Customer Loyalty

The results of research on customer satisfaction affect customer loyalty at three star hotels in Malang Raya indicate that customer satisfaction has a positive and significant effect on customer loyalty at three star hotels in Malang Raya, this study agrees with Christiana and Dharmayanti’s (2013) research that customer satisfaction has a positive and significant effect on customer loyalty, this is in line with the research of Wijaya and Dharmayanti (2013) and Farhana (2018) that increasing customer satisfaction can increase customer loyalty. The convenience of guests in obtaining the desired product at each outlet provides its own value for guests, thus affecting customer loyalty in terms of continuing purchasing where guests will add more days to stay at the same hotel.

Experiential Marketing and Relationship Marketing Affect Customer Loyalty through Customer Satisfaction

Experiential marketing and relationship marketing have a positive and significant effect on customer loyalty through customer satisfaction at three-star hotels in Malang Raya. Experiential marketing variables have a stronger effect on customer loyalty if mediated by customer satisfaction, experiential marketing is based on five indicators, sense, feel, think, act and relate, the highest indicator is feel. This is consistent with research by Zena and Hadisumarto (2012) which states that experiential marketing has a stronger effect on customer loyalty if it is mediated by customer satisfaction.

Experiential marketing that is felt by customers in terms of hotel conditions that are clean and have a beautiful environment and relationship marketing built by hotels to customers where customers have a sense of trust because they feel comfortable meeting professional hotel employees. This has an impact on customer loyalty to continue purchasing by adding more days to stay.

Conclusions and Suggestions

The effect of experiential marketing and relationship marketing on customer loyalty through customer satisfaction at three-star hotels in Malang Raya, which shows that experiential marketing and relationship marketing have an influence on customer loyalty through customer satisfaction at 3-star hotels in Malang Raya. Relationship marketing affects customer loyalty if it is mediated by customer satisfaction. Relationship marketing, directly and indirectly, affects customer loyalty.

Based on the research results and conclusions that have been started, the suggestions put forward in this study are as follows: Theoretically, the hotel in this case management needs to maintain customer satisfaction by maintaining service quality and providing services according to guest expectations so that guests will indirectly become hotel marketing agents. Practically, improve relationship marketing, and the hotel should be committed to providing the best service at the right time. In order to increase customer satisfaction, the hotel should provide services by guest expectations. In order to increase customer loyalty, the hotel should provide services and provide facilities by...
what is offered, so that customers recommend it to others. Research limitations, the limitation of this study is that there are differences in respondents’ perceptions in interpreting experiential marketing and relationship marketing that are felt when staying at a hotel. Next, this research was carried out when the world of tourism was normal before the Covid-19 pandemic I and now the Covid-19 pandemic has occurred so that there needs to be a review in similar research.

REFERENCES


