

# The Effect of Experiential Marketing and Service Quality on Customer Loyalty of Domino's Pizza in Cirebon City

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## Abstract

The business world continues to grow and creates increasingly fierce competition, encouraging every company to improve the quality of their products and services. Competition in the culinary field in particular, namely pizza restaurants, causes entrepreneurs to have the best and most appropriate strategy to consider the conditions that exist within the company. Every company should be able to create products and services that evoke unforgettable experiences. Experiential marketing is a relatively new marketing approach, which was presented to the marketing world through the book *Experiential Marketing: How to Get Customers to Sense, Feel, Think, Act, and Relate to Your Company and Brands*, by Schmitt. Schmitt stated that the essence of the concept of experiential marketing is marketing and management driven by unique, positive, and memorable experiences to consumers. Domino's Pizza is a company that is trying to implement this concept. The tight competition in the culinary field in particular restaurants, encouraging entrepreneur must have the most appropriate strategies to support the success of the company. One of them is the company should be able to create products and services that evoke an unforgettable experience, that is applying the strategies in named experiential marketing. In addition to the need for experiential marketing, generally high standards of service quality will result in higher satisfaction and will create a purchase more, or commonly called customer loyalty. The purpose of this research is to know the influence of experiential marketing and service quality against customer loyalty. Type of this research is descriptive and verified. The method used survey with individual analysis unit that is customer Domino's Pizza at Cirebon city. The research method uses explanatory, descriptive and verification research models. Multiple Linear Regression Hypothesis Test.

## Keywords

experiential marketing, service quality, loyalty customer

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## Introduction

The business world continues to grow and creates increasingly fierce competition, encouraging every company to improve the quality of their products and services. Competition in the culinary field in particular, namely pizza restaurants, causes entrepreneurs to have the best and most appropriate strategy to consider the conditions that exist within the company. Conditions like this encourage more and more competition, therefore the role of experiential marketing is very important to support the success of a company. Every company should be able to create products and services that evoke unforgettable experiences. Experiential marketing is a relatively new marketing approach, which was presented to the marketing world through the book *Experiential Marketing: How to Get Customers to Sense, Feel, Think, Act, and Relate to Your Company and Brands*, by Schmitt (2010) stated that the essence of the concept of experiential marketing is marketing and management driven by unique, positive, and memorable experiences to consumers. Domino's Pizza is a company that is trying to implement this concept. When associated with the concept of sense-feel-act-think-relate, Domino's Pizza stimulates the five senses of consumers by providing a sense of the smell of pizza, the appearance of attractive pictures and menus, and the pizzas offered have unique names such as Beef Rendang, American Classic Cheeseburger, Grand Extravaganza, Fire Breather, etc. Following the development of increasingly sophisticated technology, Domino's Pizza has a mobile application in order to attract many new consumers who are mostly young people and also make it easier for them to order pizza online only through their smartphone, it takes about 30 minutes for the pizza to be accepted by consumers. Domino's Pizza also tries to provide a unique experience for its consumers, one of which is by introducing the concept of an open kitchen restaurant, where consumers can see firsthand the process of making pizza before serving. In terms of service, Domino's Pizza certainly has its own operational standards in order to improve the quality of its service, its employees are always trained intensively in order to provide the best service for their customers. In addition, Domino's Pizza has a fairly high standard of cleanliness and free wi-fi facilities that make it easy for consumers to access the internet in Domino's Pizza outlets. Domino's Pizza services in Indonesia, especially in the city of Cirebon, provide the concept of an Italian-style pizza restaurant that is equated in each franchise with the Domino's Pizza center in America.

## Literature Review

### Experiential Marketing

Experiential marketing is more than just providing information and opportunities for customers to gain experience with the benefits derived from the product or service itself, but also evoke emotions and feelings that have an impact on marketing, especially sales. With experiential marketing, customers will be able to differentiate products and services from one another because they can feel and gain direct experience through five approaches (sense, feel, think, act, and relate), both before and when they consume a product and service. Dimensions of Experiential Marketing strategy :Sense,Feel, Think, Act, Relate, According to Schmitt (2010) experiential marketing can be used and useful in various situations, such as: To raise a brand that has been in a decline position., To differentiate a product in a competition., To create an image and identity., To create innovation, To create loyal purchases and consumption.

### Service Quality

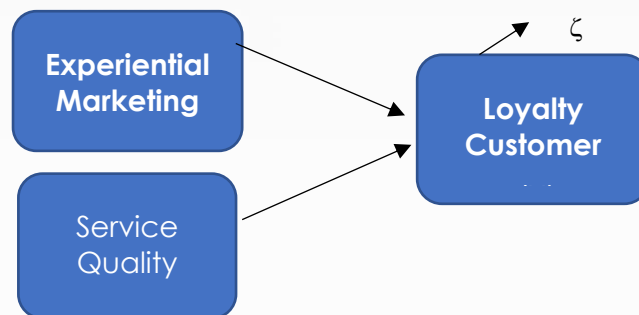
Trust Customers are the lifeblood of the company, therefore companies must pay attention to the quality of service provided to customers. Good service is one of the conditions for success in the company. Service quality is often interpreted as a comparison between the expected service and the actual service received. A service is an activity, benefit, or satisfaction to be provided that is essentially intangible and does not result in the ownership of anything Kotler and Armstrong (2012). 5 dimensions by A. Parasuraman et al. in further research. Namely reliability, responsiveness, assurance (which includes competence, courtesy, credibility, and security), empathy (which includes access, communication and understanding the customer), and tangible.

## Loyalty Customer

Loyalty is literally interpreted as loyalty, namely one's loyalty to an object. Hurriyati (2005) reveals the definition of customer loyalty as a customer's commitment to persist deeply to re-subscribe or repurchase products/services consistently in the future, even though the influence of the situation and marketing efforts have the potential to cause behavioral changes. According to Kotler and Keller (2012), mentions that customer loyalty is a repeat purchase made by a customer because of a commitment to a brand or company. Griffin (2005) states that "Loyalty is defined as non random purchase expressed over time by some decision making unit" which means that loyalty is defined as a non-random purchase that is expressed over time by making a series of decisions. Based on this definition, it can be seen that loyalty is more directed to a behavior that is indicated by routine purchases based on the decision-making unit. According to Griffin (2005), the characteristics of loyal customers are as follows: makes regular repeat purchases, purchases across products and service lines, Refers other, Demonstrates animmunity to the full of the competition, Not easily influenced by the pull of competition from other similar companies.

## Framework and Hypothesis

Then the conceptual framework and variables in this study can be systematically described as follows.



**Figure 2.** Relationship Flow F framework between Latent Variables

- $X_{1.}$  = Experiential Marketing (exogenous latent variable)  
 $X_{2.}$  = Service Quality (exogenous latent variable)  
 $Y$  = Loyalty Coustomer (endogenous latent variables)  
 $\zeta$  = Residue factor

## Hypothesis

- H1: Experiential Marketing is an Influence of on the Loyalty Coustomer  
 H2: Service Quality is an Influence of on Loyalty Coustomer  
 H3: Experiential Marketing, Service Quality is an Influence of on the Loyalty Coustomer

## Research Methodology

The object of research in the preparation of this thesis is The Influence Of Experiential Marketing, Service Quality Is An Influence Of On The Loyalty Coustomer Of Domino's Pizza In Cirebon City The unit of analysis of this research is the consumer use E-Wallet the design research used in this research is exloratory, descriptive, verifiative, and causal, which aims to find views or insights into the problem in general, to clarify emerging phenomena and to clarify the priority of the problem in research. descriptive research is research that aims to obtain variable characteristics or provide a more accurate description of the variable or segment. hypothesis testing with multiple linear regression analysis.. so in determining the research sample 100 is carried out by using probability sampling techniques.

## Research Finding and Argument

### Multiple Linear Regression

Multiple linear regression analysis was used to determine the direction of influence, brand image, trust on buying interest. The following are the results of multiple linear regression testing:

**Table.1.**  
Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	,681	,235		2,899	,005
	<i>Experiential Marketing</i>	,437	,079	,493	5,520	,000
	<i>Service Quality</i>	,394	,092	,381	4,264	,000

From the above equation shows that the regression coefficient of experiential marketing, and service quality is positive on customer loyalty. The results of the above calculations can be explained as follows:

1. The constant value ( $\alpha$ ) of 0.681 means that if the independent variables (experiential marketing and service quality) are assumed to be zero (0), then customer loyalty will increase by 0.681.
2. The value of the experiential marketing regression coefficient ( $X_1$ ) is 0.437 and is positive, this indicates that it has a unidirectional relationship. This means that for every 1 unit increase in the variable ( $X_1$ ), the customer loyalty variable ( $Y$ ) will increase by 0.437.
3. The value of the regression coefficient of service quality ( $X_2$ ) is 0.394 and is positive, this indicates that service quality has a unidirectional relationship. This means that for every increase in the variable ( $X_2$ ) 1 unit, customer loyalty ( $Y$ ) will increase by 0.394.

### Coefficient of Determination (R<sup>2</sup>)

Correlation coefficient analysis is used to measure how strong the relationship between the variables of trust, brand image, is on buying interest. Based on the statistical calculations carried out, the details are shown in the following table:

**Tables .2.**  
Coefficient of Determination (R<sup>2</sup>)

Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,820 <sup>a</sup>	,672	,666	,43169

a. Predictors: (Constant), X<sub>2</sub>, X<sub>1</sub>

b. Dependent Variable: Y

Based on the table above, it shows that the correlation coefficient of determination in the R Square column is 0.672 or 67.2%, which means it is close to 1. These results indicate that the dependent variable is customer loyalty ( $Y$ ) which can be explained simultaneously or

simultaneously by independent variables including experiential marketing ( $X_1$ ), and service quality ( $X_2$ ) is 67.2%. While the remaining 32.8% is explained by other variables that are not included in the regression model of this study. Also, the Standard Error of Estimate (SEE) is 0.43169. These results indicate that the smaller the SEE value, the more accurate the regression model will be in predicting the dependent variable.

### Test Results F- Test (Goodnes Fit)

The F statistical test basically shows whether all the independent variables included in the model have a joint effect on the dependent variable (Ghozali, 2013). If at the 95% confidence level, the statistical F test results displayed in the ANOVA table show the F-count value is greater than the F-table with a significance value of 0.05, it can be stated that all independent variables simultaneously and significantly affect the dependent variable. The results of the simultaneous significance test (F statistic test) can be seen in the following Table.3.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	37,084	2	18,542	99,498	,000 <sup>a</sup>
	Residual	18,076	97	,186		
	Total	55,160	99			

a. Predictors: (Constant), *Experiential marketing*, Service quality

b. Dependent Variable: Loyalitas pelanggan

To compare the Fcount value and Ftable value at the 5% confidence level and the degrees of freedom (df/degree of Freedom). As shown in the table above. Based on the ANOVA test, the Fcount value is 99.498 with a significant value of 0.000. From the Ftable calculation, which is at the level of  $\alpha = 0.05$  with  $n_{df1} = 3$  (number of variables/ $k-1$ ) and  $df2 = 97$  (consumers/ $n$ -number of variables/ $k-1$ ), the Ftable is 3.09. So when compared,  $F_{count} > F_{table}$  is  $99.498 > 3.09$  so it can be concluded that experiential marketing and service quality simultaneously have a significant effect on customer loyalty. Referring to the calculation above, Fcount of 99.498 is in the area of rejection of  $H_0$ , thus the hypothesis that the author proposes can be accepted.

## Conclusion and Suggestion

### Conclusion

Based on the results of research and discussion, regarding the effect of experiential marketing and service quality on customer loyalty at Domino's Pizza in Cirebon City, the following conclusions can be drawn:

1. Experiential marketing partially positive and significant effect on customer loyalty. This can be interpreted as the better experiential marketing implemented by Domino's Pizza, the loyalty of customers will be created.
2. Service quality partially has a positive and significant effect on customer loyalty. This can be interpreted that service quality can help domino's pizza in getting customer loyalty. How high the service quality provided by Domino's Pizza will create loyal customers.
3. Experiential marketing and service quality simultaneously have a positive and significant effect on customer loyalty. This can be interpreted that the better experiential marketing is applied by Domino's Pizza and the higher the service quality provided, the more customer loyalty will be created.

## Suggestion

1. Based on the test results indicate that the experiential marketing strategy plays an important role in increasing customer satisfaction and loyalty. For this reason, it is better if Domino's Pizza Cirebon can always improve the concept of experiential marketing in order to create customer loyalty, based on the results of the analysis of respondents who have low value, Domino's Pizza Cirebon needs to improve on one of its dimensions, namely act, in an assessment statement of the online order system via mobile application. Therefore, the company continuously maintains the mobile application so that customers can easily and comfortably access the Domino's Pizza mobile application.
2. Meanwhile, the second independent variable is service quality. Based on the analysis of processed respondents' responses, the dimension of assurance must be improved by the company. The punctuality given by Domino's Pizza Cirebon was stated not to be in accordance with the promise (pizza was ready in 15 minutes/delivery arrived in 30 minutes).
3. Therefore, further evaluation and supervision is needed so that customers can trust and always believe that Domino's Pizza Cirebon employees have the competence to provide services in accordance with procedures and customer desires.

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