THE EFFECT OF CUSTOMER EXPERIENCE-BASED MARKETING STRATEGIES ON BRAND LOYALTY: A STUDY ON THE HOSPITALITY INDUSTRY

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Abstrak

The research objective is related to the influence of experience-based marketing strategies on brand loyalty in the hospitality industry. The method used is Systematic Literature Review (SLR). A qualitative approach in the Systematic Literature Review approach is used to summarize the results of research that are descriptive qualitative in nature. The results of this study are: (1) An effective marketing strategy makes brands in the hospitality industry known more widely by potential customers. (2) Experiential marketing creates strong interactions, enabling brands to be recognized and involving customers in the creation of experiences. (3) Experience marketing strategies can also have a significant social impact. Customers who have experienced unique experiences will be more inclined to share their experiences through various social media. This is a free promotion and companies can save costs, time and create deeper awareness. (4) Hotel managers must be able to ensure that the brand remains consistent in order to increase brand loyalty. Making attractive labels or logos and introducing brand values is intended to convince customers that the products offered are the best and increase customer retention.

A.   INTRODUCTION

Hotel is a container that provides temporary housing facilities (accommodation) for the public. The hotel chooses its domicile in places or in regional environments that have the potential to be visited, such as panoramas, community customs, social, cultural, as the center of government, trade centers, religious and spiritual activity centers and others. Hotels as temporary residences must be able to reflect the cultural patterns of the community in a broad sense. The hotel is expected to reflect a dynamic, creative residential atmosphere, and can create a homogeneous atmosphere in the midst of a heterogeneous atmosphere in the area where the hotel is located. Hotel businesses can also support the activities of entrepreneurs who are traveling for business or tourists when traveling to visit tourist destinations, and need a place to stay, eat and drink and entertainment.

The brand of a hotel is one of the important factors that can support the sale of a product. With a good brand, it can make customers and the public become more aware of the presence

of the brand. Brand is very important to be displayed properly, including the shape and design of the logo so that it is easy to remember and stick in the minds of the public (Soliha et al, 2021). Hotel brands can make hotel names more widely known and more prominent amid competition in the hotel industry. Brands can show the uniqueness and excellence of a hotel. Until the name of the hotel is easy to remember and leaves its own impression in the minds of customers (Rahi et al, 2020). Of course, to make it happen, customers must first get the experience of staying at a hotel.

Various marketing strategies carried out by hotels related to how to increase the level of brand loyalty are based on a unique customer experience. Experience comes from the interaction between one's personal mind and the events within it, so there will be no identical experience with another person (Pine &Gilmore, 2019). The marketing strategy in creating customer loyalty to the brand is by experiential marketing. Marketing strategies that emphasize more experience, so that products have the ability to offer emotional experiences for customers (Abadi et al., 2020). Experience marketing of a brand is expected to generate deep desire and liking for customers who use it, thus creating loyalty to the brand (Anisimova et al., 2019).

Experiential marketing seeks to build an emotional bond between a company and its customers through memorable experiences (Chang, 2020). This marketing communication approach is characterized by a relatively high level of interactivity, multi-sensory communication, and personal engagement with customers (Chao, 2015). An experiential marketing strategy will bring customers involved in the created program (Chen &; Wu., 2022). Experiential marketing immerses the customer experience in a product or engages the customer deeply (Ghorbanzadeh &; Rahehagh, 2020; Machado, 2014).

Customer marketing allows customers to not only buy products or services from a brand, but also actually experience the brand (Doyle, 2016). The emotional connection between brands and customers is created through unforgettable and unique experiences (Ghorbanzadeh &; Rahehagh, 2020). Experiential marketing not only involves customer engagement, but also often enhances it in the process of creating behaviors towards brand loyalty (Guterman &; Levy, 2020).

Brand loyalty is considered important in sustaining a business in the hospitality industry. The reason is because brand loyalty is very closely related to customer behavior to continue to make repeated purchases (Sulibhavi &; K, S. 2017; Miller, 2016)). Brand loyalty aims to understand repeat buying patterns (Obiegbu, 2020). More and more customers are committed to a brand; the higher their intention to buy the product back becomes very high (Mbango, 2018; Annex, 2016). Not only do existing brand-loyal customers make repeat purchases than new customers, but retaining brand-loyal customers is also much cheaper than marketing to attract new customers (Rosetta Consulting, 2014; Yeh et al, 2019).

Brand loyalty is supported in an emotional component that motivates customers to make future repurchases (Gomez &; Perez, 2018; Han &; Kim, 2020). Brand loyalty is a measure of a customer's relationship to a brand. Customers who are attracted to a person will develop a strong emotional connection thus forming brand loyalty (Ghorbanzadeh &; Rahehagh, 2020; Durianto et al., 2014). Loyal customers show a tendency to be loyal to a brand and will not switch to another brand (Holmes et al., 2020). High brand loyalty, opportunity to switch to low competitive brands (Holmes et al., 2020; Woratschek et al, 2019).

Brand loyalty is related to the pattern of behavior that exists in customers after purchasing a product (Cakici et al., 2019). Such behavior is the tendency to commit to a particular product or brand. In addition, customers will also continue to make repeated product purchases (Woratschek, Horbel, &; Popp, 2019; Dam & Dam, 2021; Chang, 2020). Brand loyalty increases, so customer group estrangement from competitor attacks can be reduced (Dam & Dam, 2021; Kim et al., 2017; Pratminingsih et al., 2018). This is because there has been a mutual trust and comfort between customers and a brand (Le &; Le., 2020; Shafiee et al., 2019).

Previous research results have also shown that experiential marketing has a positive influence on brand loyalty (Anisimova, Weiss, & Mavondo, 2019; Woratschek, Horbel, &; Popp, 2019; Pratminingsih, Astuty, &; Widyatami, 2018). The results of this study support the findings of Shafiee, Haghighizade, & Rahimzadeh (2019) which prove that experiential marketing has a positive effect on brand equity formed from the brand loyalty component. Then found similar results by Machado, Cant & Seaborne (2014) which proved that experiential marketing has a positive influence on brand loyalty. The problem faced by the hospitality industry is how to create a unique experience for customers through experiential marketing strategies, thereby increasing customer loyalty to a brand.

B.   LITERATURE REVIEW

1. Experience Marketing Concepts

Marketing experience is a strategic concept which is an area of marketing change with the transfer of functional concepts to the experience concept of a product or service (Harjadi, 2021: 18). Marketing experience is a concept that is combined in such a way that consumers are expected to respond to a product offer based on the level of emotional and rational response (Guterman &; Levy, 2020). Experiential marketing, sometimes also called engagement marketing, is a marketing strategy that immerses the customer experience in a product or engages them deeply. Experiential marketing allows consumers to not only buy products or services from a brand, but also actually experience the brand. The emotional connection between brands and customers is created through unforgettable and unique experiences. Experience marketing is a marketing strategy that makes customers get experience using a brand.

The benefits of experiential marketing are: (1) Personalized engagement. Customers want to experience a real human connection with the hotel brand. (2) A stronger relationship between products and emotions. (3) Creation of positive touchpoints. (4) Social shareability. Forms of experiential marketing are: (1) Classes or Workshops. This is quite an effective way to connect with the audience. In addition, the audience can also get educational value from the event. (2) Pop-Up Experiences. In principle, this event is temporary, not to last long. This kind of rare event will make the audience interested in visiting it immediately. (3) Single-Person Events. Experiential marketing doesn't actually have to affect many people at one time. Providing a unique experience to one person at a time can also work effectively. This unique experience will make a deep impression and can affect the feelings of other customers. (4)

Product Showcases. This method can work effectively if the company can present something creative. For example, at the event the company gave demonstrations and gave customers the opportunity to try it. This kind of event is also quite effective for educating potential customers about the company's products. (5) Direct Mail. The ultimate goal is to create authentic and meaningful connections between customers and brands. This can be achieved with creative concepts such as direct mail. This method takes a personal approach. Usually the company will provide a shipment with a certain message.

Schmitt (in Hendarsono, 2013: 3) argues that experiential marketing can be measured using:

1.Feel-Feel Experience is a strategy and implementation to provide brand influence to consumers through communication (advertising), products (packaging and contents), product identity (co-branding), environment, website, clear understanding of how to create feelings through consumption experiences that can drive consumer imagination that consumers expect to make a decision to buy.

2.Think. The goal is to encourage consumers to be interested and think creatively so that it may result in a re-evaluation of the company and brand. Think experience refers more to future, focused, value, quality and growth and can be displayed through inspirational, high technology, surprise.

3.Relate-Relate experience is a combination of aspects of marketing experience, namely feel and think. In general, relate experience refers to relationships with other people, other groups (e.g., work, lifestyle) or broader and abstract social communities (e.g., country, society, culture).

2. Brand Loyalty Concept

Brand loyalty is related to the pattern of behavior that exists in customers after purchasing a product (Cakici et al., 2019). Such behavior is the tendency to commit to a particular product or brand. In addition, customers will also continue to make repeated product purchases (Woratschek, Horbel, &; Popp, 2019; Dam & Dam, 2021; Chang, 2020). Brand loyalty as a measurement of customer reluctance to switch to competing products or services of a brand (Doyle, 2016; Aaker, 2013).

Brand loyalty is one of the main foundations of a brand's success. Benefits received if brand loyalty can be obtained: 1. Reduce marketing costs: marketing to loyal customers is much cheaper than acquiring new ones. 2. Ease of attracting new customers: loyal customers help with referrals. 3. More time to respond to competitor threats: customers are less likely to switch to competitors quickly, even if the offer is sometimes better. 4. Fixed income: partially stable income with a loyal customer base (Anisimova &; Mavondo, 2019).

Brand loyalty serves as (1) Attracting New Customers. New customers can be interested in products from other brands if they are not satisfied with a particular brand.
So, it does not rule out the possibility that the customer will switch to other brands. Customers will look for products that are better than what they have ever bought. At that time, customers who are satisfied with a particular product will give recommendations with other products. So, that way new customers will be interested in approaching. Even become a loyal customer to continue making purchases. (2) Reduce marketing costs. Customer loyalty to the brand is

closely related to marketing costs. These marketing costs are needed to retain customers. In general, the cost is cheaper than getting new customers. Meanwhile, to get new customers requires more costs. Because, the effort that must be done is heavier and a lot. If marketing costs are cheap, of course, it will be allocated to other cost budgets. (3) Increase sales. Along with the increasing loyalty of customers who are getting higher to certain brands, this will affect other things. The increase in sales will skyrocket. Not only that, customers will also have more confidence in the business brand (David, 2017; Durianto, 2014).

The stages of brand loyalty are: (1) Cognitive Loyalty. Customers at this stage prioritize all information about a particular brand. The information includes product prices, quality, features offered, and others. At this stage the customer still does not have a strong view of the product. Thus, customers are considered to still be able to switch to other similar products. Because, in other words, customers are still looking for which products are most suitable for use. In addition, it is also adjusted to certain criteria. (2) Affective Loyalty. The customer at this stage is in touch with the customer's emotions. After emotions arise in customers, loyalty arises to a certain product brand. (3) Conative Loyalty. Customers at this stage already have loyalty. Customers have committed to making repeated product purchases. Customers already assume that the products of the brand can meet and satisfy customer needs. (4) Action Loyalty. Customers at this stage are able to maintain loyalty and commitment to a brand's products. At this stage, customers feel that there is no product from another better brand. So, customer loyalty in this stage is already quite strong (David, 2017; Durianto, 2014).

The level of brand loyalty consists of: (1) Switcher/Price Buyer. Customers are not loyal to a brand at all. (2) Habitual Buyer / Customer buys a brand of a product out of habit. (3) Satisfied Buyer. Customers are satisfied with a brand but bear the cost of switching. (4) Liking the Brand. Customers really love a brand. (5) Committed Buyer. The right customer is really loyal to the customer. The Value Created by Brand Loyalty. (David, 2017; Durianto, 2014)

The benefits of brand loyalty are: (1) Reduced Marketing Costs. The marketing cost of retaining old customers is cheaper than acquiring new ones. (2) Increase Trade. Greater loyalty provides a greater trade boost as customers expect the brand to always be available. (3) Attract new customers. A customer base that is satisfied and likes a particular brand can generate confidence for potential customers, especially if the purchase is somewhat risky. (4) Allow time to respond to threats. Brand loyalty gives a company time to respond to competitive movements. If one competitor develops a superior product, a loyal follower will give his trusted company time to update the product by adjusting or neutralizing it. (David, 2017; Durianto, 2014).

How to increase brand loyalty is: (1) Increase Brand Engagement. The loyalty of these customers is basically by reaching the target market, maintaining, and also retaining customers. Business people must often provide updated information about the latest products, promos, and so on. We recommend that the delivery of information be carried out two-way communication. (2) Understand customer needs and wants. Business people are very important to know the characteristics of customers who will be used as marketing targets. It needs to be adjusted to the needs and desires of customers. So, customers will be interested in always buying the products offered. (3) Ensure the brand remains consistent. Products must be maintained consistently related to the quality and service provided. (4) Create attractive labels or logos. A good logo is usually easily recognized by customers and affects existence in market

competition. (5) Introduce brand value. Business actors must introduce the widest possible brand value by convincing customers that the product is the best. (6). Bring customers to continue buying. To get customers to return to repeat purchases. You can do this by giving member cards, special member promos, certain rewards, and so on. It was meant to continue to bind customers. (David, 2017; Durianto, 2014).

C. RESEARCH METHODS

The method used is Systematic Literature Review (SLR). Systematic Literature Review (SLR) is a term used to refer to certain research methodologies or research and development carried out to collect and evaluate research related to a particular topic focus (Afrizal, 2014). Meanwhile, the qualitative approach in the Systematic Literature Review approach is used to summarize the results of qualitative descriptive research

D. RESULTS OF RESEARCH AND DISCUSSION

Marketing is critical to brand success. An effective marketing strategy makes brands in the hospitality industry more widely known by potential customers. Experiential marketing based on the creation of strong interactions allows brands to be known and engage customers in the creation of experiences. Experiential marketing is an effective way to engage current and potential customers and connect with them emotionally. The challenges facing the hospitality industry are related to choosing effective forms of experience marketing, such as classes or workshops, pop-up experiences, single-person events, product showcases, and direct mail, so as to create unique experiences. The unique experience felt by customers will make a significant contribution to the company.

The significant contribution earned by the company is related to realizing a more authentic connection with customers. The existence of an authentic relationship will give a deeper impression, so as to increase customer loyalty to the brand. Experiential marketing strategies can also have a significant social impact. Customers who have had unique experiences are more likely to share their experiences through various social media. This is a free promotion and companies can save costs, time, and create deeper awareness. Meanwhile, the social impact of experience marketing has the potential to make it easier to capture new customers. This is due to the effective sharing of experiences or word of mounth.

The company's efforts to increase customer loyalty to the hotel brand are to increase brand engagement. Customers who have loyalty engagement from customers is basically by reaching the target market, maintaining, and also retaining customers. Business people must often provide updated information about the latest products, promos, and so on. We recommend that the delivery of information is always carried out two-way communication. Understanding customer needs and wants is a way that hoteliers can increase brand loyalty.

Hotel managers are very important to know the characteristics of customers who will be used as marketing targets. It needs to be adjusted to the needs and desires of customers. So, customers will be interested in always buying the products offered. Hoteliers must be able to ensure the brand remains consistent in order to increase brand loyalty. Create an attractive label

or logo and introduce brand values in order to convince customers that the products offered by the hotel are the best. In the end, bringing customers to continue to buy such as holding promos and giving discounts is the last way that can increase brand loyalty and is intended to continue to bind customers.

Previous research results have also shown that experiential marketing has a positive influence on brand loyalty (Anisimova, Weiss, & Mavondo, 2019; Woratschek, Horbel, &; Popp, 2019; Pratminingsih, Astuty, &; Widyatami, 2018). The results of this study support the findings of Shafiee, Haghighizade, & Rahimzadeh (2019) which prove that experiential marketing has a positive effect on brand equity formed from the brand loyalty component. Then found similar results by Machado, Cant & Seaborne (2014) which proved that experiential marketing has a positive influence on brand loyalty. The problem faced by the hospitality industry is how to create a unique experience for customers through experience marketing strategies, thereby increasing customer loyalty to a brand.

E.   CONCLUSION

An effective marketing strategy makes brands in the hospitality industry more widely known by potential customers. Experiential marketing based on the creation of strong interactions allows brands to be known and engage customers in the creation of experiences. Experiential marketing is an effective way to engage current and potential customers and connect with them emotionally. Experiential marketing strategies can also have a significant social impact. Customers who have had unique experiences are more likely to share their experiences through various social media. This is a free promotion and companies can save costs, time, and create deeper awareness. Meanwhile, the social impact of experience marketing has the potential to make it easier to capture new customers. This is due to the effective sharing of experiences or word of mounth. Hoteliers must be able to ensure the brand remains consistent in order to increase brand loyalty. Creating attractive labels or logos and introducing brand value is aimed at convincing customers that the products offered are best and customer retention increases.

F.   SUGGESTIONS

Hoteliers in the hospitality industry need to choose an effective experience marketing strategy. This is aimed at creating a unique experience for customers. Unique experience creates customers to be more loyal to the hotel brand.

Hoteliers need to create brand value because it contributes significantly to brand loyalty. This is because brand value will increase customer trust and retention.

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