

THE INFLUENCE OF PROMOTION MIX, TRUST, AND EXPERIENTIAL MARKETING TOWARDS CUSTOMER LOYALTY OF ONLINE TRANSPORTATION

(A Study on the Customers of Grab and Gojek in Malang)

Nola Sandyasari
Raditha Dwi Vata Hapsari
Faculty of Economics and Business
Brawijaya University
Malang

ABSTRACT

This research aimed to determine the influence of the promotion mix, trust, and experiential marketing on Grab and Gojek customer's loyalty in Malang. In today's highly competitive market, retaining customers and maintaining their loyalty is very important and crucial in a business. Looking for a marketing strategy that is suitable for increasing customers loyalty is the obligation of Grab and Gojek companies. The purpose of this research was to analyze the influence of the promotion mix, trust, and experiential marketing, whether it had a positive and significant influence on customer loyalty at Grab and Gojek in Malang. The variables in this research are Promotion Mix (X1), Trust (X2), and Experiential Marketing (X3) as independent variables; and Customer Loyalty (Y) as the dependent variable. This research adopted a quantitative approach because quantitative research can be used to test certain hypotheses or research questions, and is generally used for descriptive and explanatory research. For data collection methods, distributing online questionnaires was used with a 5-point Likert scale. Criteria for respondents in this research include millennials generation with ages between 19-37 years, domiciled in Malang, using applications of their own volition, and using applications at least twice a month. Samples were taken as many as 264 respondents from Grab and Gojek users in Malang. Data analysis in this research used Multiple Linear Regression Analysis and hypothesis testing using t-test processed with SPSS software ver. 20. In other words, this study employed Non-Probability Sampling and Purposive Sampling techniques. Results indicated a positive and significant influence of promotion mix, trust, and experiential marketing on customer loyalty.

Keywords: Promotion Mix, Trust, Experiential Marketing, Customer Loyalty

BSTR K

Penelitian ini dilakukan bertujuan untuk mengetahui pengaruh dari bauran promosi, kepercayaan, dan pengalaman pemasaran terhadap loyalitas pelanggan Grab dan Gojek di Malang. Di pasar yang sangat kompetitif saat ini, mempertahankan pelanggan dan mempertahankan loyalitas mereka dianggap sangat penting dan krusial dalam sebuah bisnis. Mencari sebuah strategi pemasaran yang cocok meningkatkan loyalitas pelanggan adalah kewajiban perusahaan mitra Grab maupun Gojek. Tujuan dari penelitian ini adalah untuk menganalisis pengaruh dari bauran promosi, kepercayaan, dan pengalaman pemasaran apakah berpengaruh positif dan signifikan terhadap loyalitas pelanggan Grab dan Gojek di Malang. Variabel dalam penelitian ini adalah Promotion Mix (X1), Trust (X2), and Experiential Marketing (X3) sebagai variabel independennya; dan Customer Loyalty (Y) sebagai variabel dependennya. Penelitian ini mengadopsi pendekatan kuantitatif karena penelitian kuantitatif dapat digunakan untuk menguji hipotesis atau pertanyaan penelitian tertentu, dan umumnya digunakan untuk penelitian Descriptive atau Explanatory Research. Untuk metode pengumpulan data, menyebarkan kuesioner secara online digunakan di penelitian ini dengan Skala Likert 5-point. Kriteria responden pada penelitian ini diantaranya yaitu Generasi Millennial dengan usia antara 19-37 tahun, berdomisili di Malang, menggunakan aplikasi atas kemauan sendiri, dan menggunakan aplikasi setidaknya dua kali dalam sebulan. Sampel diambil sebanyak 264 responden dari pengguna Grab ataupun Gojek di Malang. Analisis data dalam penelitian ini menggunakan Analisis Regresi Linear Berganda dan uji hipotesis menggunakan uji-t yang diolah dengan software SPSS ver. 20. In other words, penelitian ini menggunakan teknik Non-Probability Sampling dan Purposive Sampling. Hasil menunjukkan pengaruh positif dan signifikan dari bauran promosi, kepercayaan, dan pengalaman pemasaran pada loyalitas pelanggan.

Kata Kunci: Bauran Promosi, Kepercayaan, Pengalaman Pemasaran, Loyalitas Pelanggan

INTRODUCTION

Grab is an online transportation company from Singapore that has been operating in 222 cities in Indonesia (Grab, 2019). According to Ridzki Kramadibrata, Managing Director of Grab Indonesia (2019), Grab currently has a 60% market share of two-wheeled services and 70% of four-wheeled services in Indonesia. Grab is engaged in marketing application technology in collaboration with car rental companies and private vehicles.

Grab application has many features that can be used. Grab also works with OVO, the OVO Balance electronic wallet feature contained in the Grab application is a non-cash payment instrument option that can be used by consumers (like Grab-Pay). A lot of benefits are provided by OVO for its customers, frequently in some stores such as fashion stores and food courts will offer discounts if you pay using OVO. To use Grab services, Grab application can be downloaded via a smartphone and this service can be well received by all people in Indonesia, especially the city of Malang.

Similar to Grab, an online-based transportation company that has functions and benefits like Grab is known as Gojek. PT. Karya Anak Bangsa, commonly called Gojek was established in Jakarta in 2010. Gojek was created to facilitate daily life amid congestion. The Gojek company created a transportation system that is effective and efficient. Gojek can be ordered through Gojek Apps, which can be downloaded on the Play Store and App Store.

In 2015, Gojek overgrew after bringing up their service applications, Go-Ride, Go-Send, and Go-Mart. Until now, the pace and development of Gojek have accelerated and continued to progress until it has become a leading technology group serving millions of users in Southeast Asia. Gojek has 3 main pillars or keys that must be done, namely, speed, innovation, and social impact. Through the Gojek application, customers can enjoy several services offered and can be ordered through the Gojek application. Unwittingly, Gojek has succeeded in providing an economic impact for Indonesia as well, Gojek contributed around IDR44.2 trillion (the US \$ 3 billion) to the Indonesian economy at the end of 2018 (Gojek, 2019).

If Grab has OVO as a payment method choice in addition to cash, Gojek also has Go-Pay as an easy and valid payment method. Frequently, Go-Pay also provides discounts or cash back for customers who buy food or drinks at selected merchants.

Indonesia is a country that has potential consumers for various products, so each company tries to increase its market share to reach consumers. To be able to win it, Grab and Gojek need to develop and strengthen the company's competitiveness by having a good reputation. The company's reputation can be in the form of attractive promotions given by the company to customers, trust, and also the experience of the customers themselves when using Gojek and Grab. Promotion mix, trust, and experiential marketing have a important role, especially for service companies such as Grab and Gojek based online transportation, because in this business, it can increase customer loyalty.

The progress of transportation in Indonesia has been growing very rapidly every year. With the continued increase in the number of vehicles, this has resulted in congestion. Transportation services are now considered as a very important tool in people's lives, transportation can be used by the community to facilitate and support their daily activities. Business in the field of public transportation services is currently a business prospect that has a large profit. In overcoming the frequent traffic jams, online transportation such as Grab and Gojek are very appropriate and effective solution to overcome these congestion and everyone tends to choose to use these online transportation services because they can get to their destination quickly and efficient.

The number of obstacles experienced by drivers when on the road sometimes makes customers disappointed. Lack of coordination between the customer and the driver is also one of the causes of the service from the driver not going well.

In the midst of fierce competition that is happening right now, transportation service companies are competing to offer their services with their respective advantages to consumers. Companies with similar service strive to obtain the maximum market share, so that it will become a service that is expected to be a market leader among other competitors. Therefore, several attempts have been made by the company to keep its customers loyal. Creating new creative ideas such as providing various types of discounts is one way for customers to continue to provide trust and continue to use their services.

To get customer loyalty that is increasingly trusting by improving service and trying to provide the best for its customers. Based on the previous research, customers' loyalty sense to a brand is

important for the company to stay afloat. Giddens (2002) argued that customers who are loyal to a brand have characteristics such as committing to the brand, dare to pay more, recommending the brand to others, making repeat purchases, and always following information related to the brand. When consumers are making a purchase transaction with the company, they want a memorable experience, commonly referred to as customer experience. So, it can be concluded that the experience of consumers is capital that companies can use to create customer loyalty.

The customer experience originates from a set of interactions between a customer and a product, a company, or part of its organization, which provoke a reaction. This experience is strictly personal and implies the customer's involvement at different levels (rational, emotional, sensorial, physical, and spiritual) (Gentile et al., 2007). Another definition by Chen and Lin (2014), customer experience is a cognitive recognition or perception, stimulating customer motivation. Such recognition or perception can increase the value of products and services. Customer experience is the result of consumer interaction with the company physically and emotionally. The results of this interaction can imprint on the minds of consumers and affect consumer ratings of the company. Customer experience also means a response from customers internally and subjectively as a result of direct and indirect interactions with the company. Direct relationship is usually due to the initiative of customers. While indirect relationships is often involve unplanned encounters, such as product appearance, brands, advertisements, and other promotions.

Customer experience is the most important thing for the company because the company can find out how consumers perceived the company or product. That way, the company knows how to get customer loyalty in the long run. According to Bernd H. Schmitt (1999), a module on consumer experience that will be managed in experiential marketing includes sense, feel, think, act, and relate. Research by Bernd H. Schmitt (1999) stated that experiential marketing is a business that is used by companies or marketers, to package products so they can offer emotional experiences to touch the hearts and feelings of consumers.

Experiential marketing is one of the efforts that has excellent benefits for companies that do it to gain customer loyalty in the long run for a product. The variables of experiential marketing can lead good perspective on a product and have an impact

in the form of the emergence of the value of experience in a product, both goods and services. The main purpose of experiential marketing is to build relationships so that consumers respond to product offerings based on emotional and rational response levels (Wachid Fz, 2011). In Previous research by Dr. Ren-Fang Chao (2015) mentioned that experiential marketing have a positive and significant impact on loyalty.

Experiential marketing can be applied by creating a product that will provide an unforgettable experience for customers with the support of a suitable marketing program. The positive experience felt by consumers can build a company image and raise their interest to be loyal customers. Previous research from Gita Sugiyarti and Hendar (2017) showed that experiential marketing has a positive association exists between experiential marketing and brand loyalty.

Based on data from the Badan Pusat Statistik (BPS) Kota Malang (2018), economic growth in the city of Malang is increasing every year. It is followed by a significant reduction in unemployment in Malang. Badan Pusat Statistik Malang noted that the economic growth of Malang in 2019 reached 5,73%, an increase compared to the previous year which was only 5,72% (Antara News Jatim, 2020). Head of BPS Malang, Sunaryo, said that the economic growth of Malang in 2019 which was 5,73% was higher compared to East Java Province which was only 5,52%, and nationally was 5,02% (Antara News Jatim, 2020). This indeed cannot be separated from the presence of Grab and Gojek who participated in providing new employment opportunities for unemployed people in Malang.

Malang is one of the student cities in Indonesia with various excellent campuses which become magnets for thousands of students both inside and outside Malang every year. As noted by the Badan Pusat Statistik (2018), Universitas Negeri Malang (UM) has a total of about 27.346 undergraduate students. Universitas Brawijaya (UB) has a total of about 50.250 undergraduate students. Politeknik Negeri Malang (Polinema) has around 9.932 students. Politeknik Kesehatan Kemenkes Malang (Poltekkes) has around 3.623 students, and Universitas Islam Negeri Maulana Malik Ibrahim Malang (UIN) has around 24.854 students. This further encourages the economic level of both small and medium-sized growth in the city of Malang, including Grab and Gojek.

Supported by the large number of universities in Malang, transportation service businesses are

needed because many students come from out of town, so they are in dire need of these online transportation services. As a millennial generation, they certainly have the character who always wants the easy, fast, cheap, and efficient. Therefore, Grab and Gojek always try hard to make their customers have a loyal nature. That is why solutions must be sought for online transportation customer loyalty in Malang.

Due to the economic growth in Malang, the number of newcomers who are studying, and tourists who will visit in this city is very much in line with the increasing income potential of Grab and Gojek in Malang. Grab and Gojek offer attractive promotional offers to customers so they will choose them as their transportation. Grab and Gojek companies will publish an advertisement, both in print media, the internet, as well as in the Grab and Gojek application itself, which aims to encourage consumers to use their services. In addition, the company is also concerned about their sales promotion, such as giving attractive discounts to customers who use the application for the first time and their loyal customers. Research by Ade Permata Surya (2019) mentioned that promotion have a significant positive effect on customer loyalty. Every day there will be discounts with different offers to attract the attention of consumers to use the application from Grab or Gojek intentionally or unintentionally (impulse buying).

Many efforts can be done by companies to attract consumers' interests visually, communication, and behavior. For example, at present, various types of promotions are carried out by companies to attract interest and strengthen the loyalty of their customers. Promotions made are usually in the form of cashback and discounted prices if paying using cashless. The company will also introduce products to the public that are carried out by online transportation services by sponsoring a particular event.

An attractive promotion will greatly affect customer perceptions about the company, which makes the company's reputation will be better in the customers view resulting in a sense of trust and commitment to continue using it for a long time. Customers who are satisfied with the services provided will be loyal to the services they used. Thus, promotion will lead to customers loyalty of the company.

To attract consumers' interest in using Grab and Gojek services offered, an effective promotion is needed at a competitive price compared to the prices offered by competitors. An attractive

promotion will affect the customer's interest to try to use the service. Therefore, companies will continue to be motivated to create attractive advertisements and promotions in order to influence customers to use their services. That way, customers will automatically try to compare the prices offered by competitors.

Improving reputation and maintaining the good name of the company is done so that the goals of the company can be achieved by using the public relations strategy. Public relations itself is a communication effort made by the company to influence the judgment and views of the company from its own consumers. Public relations also means communication between drivers from Grab and Gojek partners and customers.

There are some good attitudes and respect from Grab and Gojek drivers that can be used as examples and lessons, such as some drivers will prepare raincoat for passengers when it rains, drivers who swiftly help blind passengers, drivers who want to take critical passengers to the hospital without asking about fees, and many more good deeds from a driver to their passengers. Sometimes, some of these drivers get an unexpected reward from their company because they have done something that should be appreciated and have brought the good name of the online transportation company. With the mutual care attitude taken by the Gojek and Grab drivers, the community will see that Gojek and Grab partners are very caring and respectful of the passengers and people around them. For them, when carrying out tasks, customer safety and comfort is the main thing.

Direct marketing also has to be done by companies by giving freedom to customers of online transportation service users to assess the services that have been received through a star rating. That way, the company will immediately know how the direct perception of customers. In addition, the existence of a booth at the center of the crowd to promote and also serve customers can also be said direct marketing. The problem, there is no booth in the crowd like malls or supermarkets. With the booth or stand, new user customers can also ask question about the online transportation service and also how to use the application.

One of the cities in Indonesia that has considerable potential for Grab and Gojek companies is Malang. Malang is a city of education or a city of students, where many universities and schools have long been established. Then, there are thousands of students in Malang, and that has become a potential for the online-based

transportation company. Therefore, the income earned from the city of Malang will continue to increase. In fact, it is common to find Grab and Gojek partners who are still students to get additional income in their free time. Although online-based transportation like this is relatively new, there are quite a lot of people or students in Malang who use the service even though it is not in routine use.

Another factor that can be decisive for decision making in making online transportation service orders is trust. The variable of trust has a strong impact on the effectiveness and efficiency of relationship marketing. A trust in a brand can be obtained by customers through information about the company. Customer trust is important and has a big influence on Grab and Gojek because by starting with the belief in using a service, these customers will always use the service since they feel comfortable and satisfied. Therefore, trust is closely related to customer loyalty. A research by Roshana Gul (2014) mentioned that has a significant and positive relationship between trust and customer loyalty. Based on previous research by Vithya Leninkumar (2017) also stated that the customer trust and customer loyalty has positive and significant effect. A customer loyalty is the main goal that is pursued from modern marketing. Ali Hasan (2008) stated that customer loyalty is a customer who not only repurchases an item or services but also has a commitment and a positive attitude towards the service company, for example by recommending others to buy or use.

Customers build a service expectation from several sources, such as word of mouth information, past experience, and advertising. Customers will feel satisfaction if they gain experience more that what was expected. If they feel as expected, repeated purchases will occur. That way, it can be said that consumers loyalty has arisen.

Therefore, this research discussed whether some promotion mix, trust, and experiential marketing techniques and dimensions affect Grab and Gojek customers loyalty. Based on this explanation, the researchers were interested in conducting research entitled: "The Influence of Promotion Mix, Trust, and Experiential Marketing Towards Customer Loyalty of Online Transportation: A Study on the Customers of Grab and Gojek in Malang."

LITERATURE REVIEW

Promotion Mix

According to J. Paul Peter and James H. Donnelly (2007), the promotion mix concept refers to the combination and types of nonpersonal and personal communication the organization puts forth during a specified period. Kotler and Armstrong (2012) mentioned that a company's total promotional mix consists of the specific blend of advertising, public relation, personal selling, sales promotion, and direct marketing tools that the company uses to persuasively communicate customer value and build customer relationship. Furthermore, promotion mix elements are activities that communicate the product or service and its merits to target customers and persuade them to buy (Kotler & Armstrong, 2004).

According to Kotler and Armstrong (2001), there are five dimensions and indicators of the promotion mix:

1. Advertising
2. Sales Promotion
3. Public Relations
4. Direct Marketing

Trust

According to the Trust-Commitment theory by Morgan and Hunt (1994), trust is a crucial variable for maintaining a long-term relationship, including a brand. Long-term relationships will increase the level of consumer trust in expectations that will be received from the company (Gwinner, Gremler and Bitner in Simon, Auh and Smalley, 2005), so that it will reduce consumer anxiety about the service they receive. Furthermore, Delgado-Ballester and Munuera-Aleman (2005), and Lau and Lee (1999), state that trust in a brand is determined by the understanding of previous experience, as well as the brand experience.

According to Kotler and Keller (2012), trust is the willingness of companies to depend on business partners. Trust depends on several factors between individuals and between organizations such as competence, integrity, honesty and kindness. Building trust can be difficult in online situations, and companies apply strict regulations to their online business partners compared to other partners. Business buyers worry that they will not get the right quality product or service delivered to the right place at the right time. From this definition, it can be concluded that trust is the achievement of expectations by companies to customers. If all customer expectations can be fulfilled, the customer will maintain a relationship

with the company in the future (Moorman et al., 1992).

According to Gefen and Straub (2004), there are three dimensions or indicators that underlie the concept of trust, including:

1. Integrity
2. Benevolence
3. Ability

Experiential Marketing

The main core of experiential marketing is to build loyal relationships with customers through 5 aspects, namely, sense, feel, think, act, and relate. Experiential marketing provides an opportunity for customers to gain a series of experiences with brands, products and services that provide enough information to make a purchasing decision competence to solve problems faced by consumers. Research by Bernd H. Schmitt (1999) stated that experiential marketing is a business that is used by companies or marketers, to package products so they can offer emotional experiences to touch the hearts and feelings of consumers. Furthermore, Handi Chandra (2008) emphasized that experiential marketing is a marketing strategy that is wrapped in the form of activities to provide an experience that can leave an impression on the hearts of consumers.

Experiential marketing can be very useful for a company that wants to enhance a brand that is in a downward stage, differentiate their products from competing products, create an image and identity for a company, and increase innovation and persuade customers to try and buy products (Maghnati et al., 2012).

According to Bernd H. Schmitt (1999), experience modules that will be managed in experiential marketing include sense, feel, think, act, and relate.

Customer Loyalty

Oliver (1999) defined customer loyalty as a promise of buyers to purchase particular products, services and brands of an organization over a consistent period, irrespective of competitor's new products and innovations and these customers are not compelled to switch. Furthermore, Lam et al. (2004) defined customer loyalty as evidence of the repeated patronage of a service provider and the recommendations of a service provider to other customers. From these definitions, it can be concluded that customer loyalty is a behavior of customer loyalty to a product, either in the form of goods or services that are marked by the support of

these products and will buy repeatedly or subscribe.

Dimensions by Griffin (2012) can measure customer loyalty for a study, as elaborated below:

1. Repeat Purchase
2. Recommend to others
3. Immunity from the attractiveness of competing products

Hypothesis

H₁: Promotion Mix (X₁) has a positive and significant influence on Customer Loyalty on Grab and Gojek customers in Malang.

H₂: Trust (X₂) has a positive and significant influence on Customer Loyalty on Grab and Gojek customers in Malang.

H₃: Experiential Marketing (X₃) has a positive and significant influence on Customer Loyalty on Grab and Gojek customers in Malang.

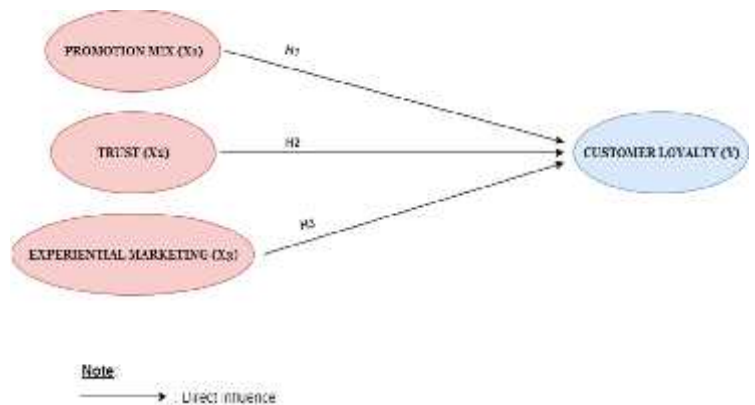


Figure 1: Research Framework

RESEARCH METHOD

The research method that used was explanatory research with quantitative approach. In this research, the independent variables are Promotion Mix (X₁), Trust (X₂), and Experiential Marketing (X₃). While the dependent variable is the Customer Loyalty of Online Transportation (Y). The location of the research took place in Malang city because Malang is an education city/student city, where many universities and schools were established in Malang. There are thousands of students in Malang, and it is potential for online transportation companies like Grab and Gojek. Therefore, the income earned from the city of Malang will continue to increase. The population chosen by the researcher as the source of data needed for this research focuses more on Generation Z or what is commonly referred to as millennial generation. The research revealed that in multivariate research included in multiple

regression analysis which explained that the sample size must be at least 10 times the number of variables in the research and a maximum of 500. In this research, the number of variables studied was three independent variables and one dependent

variable, so that minimum sample size is 10×10 variables = 100 respondents. However, to strengthen the results of this research, the number of respondents was 264 people.

RESEARCH RESULTS AND DISCUSSION

Table 1. Regression Results

Dependent Variable	Independent Variables	Unstandardized Coefficients	Standardized Coefficients (Beta)	t	Sig.	Information
Customer Loyalty (Y)	(Constant)	3.583		2.644	0.009	
	Promotion Mix (X1)	0.205	0.213	3.273	0.001	Significant
	Trust (X2)	0.202	0.184	2.444	0.015	Significant
	Experiential Marketing (X3)	0.319	0.427	5.433	0.000	Significant
R: 0.770 R Square: 0.593 Adjusted R ² : 0.588 F count: 126.154 Sig. F: 0.000 F Table: 2.639 t Table: 1.969						

Source: Primary Data, Processed in 2020

The regression model used is standardized regression, because the data used in this research are interval data measured by Likert scale. Likert scale is used to measure the attitudes, opinion, and perceptions of a person. In standardized regression, the size of the variable or the size of the answer has been equalized. The regression equation obtained based on Table 1 are as follows:

$$Y = + 1 X_1 + 2 X_2 + 3 X_3 + e$$

$$Y = + 0.213 X_1 + 0.184 X_2 + 0.427 X_3 + e$$

In this research, as many as 264 respondents were participated. The instrument test was conducted with a validity test and a reliability test. The results obtained from validity test showed significance value greater than r_{Table} , which means that each item variable was valid. So, it was concluded that these items could be used to measure the research variables. Followed by the reliability test using Cronbach Alpha, where each variable was found to be reliable because the value of Alpha Cronbach was greater than 0.6.

The classical assumptions test became the next test; the classical assumptions test consisted of a normality test, a multicollinearity test, and a heteroscedasticity test. the results of the normality test where the test was carried out using the Kolmogorov-Smirnov method, with a significant value greater than 0.05, which means unstandardized distributed.

Then, the second was multicollinearity test, with a Tolerance value of each variable greater than 0.1 and a VIF value greater than 10. It can be

concluded that there was no multicollinearity between the independent variables. The third test was the heteroscedasticity test using a Scatterplot diagram which resulted of no specific pattern, so there is no heteroscedasticity. So, it can be concluded that the remainder had a homogeneous variety (constant) or in other words, there were no symptoms of heteroscedasticity.

The research method used multiple linear regression analysis techniques with the findings in the regression equation table. Promotion Mix (X_1), Trust (X_2), and Experiential Marketing (X_3) towards Customer Loyalty have a positive direction, which if Promotion Mix (X_1), Trust (X_2), and Experiential Marketing (X_3) increase, it will increase Customer Loyalty.

The Influence of Promotion Mix (X_1) Towards the Customer Loyalty (Y)

In the results of the analysis using the multiple regression method, t value obtained was 3.273 with sig. t of 0.000 with t_{Table} of 1.969. So, the Promotion Mix variable has an influence on Customer Loyalty. If seen from the significance value of t of 0.001 smaller than alpha used is $0.001 < 0.05$. So, it can be concluded that the Promotion Mix has a positive and significant influence on Customer Loyalty.

Based on the results of testing the hypothesis (H_1) about the promotion mix that affects customer loyalty, it can be concluded that customer loyalty will increase if the company adopts the promotion mix approach correctly and attractively. After doing research, it is proven that when consumers feel that the online transportation they use often

gives discounts, then customers will be happy and repeat using it because it is beneficial and make customers to be loyal. Furthermore, giving a good image in the view of costumers are also very important because it can cause a sense of loyalty.

The Influence of Trust (X₂) Towards the Customer Loyalty (Y)

In the results of the analysis using the multiple regression method, t value obtained was 2.444 with tTable of 1.969 so that the Trust variable has a significant effect on Customer Loyalty. If seen from the significance value of t of 0.015 smaller than alpha used is $0.015 < 0.05$. So, it can be concluded that Experiential Marketing has a positive and significant influenced on customer loyalty.

Based on the results of hypothesis testing (H₂) about trust that affect customer loyalty, it can be concluded that customer loyalty will increase if they have trust in a product or service. After conducting research, it is evident that customer feel confident that the company from the online transportation that they use frequently will always maintain their reputation and image. In addition, they also believe that online transportation they use will always provide clear detailed information regarding the identity of drivers who will pick up and drive customers. A sense of trust that arises from the customer will also create a sense of loyalty.

The Influence of Experiential Marketing (X₃) Towards the Customer Loyalty (Y)

In the results of the analysis using the multiple regression method, the calculated t value of 5.433 with tTable of 1.969, so that the Experiential Marketing variable has a significant effect on Customer Loyalty. If seen from the significance value of t is 0.000 smaller than alpha used is $0.000 < 0.05$. So, it can be concluded Experiential Marketing has a significant influence on Customer Loyalty.

Based on the results of testing the hypothesis (H₃) about experiential marketing that affects customer loyalty, it can be concluded that if customers have a good experience then they will be loyal customers of the company. After conducting research, it is evident that in the experience of passengers using the services of Grab or Gojek they feel safe, comfortable, and satisfied then it is likely that they will become loyal customers who will always use the services of Grab or Gojek and also recommend the service to friends and family.

Afterwards, experience related to the ease of use of applications and the existence of various features to facilitate customer needs is also one of the most important things that can lead to repeated use.

Limitations

This research has limitation such as:

1. This research was conducted in Malang, so the sample used could not cover the entire population.
2. Distribution of questionnaires conducted in this research only through online platform with shared questionnaire link.
3. The variables used in this research are limited. This research only used three variables, including Promotion Mix, Trust, and Experiential Marketing. So, it is expected that future research can add other variables that are suitable and supporting this research. According to the researchers, variables that might be suitable and support this research, such as Customer Perceived Value and Perception of Service Quality.

CONCLUSION & SUGGESTIONS

Conclusions

1. Based on the calculation of multiple linear regression analysis, it can be seen that to determine the effect of individual (partial) independent variables (Promotion Mix (X₁), Trust (X₂), and Experiential Marketing (X₃)) on Customer Loyalty is done by t-test. Based on the test results found that there are three variables that have a significant influence on Customer Loyalty namely, Promotion Mix (X₁), Trust (X₂), and Experiential Marketing (X₃).
2. Furthermore, based on the results of the t test it was found that the Experiential Marketing variable had the largest t value and the beta coefficient. So, the Experiential Marketing variable has the strongest influence compared to other variables, and the Experiential Marketing variable has a dominant influence on Customer Loyalty.
3. Trust in a brand is determined by an understanding of previous experience, as well as brand experience. Ponsonby-McCabe and Boyle (2006) observed that there are two cases that affect the likelihood of brand experience related to customer loyalty: first, consumers are willing to repurchase the same brand over and over because of impressive past experiences; and second, consumers believe

that brand experience provides valuable benefits for the price paid for it.

Suggestions

1. First, it is expected that the company can maintain and improve the quality of experiential marketing because the Experiential Marketing variable has a dominant influence in influencing customer loyalty.
2. Second, based on questionnaire survey, promotion mix on the direct marketing indicator has the lowest score, so the company must make improvements to the indicator. For example, by opening an open booth or stand in a crowd center such as a mall is still needed by customers, especially new customers who are first time using online transportation to get ease of service and information related to the use of the online transportation application.
3. Third, based on the survey, the variable of trust in the integrity indicator has the second lowest score, where integrity is a factor that can provide convenience for customers in using online transportation such as the suitability of the vehicle type and number of the vehicle listed on the application, guaranteeing safety does not occur as long as passengers drive online transportation. So, the company must have a system that can monitor every vehicle used by its online transportation driver, whether the vehicle used by the driver is in accordance with the application or not.
4. Fourth, companies must always improve and control the quality of safety and comfort in using their services. That way, consumers will always use their services.
5. Fifth, the company must also carry out routine checks on vehicles used by partners or drivers. The condition of the vehicle used by the driver to deliver customers also has an influence on customer loyalty. If the customer has a bad experience with the condition of the vehicle that they have used, there is little chance that the customer will reconsider using the service again.
6. Lastly, the independent variables in this research are very important in influencing Customer Loyalty, it is expected that the results of this research can be used as a reference for future researchers to develop this research by considering other variables.

REFERENCES

- Antara News Jatim. (2020). Ekonomi Kota Malang Tumbuh 5,73 Persen Pada 2019. Retrieved from <https://jatim.antaranews.com/berita/356874/ekonomi-kota-malang-tumbuh-573-persen-pada-2019>
- Auh, S., and Johnson, M. D. (2005). Compability Effects in Evaluation of Satisfaction and Loyalty. *Journal of Economic Psychology*, 26(1), 35-57.
- Badan Pusat Statistik (BPS) Kota Malang. (2018). Kota Malang Dalam Angka 2018. Retrieved from <https://malangkota.bps.go.id/>
- Boddewyn, J.J. and Leardi, M. (1989). Sales Promotion Practice, Regulation and Self-Regulation Around the World. *International Journal of Advertising*, 8(4), 363-374.
- Buchory, Achmad, Herry & Saladin, Djaslim. (2010). *Manajemen Pemasaran*, Edisi Pertama. Bandung. Linda Karya.
- Chandra, Handi. (2008). *Marketing untuk Orang Awam*. Palembang. Maxicom.
- Chao, Dr. Ren-Fang. (2015). The Impact of Experimental Marketing on Customer Loyalty for Fitness Clubs: Using Brand Image and Satisf action as the Mediating Variables. *The Journal of International Management Studies*, 10(2), 52-60.
- Chen, S.-C., & Lin, C.-P. (2014). The impact of customer experience and perceived value on sustainable social relationship in blogs: An empirical study. *Journal of Technological Forecasting & Social Change xxx (2014)*, 1-11.
- Delgado, Ballester, E & Luis Munuera-Alemán, J. (2000). Brand Trust In The Context of Consumer Loyalty. *European Journal of Marketing*, 32(11/12), 1238-1258.
- Djaslim, Saladin dan Herry, Achmad Buchory. (2010). *Manajemen Pemasaran Ringkasan Praktis, Teori, Aplikasi, dan Tanya Jawab*. Bandung. Linda Karya.
- Elia et al. (2016). Enhancing Brand Experience

Along with Emotional Attachment Towards Trust and Brand Loyalty. *Management and Entrepreneurship Journal*, 18(1), 33-44.

Gefen, D. dan Straub, D.W. (2004). Consumer Trust in B2C e-Commerce and the Importance of Social Presence: Experiments in e-Products and e-Services. *Omega: The International Journal of Management Science*, 32(6), 407-424.

Gentile, C., Spiller, N., & Noci, G. (2007). How to sustain the customer experience: An overview of experience components that co-create value with the customer. *European Management Journal*, 25(5), 395-410.

Giddens, Nancy and Hofmann, A. (2002). *Brand Loyalty*. Missouri Value Added Development Center. University of Missouri.

Gita et al. (2017). Experiential Marketing Creative Antecedence for Success of Brand Loyalty (A Study on the Users of Perfume for Body in Indonesia). *International Review of Management and Marketing*, 7(1), 529-536.

Gojek. (2019). About Gojek. Retrieved from <<https://www.gojek.com/>>

Grab. (2019). About Grab. Retrieved from <<https://www.grab.com/id/>>

Gremler, Brown in Hasan, Ali. (2008). *Marketing*. Yogyakarta.

Griffin, Jill. (2012). *Customer Loyalty*. Jakarta. Penerbit Erlangga.

Gujarati, Damodar N. (2003). *Basic Econometrics*, 4th Edition. McGraw-Hill Higher Education.

Gujarati, Damodar N. (2004). *Basic Econometrics*. Jakarta. Penerbit Erlangga.

Gul, Roshana. (2014). The Relationship between Reputation, Customer Satisfaction, Trust, and Loyalty. *Journal of Public Administration and Governance*, 4(3), 368-387.

Hasan, Ali. (2008). *Marketing*. Yogyakarta. Media Utama.

J. Paul, Peter and James H., Donnelly. (2007). *Marketing Management*. 8th Edition. McGraw-Hill International Edition, Singapore.

Kotler, Philip and Armstrong, G. (2001). *Principles Marketing*. Prentice Hall Int. Inc., 9th Edition. Engelwood Cliffs.

Kotler, Philip and Armstrong, G. (2004). *Principle of Marketing*, 10th Edition. New Jersey. Pearson.

Kotler, Philip and Armstrong, G. (2006). *Prinsip-Prinsip Pemasaran*, 12th Edition. Volume 2. Jakarta.

Kotler, Philip and Armstrong, G. (2012). *Principles of Marketing*, 14th Edition. New Jersey. Prentice-Hall Published.

Kotler, Philip and Keller, K., L. (2006). *Manajemen Pemasaran*, 12th Edition. 1. New Jersey. Indeks.

Kotler, Philip and Keller, K., L. (2012). *Marketing Management*, 14th Edition. Pearson Education, New Jersey. Prentice Hall.

Kotler, Philip and Keller, K., L. (2016). *Marketing Management*, 15th Edition. Canada. Pearson Education, Inc.

Lam, S.Y., Shankar, V., Erramilli, M.K. and Murthy, B. (2004). Customer Value, Satisfaction, Loyalty, and Switching Cost: An Illustration from A Business-to-Business Service Context. *Journal of the Academy of Marketing Science*, 32(3), 293-311.

Lau, Geok Then and Lee, S.H. (1999). Consumers' Trust in a Brand and the Link to Brand Loyalty. *Journal of Market-Focused Management*, 4, 341-370.

Leninkumar, Vithya. (2017). The Relationship Customer Satisfaction and Customer Trust on Customer Loyalty. *International Journal of Academic Research in Business and Social Sciences*, 7(4). 450-465.

Maghnati, Farshad., Kwek Choon Ling and Amir

Nasermoadeli. (2012). Exploring the Relationship between Experiential Marketing and Experiential Value in the Smartphone Industry. *Journal of International Business Research*, 5(11).

Moorman, C., Zaltman, G and Deshpande R. (1992). Relationships Between Providers and Users of Marketing Research: The Dynamics of Trust Within and Between Organizations. *Journal of Marketing Research*, 29(3), 314-329.

Morgan, R. M & Hunt, S. D. (1994). The Commitment-Trust Theory of Relationship Marketing. *The Journal of Marketing*, 58(3), 20-38.

Nema, G., et al. (2012). Impact of Sales Promotion Techniques on Consumer Buying Decision with Respect to Personal Care Products Among College Teachers of Indore. *Arash a journal of ISMDR*, 2(1), 29-35.

Oliver, Richard L. (1999). Whence Consumer Loyalty. *Journal of Marketing*, 63, 33-44.

Ponsonby-McCabe, Sharon and Boyle, Emily. (2006). Understanding Brands as Experiential Spaces: Axiological Implications for Marketing Strategists. *Journal of Strategic Marketing*, 14(2), 175–189.

Schmitt, Bernd H. (1999). *Experiential Marketing: How to Get Customers to Sense, Feel, Think, Act, and Relate to Your Company and Brands*. New York: The Free Press.

Schmitt, Bernd H. (1999). Experiential Marketing. *Journal of Marketing Management*, 15(1/3), 53-67.

Surya, Ade, Permata. (2019). Customer Loyalty from Perspective of Marketing Mix Strategy and Customer Satisfaction (A Study from Grab Online Transportation in Era of Industrial Revolution 4.0). *Jurnal Ilmiah Manajemen*, 9(3), 394-406.