Consumer Loyalty as Impact of Marketing Mix and Customer Satisfaction

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Abstract. This study aims to analyze the influence of the marketing mix consisting of products, prices, places and promotions as one of the marketing strategies at Solata Cafe Palopo. The population in this study is Solata Cafe Palopo customers with a sampling technique using purposive sampling and data obtained by distributing questionnaires to 100 respondents. The method used in this study is the evaluation of SEM models using Partial Least Square (PLS). Results of the study show that product, place and promotion variables have a significant effect on customer satisfaction while the price variable does not have a significant effect on customer satisfaction; and customer satisfaction has a significant effect on customer loyalty at Solata Cafe Palopo. R-Square in this study means that the influence of product, price, place and promotion variables on customer satisfaction is influenced by other variables outside this study.

Keywords: consumer loyalty, marketing mix, customer satisfaction

Introduction
Restaurants and cafes have entered an era of very tight competition in all fields. Based on that condition, restaurant and cafe owners need to think of the right strategy to increase sales volume. The dynamic development of fast technology also changes consumer behavior to be more critical and free to get information. Competition can be won by providing the best products and services so that they can meet the ever-evolving and changing tastes of consumers. Customer is an important factor that must be considered by the company; it is because by knowing and fulfilling what the customer needs and wants the company can seize market share that has an impact on customer loyalty. Thus, it can be said that marketing activities are needed by organizations and companies as the spearhead in getting customers.

Palopo City as one of the cities in South Sulawesi has not escaped the rapid growth of cafes and restaurants. Almost in every corner of the city we can find cafes and restaurants that compete with each other to get customers. To be able to compete, cafe and restaurant entrepreneurs in Palopo City must think about the marketing strategy that will be used. One of the commonly used marketing strategies is the Marketing Mix approach.

The marketing mix, especially the 4Ps, is increasingly being used by companies to formulate strategies and product or service offerings for the industry or market, while in the service sector, 3 additional elements are added to become 7Ps. According to (Jochen Wirtz, 2014), traditional marketing mix of 4P does not involve customer interface, so that an expansion of the concept of 4P to 7P is needed by adding People, Process and, Customer Service. (Juli Ismanto, 2020) added one variable in the Service Marketing Mix, namely the Physical/Environmental Evidence variable. The physical evidence variable is related to the management of service environment, so that the Service Marketing Mix becomes 8P.

Another element that also plays an important role in marketing is satisfaction
and loyalty. (Kotler & Keller, 2016) argue that customer satisfaction is an expression shown by an individual in the form of pleasure or disappointment arising from feeling the benefits received from a product and comparing it with the expectations of the product. Customer satisfaction can be created and provide benefits in the form of establishing harmonious relationships between companies and customers, giving a good impression, making repeat purchases and creating customer loyalty, also providing word of mouth recommendations that are profitable for the company (Fitri, et al. 2019). (Philip Kotler, 2016) states that loyalty is a commitment owned by individuals to buy a preferred product or service in the future. Loyalty does not only increase value in business, but through loyal customers, the company can get new customers. That’s because one of loyal customer behavior is to recommend the company concerned to others (Budianto, 2019). Therefore, loyal customers will become valuable assets for the company.

The 4Ps in the marketing mix consists of price, product, promotion, and place. Service marketing has additional marketing elements, amely people, physical evidence, and processes. With those additional elements, the marketing mix becomes the 7Ps. (Kotler & Armstrong, 2011) provide a definition for each element as follows: (1) Product is a set of product components including product development, planning and services suitable for marketing by changing existing products or services by adding and changing other actions to influence various products or services, (2) Price is a decision determined by the company’s management to set the appropriate base price for a product or service or can also be said as a strategy for determining discounts, as well as determining shipping costs and other relevant variables, (3) Distribution is a component used to distribute products or services and select and manage trade channels to serve the target market, and develop distribution systems for physical shipping and trading of products, and (4) Promotion is a component used to provide information through advertisements, personal sales, sales promotions, or publications so that the market increases new products or services to the company.

In service marketing, other elements can be controlled and coordinated for communication and service purposes that satisfy consumers. These elements are the 3Ps, so that the marketing mix becomes 7Ps, namely: (1) Physical evidence is the real thing that also influences the consumer's decision to get and use the product or service offered. The elements included in physical facility are physical environment or buildings, equipment, logos, colors and other items, (2) People are all actors who play an important role in service delivery so that they can influence the perception of buyers. People factors are company employees, consumers, and other consumers. All employee attitudes and actions, clothing and appearance have an influence on the success of service delivery, and (3) Process is a service to provide all the actual procedures, mechanisms, and flow of activities used. Service has the meaning to create elements in forming processes. The marketing mix is a process in service to create the main factors that can make customers feel happy so that the delivery system is formed as part of the service itself.

The seven elements above are tools that companies can use to influence and gain customers. Each element in the marketing mix is designed to be useful in influencing customers so that they can form a good picture of a product. The needs and desires of consumers that can be met by the company can be identified by building effective communication.

Everyone involved in the business certainly has a responsibility to customer satisfaction. Consumer satisfaction is the consumer’s perception that their expectations have been met or exceeded or the degree to which a product’s perception meets the buyer’s expectations. Consumer expectations are generally consumers’ estimates or beliefs about what they will get when they buy or consume a product.

A satisfied consumer is a consumer who feels that they are receiving added value from a supplier or manufacturer. This value can come from products, services, systems, or something emotional. When consumers say that value is a quality product, satisfaction arises when consumers receive a quality product. If convenience is of value to the consumer, satisfaction will be achieved if the service received is truly comfortable. If the consumer’s value is a low price, the consumer will be satisfied with the manufacturer that offers the most competitive price.
Customers who feel satisfied both in terms of products and services have a tendency to make repeat purchases in the future. Satisfying consumer needs are a major goal of a company since it is an important factor, an element of the company’s survival to be able to maintain or improve competitiveness. (Kotler & Keller, 2016) suggest that customer satisfaction is a form of expression either in the form of feelings of likes or dislikes of customers arising from the perceived performance of a product and then compared with expectations.

Consumer satisfaction is achieved when the expectations expected by customers in feeling a product are greater so that the perceived benefits are greater than the sacrifices incurred. (Kotler & Armstrong, 2011) suggests that it is a person’s feelings after making a comparison between one product with another.

Consumer satisfaction or dissatisfaction is a response to an assessment of the perceived discrepancy or disapproval between the above expectations and the actual perceived performance of the product after use. Customer satisfaction can also be described as an emotional response to experiences related to the purchased product or service. Consumer satisfaction is highly dependent on consumer perceptions and expectations. Factors that influence consumer perceptions and expectations include needs and wants about the things that consumers feel when trying to transact with product manufacturers, prior experience of consuming the company’s or its competitors’ products, and experiences of friends.

Some other opinions suggest that satisfaction is a post-consumer assessment to choose multiple alternatives to meet expectations. Satisfaction is achieved when quality meets and exceeds the expectations, wishes and needs of consumers. On the contrary, satisfaction will not be achieved if the quality does not meet and exceed the expectations, wishes and needs of consumers. Consumers who are not satisfied with the goods or services they have consumed look for other companies that can satisfy their needs. From various opinions above, it can be concluded that the definition of consumer satisfaction is the level of feelings of one after comparing the performance of the product they experience with their expectations.

According to (Gusnaedi, 2019), customer satisfaction is a comparison between services or results received by consumers with consumer expectations. Consumers assess their satisfaction or dissatisfaction with a level of expectations they have created or have contained in their minds. Dissatisfaction situation occurs after consumers use a product or experience a service that is purchased and feel that the product’s performance does not meet their expectations. One of the most decisive factors in customer satisfaction is their perceptions and expectations of service. There are three factors that affect customer perceptions and expectations, namely Conformity of expectations, Interest in revisiting, and willingness to provide recommendations.

Customer satisfaction can be used by a company to create customer loyalty. This is far more important than trying to get new customers since the costs required to get new customers are far greater than the costs that must be spent to retain old customers.

Continuous customer satisfaction is a form of customer loyalty that arises even though the loyalty that appears is not the result of customer satisfaction. Loyalty is a form of commitment from customers to a product or service that is manifested in repurchasing or becoming an agent for companies in disseminating information. This arises because the product or service of the company can provide satisfaction or an experience that meets the expectations of customers. Loyalty can arise when consumers have made product purchases and satisfied customers have a tendency to be loyal compared to dissatisfied customers (Philip Kotler, 2016).

By understanding the level of customer loyalty, the company will be able to get a picture of the customers so that it can facilitate customers’ feeling of satisfaction, and design strategies and marketing policies that are right for the company.

According to (Jochen Wirtz, 2014), loyalty is recently used in a business context to describe the willingness of customers to always use the company’s products, especially executives, for the long term and to recommend the company’s products to friends and colleagues. (Fitri et al., 2019) defines loyalty as a combination of happy customer attitudes (customers’ favorable attitude) and repeat purchase behavior.

Customers are becoming increasingly
difficult to serve, becoming more aware, more demanding. It challenges the companies to not only get satisfied customers but demands that they get more satisfied customers (delighted) so that customers become loyal (Henriawan, 2015). (Budianto, 2019) suggests that consumer loyalty is a customer’s commitment to a brand, store or supplier based on a very positive nature in long-term purchases.

From this understanding, loyalty can be said to be achieved through a combination of satisfaction and complaints. Meanwhile, customer satisfaction is how good the business is at generating satisfaction by minimizing complaints so that consumers can make long-term purchases.

According to (Juli Ismanto, 2020), consumer loyalty is a consumer’s commitment to something based on a positive attitude and is reflected in consistent repeat purchases. The indicators of consumer loyalty are as follows: (1) Trust is a response to consumer confidence in something, (2) Emotional Commitment is a psychological commitment of consumers to something, (3) Switching Cost is the consumer’s response to the burden received when a change occurs, (4) Word of Mouth is a publicity behavior that consumers do to something, and (5) Cooperation is a consumer behavior that shows an attitude that cooperates with the market.

According to (Budi Martini, 2013), loyalty is the result of a process of serious attention to what makes customers feel at home and the ability to continuously understand it. Customer loyalty has stages; according to (Hayes, 2008) there are eight stages of customer loyalty: suspects, prospect, disqualified customers, repeat customers, clients, advocates and partners.

Meanwhile, according to (Kotler & Armstrong, 2011), indicators of customer loyalty are as follows: (1) Repeat purchase is loyalty to the purchase of the product, (2) Retention is resistance to negative influences about the company, (3) Referalls is total essence of the company.

By knowing the indicators of customer loyalty, the company will be able to get a picture of the customer so that it can facilitate the company to design strategies and marketing policies that are right for the company.

This research was conducted to get an outline of the consumers of Cafe and Resto in Palopo City. It is hoped that by knowing what the needs and desires of consumers are, restaurant and cafe entrepreneurs in Palopo City can prepare strategies to get consumers, especially with regard to products, places, prices, promotions and services from cafes and restaurants.

The concepts of marketing mix, satisfaction and loyalty have a mutually influencing relationship between each variable. Satisfaction can be created when elements of the marketing mix such as product, price, place and promotion can provide benefits to consumers. When the expectations of one of the elements of marketing mix can meet consumer expectations, consumers will feel satisfied; otherwise, if the elements of marketing mix do not exceed the expectations of consumers, they will feel dissatisfied. This is also in line with several studies which found that there is an effect of marketing mix elements on consumer satisfaction.

Customer satisfaction created can be driven into loyalty, where loyal customers to a product will provide great benefits. In addition to indirectly making repeated purchases, they will also become a promotional medium for the company’s products by sharing their experiences with other consumers about the benefits obtained from the company’s products compared to other similar products. This certainly requires a great effort from the company to create consumer loyalty. Loyalty can be created when customer satisfaction can be achieved by providing more value in the company’s products. Several studies have also found that there is a direct and influential relationship between customer satisfaction and loyalty.

Based on the review of some familiar literature, the formulation of the problem in this study was formulated, namely whether the marketing mix affected customer satisfaction and loyalty.

Research Methodology

This research was conducted at Solata cafe in Palopo city with a total sample of 100 samples using the purposive sampling technique. Data collection techniques used are interviews, observation and documentation. Purposive sampling is the selection of research samples based on certain criteria that are considered representative of the population. In other
words, the sample is selected based on certain criteria that are in accordance with the research objectives (Syahrum & Salim, 2012). Specific characteristics that the authors choose as sampling are: (1) Respondents who are currently or have been to Solata Café Palopo, and (2) Respondents who have visited Solata Cafe Palopo more than once.

Data that has been collected will be processed through validity and reliability tests to find out whether the data collected is valid and reliable. The data that has passed the validity and reliability test were tested for the relationship of variables using the PLS statistical analysis tool.

Results and Discussion
Research Finding

This study aims to determine the effect of the marketing mix consisting of products, prices, places and promotions on customer satisfaction turned into customer loyalty at Solata Café Palopo. Based on data analysis, the following results are obtained in table 1.

From this study, it is known that the product has a significant effect on customer satisfaction on Solata Café Palopo with a Statistical T value of 2.627 > T Table of 1.986, while P values of 0.009 < 0.05. These results prove the hypothesis which states that the product effect on customer satisfaction can be accepted. The results of this study are in line with research conducted by (Dewi, 2020) and (Devi & Yasa, 2021) where the results show the product has a significant effect on customer satisfaction. It also shows that the better the product presentation and product quality offered by Solata Café, the more customer satisfaction of Solata Café will increase.

This result also implies that a quality product will provide satisfaction to consumers. The number of cafes and restaurants in Palopo City can give consumers choices in finding references about the best cafe and restaurant products. This is also supported by the large amount of information circulating on social media and the internet about quality products, especially in Palopo City. Solata cafe as a restaurant and cafe must pay attention to the quality of the products offered so that it can attract interest and make consumers satisfied.

The results of this study are in line with research by (Nugraha, et al 2021) who found there are three aspects of the performance of product attributes: customer expectations, company products and competitor products. The performance of customer expectations is the level of customer expectations for a product. Meanwhile, the performance of the company’s and competitors’ products is the level of customer assessment of

| Original Sample (O) | Average Sample (M) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|---------------------|--------------------|----------------------------|---------------------------|----------|
| PRODUCT(X1) -> CUSTOMER SATISFACTION(Y1) | 0.227 | 0.230 | 0.087 | 2.627 | 0.009 |
| PRICE(X2) -> CUSTOMER SATISFACTION (Y1) | -0.211 | -0.217 | 0.110 | 1.915 | 0.056 |
| PLACE (X3) -> CUSTOMER SATISFACTION (Y1) | 0.382 | 0.372 | 0.082 | 4.663 | 0.000 |
| PROMOTION(X4) -> CUSTOMER SATISFACTION (Y1) | 0.240 | 0.239 | 0.118 | 2.034 | 0.043 |
| CUSTOMER SATISFACTION (Y1) -> CUSTOMER LOYALTY(Y2) | 0.876 | 0.874 | 0.039 | 22.521 | 0.000 |

Source: Data Proceed (2020)
the company’s products and competitors’ products.

Price does not significantly influence customer satisfaction with a Statistical T value of 1.915 < T Table of 1.986, while P values of 0.056 > 0.05. These results prove that the hypothesis stating that price affects customer satisfaction cannot be accepted. The results of this study are in line with research conducted by (Sari, Anindita, & Setyowati, 2018) and (Monica & Hia, 2014) where the results indicate that price does not significantly influence customer satisfaction. This result also shows that the price offered by Solata Café does not affect customer satisfaction because customers feel the quality and benefits of the products obtained so that prices do not have an effect.

These results also indicate that price is not the main factor for someone visiting the cafe. The times have changed consumer behavior, especially consumer behavior in choosing a place to visit in a restaurant or cafe. Usually, customers prefer places that provide comfort to chat with friends or family in spending time together, so that price is no longer the main factor in choosing restaurants and cafes.

The place has a significant effect on customer satisfaction with a Statistical T value of 4.663 > T Table of 1.986, while P values of 0.000 < 0.05. These results prove that the hypothesis which states the place influences customer satisfaction can be accepted. This research is in line with research conducted by (Bailia, et al. 2014), (Pertiwi, Yulianto, & Sunarti, 2016), (Sari et al., 2018), (Abbas, 2015), and (Wulandari & Mudiantono, 2013) where the results show that place has a significant effect on customer satisfaction. Based on observations, Solata Café is easily accessible so it becomes one of the main choices for consumers to hang out while eating and drinking. Solata Café provides this convenience by occupying a location near the city center, close to the crowd, and easily traversed by vehicles so as to affect the level of customer satisfaction of Solata Café.

This study also indicates that place is the most important factor for consumers in deciding to visit a restaurant or cafe. Consumers choose a pleasant place to spend time after they are tired of work. They need a place to chat that provides an interesting atmosphere and experience. The results of this study were proven in a previous study conducted by (Tamher, et al. 2019) regarding the Effect of Place on Consumer Satisfaction at the Bogor Collection Garden Restaurant, stating that the Store Atmosphere has a positive effect on consumer satisfaction. (Fitri et al., 2019) also proves in her research entitled The Effect of Store Atmosphere, Product Quality, and Price on Consumer Satisfaction Tous Les Jours Galaxy Mall Surabaya that Store Atmosphere, Product Quality, and Price, partially have a significant effect on Consumer Satisfaction. A study conducted by (Mulyana, 2019) about the Effect of Store Atmosphere, Product Quality, and Service Quality on Consumer Satisfaction at Artist Coffee Studio showed that the place had a significant effect and a positive value on consumer satisfaction.

The promotion has a significant effect on customer satisfaction with a Statistical T value of 2.034 > T Table of 1.986, while P values of 0.043 < 0.05. These results prove that the hypothesis which states promotion influences customer satisfaction can be accepted. The results of this study are in line with research conducted by (Sari et al., 2018), (Abbas, 2015), (Monica & Hia, 2014) and (Lasander, 2013) where the results show that promotion influences customer satisfaction. It also shows that promotion is an important factor in increasing customer satisfaction at Solata Café. Promotions make customers interested in buying and feel satisfied because they are affected by information shared by employees or social media such as WhatsApp, Facebook and Instagram.

Technological developments also play an important role in promoting both products and places for cafes and restaurants in Palopo City. Most visitors of restaurants and cafes in Palopo City are millennials who are technology literate, so that cafe and restaurant owners should think about using technology in promoting their cafe and restaurant products and places.

Customer satisfaction has a significant effect on customer loyalty with a Statistical T value of 22.521 > T Table of 1.986, while P values of 0,000 < 0.05. These results prove that the hypothesis stating customer satisfaction affects customer loyalty can be accepted. The results of this study are in line with research conducted by (Lasander, 2013) and (Sari et al., 2018) where the results indicate that customer satisfaction affects customer loyalty because it is in line with customer expectations. It also shows that...
Solata Café customers are satisfied because they have a pleasant experience. They have a concern for the product by giving positive suggestions and are willing to recommend Solata Cafe to others as a place to hang out and eat and drink.

Satisfaction and loyalty have a close and inseparable relationship. Consumers can be said to be satisfied when they have purchased the company’s products. When the expectations for the product that consumers buy are greater than previous expectations, the consumer is said to be satisfied. The satisfaction achieved will encourage consumers to repurchase so that they can become loyal consumers of the company’s products. Of course, this can be a distinct advantage for the company, for that the company is required to pay attention to the marketing mix to provide satisfaction to consumers.

The present study is supported by (Hidayat & Akhmad, 2016) who found that customer satisfaction has a significant influence on customer loyalty. The more satisfied the customers are (with the quality of the service, the image of the bank, the value of the customer, the quality of the banking products), the more loyal the customers will be to the products or services. Customer trust cannot be separated from satisfaction issues, which can be met with excellent service, good image and quality, as well as valuable products for customers. Customer satisfaction is the essential prerequisite for explaining customer loyalty.

**Conclusion**

The marketing mix must be designed and managed in accordance with today’s developments. Products must provide more value to consumers; prices should be according to what consumers spend and the value obtained; places must be attractive and provide positive value to consumers so that they can feel at home in cafes and restaurants; and various promotions that can attract consumers. The relationship between marketing mix, customer satisfaction and loyalty shows that the elements in the marketing mix, namely product, place, promotion, price, people, physical evidence and process have an influence on customer satisfaction and loyalty. These results imply that companies, especially cafe and restaurant entrepreneurs, are obliged to pay attention to the marketing mix variable to survive and win the increasingly fierce competition in the cafe and restaurant industry. This study pays attention to the elements of the marketing mix, especially the quality and benefits of the products offered to consumers.

Social media that now become a major tool for consumers to communicate with others need to be used by cafe and restaurant managers as a promotional medium. They can design their cafes and restaurants as interesting places to take pictures so that they can attract consumers to come to their cafes and restaurants, especially in Palopo City. The rapid development of the times has also changed consumer behavior over time. Information that is open and can be easily accessed by consumers through technology provides benefits and drawbacks for restaurant and cafe entrepreneurs in Palopo City. For this reason, it is necessary to make product innovations at any time so that they can provide excellent product quality for consumers; it is hoped that with excellent products, consumers will make repeat purchases and become loyal customers for cafes and restaurants. A place that is comfortable and provides an attractive atmosphere for consumers can also be taken into consideration for restaurant and cafe entrepreneurs in Palopo City in designing restaurants and cafes. Research shows that consumers are currently looking for places that have attractive hotspots for consumers to chat with friends and family so that when consumers share their experiences with other relatives, it can become free promotional media for the cafes and restaurants concerned. The use of technology is also important as a promotional medium and getting input in the form of suggestions from consumers, also managing complaints from consumers, and how to create a blog or website on social media or the internet.

**References**


