
The Influence of Price Discount and Customer Experience on Customer Loyalty to Customers of the Jurangan Tepi Sawah Restaurant in Palopo City

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ABSTRACT

The purpose of this study was to analyze the effect of price discount and customer experience towards customer loyalty at the Jurangan Tepi Sawah Restaurant in Palopo City. This study uses primary data, namely data taken directly from the main source. The data analysis of this research used multiple linear regression using SPSS (Statistical Program for Social Science) tool. The results of this research show that : (1). Variable p rice d account positive and significant effect on customer loyalty to the customer Jurangan Tepi Sawah Restaurant in Palopo City. (2) .Customer experience variable positive and significant effect on customer loyalty to the customer Jurangan Tepi Sawah Restaurant in Palopo City.

Keywords: Price Discount, Customer Experience, Customer Loyalty, Palopo City

INTRODUCTION

The development of business in the culinary field continues to show significant developments in the city of Palopo. This will cause competition in the culinary business to be tighter, thus each food stall business will look for strategies that can maintain customer loyalty to keep coming.

Based on data released by the Central Bureau of Statistics of the City of Palopo, it shows that the number of restaurants in the city of Palopo has increased until 2020, with the exception of 2019, the number of food stalls in the city has decreased. In 2017 the number of restaurants or restaurants was 147 and the trend of increasing restaurants/restaurants is shown in 2018 and 2020. Each of them is 174 restaurants and 184 restaurants and food stalls. The number of restaurants had decreased by 166.

Based on the number of restaurants that continues to grow, it will provide many alternative choices for consumers in choosing the restaurant they want, but like a food stall business, it shows that there are competitors or competitors, which at any time customers or consumers can move.

The skipper restaurant on the edge of the rice fields is one of the many restaurants in the city of Palopo. So, the owner's restaurant at the Jurangan Tepi Sawah has to compete with hundreds of restaurants in Palopo City. In order to survive and thrive in the midst of other restaurant competitors in the city of Palopo, the skipper bank restaurant tries to retain its customers or consumers with various strategies, including making efforts to provide discounts and provide the best service for customers or consumers of the skipper bank restaurant rice fields, in order to keep coming

back to visit again at the skipper's restaurant at the edge of the rice fields.

Customer loyalty is the main thing in maintaining the main assets for a business. Loyal customers or consumers will cause them to come back to buy the products offered. According to (Kotler & Keller, 2016) customer loyalty is a situation where customers consistently spend all available money to buy products and services from the same seller. Loyal customers or consumers can not be separated from the efforts of entrepreneurs to provide attractive price discounts. According to (Ghezelbash & Khodadadi, 2017) Various kinds of different competing industries seek to encourage companies to achieve customer satisfaction for the company's long-term survival.

Other efforts made by the skipper restaurant edge of the rice fields in increasing their competitiveness, by providing satisfactory services for their customers, of course, with the satisfaction felt by customers will create a sense of wanting to return to visit. According to (Meyer and Schwager (2007) in Salim et al., 2015) , customer experience is a customer/consumer response internally and subjectively as a result of interactions either directly or indirectly with the company.

Based on the background described above, the research is interested in conducting a study with the title "The influence of price discount and customer experience towards customer loyalty of the Juragan Tepi Sawah Restaurant in Palopo City. Therefore, the formulation of the research problem is as follows:

Formulation of the problem

1. How does the influence of Price Discount affect Customer Loyalty Customers of the Juragan Tepi Sawah Restaurant in Palopo City?

2. How does customer experience affect customer loyalty Customers of the Juragan Tepi Sawah Restaurant in Palopo City?

Research purposes

1. Knowing the effect of price discount on customer loyalty customers of the Juragan Tepi Sawah Restaurant in Palopo City.
2. Knowing the effect of customer experience on customer loyalty customers of the Juragan Tepi Sawah Restaurant in Palopo City.

Price Discount

Discount is a reduction in the price of a product that originally had a normal price which was carried out at a certain period in increasing sales volume (Ghristian, 2016). One of the goals of giving discounts is to bind consumers (Putra, 2018) .

According to Doong in (Faesol, 2013) discounts given by each store will shape consumer behavior which in turn forms customer or consumer satisfaction and loyalty.

Discounts today have a great influence on consumers because discounts are a reduction from the listed or recorded price that is submitted by the seller to consumers who do not perform certain marketing functions or even do marketing or also perform that function.

According to (Kotler & Keller, 2016) the types of discounts are divided into three, namely:

1. Cash discount, is a discount to buyers who pay directly.
2. Season discount, is a discount that makes purchases outside the season or big days.
3. Discounts, are discounts given by consumers from the official prices listed.

Customer experience

Customer experience is a rational bond that occurs due to a response to a certain stimulus to marketing efforts before and after

the purchase of an emotional bond and exchange of information (Hasan, 2013) .

According to Meyer and Schwager (2007), customer experience is an internal and subjective customer response as a form of direct or indirect interaction with the company. According to (Shaw et al., 2002) customer experience is a combination of two elements, including fiscal and emotional, set in the company. These two elements can influence consumer judgments arising from any relationship between the customer and the company.

Customer Experience is personal and implies customer participation at different levels in its emotional, rational, sensory, physical and spiritual aspects (Verhoef et al., 2009) . According to (Nasermoadeli et al., 2013) experience is when a customer gets a sensation or knowledge obtained from several levels of interaction with elements created by the service provider.

Customer Loyalty

According to Shert and Mittal, in (Tjiptono, 2007) explains that customer loyalty is a consumer or customer commitment to a store, brand and supplier based on a very positive attitude and is reflected in positive repurchases. Customer loyalty is the percentage of the volume of purchases of a company's products and services compared to the total volume of all suppliers or vendors who prepare similar goods or services (Kotler, 2001).

According to (Griffin, 2005) the concept of consumer or customer loyalty is more associated with behavior (behavior) when compared with attitudes. According to Oliver in (Hurriyati, 2005) customer loyalty is the commitment of consumers or customers to persist to repurchase or subscribe or repurchase products/services in the future.

Although the situation and marketing efforts have the potential to cause behavior change.

Relationship Between Customer Experience and Customer Loyalty

According to (Wang et al., 2010) Experience that has been felt by customers while consuming a product or service, has an important role as one of the main factors that has a significant influence on customer loyalty . According to (Mascarenhas et al., 2006) states that customer loyalty includes physical momentum, a strong or positive momentum felt by the customer experience by the customer or consumer, namely in the form of three aspects that encourage high customer loyalty from the lowest level to the highest level.

Based on the results of research conducted by (Susilawati et al., 2022) with the title of the effect of price perception, discount, and customer experience on customer loyalty to shopee fashion products, the results of the research show that customer experience has a positive and significant effect on customer loyalty.

The Relationship Between Price Discount and Customer Loyalty

According to Kotler (Kotler & Keller, 2016) Suggests that discounts are carried out with the specific purpose of benefiting the company as well as benefiting consumers. Discounts are made because existing goods will soon be replaced with new models, there are things that go wrong, causing the goods to be difficult to sell, the company is experiencing critical financial problems, the price drops sharply if it is sold for a long time, and the quality of the product is lowered by the company.

According to (Sutisna & others, 2002) the purpose of setting discount prices must be clear because this will have a direct effect on price policy and the method of pricing that will be used, encourage purchases of large

quantities, encourage purchases that can be made in cash or in a shorter time, bind consumers or customers not to switch to another company.

Research conducted by (Jayanti et al., 2020) Niken Anisa Jayanti with the title of the effect of price discounts, voucher vouchers and product guarantees on customer loyalty (study on Quds Textile store customers in Malang City).

Previous research

Research conducted by (Cardia et al., 2019) with independent variables, product quality, price and promotion on customer loyalty on SmartFren prepaid cards. The results of the research show that product quality, price and promotion have a positive and significant effect on customer loyalty.

Research conducted by Salsabila (Aryatiningrum & Insyirah, 2020) , with the independent variable price discount and the dependent variable being consumer loyalty. The results of his research show that price discount has a positive and significant effect on consumer loyalty.

Research conducted by (Azhari et al., 2015) uses the independent variable customer experience and the dependent variable customer loyalty. Using multiple linear regression analysis, the results of the research show the customer experience variable positive and significant effect on customer loyalty.

Hypothesis

1. It is suspected that the variable price discount has a positive effect on customer loyalty on customers of the Juragan Tepi Sawah Restaurant in Palopo City.

2. It is suspected that the customer experience variable has a positive effect on customer loyalty in customers of the Juragan Tepi Sawah Restaurant in Palopo City.

METHOD

Population is interpreted whole group people, events, or things that attract attention to researchers where researchers want to carry out investigations on them and draw conclusions from these objects, Sekaran and Bougie , (2016). The population of this research is the customer of the Juragan Tepi Sawah Restaurant in Palopo City. The sample is part of the population , from the existing sample the researcher will draw conclusions and generalize the contents of the population (Sekaran & Bougie, 2016). The sample of this study was 93 respondents.

The analytical method used in this research is descriptive quantitative. the method is to see the effect of the independent variable on the dependent variable or the influence of the variable p rice d iscount and customer experience on the customer loyalty variable. For this reason, multiple linear regression analysis is used to see the relationship between the variable p rice d iscount and customer experience to the dependent variable.

The relationship of the independent variable to the data dependent variable is written in the following regression equation:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + e$$

Where :

β_1, β_2 =Coefficient

a= Constant

X_1, X_2 = price discount dan customer experience

Y= customer loyalty

RESULT and DICUSSION

Validity test

Table 1. Validity Test Results



Variable	No. Question Items	r Table	r Count	Information
Price Discount (X1)	1	0.2 04	0.367	Valid
	2	0.2 04	0.259	Valid
	3	0.2 04	0.567	Valid
	4	0.2 04	0.440	Valid
	5	0.2 04	0.220	Valid
	6	0.2 04	0.492	Valid
Customer Experience (X2)	1	0.2 04	0.339	Valid
	2	0.2 04	0.359	Valid
	3	0.2 04	0.645	Valid
	4	0.2 04	0.249	Valid
	5	0.2 04	0.618	Valid
Customer Loyalty (Y)	1	0.2 04	0.371	Valid
	2	0.2 04	0.520	Valid
	3	0.2 04	0.401	Valid
	4	0.2 04	0.430	Valid
	5	0.2 04	0.603	Valid
	6	0.2 04	0.335	Valid

Source: primary data processed, 2022

Based on table 1, the results of the validity test show that all variables, both dependent and independent variables, or variables such as consumer experience, customer

experience and customer loyalty have a correlation coefficient value greater than 0.30, this indicates that the question instrument in this study has been tested declare valid.

Reliability Test

Table 2. Reliability Test Results

Variable	Cronchbach Alpha	Information
Price Discount	0.619	Reliable
Customer Experience	0.614	Reliable
Customer Loyalty	0.670	Reliable

Source: primary data processed, 2022

The reliability test in this study uses the cronchbach alpha reliability test. Table 2 above shows the results of the reliability test using the cronchbach alpha and the results show the

cronchbach alpha value of each variable is above 0.60. Based on these results, it can be concluded that the questionnaire in this research is reliable or consistent.

Classical Assumption Test

Normality Test

The normal PP plot image below shows the points or data are on the line on the diagonal line and the points or data are not moving away from the diagonal line. This indicates that the residuals are normally distribute.

The regression model is said to be good if there is no correlation of each variable. To find

Multicollinearity Test

Table 3. Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
Price Discount	0.999	1
Customer Experience	0.999	1

Source: primary data processed, 2022

out whether or not there is a correlation of each independent variable by looking at the

tolerance and the value of the variance inflation factor (VIF). if the tolerance value is above 10% or the VIF is less than 10, then it can be concluded that the model is free from multicollinearity.

Based on table 3, the results of the Multi-collinearity test show that each independent variable has a variance inflation factor (VIF) value below or less than 10, this means that in this regression model there is no multi-collinearity.

Heteroscedasticity Test

Table 4. Heteroscedasticity Test Results

		Price Discount	Customer Experience	Unstandardize d Residual	
Spearman's rho	Price Discount	Correlation Coefficient	1,000	.001	
		Sig. (2-tailed)	.	.990	
		N	93	93	
	Customer Experience	Correlation Coefficient	.001	1,000	.064
		Sig. (2-tailed)	.990	.	.542
		N	93	93	93
	Unstandardize d Residual	Correlation Coefficient	.020	.064	1,000
		Sig. (2-tailed)	.847	.542	.
		N	93	93	93

Source: primary data processed, 2022

The heteroscedasticity test finds out whether in a regression model there are symptoms of heteroscedasticity or it is often said to have homogeneous, in this study the heteroscedasticity test used the sperman's rho test.

heteroscedasticity test show that each variable , customer experience , has a significant correlation coefficient of $0.87 > 0.05$ and $0.542 > 0.05$, with these results it can be concluded that the two independent variables are not there is heteroscedasticity disorder.

Multiple Regression Analysis

Table 5. Results of Regression Analysis

Model	Unstandardized coefficients (B)	t Count	Sig. t
Price Discount	0.581	4.292	0.000
Customer Experience	0.457	4.493	0.000
Constant = 2.732		f Count = 21,526	
R Square = 0.324		sig. f = 0.000	
Multiple R = 0.569			

Source: primary data processed, 2022

The results of the regression analysis show that the value of R2 square is 0.324, this means that the variable p rice discount and customer e xperience can explain customer loyalty variables in the customer of the skipper

restaurant at the edge of the rice field in the city of Palopo by 32.4 percent, while the remaining 67.6 percent is influenced by other variables that are not included in this research model.



The results of the F test in table 5 above are 0.000 smaller than 0.05 or $0.000 < 0.05$, this indicates that the regression model in this study is feasible to use. In addition, these results can explain that simultaneously the variable p rice discount and customer e -experience can affect customer loyalty variables to the customers of the skipper restaurant at the edge of the rice fields in the city of Palopo together.

Based on the results of the partial test of each variable are as follows:

1. price discount variable based on the results of the partial test or (t) test shows a significance value of 0.000 and a coefficient value of 0.851. The significance value of the variable p rice discount smaller than 0.05 or $0.000 < 0.05$, this indicates that the rice discount variable has a positive and significant effect on the customer loyalty variable .
2. customer variable e -experience based on the results of the partial test or test (t) is 0.00 and has a coefficient value of 0.457. Customer significance value e -experience smaller than 0.05 or $0.000 < 0.05$. this means that the variable customer e -experience positive and significant effect on the customer loyalty variable .

Discussion of Research Results

The Influence of Price Discount on Customer Loyalty to Customers of Juranan Tepi Sawah Restaurant in Palopo City

The effect of price on the count on customer loyalty shows a positive influence . These results are in accordance with the hypothesis that was proposed earlier, that p rice d iscount towards customer loyalty positive towards customer loyalty to the customer of the Juranan Tepi Sawah Restaurant in Palopo City . If it is seen based on the results of the regression coefficient, it is positive, this means that if p rice is counted changes or is

implemented, it will increase customer loyalty of the Juranan Tepi Sawah Restaurant in Palopo City.

This result is in accordance with the theory of rice on discount According to Doong in (Faesol , 2013) discounts given by each store will shape consumer behavior which in turn shapes customer or consumer satisfaction and loyalty.

The results of this study are in accordance with research conducted by (Cardia et al., 2019) , with independent variables, product quality, price and promotion on customer loyalty on SmartFren prepaid cards. The results of the research show that product quality, price and promotion have a positive and significant effect on customer loyalty. In addition, research conducted by Salsabila (Aryatiningrum & Insyirah, 2020) , with the independent variable price discout and the dependent variable is consumer loyalty. The results of the research show that price discount has a positive and significant effect on consumer loyalty

The Influence of Customer Experience on Customer Loyalty to Customers of Juranan Tepi Sawah Restaurant in Palopo City

Regression analysis results influence customer experience t to customer loyalty shows a positive and significant relationship to customer loyalty of the Juranan Tepi Sawah Restaurant in Palopo City. The results of this regression are in accordance with the hypothesis proposed at the beginning, namely customer experience has a positive effect on customer loyalty, showing a positive relationship with the customers of the Juranan Tepi Sawah Restaurant in Palopo City. The regression results with a positive sign indicate that when customers feel their satisfaction increases, it will increase customer loyalty to come back of the Juranan Tepi Sawah Restaurant in Palopo City.

The results of the study confirm the research conducted by (Azhari et al., 2015) using the independent variable customer experience and the dependent variable customer loyalty. Using multiple linear regression analysis, the results of the research show the customer experience variable positive and significant effect on customer loyalty.

Research conducted by (Andriani, 2018) also shows the same results, that price discounts have a positive and significant effect on customer loyalty studies at the Ramayana Tanjung Karang mall.

The results of this study are also in accordance with the customer experience theory described by (Wang et al., 2010) Experience that has been felt by customers while consuming a product or service, has an important role as one of the main factors that have a significant influence on customer loyalty

CONCLUSION

The results of the analysis and discussion that have been described above, for this reason, the conclusions of this research are as follows:

1. Variable *p rice d account* positive and significant *effect on customer loyalty to the customer* of the Jurangan Tepi Sawah Restaurant in Palopo City.
2. *Customer experience* variable positive and significant *effect on customer loyalty to the* of the Jurangan Tepi Sawah Restaurant in Palopo City.

Suggestion

Based on the conclusions of this study, the researchers need to provide suggestions for further researchers, including:

1. For researchers who will conduct research in the same location, it is necessary to include other variables that affect customer

loyalty, for example, customer satisfaction and price variables.

2. The sample data used is more and uses the pat analysis method in the research method.

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