

The 2nd International Conference on Business and Banking Innovations (ICOBBI)
“Nurturing Business and Banking Sustainability”
Surabaya, 14th - 15th August 2020

Proceeding Book of
The 2nd International Conference on Business and Banking Innovations
(ICOBBI) 2020
“Nurturing Business and Banking Sustainability”
Surabaya, 14 - 15th August 2020

**Master of Management of Sekolah Tinggi Ilmu Ekonomi Perbanas Surabaya
Indonesia**

Collaboration with
Magister Manajemen Sekolah Tinggi Ilmu Ekonomi Perbanas Surabaya
Universitas 17 Agustus 1945 Surabaya
Universitas Surabaya
Universitas Dr. Soetomo Surabaya
Universitas Dian Nuswantoro Semarang
Sekolah Tinggi Ilmu Ekonomi 66 Kendari

Published by :
Magister Manajemen Sekolah Tinggi Ilmu Ekonomi Perbanas Surabaya Indonesia
Jalan Nginden Semolo 34th - 36th Surabaya
Phone : 082247845434
Website : <http://pascasarjana.perbanas.ac.id/>

Proceeding Book of
The 2nd International Conference on Business and Banking Innovations
(ICOBBI) 2020
“Nurturing Business and Banking Sustainability”

Steering Committee

Dr. Yudi Sutarso, S.E., M.Si.
Dr. Drs. Emanuel Kristijadi, M.M.
Dr. Basuki Rachmat, S.E., M.M.

Organizing Committee

Manager	: Prof. Dr. Dra. Tatik Suryani, Psi., M.M.
Vice Manager	: Dr. Ronny, S.Kom., M.Kom., M.H.
Secretary and Treasury	: Dewi Aliffanti, S.E. Tanza Dona Pratiwi, S.E.
Publication and Proceeding	: Munawaroh, S.S., M.Si, Dio Eka Prayitno, S.Sos.
Journal Networking	: Tri Suhartuti, S.S.
Technology Supporting	: Hariadi Yutanto, S.Kom., M.Kom. Risky Andriawan, S.T. Sumantri, S.Kom.
Supporting	: Riska Friski

Graduate Student Union

Steering Committee	: Farhan Hisyam, S.M.
Manager	: Nanda Diah Syarifah, S.M.
Secretary	: Lidya Aviolitta, S.I.Kom
Sponsorship	: Citra Putri Ramadani, S.M. Gibson Randy Prathama, S.M. Atikah Resiana Fildzah, S.M.
Event Program	: Much. Zakariya Rosyid, S.Kom.I Uvy Dian Rizky, S.Sos. Ponta Dewa Saktiawan Amilia Jasmin Nabila Mochamad Arya Seta
Publication and Documentation	: Chowal Jundy Kumoro, S.M. Yesica Lola Arlinda, S.E.

The 2nd International Conference on Business and Banking Innovations (ICOBBI)

"Nurturing Business and Banking Sustainability"

Surabaya, 14th - 15th August 2020

Reviewers :

1. Prof. Angelica M., Baylon, Ph.D (Maritime Academy of Asia and the Pacific, Philippines)
2. Associate Prof. Dr. Elisha Nasruddin (Universitas Sains Malaysia, Malaysia)
3. Prof. Reevani Bustami, Ph.D. (Universitas Sains Malaysia, Malaysia)
4. Associate Prof. Pallavi Paathak, Ph.D. (School of Management Sciences, Varanasi, India)
5. Chonlatis Darawong, Ph.D. (Sripatum Chonburi University - SPU Graduate School Bangkok, Thailand)
6. Prof. Dr. Dra. Tatik Suryani, Psi., M.M (STIE Perbanas Surabaya, Indonesia)
7. Dr. Soni Harsono, M.Si (STIE Perbanas Surabaya, Indonesia)
8. Prof. Abdul Mongid, Ph.D. (STIE Perbanas Surabaya, Indonesia)
9. Dr. Lutfi, M.Fin. (STIE Perbanas Surabaya, Indonesia)
10. Burhanudin, Ph.D. (STIE Perbanas Surabaya, Indonesia)
11. Mohammad Shihab, Ph.D. (Universitas 17 Agustus 1945 Surabaya, Indonesia)
12. Dr. Yudi Sutarso, M.Si (STIE Perbanas Surabaya, Indonesia)
13. Dr. Ronny., S.Kom., M.Kom (STIE Perbanas Surabaya, Indonesia)

Editor and Layout :

1. Dr. Ronny, S.Kom., M.Kom., M.H.
2. Dewi Aliffanti, S.E.
3. Tanza Dona Pratiwi, S.E.
4. Munawaroh, S.S., M.Si.
5. Dio Eka Prayitno, S.Sos.

Published 14th & 15th August 2020

Magister Manajemen Sekolah Tinggi Ilmu Ekonomi Perbanas Surabaya Indonesia

Jalan Nginden Semolo 34th - 36th Surabaya, East Java 60118

Telpn 082247845434

Website : <http://pascasarjana.perbanas.ac.id/>

Indexed by google scholar

ISBN : 978-623-92358-1-9

The originality of the paper is the author's responsibility

The 2nd International Conference on Business and Banking Innovations (ICOBBI)

“Nurturing Business and Banking Sustainability”

Surabaya, 14th - 15th August 2020

FOREWORD

Alhamdulillah, praise be to Allah Subhanahu Wa Ta'ala for granting us the opportunity to organize and publish the proceedings of the 2nd International Conference on Business and Banking Innovations (ICOBBI) with the topic “*Nurturing Business and Banking Sustainability*”. This proceeding contains several researches articles from many fields in Marketing, Management Technology, Finance, Banking, Human Resources Management, Information System Management, and Islamic Economics.

The 2nd International Conference on Business and Banking Innovations was held on 14th – 15th August 2020 by virtual (online) meeting and organized by the Master Management Study Program of STIE PERBANAS Surabaya in Collaboration with six Higher Education Institutions in Indonesia and five Universities from Asia countries. Keynote speakers in this conference were: Prof. Angelica M..Baylon, Ph.D (Director of the Maritime Academy of Asia and the Pacific, Philippines), Chonlatis Darawong, Ph.D. (Head of the Master of Business Program Sripatum Chonburi University - SPU Graduate School Bangkok, Thailand), Prof. Madya Dr. Reevany Bustami (Director of Centre for Policy Research and International Studies Universiti Sains Malaysia), Associate Prof. Dr. Ellisha Nasruddin (Graduate School of Business Universiti Sains Malaysia), Associate Prof. Pallavi Pathak Ph.D. (School of Management Sciences, Varanasi, India) and Prof. Dr. Tatik Suryani (Head of the Master of Management Study Program of STIE Perbanas Surabaya, Indonesia).

I would like to give high appreciation to the Rector of STIE Perbanas Surabaya for his support at this event. Acknowledgments and thank you to all the steering and organizing committees of the ICOBBI for the extra ordinary effort during the conference until this proceeding published. Thank you very much to all presenter and delegates from various Universities. Beside it, I would like to express our gratitude to the six universities, namely Universitas 17 Agustus Surabaya, Universitas Surabaya, Universitas Dr. Soetemo Universitas Dian Nuswantoro Semarang, STIE 66 Kendari, Institut Institut Bisnis dan Keuangan Nitro Makassar which has been the co-host of this event.

Hopefully, the proceeding will become a reference for academics and practitioners, especially the business and banking industry to get benefit from the various results of the research field of Business and Banking associated with Information Technology. Proceedings also can be accessed online on the website <https://pascasarjana.perbanas.ac.id>.

Chair of the Master Management Study Program
STIE Perbanas Surabaya

Prof. Dr. Tatik Suryani, M.M.

The 2nd International Conference on Business and Banking Innovations (ICOBBI)

"Nurturing Business and Banking Sustainability"

Surabaya, 14th - 15th August 2020

Tabel of Content

Cover.....	i
Committee.....	ii
Reviewers.....	iii
Foreword.....	iv
Table of Content.....	v

Marketing

Analyzing Competitive Strategies in Food SMEs Post Pandemic Covid-19 (Case Study in Madiun Municipality)	1 - 9
Tatik Mulyati; Saraswati Budi Utami; Hendro Susi	

Effect of Support Services And Relationship Quality on Customer Loyalty and Repurchase Intention on Johnson & Johnson Customers in Surabaya.....	10 - 21
Fеды Ardiansyah	

The Effect of Service Quality and Trust on Repurchase Intention Through Customer Satisfaction in Rollaas Cafe Mall City of Tomorrow Surabaya	22 - 31
Brahma Satrya	

Analysis of Logistics Services Quality Using SERVQUAL Method in Surabaya City: Literature Review and Research Suggestion	32 - 36
Andini Anastasia Novitasari	

Exploration of Factors Affecting Customer Satisfaction and Loyalty in Community Pharmacies in Thailand: A Qualitative Study	37 - 43
Ramida Maruay; Chonlatis Darawong; Boonkiat Wisittigars	

The Effect of Social Media Marketing Activities, Brand Image, Customer Satisfaction on Shopee Customer Loyalty in Surabaya City	44 - 49
Farhan Hisyam; Tatik Suryani	

Performance Analysis Through Intrinsic and Extrinsic Motivation with Work Satisfaction as Intervening Variables in Retail Company Employees in Surabaya (Case Study on Employees of PT. Lotte Mart Marvel Surabaya)	50 - 55
Firdaus	

Influence of Work Fatigue, Unclear Tasks and Management Career on Employee Turnover at PT. Sulselbar Bank.....	56 - 64
Rosnaini Daga; Armi Pasampang; Aminuddin Hamdad	

Performance of Service In General Hospital City of Surabaya Era Covid-19.....	65 - 71
Feliks Anggia B.K. Panjaitan; Hwihanus; Adiati Trihastuti; Hotman Panjaitan	

The 2nd International Conference on Business and Banking Innovations (ICOBBI)

"Nurturing Business and Banking Sustainability"

Surabaya, 14th - 15th August 2020

Workability and Self Awareness on Employee Engagement in Indonesian Manufacturing Industries	72 - 78
Siti Mujanah	
Increasing Performance through Motivation and Competence at 17 August 1945 University Surabaya.....	79 - 89
Sri Budi Kasiyati; Endang Setyowati; Ida Bagus Cempena	
Developing Brand Loyalty	90 - 97
Estik Hari Prastiwi	
E-Marketing Adoption As an Alternative Solution For Fight Back The Covid-19.....	98 - 105
Febrianur Ibnu Fitroh Sukono Putra	
The Approach of The Agility Social Innovation: A Dynamic Capability Strategy	106 - 112
Mufti Agung Wibowo	
Quality of Work Life and Work Stress on Employee Performance	113 - 117
Sumiati	
Word of Mouse: How e-WOM Influence Consumer Behavior (A Study of UNTAG Surabaya Student)	118 - 128
Nanis Susanti	
The Effect of Service Quality, Customer Trust, Brand Image and Electronic Word of Mounth on Online Purchasing Decisions on Shopee Customers in Surabaya	129 - 144
Anis Fitriyasari	
The Effect of Marketing Mix 7Ps, Customer Experience, and Customer Relationship Marketing on Customer Loyalty Mediated by Indomaret Customer Satisfaction in Surabaya.....	145 - 152
Citra Putri Ramadani	
The Impact Of Celebrity Endorser And Self-Connection Of The Brand On The Equity Of The Brand	153 - 166
Mahmud; Mia Dika Anggraini	
The Brand Loyalty Determining Factors: The Role of Self Brand Connection, Brand Love, Brand Trust And Brand Image (at PT. Eloda Mitra)	167 - 174
Budi Anandya; Ni Made Laksmi Oktavia	
The Effect of Website and Social Media on Customer Behavior Responses	175 - 182
Tatik Suryani; Abu Amar Fauzi; Mochamad Nurhadi	
What Makes Tencent Becomes a Successful Business? a Case Study Analysis of Tencent.....	183 - 190
Binsar Energia Pratama Napitupulu	

The 2nd International Conference on Business and Banking Innovations (ICOBBI)

"Nurturing Business and Banking Sustainability"

Surabaya, 14th - 15th August 2020

The Effects of Social Media Marketing Activities on Brand Love and Brand Trust That Have an impact on Brand Loyalty of Visval Bags Consumers.....	191 - 196
Novian Navas Mahardhika	
Analysis the Effect of Marketing Mix on Consumer Decisions in Buying Paint Products ...	197 - 205
Febrianto Ramadhan	
Analysis of The Impact of The Development of Inolobunggadue Central Park (ICP) on Micro, Small And Medium Enterprises in Konawe Regency.....	206 - 212
Abdul Razak	
The Effect of Transformational Leadership and Work Commitment on Incentives and Disaster Preparedness for Southeast Sulawesi Province Disaster Preparedness	213 - 222
Bakhtiar Abbas	
The Effect of Service Quality on Civil Population Document Towards Society's Satisfaction and Trust for Population and Civil Registry Office of Kendari City.....	223 - 232
Nofal Supriaddin	
CRM Impact on Customer Satisfaction and Customer Loyalty at Garuda Indonesia: The Airline of Indonesia	233 - 240
Muhamad Reynaldi Adhyaksa	
The Implementation of Simple Form Gamification In Companies	241 - 246
Nathania Agatha Benita	
Social Entrepreneurship dan Peningkatan Ekonomi pada Siswa SMA Selamat Pagi Indonesia	247 - 254
Azwar Cholili	
Leaping Innovation Barriers For Business Longevity Purpose Based on Different Measurements of Innovation	255 - 261
Mia Novinda Mudjiono	
Business Model Analysis: A Study Case in Wood Pellet Industry.....	262 - 267
Kadek Budiadnyana Putra	
Drivers And Barriers Of Purchasing Groceries Online In Surabaya :Age, Gender, Educational Level And Experience As Moderating Variables	268 - 273
Diky Murdoyo Rahadiarto	
Optimization Services and Strategies Toward Satisfaction Value of Training Participants Held by Integrated Service Unit Surabaya	274 - 282
Sukesi	

The 2nd International Conference on Business and Banking Innovations (ICOBBI)

"Nurturing Business and Banking Sustainability"

Surabaya, 14th - 15th August 2020

The Influence of Investment Knowledge, Investment Motivation, Investment Capital and Investment Risk Perception on Investment Interest in Capital Markets (Study On Feb Dr. Soetomo University Students)..... 283 - 288
Sri Handini

The Effects Of Human Capital And Strategic Partners On Strategic Planning And Organizational Performance (Study at PT. Segar Murni Utama) 289 - 296
JFX. Susanto Soekiman

The influenxe of Utilitarian Value, Hedonic Value, and Perceived Risk on Customer Satisfaction and Customer Loyalty to Shopee Customers in Surabaya..... 297 - 303
Nensi Laurence Nggai; Dudy Anandya

Unisfat The Pattern of Spatial Interaction of Workers in Central Java Province using the Explanatory Spatial Data Analysis (ESDA) Approach 304 - 315
Caroline; Achmad Nuruddin S.; Etty Puji Lestari; Ceasilia Srimindarti; Teguh Imam Rahayu

Analysis Web-Based Customer Relationship Management Strategy at PT. ABC 316 - 320
Alfred Turisnol

The Influence of Planned Behavior On The Level of Customer Trust And Satisfaction In Determining Loyalty In Green Hotels In Indonesia 321 - 328
Hayuning Purnama Dewi

Financial

Independence Financial Expertise in Audit Committee and Tax Avoidance: is business strategy moderate this relationship?329 - 337
Ms. Lisa Gabrielle; Devie; Juniarti

Effect of Asset Quality, Liquidity, Solvability, Efficiency and Good Corporate Governance (GCG) Towards Go Public Bank Profitability In Indonesia338 - 350
Ramlan

Credit Quality Stress Tests Based on Macroeconomics at Bank Persero in Indonesia in 2008 - 2016351 - 359
Elna Arlina Nandasari

Decision On The Utilization Of Digital Payment In Millennial Generation Based On Perceived Experience.....360 - 365
Karta Negara Salam; Muh. Imam Taufiq

Determining Factors of Thin Capitalization Practices in Indonesia366 - 381
Jepri Duwi Safrudin; Diah Hari Suryaningrum

The 2nd International Conference on Business and Banking Innovations (ICOBBI)

"Nurturing Business and Banking Sustainability"

Surabaya, 14th - 15th August 2020

Factors That Become A Customer Considerations Become A Brachless Bangking Agent ..382 - 388 Novita Rosanti	
Going Concern and Liquidity Perspective in Indonesia Manufacture Industry.....389 - 394 Tri Ratnawati; Widi; Rahmiyati; Nekky	
Influence Of Debt Policy And Cash Ratio On Dividend Policy On IDX30 Index In Indonesia Stock Exchange.....395 - 400 Muhammad Ashary Anshar; Ichbal Warimin	
Performance Analysis Of Share And After Online Application On The Sector Registered Transportation In Indonesia Exchange401 - 406 Rachman Suwandaru; Hartina	
Measuring The Performance of the Surabaya City Regional Budget Value For Money Analysis.....407 - 414 Risanda Alirastra Budiantoro; Tito Aditya Perdana	
A Syestematic Literature Review of Liquidity, Asset Quality, Size, Solvability and Efficiency of Probability on National Private Commercial Banks Go Public415 - 421 Devinta Ayu Ramadhani	
The Effect of Multiple Role Conflict on Employees Performance Moderated By Self Efficac422 - 428 Awanis Linati Haziroh, S.M, M.M.; Amanda Dyla Pramadanti; Raden Ayu Aminah R.P.S; Febrianur Ibnu Fitroh Sukono Putra	
The Factors of Banking Capital Structure Determination in Indonesia.....429 - 434 Foza Hadyu Hasanatina; Amalia Nur Chasanah; Vicky Oktavia	
Identification and Analysis of Regional Economic Growth Patterns in the New Autonomous Region of Southeast Sulawesi Province.....435 - 448 H. Mahmudin A. Sabilalo	
Corporate Partnership of PT. SKLT with Crackers MSME in Sidoarjo As a Form Corporate Social Responsibility (CSR)449 - 463 Jimmy Herlambang	
Influencing Factors Safety Quality Cost Delivery People (SQCDP) on Lean Manufacturing Implementation at Directorate Production Indonesian Aerospace (IAe).....464 - 471 Niza Nurmalasari; Ida Aju Brahmasari; Ida Aju Brahma Ratih	
Increasing the Role Of Bank Financial Institutions and Non-Bank Financial Institutional in Providing Optimal Distribution For Communities During The COVID-Pandemic.....472 - 479 Matdio Siahaan	

The 2nd International Conference on Business and Banking Innovations (ICOBBI)

"Nurturing Business and Banking Sustainability"

Surabaya, 14th - 15th August 2020

Utilization of Payment Gateway in Fundraising from a Management Perspective of Zakat, Infaq, and Alms: A Case Study of Baitul Maal Hidayatullah Surabaya	480 - 486
Sarah Lutfiyah Nugraha and Ika Yunia Fauzia	
The Impact of Capital Structure Towards Firm Performance Moderated by Corporate Governance in LQ-45 Company in BEI at 2013-2018.....	487 - 495
Gabby Markus Angkasajaya; Putu Anom Mahadwartha	

The Effect of Marketing Mix 7Ps, Customer Experience, and Customer Relationship Marketing on Customer Loyalty Mediated by Indomaret Customer Satisfaction in Surabaya

Citra Putri Ramadani

STIE Perbanas Surabaya, Nginden Semolo 34-36, Nginden Jangkung, Sukolilo District, Surabaya City, 60118, East Java, Indonesia

ARTICLE INFO

Article history:

Received 10 August 2020

Revised 14 August 2020

Accepted 29 August 2020

Key words:

Marketing Mix 7Ps, Customer Experience, Customer Relationship Marketing, Customer Loyalty, Customer Satisfaction

ABSTRACT

Retail Business in Indonesia is increasing quite rapidly, the development of retail business shows a positive trend that can be seen from the growth indicators of consumption Fast Moving Consumer Good (FMCG) in the modern retail sector has a percentage of 7.6 percent, using the minimarket format by 12 percent, while for the supermarket and hypermarket formats grew negative by 5.8 percent. This shows that, there is a change in the style of consumption of the people who currently prefer to buy daily necessities in supermarkets that have a minimarket format because they are closer to settlements, and more practical. This study examines the effect of marketing mix, customer experience, and customer relationship marketing on customer loyalty mediated by Indomaret customer Satisfaction in Surabaya. This research is a quantitative study with primary data sources. The technique of collecting data uses a survey method called a questionnaire. The population in this study was Indomaret visitors in Surabaya, while the samples taken were Indomaret customers in Surabaya. The sampling technique uses purposive sampling technique. The number of respondents taken was 130 respondents with the provision of 30 respondents for samples to use for validity and reliability using the IBM SPSS Statistics 22 program. While 100 respondents for large samples using the Partial Least Square Structural Equation Modeling (PLS-SEM) program used the WarpPLS 7.0 program

1. INTRODUCTION

Retail Business in Indonesia is increasing quite rapidly, the development of retail business shows a positive trend that can be seen from the growth indicators of consumption Fast Moving Consumer Good (FMCG) in the modern retail sector has a percentage of 7.6 percent, using the minimarket format by 12 percent, while for the supermarket and hypermarket formats grew negative by 5.8 percent. This shows that, there is a change in the style of consumption of the people who currently prefer to buy daily necessities in supermarkets that have a minimarket format because they are closer to settlements, and more practical.

The increasing power consumption of Fast Moving Consumer Good (FMCG) in the modern retail sector with the form of a minimarket has made the two main players of minimarket in Indonesia namely Indomaret and Alfamart to be very competitive. Both are trying to strengthen their wings in the minimarket retail business, by expanding outlets to small towns.

In terms of sales, Indomaret earned 73.37 trillion sales in 2018, meaning an increase of 16 percent from 2017. In the same period, Alfamart also earned sales of 66.81 trillion, meaning that only grew 9 percent from the realization in 2017 of 61.46 trillion. However, Alfamart is superior in terms of net profit growth. Alfamart made a profit of 668 billion, which means up 159 percent. Meanwhile, Indomaret net profit grew slowly, which only grew 75 percent or equal to 766 billion, but Indomaret remained superior in terms of total profits. In accordance with its motto "easy and economical", Indomaret outlets are easily found in strategic locations so that it is more easily accessible by the public, such as residential, office, commercial, tourist, apartment, and other public facilities. Where each outlet provides more than 5,000 food, non-food products, general merchandise, and fresh products at low prices, to meet the daily needs of consumers.

* Citra Putri Ramadani_ 2019610839@students.perbanas.ac.id

The 2nd International Conference on Business and Banking Innovations (ICOBBI)

"Nurturing Business and Banking Sustainability"

Surabaya, 14th - 15th August 2020

And now, the existence of Indomaret has been further strengthened by the presence of Indogrosir, as a subsidiary with a business center business concept.

Although the percentage of the Top Brand Index in 2017-2019 Indomaret is not superior to Alfamart, but the awards obtained by Indomaret are superior, both at national and Asia-Pacific levels, as proven in 2017 for the fourth time Indomaret won an award at the Asia Pacific Top Retail event 500 Awards. Indomaret successfully won two "Gold" Awards namely the Best of the Best Top Retailers for the Asia Pacific region and also ranked as the Top 10 Retailers in Indonesia. The prestigious award is based on research conducted by Euromonitor and Asia Retail Magazine on the total sales and the number and size of Indomaret outlets.

Then in 2018 Indomaret won the Best IT and DT Governance Awards in the Indonesian Retail Shop and Minimarket Categories, at the 2018 DataGovAI Summit & Awards held by the Big Data & AI Association (ABDI) and awards were given by the Director General of Innovation Strengthening, MenRistekDikti, who was also attended by the Minister of Communication and Information and the Head of BSSN.

In 2014 Indomaret won two Excellent Service Experience Awards in the category of minimarket and convenience store (Indomaret Point). The Excellent Service Experience Award is given to 49 brands that achieve a minimum Excellent Service Experience Index (ESEI). ESEI was produced from Care Center for Customer Satisfaction Loyalty research (Consultants in the field of service quality and customer management) and Indonesian Business Daily, which assessed the level of service experience received by customers using the mystery shopping method.

In Surabaya, Indomaret outlets number in the hundreds of stores spread across residential, office, commercial, apartment and public facilities. In winning the minimarket retail business competition format, Indomaret seeks to design retail business patterns with 7Ps Marketing Mix strategy, namely product, price, promotion, place, physical evidence, people, and process. Second, namely Customer Experience, and last is Customer Relationship Marketing (CRM). Where the three strategies are expected to have an effect on Indomaret customer satisfaction, so as to get the final feedback, namely Customer Loyalty which has a long-term impact on the sustainability of the Indomaret retail business.

The marketing mix is a tool that can provide satisfaction to consumers. The marketing mix can also determine the level of marketing success for companies, because it can help companies achieve marketing objectives.

The variables contained in the 7P marketing mix are, first is a good product is a product that can meet consumer needs. How to get products that are in accordance with good formulation so that the products produced can be on target and can increase company profits. Second is the price, the price of a product in general is never removed from the attention of companies in the management system. Management will determine various pricing decisions such as the appropriate base price for products or services combined with discounted prices, payment of shipping costs and other related variables. Third is the place, a place to count with strategic location and distribution so that the product can go directly to the target market. Often companies do not really determine this, considering that the product does not fit properly and correctly by consumers. The fourth is promotion, is a tool used to send messages and even persuade customers to know and even use the product. Development is carried out through good and strong advertising and sales promotions and publications. Fifth is physical evidence, physical facilities that also support product marketing, physical evidence can influence consumers to use the products or services offered. Physical form, logo, and others. Sixth are people, people in this case are all related to the presentation of products that can affect the perception of buyers. All company decisions and actions and the company will make the right decisions for customers. Last is the process, the process is all the actual settings and procedures for providing services. The process is a major factor in the marketing mix to make consumers happy and satisfied so they come back later. "The effect on customer satisfaction and customer loyalty by integrating marketing communication and after-sales service into the traditional marketing mix model of Umrah travel services in Malaysia (Othman et al., 2020). It is expected that Marketing Mix 7 has a significant effect on customer satisfaction with a p-value of 0,000.

Amid the intense competition in the modern retail business, providing a memorable experience for customers or visitors can also have a positive impact on the sustainability of the retail business. According to Meyer and Schwager in Reza Eka Wardhana (2016), customer experience is an internal and subjective customer response as a result of direct and indirect interactions with the company. This direct relationship is usually due to the initiative of consumers. This usually occurs in the purchasing and service department.

The 2nd International Conference on Business and Banking Innovations (ICOBBI)

“Nurturing Business and Banking Sustainability”

Surabaya, 14th - 15th August 2020

Whereas indirect relationships often involve unplanned encounters, such as product and brand appearances, advertisements, and other promotional events. The theory is in line and empirically proven through previous research entitled "The Effect of Customer Experience on Customer Loyalty with Customer Satisfaction as an Intervening Variable (Study on Consumer Prisoners of Surabaya Prisoners Rampok)" (Reza Eka Wardhana, 2016). Shows that, there is a significant direct effect between customer experience on customer satisfaction, besides that there is also a significant direct effect between customer experience with customer loyalty, and customer satisfaction on customer loyalty, and customer satisfaction partially mediates the relationship between customer experience and customer loyalty. Evidenced by the significance value of p-value of 0,000.

In addition to the marketing mix and customer experience, the latter strategy is also important for retail business companies, namely building customer relationship marketing. Customer relationship marketing is a business model with the primary goal of identifying, anticipating, understanding the needs of customers and potential customers by gathering information about customers, sales, marketing effectiveness, and market trends. Customer relationship marketing is basically an activity or implementation of marketing management that is more focused on building positive experiences and ultimately sustainable relationships between companies and customers. According to Alqahtani in Fauzi & Surharyono (2018: 194) explained that, customer relationship marketing is a relationship with a strong customer that can improve business performance so it is not surprising that the relationship with customers becomes an important topic in marketing. If customer relationship marketing has been implemented properly it can help improve customer satisfaction, increase customer loyalty, increase company growth and income and improve marketing efficiency. This theory is in line with empirical evidence in previous research entitled "The Effect of Customer Relationship Marketing on Customer Satisfaction and Loyalty (Survey on Garuda Indonesia Airlines Customers in Malang)" (Fauzi & Surharyono, 2018). Showing that, customer relationship marketing has a significant influence on customer satisfaction and customer loyalty with a significant value of 0,000. second, customer satisfaction has an influence on customer loyalty with a significant value of 0,000. Finally, customer relationship marketing has a total effect (TE) on customer loyalty through customer satisfaction intermediaries of 0.660, so it can be concluded that customer satisfaction has a strong influence in mediating the influence of customer relationship marketing on customer loyalty.

Based on the background and results of previous studies, the researchers are interested in retesting the dependent variable, namely customer loyalty with mediation variables, customer satisfaction and independent variables namely marketing mix 7Ps, customer experience, and customer relationship marketing.

2. THEORETICAL FRAMEWORK AND HYPOTHESES

Marketing Mix

According to Kotler in Saidani et al., (2019: 75) the marketing mix is a set of marketing tools that companies use to achieve marketing objectives. Marketing mix is a controlled variable that can affect consumers from certain market segments that a company has. In conducting marketing activities, the company combines four variables, which are very supportive in determining marketing strategies, the combination of the four variables is the marketing mix strategy consisting of products, prices, places, and promotions. The marketing mix is a tool that can provide satisfaction to consumers. The marketing mix can also determine the level of marketing success for companies, because it can help companies achieve marketing objectives. From the results of previous research conducted by Fernandes & Solimun (2018) shows that the marketing mix strategy has a significant effect on customer satisfaction.

H1. Marketing Mix has a significant effect on Indomaret Customer Satisfaction in Surabaya.

Product

The product definition according to Kotler and Armstrong in Hamali in Pratiwi & Suriani (2017: 250) is "a product as anything that can be offered to a market, for attention, acquisition, use or consumption and that might satisfy a want or need" means, product is anything that is offered to the market to get attention, be bought, used, and which can satisfy the desires or needs of consumers.

Price

According to Othman et al., (2020) price is the amount of return determined by one party to another in return for one unit of goods or service. Sometimes, value is entered by various production costs associated

The 2nd International Conference on Business and Banking Innovations (ICOBBI)

"Nurturing Business and Banking Sustainability"

Surabaya, 14th - 15th August 2020

with the demand for services or products. The price dimension according to Kotler et al., In Othman et al., (2020) consists of determining the level of costs, pricing techniques, pricing strategies, and approaches and cost relationships in services.

Place

Place is a combination of location and decision on distribution channels, in this case, related to how to deliver to consumers and where the strategic location, so the place is often called the distribution channel. The marketing services strategy mainly depends on the essential nature of the service provider, location and distribution. A sophisticated distribution system will help customers reach and find brands of choice quickly and easily. (Othman et al., 2020)

Promotion

According to Rangkuti in Wijaya et al., (2018: 287) promotion is a marketing activity in order to inform and encourage demand for products, services, ideas from the company by influencing consumers to buy products and services produced by the company. The promotion mix has many features that contain advertising, sales promotions, and direct sales based on the appropriate choice. All the processes mentioned reinforce acceptance and approve of products and competition simultaneously in the market. Thamrin in Othman et al., (2020)

Physical evidence

According to Lovelock and Wirtz in Wijaya et al., (2018: 286) physical evidence that includes the design of the appearance of services, ranging from buildings, landscaping, vehicles, equipment, staff uniforms, and others that appear to provide tangible evidence or quality of company services, facilities service, and guiding consumers through the service process.

People

Ratih Hurriyati in Wijaya et al., (2018: 288) states that people in the marketing mix are all actors who play a role in the service presentation so that it can influence buyer perceptions. The elements of people are company employees, consumers, other consumers in the service environment. All employee attitudes and actions even how to dress the employee, and employee appearance has an influence on consumer perception or service success.

Process

Processes are all the actual mechanisms and procedures for providing services. The process here is a major factor in the marketing mix of how to make consumers feel happy and satisfied that they will return again someday. Ratih Hurriyati in Wijaya et al., (2018: 288) states that the process is all the actual procedures, mechanisms and activities that are used to deliver services. All work activities are processes, processes involving procedures, schedules, mechanisms, activities, and routines with service products distributed to customers.

Customer Experience

According to Fisk in Ernawati et al., (2017: 84) customer experience can be seen from several perspectives. Most basic is the de facto experience that customers gain from a company or brand based on the totality of their interactions. Then next is to create an attraction to make interactions more "experiential" through the addition of services or theatrical activities. At the highest level, the benefits of greater experience are gained by fully exploring their buying potential. According to Meyer and Schwager in Reza Eka Wardhana (2016: 2), customer experience is an internal and subjective customer response as a result of direct or indirect interaction with the company. This direct relationship is usually due to the initiative of consumers. This usually occurs in the purchasing and service department. Whereas indirect relationships often involve unplanned parables, such as the appearance of products and brands, advertisements, and other promotional events. Meanwhile, according to Shaw and Ivens in Reza Eka Wardhana (2016: 2), customer experience is a combination of two elements, namely fiscal and emotional implemented by the company. These two elements can later influence consumer ratings that arise in every contact between a customer and a company. The results of previous studies conducted by Reza Eka Wardhana (2016) show that there is a significant influence of customer experience on customer satisfaction.

H2. Customer Experience has a significant effect on Indomaret Customer Satisfaction in Surabaya.

Sense

The 2nd International Conference on Business and Banking Innovations (ICOBBI)

"Nurturing Business and Banking Sustainability"

Surabaya, 14th - 15th August 2020

According to Schmitt in Dewi et al., (2016: 95), related to the style (style), verbal and visual that can create the integrity of an impression. Marketing approach with the aim to feel by creating experiences related to feelings through review by touching, feeling, and kissing in other words related to the five senses, which includes about style, theme, and color.

Feel

According to Schmitt in Dewi et al., (2016: 95), feelings here are different from sensory impressions because this is related to the mood and emotions of one's soul. Not just about beauty, but the mood and emotions of the soul that can arouse happiness or even sadness. Is a feeling of emotion that arises from the heart in a positive and happy feelings that occur when consuming.

Think

According to Schmitt in Dewi et al., (2016: 95), is a creative thought that arises in the minds of consumers about a brand or company or customers are invited to engage in creative thinking. The principle of think consists of 3, namely surprise, intrigue, and provocation.

Act

According to Schmitt in Dewi et al., (2016: 95), related to the real behavior and lifestyle of a person. This relates to how to make people do something and express their lifestyle. The marketing strategy Act is designed to create customer experiences related to body movements or in other words the interactions that arise. Act Experience includes flesh related to the body, not only brings sensations, and perceptions about the outside world, motor action also works to the fullest which can cause interaction, because it is closely related to the physical behavior of the lifestyle and of the parties interacting.

Relate

According to Schmitt in Dewi et al., (2016: 95), is an effort to connect himself with others, himself with the brand or company, and culture. This relates to a person's culture and reference group that can create an identity. A marketer must be able to create an identity (generation, nationality, ethnicity) for his customers with the products or services offered. Marketers can use culture in advertising and web design campaigns that are able to identify specific customer groups.

Customer Relationship Marketing

The customer relationship marketing process includes how to produce information for customers through the transaction process, analyze communications, and take action, based on that information to build long-term relationships with customers. Alqahtani in Fauzi & Surharyono (2018: 194), also explained that customer relationship marketing is a strong customer relationship that can improve business performance so it is not surprising that relationship with customers becomes an important topic in marketing. If customer relationship marketing has been implemented properly it will be able to improve customer satisfaction, increase customer loyalty, increase company growth and income and improve marketing efficiency. Customer relationship marketing is a cross-functional process that has the goal of ongoing collaboration with customers, developing networks, serving the most valuable customers in a personalized way, ensuring customer retention, and the effectiveness of marketing ideas and understanding customer satisfaction. The results of previous studies conducted by Fauzi & Surharyono (2018) show that customer relationship marketing has a significant effect on customer satisfaction.

H3. Customer Relationship Marketing has a significant effect on Indomaret Customer Satisfaction in Surabaya.

Customer Satisfaction

Engel, Blackwell, and Miniard in Karyose et al., (2017: 339) assume that customer satisfaction is an after-sale assessment where the alternative chosen is at least equal to or exceeds expectations, while dissatisfaction arises when the results do not meet expectations. According to Kotler & Keller in Karyose et al., (2017: 339), customer satisfaction is the level of one's feelings after comparing perceived performance compared to expectations. Generally, customer expectations are estimates or customer beliefs about what he will receive when buying and consuming a product. While the perceived performance is "the customer's perception of what is received after consuming the product purchased". Customer relationship marketing is a business model with the main goal of identifying, anticipating, understanding the needs of customers and those who have the potential to become customers by gathering information about customers, sales,

The 2nd International Conference on Business and Banking Innovations (ICOBBI)

"Nurturing Business and Banking Sustainability"

Surabaya, 14th - 15th August 2020

marketing effectiveness, and market trends. If the customer feels the company is able to establish customer marketing relationships, the customer will be satisfied and his attachment to the company is getting stronger. The results of previous studies conducted by Fauzi & Surharyono (2018) show that customer satisfaction has a significant effect on customer loyalty.

H4. Customer Satisfaction has a significant effect on Indomaret Customer Loyalty in Surabaya.

Customer Loyalty

Lovelock and Wright in Jasfar in Fauzi & Surharyono (2018: 194), stated customer loyalty is the willingness of customers to use the company's services to others. The longer the loyalty as a customer, the greater the profits derived by the company (Griffin in Fauzi & Surharyono, 2018: 194). Regarding customers, Peter and Olson in Fauzi & Surharyono (2018: 194) stated that customers who were considered loyal would support repurchasing for a certain period of time. Loyal customers are very high for business entities because it requires costs to get new customers more expensive than old customers. Loyal customers are consumers with a strong commitment to buy or buy more certain products or services in the future because there are interests and marketing efforts that affect loyal relationships (Kotler and Keller at Fauzi & Surharyono, 2018: 194).

Marketing mix (marketing mix) is an important part of the company, especially in the retail field in targeting customers feel satisfied, so that later it is expected to arise a loyal attitude. The results of previous studies conducted by Othman et al., (2020) showed that the marketing mix had a positive and significant effect on customer loyalty through direct and indirect customer satisfaction. Similarly, previous research conducted by Fernandes & Solimun (2018) based on the sobel test showed that there was a mediating effect of customer satisfaction in the relationship of the marketing mix strategy on customer loyalty.

H5. Marketing Mix has a significant effect on Indomaret Surabaya Customer Loyalty through mediation of Customer Satisfaction

Amid the fierce competition in the company, it is important for the company to create a positive and good customer experience so that customers will feel satisfied, and there will be a long-term loyal attitude. The results of previous studies conducted by Ernawati et al., (2017) show that, satisfaction is able to mediate the customer experience of customer loyalty.

H6. Customer Experience has a significant effect on Indomaret Surabaya Customer Loyalty through mediation of Customer Satisfaction

Amid the fierce competition in the company, it is important for the company to create a positive and good customer experience so that customers will feel satisfied, and there will be a long-term loyal attitude. The results of previous studies conducted by Ernawati et al., (2017) show that, satisfaction is able to mediate the customer experience of customer loyalty

H7. Customer Relationship Marketing has a significant effect on Indomaret Surabaya Customer Loyalty through Customer Satisfaction mediation

3. RESEARCH METHOD

The population in this study was Indomaret visitors in Surabaya, while the samples taken were Indomaret customers in Surabaya. The sampling technique uses purposive sampling technique. The sample in this study was taken by Indomaret visitors in Surabaya who visited more than twice. In research using SEM analysis techniques where large sample sizes have an important role in the interpretation of SEM results. The sample size provides the basis for estimating sampling errors. With the estimation model using Maximum Likelihood (ML), a minimum sample of 100 to 200 is required. If it is raised to above 400 to 500, then the Maximum Likelihood (ML) method becomes very sensitive and always produces a significant difference so that the Goodness of fit size becomes ugly (Ghozali, 2012: 63). In accordance with the characteristics of respondents, then in this study for a large sample used a number of 100 respondents. Meanwhile, for the small sample used by 30 respondents, it was taken to maintain the validity of the data or alternative

The 2nd International Conference on Business and Banking Innovations (ICOBBI)

"Nurturing Business and Banking Sustainability"

Surabaya, 14th - 15th August 2020

data in the event of a sample error (Sugiyono, 2015: 91).

The number of respondents taken was 130 respondents with the provision of 30 respondents for samples to use for validity and reliability using the IBM SPSS Statistics 22 program. While 100 respondents for large samples using the Partial Least Square Structural Equation Modeling (PLS-SEM) program used the WarpPLS 7.0 program. This study uses a Likert scale with alternative choices 1 to 5.

Convergent validity test with the WarpPLS program can be seen from the loading factor value for each construct indicator. A high loading factor indicates that each indicator constructs converge at one point. The rule of thumb that is usually used to assess convergent validity is that the loading factor value must be more than 0.7 for confirmatory research and the loading factor value between 0.6-0.7 for exploratory research is acceptable and the average variance extracted value (AVE) must be greater than 0.5.

The way to test discriminant validity is to look at the cross loading value for each variable must be > 0.7. Another method that can be used to test discriminant validity is to compare the square root of AVE for each construct with the correlation value between constructs in the model. Good discriminant validity is shown from the square root AVE for each construct greater than the correlation between constructs in the model. (Ghozali, 2012: 37)

The rule of thumb that is usually used to assess construct reliability is that the Composite Reliability value must be greater than 0.7 for confirmatory evaluations and 0.6 - 0.7 values are still acceptable for exploratory research. (Ghozali, 2012: 37-38)

REFERENCES

- Dewi, I. T., & Hasibuan, M. I. (2016). Pengaruh Pengalaman Pelanggan (Customer Experience) terhadap Kepuasan Pelanggan pada Rumah Makan Kuliner Jawa Rantaprapat. *Jurnal ECOBISMA*, 3, 93-103.
- Ernawati, N., Prihandono, D., Manajemen, J., & Ekonomi, F. (2017). *Management Analysis Journal*. Management Analysis Journal, 6(1). <http://maj.unnes.ac.id>
- Fauzi, A., & Surharyono, H. (2018). Pengaruh Customer Relationship Marketing terhadap Kepuasan dan Loyalitas Pelanggan (Survei pada Pelanggan Maskapai Penerbangan Garuda Indonesia di Kota Malang). In *Jurnal Ad-ministrasi Bisnis (JAB)* (Vol. 55, Issue 2).
- Fernandes, A. A. R., & Solimun, S. (2018). The mediation effect of customer satisfaction in the relationship between service quality, service orientation, and marketing mix strategy to customer loyalty. *Journal of Management Development*, 37(1), 76-87. <https://doi.org/10.1108/JMD-12-2016-0315>
- Gumiwang, R. (2019, April 9). Alfamart Vs Indomaret: Siapa Lebih Pesat? Retrieved from [tirto.id](https://tirto.id/alfamart-vs-indomaret-siapa-lebih-pesat-dlvo): <https://tirto.id/alfamart-vs-indomaret-siapa-lebih-pesat-dlvo>
- Karyose, H., Astuti, W., & Ferdiansjah, A. (2017). Marketing and Branding Research Customer Loyalty: The Effect of Service Quality, Corporate Image, Customer Relationship Marketing and Customer Satisfaction as Intervening Variable-An Empirical Analysis of Bank Customers in Malang City. In *Marketing and Branding Research* (Vol. 4).
- Latan, Hengky dan Ghozali, I. (2012). *Partial Least Square Konsep, Metode dan Aplikasi Menggunakan Program WarpPLS 2.0*. Badan Penerbit Universitas Diponegoro.
- Othman, B. A., Harun, A., de Almeida, N. M., & Sadq, Z. M. (2020). The effects on customer satisfaction and customer loyalty by integrating marketing communication and after sale service into the traditional marketing mix model of Umrah travel services in Malaysia. *Journal of Islamic Marketing*. <https://doi.org/10.1108/JIMA-09-2019-0198>
- Prismatama, P. I. (2014, Januari 16). Gerai Indomaret . Retrieved from [Indomaret.co.id](https://indomaret.co.id/korporat/seputar-Indomaret/peduli-dan-berbagi/2014/01/16/gerai-Indomaret/): <https://indomaret.co.id/korporat/seputar-Indomaret/peduli-dan-berbagi/2014/01/16/gerai-Indomaret/>
- Prismatama, P. I. (2014, February 11). Indomaret Raih Penghargaan Excellent Service Experience Award. Retrieved from [Indomaret.com](https://www.indomaret.com/main-content/berita-utama/2014/02/11/indomaret-raih-penghargaan-excellent-service-experience-award/): <https://www.indomaret.com/main-content/berita-utama/2014/02/11/indomaret-raih-penghargaan-excellent-service-experience-award/>
- Prismatama, P. I. (2014, Januari 16). Sejarah dan Visi. Retrieved from [Indomaret.co.id](https://indomaret.co.id/korporat/seputar-indomaret/peduli-dan-berbagi/2014/01/16/sejarah-dan-visi/): <https://indomaret.co.id/korporat/seputar-indomaret/peduli-dan-berbagi/2014/01/16/sejarah-dan-visi/>
- Prismatama, P. I. (2017, October 26). Indomaret Ke-4 Kalinya Raih Penghargaan Retail Asia Pasifik. Retrieved from [Indomaret.co.id](https://indomaret.co.id/main-content/berita-and-): <https://indomaret.co.id/main-content/berita-and->

The 2nd International Conference on Business and Banking Innovations (ICOBBI)

"Nurturing Business and Banking Sustainability"

Surabaya, 14th - 15th August 2020

kegiatan/2017/10/26/indomaret-ke-4-kalinya-raih-penghargaan-retail-asia-pasifik/

- Samuel, R. (2018, December 14). Indomaret Group Raih Best IT & DT Governance Awards Kategori Indonesian Retail Shop & Mini Market. Retrieved from Komite.id: <https://www.indomaret.com/main-content/berita-utama/2014/02/11/indomaret-raih-penghargaan-excellent-service-experience-award/>
- Subagyo. (2019, November 12). Mendag: Industri ritel miliki peran penting dalam pertumbuhan ekonomi. Retrieved from antaranews.com: <https://www.antaranews.com/berita/1159256/mendag-industri-ritel-miliki-peran-penting-dalam-pertumbuhan-ekonomi#mobile-src>
- Sugiyono. (2015). Metode Penelitian Kuantitatif, Kualitatif dan R&D. PT. Alfabeta.
- Wardhana, R. E. (2016). Pengaruh Customer Experience terhadap Loyalitas Pelanggan dengan Kepuasan Pelanggan Sebagai Variabel Intervening (Studi Pada Konsumen Mie Rampok Tahanan Surabaya). Jurnal Ilmu Manajemen, 4, 2-9.