Authenticity and Experience Quality Effect Customer Loyalty of Thematic Restaurants and Demography as Moderation

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ABSTRACT

An increase in activity in the culinary sector provides an opportunity for gastronomic tourism to rise and develop. Gaining tourist loyalty through the success of creating unique experiences is a source of competitive advantage for each destination. This study aimed to examine the mediating effect of perceived authenticity on the relation between experience quality and customer loyalty. This research was conducted in ethnic restaurants spread across East Java and used 200 samples of gastronomic tourists analyzed by SEM-PLS. This study explained that food quality and physical environment had a significant effect on customer loyalty. Service quality had a significant effect on perceived authenticity. Perceived authenticity had a significant effect on customer loyalty. Perceived authenticity is a full mediation of the relation between service quality and customer loyalty. Meanwhile, in the moderation test, demography was not able to moderate the relation between experience quality and customer loyalty.

Introduction

The presence of the COVID-19 pandemic that is still ongoing in the present time has changed the landscape of the tourism industry, both from the behavior of tourists and business actors in the tourism industry. One of the most affected tourism industries is the culinary sub-sector. According to Kemenparekraf, (2021), restaurant is one of the tourism industries that should be able to immediately adapt to the 'disruption' of the new normal in order to survive in this era. The presence of government policies that are in line with the goal of accelerating the recovery of the tourism industry has succeeded in providing increased activity. Based on data from the Central Agency on Statistics, tourist arrivals in 2021 from 137,230,000 in January to 163,619,000 in December have given the impact of increasing activity from 2% to 18% from several types of culinary such as fast food, general, local, other and specialty (Kemenparekraf, 2021).
This phenomenon provides an opportunity to develop culinary tourism such as gastronomic tourism. Gastronomic tourism is a tourism concept that can reflect cultural identity, prioritize form, authenticity and experience in enjoying culinary (Lin et al., 2021). The rapid growth of gastronomic tourism in Indonesia is a support for predicting how tourist loyalty is considered a source of competitive advantage in every tourist destination (López-Guzmán et al., 2019). Thus, increasing tourist loyalty is considered an important thing for the success of a tourist destination (Hung et al., 2021). But, how to attract tourists to revisit destination is crucial for the development of tourism services (Chen et al., 2020). Customer loyalty is related to the intention to maintain good relations in the future and the intention to recommend or return in the future (Hernández-Mogollón et al., 2020).

There have been many studies on the behavior of tourists, especially the tourists decision to visit a tourist destination (Chen et al., 2020; Hermawan et al., 2016). Several factors that have been identified in previous studies related to gastronomic tourism are customer satisfaction (Pahlevi & Suhartanto, 2020), customer trust (Hapsari et al., 2020) and perception of value (Rohman, 2020). The concept of tourist behavior is currently associated with the emotional factor of the tourists. SOR theory states that the concept of including input (S), process (O), and output (R) can describe emotions (nostalgia) as stimuli, and their effects on the components of attitudes (organisms) and consequences of behavioral intentions (responses) (Jeong et al., 2020; Segson & Tan, 2018). Based on the SOR theory, this study explores the relation between emotional experience (S), functional and emotional values (O), and tourist satisfaction and destination loyalty (R) to predict the behavior of visiting tourists.

This study aims to provides additional references regarding the inconsistency of research results related to the effect of experience quality on consumer loyalty. The results of this study are expected to provide a more detailed review regarding the importance of experience quality which is formed by the physical environment between actions that can affect customer loyalty (Andreassen, 2014; Hapsari et al., 2020; Hernández-Mogollón et al., 2020). Hence, in improving customer experience and loyalty, business people must provide quality experience and satisfaction to customers in order to increase customer pleasure (Agarwal et al., 2022). One of the factors that needs to be considered is to maintain the value of authenticity. Perceived authenticity is considered as an important value, motive, or interest that plays a mediating role in consumer behavioral intentions (Chen et al., 2020; Hapsari et al., 2020). Demographics can also strengthen the relations between experience quality and customer loyalty. Previous research stated that there is an influence between dining experience on loyalty based on demographics (Gundala et al., 2022).

Hence, this study is intended to examine the mediating effect of perceived authenticity on the relations between experience quality and customer loyalty. In
addition, this study examines the effect of demographics in moderating the relations between experience quality and customer loyalty.

**Literature Review**

**The Effect of Experience Quality on Customer Loyalty**

Have a loyal customers provides more benefits for the company than getting new customers (Andreassen, 2014). Loyal consumers will be more tolerant of mistakes and also provide positive recommendations to other consumers (Hapsari, 2018; Hapsari et al., 2020). Experience quality is considered to be related to the psychological outcomes of tourism activities that can go beyond the role of service, because of the contemporary need of consumers to seek experiences that are emotionally memorable for them (Fernandes & Cruz, 2016). Hernández-Mogollón et al., (2020) stated that experience quality affects customer loyalty. Zhong & Moon, (2020) states that there are 3 (three) dimensions of quality that can affect customer satisfaction, namely service (service quality), food (food quality), and physical environment.

The success of a restaurant in serving local cuisine is a major success in reflecting local culture, becoming a tourist product and providing a tourist experience (Berbel-Pineda et al., 2019; Mora et al., 2021) The linkage between food and gastronomic tourism is that as part of food quality, it is placed as a basic element that refers to the overall performance of the food starting from the nutritional content of the food, the taste of the food offered, the freshness of the food to health which will affect the perception of the customer experience of the restaurant (Han & Hyun, 2017; Hernandez-Rojas et al., 2021; Zhong & Moon, 2020).

In gastronomic tourism, service quality can also increase customer satisfaction because it focuses on evaluation in providing services that can affect consumer loyalty (Wu et al., 2017). Service quality also emphasizes the perspective of the company’s services provided to tourists. The researchers determined that service quality is the delivery of services by coordinating, matching without compromising customer desires (Prayag et al., 2020).

In the concept of gastronomic tourism, the innovative and unique physical environment of a tourist place will affect the experience quality of the tourists who have visited (Zhong & Moon, 2020). The quality of the physical environment obtained through interior design will create a good image in the eyes of customers, as well as the satisfaction felt by customers, even some studies assume that the physical environment can be a driver of consumer happiness and can improve their quality of life (Gong & Yi, 2018; Wu & Cheng, 2018).

The existence of tourist emotion element in influencing the experience and loyalty of tourists, the hypotheses formed are as follows:
H1a: Food Quality has a positive influence on customer loyalty

H1b: Service Quality has a positive influence on customer loyalty

H1c: Physical Environment of Food Quality has a positive influence on customer loyalty

The Effect of Experience Quality on Perceived Authenticity

Perceived authenticity is one of the most important aspects of the culinary tourism experience (Zhang et al., 2019). Every tourist certainly has a different level of familiarity and knowledge and creates a different perception of an authentic thing (Chousou & Mattas, 2019). In the concept of gastronomic tourism, the importance of perceived authenticity that is perceived by consumers is the success of ethnic restaurants in providing authentic experiences to consumers related to objective authenticity which refers to authenticity, uniqueness, and traditionality (Song et al., 2019). The taste of local food that attracts consumers is expected to shape cultural experiences and bring up the concept of authenticity in the minds of consumers (Carpio et al., 2021; Ellis et al., 2018).

In addition, the physical environment in terms of decoration and facility layout can also lead to perceived authenticity. Zhang et al., (2019) stated that a comfortable place will provide comfort for consumers. Service quality, which is the main touch point for consumers, also has an influence in shaping perceived authenticity (Matthews et al., 2020). Typical services that can reflect the reference culture also affect consumers perceived authenticity (Chen et al., 2020). Service quality in gastronomic tourism will be understood as a form of tourists evaluation of the services provided and the extent to which their satisfaction expectations are fulfilled (Prayag et al., 2020). The presence of tourist experience quality element in influencing the experience and loyalty of tourists, the hypotheses formed are as follows:

H2a: Food Quality has a positive influence on Perceived Authenticity

H2b: Service Quality has a positive influence on Perceived Authenticity

H2c: Physical Environment has a positive influence on Perceived Authenticity

Effect of Perceived Authenticity on Customer Loyalty

The existence of satisfaction on traditional restaurants will affect the cognitive, affective, and overall image of the city, and can affect their loyalty to the place (Fu, 2019; Lin et al., 2022; Zhang et al., 2019). In the concept of gastronomic tourism, by having a strong perception of authenticity, consumers will feel they have tried new, different things, and created a unique experience within themselves. Therefore, if the
authenticity of the food can be conveyed properly to visitors, the experience created is definitely the best experience that will create a desire to return to visit the restaurant (Ellis et al., 2018).

The longer tourists recognize their environment and culture, the more authenticity will be felt, then they will also form place attachments and increase tourist loyalty to the place (Park et al., 2019; Zhang et al., 2022). Successful gastronomic tourism is tourism that is able to create consumer loyalty through the success of providing an authentic experience and being able to form a sustainable tourism experience for consumers (Busser & Shulga, 2019; Chen et al., 2020; Park et al., 2019).

The existence of the perception of tourist authenticity element in influencing tourist loyalty, the hypotheses formed are as follows:

H3 : Perceived Authenticity has a positive influence on Customer Loyalty

Experience Quality, Perceived Authenticity, and Customer Loyalty

Authenticity is an important value, motive, or interest that plays a mediating role in consumer behavioral intentions, especially for ethnic restaurant diners who come and want to feel the authenticity of the food consumed (Hapsari et al., 2020). When customers feel their dining experience is an authentic experience, they will be more satisfied and tend to remember the experience more and from there will form positive things such as loyalty, brand awareness, to promotion to others (Shafieizadeh et al., 2021; Zhang et al., 2019).

The existence of the perception of tourist authenticity element in influencing tourist loyalty, the hypotheses formed are as follows:

H4a : Food Quality has a positive influence on Customer Loyalty mediated by Perceived Authenticity

H4b : Service Quality has a positive influence on Customer Loyalty mediated by Perceived Authenticity

H4c : Physical Environment has a positive influence on Customer Loyalty mediated by Perceived Authenticity

Experience Quality, Demography, and Customer Loyalty

In creating customer loyalty, there are gender-based differences in the dining experience (Gundala et al., 2022). Previous researches have shown that women generally pay more attention on food quality than men (Prayag et al., 2019; Zhong & Moon, 2020). However, there are differences in research references where Omar et al.,
(2016) stating that there is indeed no difference between women and men in terms of the quality of their experience and loyalty as consumers. Then the hypothesis formed is as follows:

H5 : Experience Quality has a positive influence on Customer Loyalty moderated by demography

Method

This is an explanatory study with quantitative research type. Locations were carried out in several ethnic and thematic restaurants in East Java through the distribution of questionnaires online by google forms and offline for 4 weeks. The population of this study were tourists who do gastronomic tourism in East Java. The population is large enough and it is impossible for researchers to study the entire existing population; therefore, according to Sugiymono, (2018) 250 samples will be recruited in this study. Sampling was used non-randomly (non probability sampling) with purposive sampling chosen. There were 200 samples analyzed and tested with SEM-PLS.

Result and Discussion

Research items were tested using the Convergent Validity and Discriminant Validity tests to measure the loading factor. The indicator variable with a loading factor value below 0.6 is invalid and must be removed from the research model. Valid indicators are indicated by the outer loading value above 0.6, as shown in Table 1:

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Outer Loading</th>
<th>Validation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CL1</td>
<td>0.929</td>
<td>Valid</td>
</tr>
<tr>
<td>CL2</td>
<td>0.903</td>
<td>Valid</td>
</tr>
<tr>
<td>CL3</td>
<td>0.932</td>
<td>Valid</td>
</tr>
<tr>
<td>CL4</td>
<td>0.882</td>
<td>Valid</td>
</tr>
<tr>
<td>FQ1</td>
<td>0.845</td>
<td>Valid</td>
</tr>
<tr>
<td>FQ2</td>
<td>0.813</td>
<td>Valid</td>
</tr>
<tr>
<td>FQ3</td>
<td>0.845</td>
<td>Valid</td>
</tr>
<tr>
<td>SQ1</td>
<td>0.883</td>
<td>Valid</td>
</tr>
<tr>
<td>SQ2</td>
<td>0.887</td>
<td>Valid</td>
</tr>
<tr>
<td>SQ3</td>
<td>0.855</td>
<td>Valid</td>
</tr>
<tr>
<td>PA1</td>
<td>0.842</td>
<td>Valid</td>
</tr>
<tr>
<td>PA2</td>
<td>0.810</td>
<td>Valid</td>
</tr>
<tr>
<td>PA3</td>
<td>0.849</td>
<td>Valid</td>
</tr>
</tbody>
</table>

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Furthermore, the research indicators were tested for reliability with Cronbach’s Alpha value must be > 0.6; Composite Reliability > 0.7; and AVE > 0.5. The results of the reliability test are shown in Table 2:

### Table 2. Construct Reliability and Validity

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Outer Loading</th>
<th>Validation</th>
</tr>
</thead>
<tbody>
<tr>
<td>PA4</td>
<td>0.868</td>
<td>Valid</td>
</tr>
<tr>
<td>PA5</td>
<td>0.886</td>
<td>Valid</td>
</tr>
<tr>
<td>PA6</td>
<td>0.828</td>
<td>Valid</td>
</tr>
<tr>
<td>PA7</td>
<td>0.876</td>
<td>Valid</td>
</tr>
<tr>
<td>PA8</td>
<td>0.895</td>
<td>Valid</td>
</tr>
<tr>
<td>PA9</td>
<td>0.903</td>
<td>Valid</td>
</tr>
<tr>
<td>PE1</td>
<td>0.787</td>
<td>Valid</td>
</tr>
<tr>
<td>PE2</td>
<td>0.902</td>
<td>Valid</td>
</tr>
<tr>
<td>PE3</td>
<td>0.916</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Evaluation of the structural model, the goodness of fit model test was first carried out through the R-Square (R²) and Q-square (Q²) values, then continued with hypothesis testing through path coefficient analysis. Based on the results of R Squared Adjusted, it is known that the predictive power of Experience Quality on customer loyalty is 0.699 in the strong category. Meanwhile, the predictive power of Experience Quality for perceived authenticity is 0.438 in the moderate category. In this study Q-Square was calculated using the equation Q-Square = 1 − (1 − R 2) x (1 − R2) = 0,830. A score 0,830 > 0 can be said if the model has predictive relevance.

### Table 3. Hypothesis Test Results (Direct dan Indirect Effect)

<table>
<thead>
<tr>
<th>Original Sample (O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>T Statistics</th>
<th>P Values</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food_Quality</td>
<td>0.397</td>
<td>0.391</td>
<td>0.075</td>
<td>5.331</td>
<td>Accepted</td>
</tr>
<tr>
<td>Customer_Loyalty</td>
<td></td>
<td></td>
<td></td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Food_Quality</td>
<td>0.153</td>
<td>0.185</td>
<td>0.154</td>
<td>0.995</td>
<td>Rejected</td>
</tr>
<tr>
<td>Perceived_Authenticity</td>
<td></td>
<td></td>
<td></td>
<td>0.320</td>
<td></td>
</tr>
</tbody>
</table>
In table 3, it is known that there are only two elements of experience quality that directly affect customer loyalty. This is indicated by the p-value of 0.000 and 0.010, which means <0.05. Thus, it is stated that H1a and H13 are accepted, while H1b is rejected. Food quality affects tourist loyalty (Han & Hyun, 2017; Hernandez-Rojas et al., 2021; Zhong & Moon, 2020). The majority of respondents are from generations Y and Z where they are the most powerful generation and the most developed customer segment in the food industry compared to other generations (Nyheim et al., 2015; Okumus et al., 2021; Yoon & Chung, 2018; Yoon et al., 2018). Tourists are more concerned with quality food than luxurious service and still consider a comfortable place for their satisfaction (Okumus et al., 2021; Roseman et al., 2017; Zhong & Moon, 2020).

In the second hypothesis, it can be seen that only service quality affects the level of consumer perception of authenticity. It is known from the p-value of 0.000 <0.05. Hence, it is stated that H2a and H2c are rejected and H2b is accepted. This study explains that East Java tourists are a customer segment that pays attention on the level of service quality in buying food. They tend to like fast service over getting the luxury services offered (Okumus et al., 2021; Wahyuningsih et al., 2022).

The next hypothesis is the direct and mediating effect of the perceived authenticity variable. H3 is accepted and this study supports previous research that there is an important relation between loyalty and authenticity in cognitive and emotional-based constructs (Fu, 2019; Zhang et al., 2019). When a place is able to
provide a very authentic image, the cognition and emotions of consumers become positive and consumer loyalty will be more easily formed (Busser & Shulga, 2019; Chen et al., 2020; Park et al., 2019). In the mediation test results, it is known that Perceived Authenticity mediates the relation between Experience Quality and Customer Loyalty. However, the mediation relation only applies to the service quality component. Therefore, it is concluded that H4a and H4c are rejected, while H4b is accepted. The importance of authenticity in enhancing emotions and forming consumer loyalty has managerial implications for business actors to continue to strive to create high quality travel experiences based on elements of authenticity (Girish & Chen, 2017; Hapsari et al., 2020; Su et al., 2021). The context of an ethnic restaurant is a concept that prioritizes an authentic impression and is able to present a reflection of a reference culture to consumers (Chen et al., 2020; Prayag et al., 2020). However, the speed of service remains a major consideration for tourists in East Java (Okumus et al., 2021; Wahyuningsih et al., 2022).

Table 4. Moderation Test Results

<table>
<thead>
<tr>
<th>Path Coefficients</th>
<th>p-Value original</th>
<th>p-Value new</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food_Quality → Customer_Loyalty</td>
<td>0.100</td>
<td>0.256</td>
<td>0.512</td>
</tr>
<tr>
<td>Physical_Environment → Customer_Loyalty</td>
<td>-0.022</td>
<td>0.543</td>
<td>0.913</td>
</tr>
<tr>
<td>Service_Quality → Customer_Loyalty</td>
<td>-0.046</td>
<td>0.599</td>
<td>0.803</td>
</tr>
</tbody>
</table>

Based on the results of the moderation test in table 4, it is known that the effect of Experience Quality on Customer Loyalty is not moderated by demography. H5 is rejected and it can be seen that there is no difference between the behavior of female consumers and male consumers. This study does not support the results of the study Prayag et al., (2019), Zhong & Moon, 2020), however, states that there are no gender-based differences in dining experience, especially in regard to food quality where women generally pay more attention on food quality compared to men (Gundala et al., 2022; Omar et al., 2016).

Conclusion

The research results show that food quality and physical environment have a significant effect on customer loyalty. Thus, business actors can improve the quality of food by maintaining nutritional content, food taste, food freshness, and the health aspect as well as paying attention on the decoration and layout of the room. Service quality has a significant effect on perceived authenticity. Perceived authenticity has a significant effect on customer loyalty. Business actors in the scope of gastronomic tourism need to provide good service to foster a positive impression on visitors. There.
is a significant positive indirect effect between service quality and customer loyalty through perceived authenticity. Perceived authenticity is full mediation. Meanwhile, in the moderation test, demographics are not able to moderate the relations between experience quality and customer loyalty.

Future research is expected to strengthen research findings by conducting clustering specifically on age and providing references to the development of consumer behavior in each generation. In addition, the researchers suggest using variables other than experience quality and perceived authenticity in future research to enrich strategic marketing management literacy, especially consumer loyalty.

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