

# Creative Ways to create Loyalty for Millenials through Bazaar in Indonesia

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## Article Info

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## Abstract:

Short-term events are called festivals. These events are important for the world of tourism (Chang, 2006). The bazaar has recently become a trendy event and is starting to attract attention. We also know that markets like this, they bring people who stand from buyers and sellers (Doyle, 2015). In Indonesia, based on INIJIE, there are 3 things that might become "founders" of the market in Indonesia. First, it may be the influence of the Indonesian capital, Jakarta, which affects city such as Surabaya, city that usually follow what is happening in the capital city (Kenny, 2015). Second, is the hype and pleasure to get along with friends as a social phenomenon (Kenny, 2015). The last is that the market is a "paradise" for EOs and for tenants to seek extra money (Kenny, 2015). The purpose of this research is to reveal whether Festival Authenticity has the effect on Loyalty to Festival through Festival Quality, Festival Value and Satisfaction with Festival on Surabaya Bazaar in Surabaya, which is aimed to use 4 variables to identify the Loyalty to Festival. This study uses a quantitative approach to the analysis technique of Structural Equation Model (SEM) and the AMOS 22.0 software. The questionnaire were distributed to 50 respondents in the sample, in which the characteristics of respondents that consists of men and women in the age range 18-60 years, who have visited bazaar at least once. The sampling method used in this research that is non - probability sampling.

**Keywords:** Festival Authenticity, Festival Value, Festival Quality, Satisfaction with Festival, Loyalty to Festival, Bazaar

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## I INTRODUCTION

The entertainment business is one of the important economic sectors in Indonesia. The presence of integrated entertainment venues is also expected to provide a place for creative industries to offer their products. A mutually beneficial partnership is a real step to encourage the economy of the community to grow.

The entertainment industry can be included in the creative industry. Where in 2018, the creative industry has contributed IDR 642 trillion or 7.05 percent of Indonesia's total gross domestic product (GDP). In addition, the creative industry is the fourth largest sector in employment, with a national contribution of 10.7 percent or 11.8 million people ([www.kemenperin.go.id](http://www.kemenperin.go.id)).

There are various factors that can trigger the increase in the entertainment industry in Indonesia. One of them is the increasing level of stress among the community, especially workers. Stress arises due to the pressure or burden of life.

This level of stress is not a frightening thing, but nevertheless it must be carefully considered on how to overcome it. Stress can be overcome by the community doing refreshing activities. It should be noted that to many people refreshing can be done, in general, by visiting entertainment venues. This entertainment place is able to divert thoughts and feelings for a moment to not think of problems related to the burden of life problems, work problems, etc. (<http://print.kompas.com/>).

One of the entertainment venues that are currently growing rapidly in Indonesia is Bazaar.

Bazaar, which is the example of the festival, has become a trend for young people in big cities in Indonesia. Usually this bazaar is held in the mall. And it is a place to make tenants sell various products ranging from fashion, culinary to craft products. The Visitors from the bazaar range from generation X to baby boomers.

With the development of this bazaar, it can be a place for young people to be able to do business in the creative industry. And of course this can be an experience as an entrepreneurship for young people. But along with a growing interest of the bazaar, the bazaar organizers in various big cities are increasing and competition is getting tighter.

This increasingly fierce competition can be seen from the many players in this business such as Basha Market, Kepo Market, and various other bazaars' organizers that travel around Indonesia to hold bazaars. In addition, the significant development of this bazaar is also supported by the quality and positive value in the bazaar that exists today. This is because the bazaar in Indonesia is not a new business, especially in the cities of Bandung and Jakarta, this business has been blooming for a long time. But significant developments today are due to the new nuances presented by the bazaar which recently appeared in big cities like Surabaya, Jakarta, Semarang, Makassar, Medan and several other major cities in Indonesia.

Therefore, it is important for bazaar players in Indonesia to always evolve in order to survive amid the intense competition that exists today. In this study, we will examine loyalty to festival more deeply than the concept of value formation and satisfaction by festival quality variables and authenticity festivals (Gallan et al., 2013).

## II LITERATURE REVIEW

### A. Loyalty to Festival

According to (PR Loyalty Solutions, 2011), customer loyalty is based on both the attitudinal and also behavioral tendency to choose one brand

over the other brands, either due to the satisfaction of the product or service, its performance or convenience, or maybe just simply the comfort and familiarity with the chosen brand. According to Aaker (1991) in Marthin and Semuel (2007) states that the number of customer on their loyalty to the brand, it is definitely cannot be separated from the variables that is forming them.

### B. Satisfaction with Festival

Customer satisfaction is one of the response of the attitude of the customer that is somewhat an evaluation-after-purchase on a particular product or service and that the customer experienced based on the customer expectation. Customer satisfaction is depending on the customer expectation and perception (Gallan et al., 2013). According to Kotler (2000) satisfaction is one of the feeling that is shown, either happy or disappointed, that is shown after comparing between perceptions towards on how a product or service works and their expectations. So, satisfaction is one of the function from the expectation of the performance and expectations. If the performance is below the expectation then the customer won't feel satisfied. But if the performance is above the expectations then the customer will feel satisfied and happy. From these statements, we can make hypotheses that:

*H4: Festival Satisfaction has significant effect on Festival Loyalty*

### C. Festival Quality

Perceived Quality refers to the excellence or the superiority or excellence of a product or service that is perceived by the customers (Lee et al., 2009; Riggati-Luchini & Mason, 2010; Lee, Kim, Bendle & Shin, 2014a; Wu et al., 2014). In other words, the quality demonstrates the performance of a product or service (Wu et al., 2014; Yoon et al., 2010). Next, also Crompton and Love (1995) who proposed the first conceptualization to measure festival quality, it also bolds out that

there are five types of relationships that had been used to evaluate the quality in tourism, which are as follows : attribute expectations, attribute expectation and importance, attribute performance and importance, attribute performance and expectations, and attribute performance, expectations and importance. They also argued that there are two different types of quality: performance (opportunity) and experience. The performance quality can be defined as the quality of attributes of a service, which are under the control of the supplier. In contrast to performance quality, experience quality it includes both of the attributes that is provided by a supplier and also the attributes that is brought to the opportunity by a visitor. From these statements, we can conclude hypotheses as follows:

*H2: Festival Quality has significant effect on Festival Satisfaction*

*H5: Festival Quality has significant effect on Festival Value*

*H6: Festival Quality has significant effect on Festival Loyalty*

#### *D. Festival Authenticity*

Authenticity as a concept itself demonstrates the genuineness, reality and the truth as the three qualities and may be connected with the region's tradition and culture (Brida, Disegna, & Osti, 2013; Casteran & Roederer, 2013; Chhabra, Healy, & Sills, 2003; Kim & Jamal, 2007; Robinson & Clifford, 2012). There are three different types of authenticity in tourists' experiences that have been acknowledged, which are : objective, constructive and existential. Objective authenticity, usually it refers to the originality of objects. Contrary to objective authenticity, constructive and existential authenticities are very subjective. Thus, the following hypothesis is proposed:

*H1: Festival Authenticity has significant effect on Festival Satisfaction*

*H7: Festival Authenticity has significant effect on Festival Value*

*H8: Festival Authenticity has significant effect on Festival Loyalty*

#### *E. Festival Value*

According to Kotler and Keller (2009:173) perceived value is the margin between the evaluation of future consumers on all economic term, functional and also psychological way that is expected by the customer on what bazaar has to offer. In the case of festivals, usually consumers who evaluate festival value by mentally trading off between the benefits (functional, emotional, social, epistemic, and conditional) which they will receive and the sacrifices in terms of time, money and also effort (Akhoondnejad, 2015). Value is considered as the most important result from the consumption experience from the side of the consumer (Holbrook, 1996). Thus, we tested the following hypotheses:

*H3: Festival Value has significant effect on Festival Satisfaction*

*H9: Festival Value has significant effect on Festival Loyalty*

### III RESEARCH ISSUE AND METHODOLOGY

#### *A. Research Issue*

From all of the non-probability sampling method, one of the method that is considered and can be used in the research is the Purposive Sampling. That means the sample that is used in the method is the customer that is aged around 18 years old to 60 years old who have been to the bazaar. The age limit is chosen because it is considered as the age that can answer the question of questionnaire based on the criteria of the fulfillment of the questionnaire. The respondents of the customers of bazaar in Surabaya selected or chosen to be a sample should be within this certain characteristics: male and female, aged between 16-80 years old, staying in Surabaya

(since is conducted in Surabaya), buying and coming in to bazaar in the last 3 months. From 120 questionnaires distributed, 100 questionnaires were returned and can be used for data formulation.

In this research, there will be 5 variables that will be used and tested in the study; the variables can be classified into two types of variables; where it can be a depended or an independent

variable. A variable that is dependent is the one it becomes the primary or the main interest to the researcher (Sekaran, 2003). The purpose of this study is to test whether the variables that are related are affecting the dependent variable which is Loyalty to Festival. There were 21 indicators for 5 variables tested, and these can be seen from the following research model:

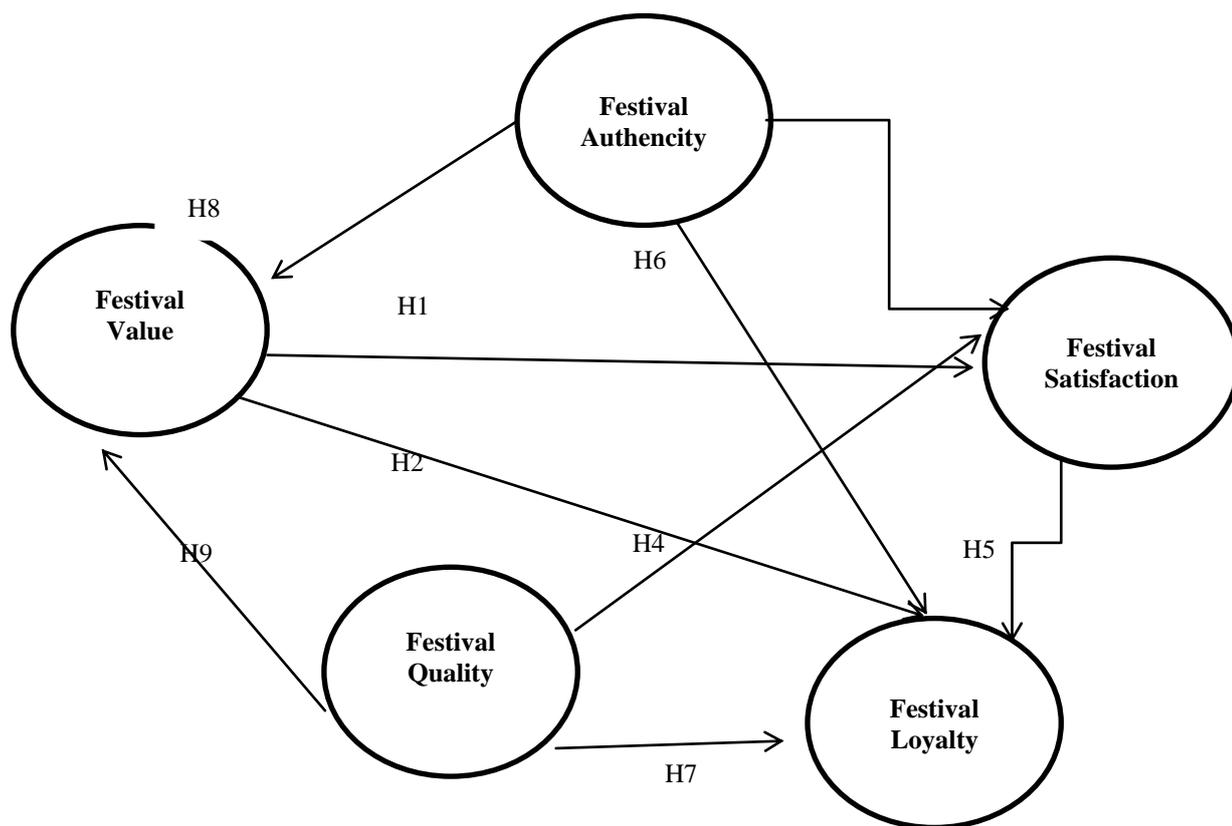


Fig.1. Research Model

Source: Analysis, 2018

**B. Methodology**

Aras which was used within this research were interval level measurement. Type of scale used was Summated Likert, a statement which has a range from 1 = disagree to 5 = agree, the scale represent the respondents' opinion for the questions regarding the objects being studied. In which the highest the score or number selected indicated the higher of ratings, and vice versa.

**IV FINDING AND DISCUSSION**

**A. Findings**

This study used Multiple Regression intesting between the variables. Statistical analysis tool used to answer the problem formulation of this research is SPSS 22.0. Once the questionnaires were returned, the next step that must be conducted is descriptive statistic-analysis.

In Table 1, it shows that respondents who fill out questionnaires are mostly done by women, this can be seen from 45 respondents (45%) of

respondents are men while 55 respondents (55%) are women. This indicates that the visitor are both

men and women because the differences not really significant.

Tabel 1  
Respondents Characteristic by Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	45	45.0	45.0	45.0
Female	55	55.0	55.0	100.0
Total	100	100.0	100.0	

Source: data, compiled by researcher

From the results in Table 2, it can be seen that the characteristics of respondents based on age are dominated by age group 22-35 which is 47 respondents (47%), followed by 18-22 age group which is 30 respondents (30%), and last age group

which is bazaar's visitoris age group 35-50 which is 23 respondents (23%). This shows that the majority of bazaars visitor users are in the age subgroup of generation X and Y and the last proportion of baby boomers, but none of the respondents are from the senior age group.

Tabel 2  
Respondents Characteristic by Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-22	30	30	30	30
22-35	47	47	47	77
35-50	23	23	23	100.0
Total	100	100.0	100.0	

Source: data, compiled by researcher

Tabel 3  
Descriptive Statistics

	N	Mean	Std. Deviation
FA1	100	4.200	.9847
FA2	100	4.330	.8883
FA3	100	4.150	1.0384
FA4	100	4.140	1.0349
FA	100	4.2050	.78527
FQ1	100	4.070	.9239
FQ2	100	3.880	1.0375
FQ3	100	4.010	1.0200
FQ4	100	4.190	.8372
FQ5	100	4.370	.9173

FQ6	100	4.310	.8250
FQ7	100	4.360	.8105
FQ8	100	4.310	.8250
FQ	100	4.18750	.666075
FV1	100	4.260	1.0310
FV2	100	4.220	.7987
FV3	100	4.310	.7614
FV	100	4.263333333	.7000000000
		333333	00000
FS1	100	4.280	.8418
FS2	100	4.130	.8837
FS3	100	4.220	.8113
FS	100	4.210000000	.7349767321
		000003	87805
FL1	100	4.240	.8776
FL2	100	4.210	.9244
FL3	100	4.040	.9312
FL	100	4.163333333	.8185489885
		333335	70088
Valid N (listwise)	100		

Source: data, compiled by researcher, 2018

Based on the results from the data processing in table3, it is shown that the average score of the mean for overall indicator is 4.206. This shows that all indicators of variables that tested can be perceived by all respondents. In addition, the standard deviation is under 2.0. This shows that the answers given by respondents are homogeneous or relatively the same. It is known that the highest mean averages festival value is 4.263. This may indicate that the indicators of festival value are best perceived by the respondents than other variables. Festival loyalty has the highest score for standard deviation, that is 0.818. This may indicate that the respondents give answers for perceived usefulness least homogeneous compared with other variables.

Before going for *Single Regression* and

*Multiple Regression* testing, first steps that must be conducted is the testing of the validity and reliability to prove that the data from the questionnaire is valid, reliable and able to be used for the next analysis.

#### *Validity Test*

The criteria is if the value of the factor loading is higher than 0.160, then the statement is considered valid, however, if the value of the factor loading is less than the 0.160, then the statement is considered invalid or failed. Based on the test of the data validity, it is prove that all indicators used to estimate each variable are valid, since the value of the factor loading for every questions are more than 0.160.

Table 4  
Validity Test

Festival Authenticity:		Festival Quality:		Festival Value:		Festival Satisfaction:		Festival Loyalty:	
Indicator	FL	Indicator	FL	Indicator	FL	Indicator	FL	Indicator	FL
FA1	.623	FQ1	.574	FV1	.545	FS1	.635	FL1	.726
FA2	.664	FQ2	.566	FV2	.529	FS2	.711	FL2	.850
FA3	.608	FQ3	.601	FV3	.599	FS3	.759	FL3	.733
FA4	.597	FQ4	.740						
		FQ5	.678						
		FQ6	.751						
		FQ7	.631						
		FQ8	.666						

Source: data, compiled by researcher, 2018

*Reliability Test*

Reliability test is do by comparing cronbach's

alpha value, if the value is higher than 0.6, then the statement is considered reliable.

Table 5  
Reliability Test

Variable	Cronbach's Alpha Based on Standardized Items
Festival Authenticity	.808
Festival Quality	.884
Festival Value	.737
Festival Satisfaction	.838
Festival Loyalty	.880

Source: data, compiled by researcher, 2018

From the table 5, it is proven that the variable of festival authenticity, festival quality, festival value, festival satisfaction and festival loyalty having the Cronbach alpha value higher than 0.60. So, it can be concluded that the statements

develop the variables can be said to be consistent/reliable and can be used for further analysis.

*Results of Coefficient Determination*

Table 6  
Coefficient Determination 1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.742 <sup>a</sup>	.550	.536	.5006000022 89120

a. Predictors: (Constant), FV, FA, FQ

Source: data, compiled by researcher, 2018

Table 7  
Coefficient Determination 2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.865 <sup>a</sup>	.749	.738	.4186988970 14596

a. Predictors: (Constant), FS, FV, FA, FQ

Source: data, compiled by researcher, 2018

From table 6, determinant coefficient/R-square ( $R^2$ ) generated is 0.536, which means that the variations of variables of festival authenticity, festival quality, festival value together can explain the variation of variable of festival satisfaction by 53.6%, while the rest 46.4% explained for other variables beyond the model which is not yet observed. Meanwhile, from table 7 determinant coefficient/R-square ( $R^2$ ) generated is 0.568 which means that festival satisfaction together can

explain the variation of variable festival loyalty by 56.8%, while the rest 43.2% explained for other variables beyond the model which is not yet observed.

#### Results of Multiple Regression

##### 1. Festival Authenticity, Festival Quality, Festival Value to Festival Satisfaction

The results of multiple regression are as follows:

Table 8  
Coeffisien Regression Model 1

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.386	.360		1.071	.287
	FA	.229	.090	.244	2.540	.013
	FQ	.387	.111	.351	3.481	.001
	FV	.291	.087	.277	3.340	.001

a. Dependent Variable: FS

Source: data, compiled by researcher, 2018

From table 8, the regression equation can be written as follows:

$$FS = b_1FA + b_2FQ + b_3FV$$

$$f_s = 0.244FA + 0.351FQ + 0.277FV$$

Based on table 8, all the independent variables festival authenticity, festival quality, and festival value have positively influence towards festival satisfaction. Festival quality has the greatest regression coefficient compare to other variables, that is 0.351. Therefore, festival quality is the

most influential variable to perceived satisfaction. In the other side, festival authenticity has the smallest effect on festival satisfaction, that is 0.244.

##### 2. Festival Authenticity, Festival Quality, Festival Value, Festival Satisfaction to Festival Loyalty

Based on table 9, all the independent variables festival authenticity, festival quality, festival value

and festival satisfaction have positively influence towards festival loyalty. Festival quality has the greatest regression coefficient compare to other variables, that is 0.462. Therefore, festival quality is the most influential variable to perceived loyalty. In the other side, festival value has the

smallest effect on festival loyalty, that is 0.074. From table 9, the regression equation can be written as follows:

$$FL = b_4FS + b_5FA + b_6FQ + b_7FV$$

$$FL = 3.14FS + 0.139FA + 0.462FQ + 0.074FV$$

Table 9  
Coefisien Regression Model 2

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.663	.303		-2.187	.031
FA	.145	.078	.139	1.860	.066
FQ	.568	.099	.462	5.749	.000
FV	.086	.077	.074	1.121	.265
FS	.350	.085	.314	4.099	.000

a. Dependent Variable: FL

Source: data, compiled by researcher, 2018

### 3. Festival Authenticity, Festival Quality to Festival Value

Based on table 10, all the independent variables festival authenticity, festival quality have positively influence towards festival value. Festival quality has the greatest regression coefficient compare to other variables, that is 0.413. Therefore, festival quality is the most influential variable to

perceived loyalty. In the other side, festival authenticity has the smallest effect on festival loyalty, that is 0.195.

From table 9, the regression equation can be written as follows:

$$FV = b_8FA + b_9FQ$$

$$FV = 0.195FA + 0.413FQ$$

Table 10  
Coefisien Regression Model 3

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.712	.382		4.486	.000
FA	.174	.103	.195	1.686	.095
FQ	.434	.122	.413	3.567	.001

a. Dependent Variable: FV

### F-test

Based on the calculation of SPSS, the significance of F test value in the model 1 and

model 2 are 0.000, this mean H0 is rejected, so it can be concluded each model's independent variables together influencing dependent variable

significantly

Table 11  
Result of F-test 1

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.421	3	9.807	39.134	.000 <sup>b</sup>
	Residual	24.058	96	.251		
	Total	53.479	99			

a. Dependent Variable: FS

b. Predictors: (Constant), FV, FA, FQ

Source: data, compiled by researcher, 2018

Table 12  
Result of F-test 2

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	49.678	4	12.419	70.843	.000 <sup>b</sup>
	Residual	16.654	95	.175		
	Total	66.332	99			

a. Dependent Variable: FL

b. Predictors: (Constant), FS, FV, FA, FQ

Source: data, compiled by researcher, 2018

*t-test*

1. *Festival Authenticity, Festival Quality, Festival Value to Festival Satisfaction*

The t test used to determine whether the independent variables festival authenticity, festival quality, festival value partially (independently) have significant influence on

festival loyalty. If the value of t test is below 0.05, then it can be stated that the variable is significantly influenced by partially. From table 13, it can be seen that festival authenticity, festival quality, festival value partially (independently) have significant influence on festival satisfaction.

Table 13

Result of t-test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.386	.360		1.071	.287
FA	.229	.090	.244	2.540	.013
FQ	.387	.111	.351	3.481	.001
FV	.291	.087	.277	3.340	.001

a. Dependent Variable: FS

Source: data, compiled by researcher, 2018

2. *Festival Authenticity, Festival Quality, Festival Value, Festival Satisfaction to Festival Loyalty*

The t test used to determine whether the independent variable of Festival Authenticity, Festival Quality, Festival Value, Festival Satisfaction partially (independently) have significant influence on festival loyalty. If the value of t test is below 0.05, then it can be

stated that the variable is significantly influenced by partially. From table 14, it can be seen that Festival Quality, Festival Satisfaction partially (independently) have significant influence on festival loyalty. However, Festival Authenticity and Festival Value have no significant effect on festival loyalty.

Table 14  
Result of t-test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.663	.303		-2.187	.031
FA	.145	.078	.139	1.860	.066
FQ	.568	.099	.462	5.749	.000
FV	.086	.077	.074	1.121	.265
FS	.350	.085	.314	4.099	.000

a. Dependent Variable: FL

Source: data, compiled by researcher, 2018

3. *Festival Authenticity, Festival Quality to Festival Value*

The t test used to determine whether the independent variable of Festival Authenticity, Festival Quality partially (independently) have significant influence on festival loyalty. If the

value of t test is below 0.05, then it can be stated that the variable is significantly influenced by partially. From table 15, it can be seen that Festival Quality have significant influence on festival value. However, Festival Authenticity has no significant effect on festival value.

Table 15  
Result of t-test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.712	.382		4.486	.000
FA	.174	.103	.195	1.686	.095
FQ	.434	.122	.413	3.567	.001

a. Dependent Variable: FV

### B. Discussion

The results of previous studies showed that the variables which Festival Authenticity, Festival Quality, Festival Value, have positive and significant effects on Festival Satisfaction. Also, Festival Quality, Festival Satisfaction have positive and significant effect on Festival Loyalty also Festival Quality has positive and significant effect on Festival Value. In addition, the result also showed that Festival Authenticity and Festival Value have positive but not significant effects on Festival Loyalty of Surabaya Bazaar; also Festival Authenticity has positive but not significant effect on Festival Value. So, it can be concluding that from seven proposed hypotheses, six hypotheses are supported and three hypotheses are not supported.

The first hypothesis stating that festival authenticity has a positive effect on festival satisfaction of Surabaya Bazaar is supported. The first hypothesis stating that festival authenticity has a positive effect on festival satisfaction is supported because the t test value is 0.013, below 0.05. This shows the consistency results of this study with Robinson and Clifford (2012), Festival Authenticity has a significant effect on Satisfaction with Festival.

The second hypothesis stating that festival quality has a positive effect on festival satisfaction of Surabaya Bazaar is supported. The second hypothesis stating that festival quality has a positive effect on festival satisfaction is supported

because the t test value is 0.001, below 0.05. This shows the consistency results of this study with Baker and Crompton (2000), Festival Quality has a significant effect on Satisfaction with Festival.

The third hypothesis stating that festival value has a positive effect on festivalsatisfaction of Surabaya Bazaar is supported. The third hypothesis stating that festival value has a positive effect on festival satisfaction is supported because the t test value is 0.000, below 0.05. This shows the consistency results of this study with Rahman (2006), Satisfaction with Festival has a significant effect on Loyalty to Festival.

The fourth hypothesis stating that festival satisfaction has a positive effect on festival loyalty of Surabaya Bazaar is supported. The fourth hypothesis stating that festival satisfaction has a positive effect on festival loyalty is supported because the t test value is 0.000, below 0.05. This shows the consistency results of this study with Rahman (2006), Satisfaction with Festival has a significant effect on Loyalty to Festival.

The fifth hypothesis stating that festival authenticity has a positive and effect on festival loyalty of Surabaya Bazaar is not supported. The fifth hypothesis stating that festival authenticity has a significant effect on festival loyalty is not supported because the t test value is 0.066, higher than 0.05. This is not consistent with the results of previous research by Nowacki (2016), Festival Authenticity has a significant effect on Loyalty to Festival.

The sixth hypothesis stating that festival quality has a positive effect on festival loyalty of Surabaya Bazaar is supported. The sixth hypothesis stating that festival quality has a positive effect on festival loyalty is supported because the t test value is 0.000, below 0.05. This shows the consistency results of this study with Wong et al. (2014), Festival Quality has a significant effect on Loyalty to Festival.

The seventh hypothesis stating that festival value has a positive and significant effect on festival loyalty of Surabaya Bazaar is not supported. The seventh hypothesis stating that festival value has a significant effect on festival loyalty is not supported because the t test value is 0.265, higher than 0.05. This is not consistent with the results of previous research by Asshidin et al. (2016), Festival Value has a significant effect on Loyalty to Festival.

The eighth hypothesis stating that festival authenticity has a positive and significant effect on festival value of Surabaya Bazaar is not supported. The eighth hypothesis stating that festival authenticity has a significant effect on festival value is not supported because the t test value is 0.066, higher than 0.05. This is not consistent with the results of previous research by Richard (2011), Festival Authenticity has a significant effect on Festival Value.

The ninth hypothesis stating that festival quality has a positive effect on festival value of Surabaya Bazaar is supported. The ninth hypothesis stating that festival quality has a positive effect on festival value is supported because the t test value is 0.001, below 0.05. This shows the consistency results of this study with Rigatti-Luchini and Mason (2010), Festival Quality has a significant effect on Festival Value.

## V CONCLUSION, LIMITATION, AND RESEARCH EXTENTION

### *Conclusion*

From the research and discussion that has been done, this study successfully extends festival loyalty to the context of Surabaya Bazaar by using festival satisfaction in mediating influence of the three variables Festival Authenticity, Festival Quality, Festival Value.

So from the discussion above we can identify that the Festival Quality variable is affecting Loyalty to Festival the most, then followed up by the Satisfaction with Festival. Festival Authenticity and Festival Value has insignificant effect on Loyalty to Festival because the variables itself doesn't have direct impact to improve the loyalty of the customer but what Festival Authenticity and Festival Value can do is that the variables can improve loyalty of the customer through Festival Quality and Festival Authenticity by that means it can improve Festival Quality and Satisfaction with Festival which has the significant effect on Loyalty to Festival. So when Festival Quality and Satisfaction with Festival improved, that means the better the facilities and the services that is provided by Surabaya Bazaar to the customer and the more expectations of the customer that is met when they visit Surabaya Bazaar in a way it will affect Loyalty to Festival and may improve Loyalty to Festival itself too.

There are three variables that are bringing effects to Satisfaction with Festival: Festival Authenticity, Festival Value and Festival Quality. Based on the result of the coefficient path, out of the three variables that has the highest effect on Satisfaction with Festival is Festival Authenticity. But even though it brings the highest effect it still shows the insignificant effect on Satisfaction with Festival. Where this shows that the "originality" of Surabaya Bazaar that shows that Surabaya Bazaar is the one and only in the market. But if Festival Authenticity is related to Satisfaction with Festival means that the Festival Authenticity doesn't directly imply to the satisfaction of the customer, the customer may think that the market is authentic but if there are no personal experience

from the customer it won't affect the customer's satisfaction.

The next variable that brings a significant effect on Satisfaction with Festival after Festival Authenticity is the Festival Value where it has the regression coefficient value of 0.325. Where it shows that in this case the importance of the value of the products and services that are offered inside Surabaya Bazaar whether the customer thinks it is worth it to come and use the products and the services that is offered by Surabaya Bazaar, so when the customers thinks that all of it are worth it based on their price and the time to spend in Surabaya Bazaar is worth it basically increases the satisfaction by the customer's emotional experience on visiting Surabaya Bazaar itself.

The last variable that brings insignificant effect on Satisfaction with Festival is Festival Quality where it has the regression coefficient value of 0.261. Where it shows in this case that if the quality of the product will not affect the satisfaction of the customer since to know the quality the customer have to consume or use the product and facilities that is offered by Surabaya Bazaar. If the customer can know the quality and if the customer thinks the quality is good then it can create the satisfaction for the customer.

First, Festival Quality is one of the important elements that are focusing on customers in the thoughts on improving the Loyalty to Festival. As Surabaya Bazaar set to improve its Festival Quality in a way which means the environment and the designs of Surabaya Bazaar have to be maintained or improvise to become as clean and different as possible comparing to other bazaars, in a way Surabaya Bazaar always have cleaning service in the bazaar to clean the bazaar every 30 minutes. Surabaya Bazaar also need to maintain their SOP on organizing the events on how well Surabaya Bazaar organizing the events. Also Surabaya Bazaar need to improve the amount of facilities that is offered such as, chairs and tables in the bazaar for the customers. In this way it will make customer loyal to Surabaya Bazaar where

the customer will recommend Surabaya Bazaar and keep coming to Surabaya Bazaar

Next is the Satisfaction with Festival, Satisfaction with Festival is one of the important element that is focusing on customer on improving Loyalty to Festival. As Surabaya Bazaar is set to improve Satisfaction with Festival, by that it means that Surabaya Bazaar needs to set a standard where Surabaya Bazaar's standard is meeting customer expectations on the bazaar so that where it can create a certain emotion from the customer on the bazaar. In order to improve satisfaction of the customer on Surabaya Bazaar, to create more satisfaction in a way where customer can pay a visit, Surabaya Bazaar can improve their facilities and also increase the festival quality to improve satisfaction by the customer on the festival, such as increasing the number of facilities, developing better quality of service, increase the events in the bazaar, in another way Surabaya Bazaar can try to make a survey so that it can somehow show on what customer expect from the bazaar, where in the future time it can be done to fulfill customer expectations. Where the more customers are satisfied with the festival, the more customers will recommend and revisit Surabaya Bazaar in the future.

Next is Festival Authenticity. Although Festival Authenticity has no significant effect Festival Loyalty but the effect is still positive, so it is still important to increase the Festival Authenticity. The insignificant effect of Festival Authenticity to Festival Loyalty because of there are already similar bazaar that exist in Surabaya before such as Senior High School Bazaar, church and mosque Bazaar that held yearly. So the authenticity of Surabaya Bazaar that held in mall is not significant factor to increase festival loyalty, customer should be satisfy with the bazaar first and then became loyal to the festival. Festival Authenticity is one of the elements that are focusing on customer on improving Loyalty to Festival. As Surabaya Bazaar set to improve

Festival Authenticity, by that it means that Surabaya Bazaar need to know that Surabaya Bazaar is arguably having the unique environment and atmosphere for the customer which makes the customer to come and visit the bazaar because of the authenticity, so that means Surabaya Bazaar need to maintain their unique environment and atmosphere, for example, keeping the designer to produce new and new unique themes. Not just the environment and the atmosphere, Surabaya Bazaar also offers the product that varies in a way which is also unique where other bazaar doesn't have and only Surabaya Bazaar have. Not just atmosphere, the product that is offered by Surabaya Bazaar are unique, in that means that the product that is in Surabaya Bazaar it is the product that is "genuine" from Surabaya Bazaar, where some of the products that is only available in Surabaya Bazaar around Surabaya, which will later improve the authenticity of the festival. The theme that is brought by Surabaya Bazaar also indicates the authenticity of Surabaya Bazaar, where the theme that is chosen and created and presented to the customer are always unique and different where in a way it doesn't copy any idea of other bazaar in Surabaya which create the genuineness of Surabaya Bazaar even more. The more authentic and genuine Surabaya Bazaar, the more customer will revisit and stay loyal which means will revisit Surabaya Bazaar again in the future time.

Next is Festival Value. Although Festival value has no significant effect to Festival Loyalty but the effect is still positive, so it is still important to increase the Festival Value. The insignificant effect of Festival Value to Festival Loyalty because of the value of this kind of event is similar with other event such as Senior High School Bazaar, church and mosque Bazaar that held yearly. So the value of Surabaya Bazaar that held in mall is not significant factor to increase festival loyalty, customer should be satisfy with the bazaar first and then became loyal to the festival. Festival Value is one of the elements that

are focusing on the bazaar for the customer on whether coming to Surabaya Bazaar is worth their time, money and energy. Festival Value is one of the elements that can help improve customer Loyalty to Festival. As Surabaya Bazaar improving their Festival Value, which means for in a way to improve so that the customer feel it is worth it to come to Surabaya Bazaar, the more the customer think it is worth it to come to Surabaya Bazaar the more the value of Surabaya Bazaar will be. So the more the customer think it is "worth it" to come to Surabaya Bazaar that means the more expectations are met from the customers which that means it will increase the satisfaction of the customer on Surabaya Bazaar because when the customer feel it is worth it means that they are more satisfied.

#### *Limitation and Research Extention*

There are several limitations within this research, first, this research is only using limited sample in Surabaya. It also can be concluded that researchers and strategists need to consider other issues relating to Festival Authenticity, Festival Quality, Festival Value, and festival satisfaction to increase festival loyalty. In further research, it is expected to increase the sample used in order for the data to be more generalized. Secondly, consider other issues such as socio – demographics factors related to actual usage.

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