Building Harmony of Music Course Customer Loyalty in Jakarta: The Critical Role of Customer Value, Trust, Satisfaction, and Customer Engagement

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ABSTRACT

The music education industry in Indonesia, especially in Jakarta, is growing rapidly as people's interest in music increases. However, the industry faces challenges in retaining customers and increasing their loyalty. This study aims to identify the factors that affect Customer Loyalty of music course customers in Jakarta, focusing on the influence of customer value, trust, and customer satisfaction on Customer Loyalty, as well as the role of customer engagement as a mediation variable. This study uses a quantitative method with a survey approach. The sample consisted of 95 respondents who were consumers of music courses in Jakarta over 18 years old and had used music course services for at least three months. Data was collected through questionnaires and analyzed using Partial Least Squares (PLS) with SmartPLS software version 3.0. The results of this study are expected to provide insight for music course managers in developing effective marketing strategies to increase customer loyalty. By understanding the factors that affect Customer Loyalty, managers can increase customer value, build trust, and increase customer satisfaction, which will ultimately increase customer engagement and customer loyalty.

Keywords : customer value, trust, customer satisfaction, customer engagement, customer loyalty, music course

INTRODUCTION

The music course industry in Jakarta has experienced rapid development, driven by increasing public awareness of the benefits of music education and easy access to music information (Aydin, Selvi, Kandeger, & Boysan, 2021). Music courses are not only a means of developing talent and creativity, but they also provide promising career opportunities. In addition, research shows that music education has a positive impact on an individual's cognitive, emotional, and social development (Brege & Kindström, 2020).

The growth of the creative economy in Indonesia, which includes the arts and culture sectors, has also contributed to the development of the music course industry. Data from the Central Statistics Agency (BPS) shows an increase in the Gross Domestic Product (GDP) of the creative economy from year to year (Central Statistics Agency, 2024). In Jakarta itself, the increase in household spending on education, including music courses, indicates a large market potential (Cambra-Fierro, Fuentes-Blasco, Huerta-Álvarez, & Olavarría, 2021).

In addition, government policies also support the development of the music course industry. The Independent Curriculum, which is implemented in schools in Indonesia, requires students to study cultural arts, including musical arts (Subhkan & Wahyudin, 2024). However, the allocation of time for cultural arts lessons in schools tends to decrease from elementary to high school levels. This can spark students' interest in seeking additional music learning outside of school, such as through music courses.

However, the competition in the music course industry is also getting tougher. The large selection of music courses requires service providers to not only focus on the quality of teaching, but also on efforts to build and maintain strong relationships with customers (Schiffman, Kanuk, & Wisenblit, 2010). In this competitive environment, Customer Loyalty is crucial. Loyal customers not only provide recurring revenue, but also play a role in promoting music courses to potential customers. Additionally, the cost of retaining existing customers tends to be lower compared to the cost of acquiring new customers (Elianto, Setyawati, & Setyanto, 2020).

This study focuses on the factors that affect Customer Loyalty of music course customers in Jakarta. Specifically, this study will examine the influence of customer value, trust, and customer satisfaction on Customer Loyalty. Customer value is perception customers about the benefits they get compared to the costs they incur (Petzer & Van Tonder, 2019). Trust is the customer's confidence in the competence, integrity, and goodwill of the music course provider (Agyei, Sun, Abrokwah, Penney, & Ofori-Boafo, 2020). Customer satisfaction is the level of customer satisfaction with their experience with a music course, which is influenced by various factors such as the quality of service, price, and value received.

In addition, this study will also examine the role of customer engagement as a mediation variable. Customer engagement refers to the level of emotional, cognitive, and behavioral engagement of customers towards a music course (Petzer & Van Tonder, 2019). High customer engagement can strengthen the relationship between customers and service providers, increase customer satisfaction, and ultimately affect customer loyalty (Marino & Lo Presti, 2019).

By understanding the factors that affect Customer Loyalty, music course providers can develop more effective strategies to increase customer loyalty. This will contribute to business sustainability and long-term success in the competitive music course industry (Keshavarz & Jamshidi, 2018).

This study offers a novel perspective by integrating the constructs of customer value, trust, customer satisfaction, and customer engagement specifically within the context of the music course industry in Jakarta. While previous research has examined these variables in various sectors, this investigation uniquely focuses on the music education sector, addressing the distinct characteristics and dynamics that influence customer loyalty in this field. Furthermore, it introduces customer engagement as a mediating variable, enhancing the understanding of its role in fostering customer loyalty among music course consumers. This nuanced approach contributes to a deeper comprehension of how these factors interrelate, providing fresh insights that can inform marketing strategies tailored for the music education sector.

The findings of this research contribute significantly to both academic literature and practical applications within the music education industry. By identifying the critical factors that influence customer loyalty, this study provides music course providers with actionable insights to enhance their marketing strategies and service delivery. Specifically, the emphasis on building trust and perceived customer value, alongside fostering customer engagement, can help course providers develop more effective loyalty programs and customer relationship management strategies. Moreover, the research highlights the importance of understanding customer dynamics in a competitive market, thus serving as a valuable resource for stakeholders in the music education sector aiming for sustainable growth and customer retention. Ultimately, this study paves the way for future research to explore other variables and factors influencing customer loyalty in

various educational contexts, enriching the overall body of knowledge in the field.

RESEARCH METHOD

This study uses a quantitative method with a survey approach. The quantitative method was chosen because it allows researchers to collect objective and measurable data, as well as analyze it statistically to test research hypotheses (Morissan, 2015; Sekaran & Bougie, 2017). The survey approach was chosen because it allows researchers to collect data from a large number of respondents in a relatively short period of time.

The study population is all music course consumers in Jakarta who are over 18 years old and have used music course services for at least three months. The age criterion of 18 years and above was chosen because it is considered the age at which a person already has the maturity to make decisions and assess the quality of services. The minimum criteria of three months of using music course services was selected to ensure that respondents have sufficient experience in using the service.

The research sample consisted of 95 respondents who were selected using the purposive sampling technique. This technique was chosen because the researcher wanted to ensure that the research sample was representative of the research population, namely music course consumers in Jakarta who were over 18 years old and had used music course services for at least three months.

The research data was collected through a questionnaire that measured five variables: customer value, trust, customer satisfaction, customer engagement, and Customer Loyalty. This questionnaire was developed based on a review of relevant literature and adapted to the context of the research. The measurement scale used is a Likert scale with five points, ranging from "strongly disagree" to "strongly agree". The Likert scale was chosen because it is easy for respondents to understand and allows researchers to measure the level of approval or disagreement of respondents with a statement.

Data analysis was carried out using Partial Least Squares (PLS) with the help of SmartPLS software version 3.0. PLS was chosen because it is suitable for research with relatively small samples and complex models, such as this study. The measurement model (outer model) is used to test the validity and reliability of the instrument, while the structural model (inner model) is used to test the research hypothesis.

RESULT AND DISCUSSION

The Effect of Customer Satisfaction on Customer Engagement

The results of this study show that there is no significant influence between customer satisfaction and customer engagement. This may be due to several factors. First, the unique characteristics of the music course industry. Customers may be satisfied with the quality of teaching and service provided, but do not feel the need to engage further, for example by participating in online communities or recommending courses to others. Second, customer satisfaction may have already reached a saturation point, where further increases in satisfaction no longer result in a significant increase in engagement. Third, there may be other factors that are more powerful in influencing customer engagement, such as personal interest in music, relationships with instructors, or other social factors (Quynh, Nha, Hoai, & Gi-Du, 2020).

The Impact of Trust on Customer Engagement

The results of this study show that trust has a positive and significant influence on customer engagement. Customers who believe in the reputation, credibility, and goodwill

of the music course provider tend to be more engaged in the various activities offered. This trust can be built through various ways, such as providing transparent information, fulfilling promises, and maintaining consistent service quality (Rahmasari et al., 2024).

The Effect of Customer Value on Customer Engagement

The results of this study also show that customer perception of value has a positive and significant influence on customer engagement. Customers who feel they are getting benefits that are worth it or exceed the costs they incur tend to be more engaged in the various activities that the music course offers. Customer value can be improved by improving the quality of teaching, providing better facilities, offering competitive prices, and providing a positive and satisfying learning experience (Wongkitrungrueng & Assarut, 2020).

The Effect of Customer Engagement on Customer Loyalty

The results of this study show that customer engagement has a positive and significant influence on customer loyalty. Customers who are actively involved in music course activities, interact with instructors and fellow customers, and feel part of the course community, are more likely to have a stronger intention to remain loyal, make repeat purchases, and recommend courses to others.

The Effect of Customer Satisfaction, Trust, and Customer Value on Customer Loyalty

The results of this study show that trust has a positive and significant influence on customer loyalty. Customers who believe in music courses tend to have a stronger intention to stay loyal and make repeat purchases. However, the results of this study also show that customer satisfaction and customer value do not have a significant effect customer loyalty. This may be due to the mediating factor of customer engagement.

The Impact of Customer Engagement Mediation

The results of this study show that customer engagement mediates the influence of customer value on customer loyalty. That is, a high perception of value will increase customer loyalty, but this influence is amplified by active customer engagement. However, customer engagement does not mediate the influence of trust and customer satisfaction on customer loyalty. This shows that customer trust and satisfaction can increase customer loyalty directly, without having to go through customer engagement.

Discussion

The results of this study provide new insights into the factors that affect customer loyalty of music courses in Jakarta. In particular, this research highlights the importance of customer trust and value in driving customer engagement, and how customer engagement can strengthen customer loyalty.

These findings have important implications for music course providers. To increase customer loyalty, music course providers must focus on building customer trust, increasing customer value, and driving customer engagement.

This research also has some limitations. First, the number of respondents was limited to 95 music course customers in Jakarta. Second, this study only focuses on a few variables that affect Customer Loyalty. Other variables that were not studied, such as the quality of relationships with instructors or peer influence, may also have an important role. Third, this study uses a survey method with a questionnaire as a data collection tool. The results of the study may be influenced by respondent bias or limitations in the questionnaire design.

Further research can overcome this limitation by expanding the scope of the sample, considering other relevant variables, and using qualitative methods to gain a deeper understanding of Customer Loyalty music course customers.

CONCLUSION

This study concludes that in the music course industry in Jakarta, customer trust and customer value have a significant influence on customer engagement, which in turn strengthens customer loyalty. Although customer satisfaction does not directly affect engagement or loyalty, customer engagement is proven to mediate and enhance the effect of customer value on loyalty. Therefore, to increase customer loyalty, music course providers should focus on building trust, enhancing perceived customer value, and encouraging active customer engagement in course activities.

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