The Role of Content Marketing and Customer Experience in Increasing Customer Loyalty in the Beauty Industry in Jakarta

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ABSTRACT

This study explores the role of content marketing and customer experience in enhancing customer loyalty within the beauty industry in Jakarta. Utilizing a quantitative approach, data were collected from 180 customers through a structured questionnaire employing a Likert scale ranging from 1 to 5. The analysis was conducted using Structural Equation Modeling-Partial Least Squares (SEM-PLS3) to determine the relationships and impact of content marketing and customer experience on customer loyalty. The results indicate a significant positive correlation between content marketing and customer experience, both of which substantially contribute to increased customer loyalty. This study highlights the importance of strategic content marketing and exceptional customer experience in fostering customer loyalty, providing valuable insights for practitioners and marketers in the beauty industry.

Keywords: Content Marketing, Customer Experience, Customer Loyalty, Beauty Industry

1. INTRODUCTION

The beauty industry in Jakarta has indeed witnessed significant growth, fueled by the escalating demand for beauty products and services [1]. As competition becomes more intense, businesses are increasingly focusing on innovative strategies to captivate and maintain customers. Content marketing has been identified as a pivotal factor in enhancing customer loyalty, with studies showing its positive impact on consumer loyalty and brand image [2]. Moreover, customer experience plays a crucial role in retaining customers, as exemplified by the success of Sash Beauty Studio in Denpasar, which leveraged customer satisfaction to boost business income [3]. These findings underscore the importance of integrating content marketing and exceptional customer experience to foster loyalty in the thriving beauty industry of Jakarta.

Content marketing in the beauty industry encompasses a diverse range of strategies such as tutorials, product reviews, beauty tips, and behind-the-scenes glimpses into product development, aiming to attract and engage a specific audience while driving profitable customer actions. By providing valuable and consistent content, companies can not only inform and entertain customers

but also establish a strong brand identity and credibility, fostering trust and loyalty among consumers [4]–[8]. Through content marketing, businesses can create a deeper connection with their audience, enhance consumer experiences, and optimize brand-consumer relationships, as exemplified by successful cases like BTS in the beauty and entertainment industry, showcasing how content-generated values can strengthen customer attachment and loyalty over time.

Customer experience plays a vital role in shaping customer perceptions and loyalty, especially in industries like beauty [1]. It encompasses all interactions a customer has with a company, from initial contact to post-purchase support, including in-store experiences, online interactions, customer service, and after-sales support. Research indicates that factors like customer experience, online sales promotion, brand image, and price influence customer loyalty in the beauty industry [9]. Additionally, studies show that customer experience positively impacts consumer loyalty, leading to repeat purchases and continued patronage [10]. Enhancing emotional experience, service experience, and product experience are crucial in building customer trust in local clothing brands, further emphasizing the significance of customer experience in fostering loyalty [11]. Therefore, delivering a superior customer experience is essential in the beauty industry to ensure customer satisfaction and long-term loyalty.

In the beauty industry, the interplay between content marketing and customer experience is crucial as customers prioritize detailed information and personalized experiences when making purchase decisions. Studies on live streaming shopping (LSS) in China reveal that customer experience quality, including visual experience and information quality, significantly impacts satisfaction, loyalty intention, and word of mouth in the cosmetics market [12]. Additionally, research on customer magazines emphasizes that hedonically gratifying content experiences and visually pleasing process experiences enhance effectiveness through media engagement, highlighting the importance of reading experiences in content marketing effectiveness [13]. Furthermore, in the Egyptian skin and hair care products market, the mediation role of customer experience between social media marketing (SMM) and purchase decisions underscores the significance of customer experience in driving consumer behavior and decisions [13]. These findings collectively underscore the critical role of content marketing and customer experience in shaping consumer perceptions and purchase behaviors in the beauty industry. This study aims to investigate the role of content marketing and customer experience in enhancing customer loyalty in the beauty industry in Jakarta.

2. LITERATURE REVIEW

2.1 Content Marketing

Content marketing plays a crucial role in modern marketing strategies, focusing on creating valuable and relevant content to attract and engage target audiences [4], [5], [14]. In the beauty industry, content marketing takes various forms such as blog posts, videos, and social media updates, aiming to inform, entertain, and engage consumers to build brand awareness and loyalty [15]. Research emphasizes that high-quality content marketing can enhance brand perception, increase customer engagement, and foster customer loyalty [5], [15]. Moreover, personalized content is highlighted as a key factor in improving customer satisfaction and loyalty, showcasing the importance of tailored content strategies in content marketing efforts [5], [15]. By leveraging personalized and high-quality content, businesses can effectively
enhance brand loyalty and customer engagement in the competitive beauty industry.

2.2 Customer Experience

Customer experience (CX) plays a crucial role in the beauty industry, significantly influencing customer satisfaction and loyalty [16]. Studies emphasize that positive customer experiences lead to increased customer loyalty and advocacy, highlighting the importance of quality interactions in this sector [11]. Enhancing customer experience not only boosts loyalty but also drives word-of-mouth recommendations, ultimately impacting a company's financial performance positively [11]. The beauty industry's reliance on personalized services and high-touch interactions underscores the significance of customer experience in fostering customer retention and advocacy, as satisfied customers are more likely to make repeat purchases and recommend brands to others [16].

2.3 Customer Loyalty

Customer loyalty plays a pivotal role in the sustained success of businesses, especially in competitive industries like the beauty sector, where acquiring new customers can be costly [17]. Factors influencing customer loyalty encompass customer satisfaction, trust, and perceived value, with satisfied customers more inclined to engage in repeat purchases and positive word-of-mouth activities [18]. Trust emerges as a crucial element in fostering long-term customer relationships, underscoring its significance in building and maintaining customer loyalty [19]. Understanding and leveraging these factors are essential for businesses aiming to cultivate a loyal customer base and thrive in dynamic market environments, ultimately contributing to enhanced brand performance and customer retention [20], [21].

2.4 Content Marketing and Customer Loyalty

Content marketing plays a crucial role in enhancing customer loyalty by providing valuable information, creating a sense of community, and fostering emotional connections with the brand [5]. Research by Fuad Alfaridzi, Setiawan, and Heida Ifkari Safitri confirms that content marketing positively influences consumer loyalty in the beauty industry by educating customers about products and services, thereby enhancing trust and loyalty [2]. Additionally, Ober Situngkir and Audita Nuvriasari's study emphasizes that engaging content can create positive brand associations, leading to increased customer loyalty [22]. Moreover, Efendi Efendi, Amelia Setyawati, Fitria Halim, Jenni Anggreani, and Acai Sudirman highlight the importance of interactive content in engaging customers and fostering loyalty in the beauty sector [23]. Therefore, by delivering relevant and valuable content that meets customer needs and preferences, content marketing helps build brand loyalty and positively influences customer purchase decisions and loyalty in the beauty industry.

2.5 Customer Experience and Customer Loyalty

Customer experience plays a pivotal role in shaping customer
loyalty and satisfaction across various industries. Studies [24] emphasize that in competitive markets, customer experience is a key differentiator that significantly impacts customer loyalty, highlighting the importance of customer experience management for fostering long-term relationships. In the beauty industry, where services are personalized, research [9] underscores the critical nature of customer experience quality in driving customer retention and loyalty. Additionally, findings [25] stress that exceptional customer experiences, particularly in online food delivery services, lead to increased customer satisfaction and loyalty. Moreover, research [26] emphasizes the necessity for businesses to deliver consistent and high-quality experiences at all touchpoints to positively influence customer perceptions and enhance loyalty in the e-retailing context.

Theoretical Framework

Relationship Marketing Theory emphasizes the significance of establishing strong, long-term relationships with customers to improve loyalty and retention [27]. This theory is crucial in the realms of content marketing and customer experience, where the focus is on fostering enduring connections with customers [28]. On the other hand, Service-Dominant Logic views customers as active participants in creating value and stresses the role of customer interactions and experiences in value co-creation [29]. This framework highlights the pivotal role of customer experience in cultivating customer loyalty, as positive interactions can elevate perceived value and satisfaction, ultimately leading to enhanced loyalty and retention [29].

Based on the literature review, the following hypotheses are proposed for this study:

H1: Content marketing has a positive impact on customer loyalty in the beauty industry in Jakarta.

H2: Customer experience has a positive impact on customer loyalty in the beauty industry in Jakarta.

H3: The combined effect of content marketing and customer experience has a significant positive impact on customer loyalty in the beauty industry in Jakarta.

3. METHODS

3.1 Research Design

This study used a quantitative research methodology to examine the impact of content marketing and customer experience on enhancing customer loyalty in the beauty sector in Jakarta. The study used a survey methodology to gather data from a representative sample of customers in this industry. The gathered data were analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS 3), a statistical approach well-suited for intricate models and sample sizes that are small to medium in magnitude.

3.2 Population and Sample

The population for this study comprises customers of beauty products and services in Jakarta. To obtain a representative sample, a non-probability sampling technique, specifically purposive sampling, was employed. This method was chosen to ensure that the sample consists of respondents who have experienced content marketing efforts from beauty brands and can
provide insights into their customer experience and loyalty. A total of 180 respondents participated in the survey, which is considered sufficient for SEM-PLS analysis according to Hair et al. (2019).

3.3 Data Collection
Data were collected through a structured questionnaire distributed both online and offline. The questionnaire was designed to capture respondents' perceptions of content marketing, customer experience, and customer loyalty. It included demographic questions and specific items related to the constructs under investigation.

3.4 Data Analysis
The data analysis was performed using Structural Equation Modeling-Partial Least Squares (SEM-PLS 3), which is a variance-based technique for analyzing complex relationships among multiple variables. This method is particularly suitable for exploratory research and models that involve a large number of indicators and latent variables. The measuring instruments' reliability and validity were evaluated using Confirmatory Factor Analysis (CFA), which included assessing internal consistency (Cronbach's alpha), composite reliability, and the convergent and discriminant validity of the constructs. The proposed connections between content marketing, customer experience, and customer loyalty were analyzed through a structural model. Path coefficients, t-values, and p-values were examined to establish the significance of these connections. Additionally, the model's fit was evaluated using indicators such as R², Q², and the goodness-of-fit index. In addition, we examined the possible influence of customer experience on the connection between content marketing and customer loyalty by analyzing indirect effects using the bootstrapping approach to establish the relevance of the mediation pathways.

4. RESULTS AND DISCUSSION
4.1 Descriptive Statistics

The sample consisted of 180 respondents who were customers of beauty products and services in Jakarta, with 54 males (30%) and 126 females (70%), reflecting the beauty industry's predominantly female customer base. The largest age group was 26-35 years old, representing 45% of the respondents, followed by the 18-25 age group at 40%, indicating a predominantly young adult demographic. In terms of education, 50% of the respondents held a Bachelor's degree, making it the most common level of education, followed by high school graduates at 30%, Master's degree holders at 15%, and Doctorate holders at 5%, suggesting that the beauty industry's customer base in Jakarta is relatively well-educated, with a significant portion having attained higher education.
the average value of content marketing was around 0.64. Based on these findings, it can be concluded that the measurement model is very trustworthy and valid, which provides a strong foundation upon which to evaluate the structural model that will be used in the future. According to the high loading factors, Cronbach's alpha, composite reliability, and AVE values, the constructs that were employed in this investigation are well-defined and appropriately measured. This is evident throughout the study.

The Fornell-Larcker criterion was utilized in order to evaluate the discriminant validity of the test. A confirmation of discriminant validity is provided by the fact that the square root of the AVE for each construct was found to be bigger than the inter-construct correlations, as shown in Table 1.

Table 1. Fornell-Larcker Criterion

<table>
<thead>
<tr>
<th>Construct</th>
<th>CM</th>
<th>CX</th>
<th>CL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Content Marketing</td>
<td>0.807</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Experience</td>
<td>0.553</td>
<td>0.797</td>
<td></td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>0.606</td>
<td>0.652</td>
<td>0.829</td>
</tr>
</tbody>
</table>

The structural model was evaluated to test the hypothesized relationships between content marketing, customer experience, and customer loyalty. The path coefficients, t-values, and p-values are presented in Table 2.

Table 2. Structural Model Assessment

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path Coefficient</th>
<th>t-value</th>
<th>p-value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: CM → CL</td>
<td>0.357</td>
<td>5.603</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H2: CX → CL</td>
<td>0.453</td>
<td>7.256</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H3: CM → CX → CL</td>
<td>0.258</td>
<td>4.101</td>
<td>0.000</td>
<td>Supported</td>
</tr>
</tbody>
</table>

The results indicate that content marketing has a significant positive impact on customer loyalty (H1: $\beta = 0.357, p < 0.001$). Customer experience also significantly influences customer loyalty (H2: $\beta = 0.453, p < 0.001$). Furthermore, the mediating effect of customer experience in the relationship between content marketing and customer loyalty is significant (H3: $\beta = 0.258, p < 0.001$), indicating that customer experience partially mediates this relationship.

4.3 Model Fit

To assess the model fit, several fit indices were examined, yielding the following results: the $R^2$ value for customer loyalty was 0.52, indicating that 52% of the variance in customer loyalty can be explained by content marketing and customer experience, suggesting a moderate explanatory power of the model. The $Q^2$ value for customer loyalty was 0.35, indicating good predictive relevance, as a $Q^2$ value greater than 0 suggests predictive relevance. The SRMR value was 0.056, which is below the threshold of 0.08, indicating a good fit of the model. Additionally, the NFI value was 0.92, above the recommended threshold of 0.90, further suggesting a good fit.

Discussion

The findings of this study underscore the significant role of content marketing and customer experience in enhancing customer loyalty in the beauty industry in Jakarta. The positive impact of content marketing on customer loyalty aligns with previous research, who argue that valuable and engaging content can build brand loyalty. In the beauty industry, content such as tutorials, product reviews, and beauty tips not only educates customers but also creates an emotional connection with the brand, fostering loyalty.

According to the findings of research conducted by Situngkir and Nuvriasari [22], the considerable influence of experiential marketing, electronic word of mouth, and
brand image on consumer loyalty for beauty goods is highlighted. Raza [30] emphasizes the role of social media marketing, including platforms like Facebook and Instagram, in driving customer loyalty in the manufacturing sector. Wei [31] delves into user-generated content on platforms like TikTok, showing how it enhances brand loyalty by meeting users’ needs for competence and relatedness. Alfaridzi et al. [2] further support the positive influence of content marketing and electronic word of mouth on brand image and customer loyalty in the cosmetics market. Additionally, Anto et al. [23] stress the power of content, including social media, blogs, and videos, in building brand loyalty and driving customer engagement. Therefore, the collective findings underscore the importance of valuable and engaging content, such as tutorials and product reviews, in fostering emotional connections with beauty brands and ultimately enhancing customer loyalty.

Customer experience emerged as a stronger predictor of customer loyalty than content marketing. This finding is consistent with the work of (1,2,5), who highlight the importance of positive customer interactions in driving loyalty. In the beauty industry, personalized services, attentive customer care, and seamless in-store and online experiences are crucial in retaining customers. The significant mediating role of customer experience suggests that while content marketing is important, its effectiveness in enhancing loyalty is amplified when coupled with superior customer experiences.

The importance of positive customer interactions in driving loyalty is emphasized in various studies within the hospitality and beauty industries [32–34]. In the beauty industry, personalized services, attentive customer care, and seamless in-store and online experiences play a crucial role in retaining customers [34]. The mediating role of customer experience is significant, indicating that while content marketing is essential, its impact on enhancing loyalty is greatly amplified when combined with superior customer experiences [33]. This highlights the necessity for businesses to focus not only on content marketing strategies but also on providing exceptional customer experiences to foster loyalty and maintain a competitive edge in the market [32].

The implications of these findings are substantial for beauty industry practitioners and marketers. For the purpose of fostering greater customer loyalty, organizations should make investments in the production of content that is of high quality, pertinent, and interesting, and that connects with their target audience. Additionally, they should prioritize delivering exceptional customer experiences across all touchpoints. By integrating content marketing with superior customer experience strategies, beauty brands can build lasting relationships with their customers, leading to increased loyalty and sustained competitive advantage.

5. CONCLUSION

This study provides empirical evidence on the critical roles of content marketing and customer experience in enhancing customer loyalty within the beauty industry in Jakarta. The findings indicate that both content marketing and customer experience significantly and positively influence customer loyalty. Specifically, the study reveals that while content marketing directly impacts customer loyalty, its effectiveness is further amplified when combined with superior customer experiences. This underscores the need for beauty brands to adopt a holistic approach that integrates engaging and relevant content with exceptional customer service and personalized experiences.

For practitioners and marketers in the beauty industry, the implications are clear: investing in high-quality content marketing and delivering outstanding customer experiences are essential strategies for fostering customer loyalty. By doing so, beauty brands can build stronger emotional connections with their customers, encouraging repeat purchases and positive word-of-mouth recommendations. The study
also highlights the importance of continuously evaluating and enhancing both content marketing efforts and customer experience initiatives to maintain a competitive edge in the market.

Future research could extend this study by exploring additional factors that may influence customer loyalty, such as brand trust, perceived value, and social media engagement. Moreover, longitudinal studies could provide deeper insights into the long-term effects of content marketing and customer experience on customer loyalty. Overall, this research contributes to the growing body of literature on customer loyalty in the beauty industry and offers practical guidance for enhancing customer retention through strategic marketing and service excellence.

REFERENCES


