THE INFLUENCE OF EXPERIENTIAL MARKETING AND CUSTOMER SATISFACTION ON CUSTOMER LOYALTY AT ATTAYA CAFÉ&RESTO

PENGARUH EXPERIENTIAL MARKETING DAN KEPUASAN KONSUMEN TERHADAP LOYALITAS KONSUMEN PADA ATTAYA CAFÉ&RESTO

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Abstract: Customer loyalty is important in every business’s continuity. Experiential marketing and customer satisfaction are two factors that are important in the understanding of customer loyalty from a business destination, especially any food and beverage-based one. This study aims to figure out the influence of experiential marketing and customer satisfaction to customer loyalty of Attaya Café & Resto’s customers. Overall population in this research is all customers of Attaya Café & Resto’s and the chosen sample is 100 respondents. Data analysis uses multiple linear regressions analysis method. This research result proves that experiential marketing and customer satisfaction simultaneously have positive and significant influence customer loyalty of Attaya Café & Resto’s customers. Its’ management have to preserve and boost experiential marketing and customer satisfaction in this dining destination and deliberate other factors that influence the loyalty from Attaya Café & Resto’s customers.

Keywords: Experiential marketing, customer satisfaction, customer loyalty


Kata Kunci: Experiential marketing, kepuasan konsumen, loyalitas konsumen
INTRODUCTION

Research Background

Customers’ existence is one important aspect in maintaining a successful business model. Every well-known business will be continuous in the marketplace when customers always the designated location. Eventually, any newcomer in a particular market can become a potential player when almost all customers frequently visit the store or consuming location from the given company. Uddin (2019) stated that achievement of customer loyalty is a significant source of competitive advantage for business enterprises. Retaining the present customers is a much more successful strategy for the business enterprise, comparing the attracting new customers to substitute the lost ones. For the reasons, in the more public function-oriented and highly competitive market, service providing companies give more attention to keep an existing customer instead of attracting new customers. In measuring the level of loyalty for customers in every marketplace, the understanding about how experiential marketing and customer satisfaction is necessary for any businessman. The way how the most customers experience the product or feel the service and the satisfactory level that can be expressed by them is needed to be concerned in building a steady business. In practice, it can be different for every company, both in the manufacturing or service sector.

Noor, Rahmawati and Kuleh (2020) stated that if the company can create experiences for consumers, consumers will remember forever then will make repeat purchases based on that experience. This strategy is considered very influential as evidenced by the research conducted and it is said that when using experiential marketing strategies, it will affect consumer loyalty, the more experiential marketing that is presented, the more loyalty will increase. One of the ways to increase the loyalty of customers is to provide services which is good, which is expected to make the customer to re-do the transaction. Thus, the higher level of customer satisfaction is central in maintaining prioritized users or customers and attract the new and potential ones is considered as one aspect that can influence the longer existence for any advantageous and one business model.

Experiential marketing is becoming one boosting aspect for the development of Attaya Café & Resto. Customer satisfaction is also connected with the loyalty for costumers from Attaya Café & Resto. Because of the nature of the food and beverage business model is related with the satisfactory concept, it is very critical to understand the established satisfactory level from people that is coming this this dining place. Based on preceding paragraphs, this current research is titled: “The Influence of Experiential Marketing and Customer Satisfaction on Customer Loyalty at Attaya Café & Resto”.

Research Objective

This research’s objectives are:
1. To determine positive and significant influence of Experiential Marketing to Customer Loyalty at Attaya Café & Resto.
2. To determine positive and significant influence of Customer Satisfaction to Customer Loyalty at Attaya Café & Resto.
3. To determine positive and significant influence of Experiential Marketing and Customer Satisfaction to Customer Loyalty at Attaya Café & Resto.

THEORETICAL REVIEW

Marketing

According to Kotler and Armstrong (2007), marketing is the process the company make value for customers and build strong relationship with the customer to capture value from customer as feedback. According to Peter and Olson (2010), marketing is the appropriate philosophy for conducting business. The marketing suggests an organization should satisfy consumer needs and wants to make profits.

Experiential Marketing

According to Wood (2009) and Gilmore and Pine (2002), experiential marketing is defined as: a communication tool providing the opportunity for a consumer to experience a personal, emotional, unique, and memorable occurrence in which the consumer interacts with a brand by being immersed into an environment (physical or virtual) created by brand marketers. Schmitt (1999) further defined experiential marketing from the customers’ perspective as customers developing recognition and purchasing goods or services of a company or a
brand after they get experiences from attending activities and perceiving stimulations. According to Schmitt (1999), the creation of emotional perception within consumer self or so-called experiential marketing is measured through five main indicators, which are sense, feel, think, act, and relate.

Customer Satisfaction
According to Giese and Cote (2000), A summary affective response of varying intensity with a time-specific point of determination and limited duration and is directed toward focal aspects of product acquisition and/or consumption. The exact type of affective response and the level of intensity likely to be experienced must be explicitly, depending on the context of interest. It is reasonable to expect that consumers may consciously determine their satisfaction response; therefore, timing is most critical to ascertain the most accurate, well-formed response. Thus, this may include a broad or narrow range of acquisition or consumption activities/issues. Bogati and Vongurai (2016) stated that the following indicators that impacted customer satisfaction, which are: Social Benefits to Customer, Confidence benefits, Physical Layout, Special treatment benefits and Accessibility.

Customer Loyalty
Oliver (1999) defined brand loyalty as a deeply held commitment to re-buy or repatronise a preferred product/service consistently in the future, thereby causing repetitive same-brand or same-brand set purchase, despite situational influences and marketing efforts have the potential on cause switching behaviour. Thus, based on Lin and Wang (2006), customer loyalty was considered bi-dimensional, including both attitudinal commitment and behavioural repurchase intention, based on prior studies, customer loyalty was defined as the customer’s favourable attitude toward a brand, resulting in repeat purchase behaviour. Based on Agrawal, Gaur and Narayanan (2012), indicators that influence customer loyalty are Trust, Commitment, Emotions, Perception of corporate image and Value perception.

Previous Research
Edwin Rizki Sukmaputra (2018) aimed to determine how the influence of experiential marketing and customer satisfaction toward customer loyalty as a best practice on advancement of Cipanas hot spring tourism. The data that will be obtained is by spreading questionnaires that contains in-depth questions about the three variables. The target of the respondents is 200 with qualification; domestic tourists and residents. The output will be seen by virtue of the gap on experiential marketing dimensions to evaluate effectively. Researcher believes that this research will help gradually the Indonesian economy.

Rina Ayu Vildayanti (2020) aimed to look at the effect of experiential marketing on Excelso café customer loyalty in Central Jakarta 2019. The research methodology used is a quantitative method with cross-section data and primary data obtained from questionnaires. The sampling technique using a purposive sampling method with the data in 2019. The data analysis technique used is multiple linear regression to test the validity, reliability test, classic assumption test (multicollinearity test, heteroscedasticity test), and hypothesis testing t-statistic and f-statistic to examine the effect together with a significance level of 5%. The results of this study indicate that in a partial sense, feel, think, and act positive and significant impact on customer loyalty, while related variables have a negative effect but not significant on customer loyalty. Meanwhile, simultaneous independent variable sense, feel, think, act, and relate together have a significant relationship to the dependent variable which is customer loyalty.

Peni Nugraheni and Lia Fauziah (2019) aimed to examine the impact of the corporate governance toward customer satisfaction and customer loyalty in Islamic insurance companies in Indonesia. A purposive sampling technique is used for this research. Using primary data through questionnaires to Islamic insurance customer, the research finds that corporate governance positively influence the customer satisfaction and customer loyalty. Another result reveals that the customer satisfaction positively influences customer loyalty. This study recommends the strengthening of corporate governance implementation to enhance the attractiveness of Islamic insurance company and give impact on customer satisfaction and customer loyalty.
Research Hypothesis

Experiential Marketing and Customer Loyalty

Nofiawaty, Iisnawati and Nazaruddin (2020) research result stated that experiential marketing positively and significantly influences customer loyalty of Shopee’s User in South Sumatera. An experience that involves the feelings, emotions and moods of customers in online shopping experience should be created in order to build the loyalty of the customer. This experience could be indicated by the customer comfortable and safety feeling in making transaction also pleasant feeling while searching for their need. This “Feel” experience is the most dominant experience that build the consumer loyalty, so it would be better if marketplace companies or any other company that offer online shopping applications can create strategies that highlight security and create a sense of comfort and pleasure for its users especially for the user in South Sumatera.

H1: It is assumed that Experiential Marketing positively and significantly influences Customer Loyalty at Attaya Café & Resto.

Customer Satisfaction and Customer Loyalty

Ranabhat (2018) research result stated that customer satisfaction positively and significantly influences customer loyalty of students of Centria University of Applied Sciences. Loyalty programs are such programs offered by a company to encourage their customers on continuous shopping. In business, it’s more expensive to acquire new customers than to retain the existing customers. So, the company should provide excellent products with affordable price as well as maintain loyalty programs to satisfy their customers. It’s true that if the customers are not satisfied and happy with the brand, they will not come to purchase the product again and again. Customer satisfaction is the key element to boost up the business with loyal customers. Therefore, the thesis emphasized on the relationship between customer satisfaction and customer loyalty.

H2: It is assumed that Customer Satisfaction positively and significantly influences Customer Loyalty at Attaya Café & Resto.

Experiential Marketing and Customer Satisfaction on Customer Loyalty

Wahyono and Nurjanah (2020) research result has stated that experiential marketing and customer satisfaction positively and significantly influences customer loyalty of PT POS Indonesia (Persero) Semarang customers. Experiential Marketing that applied big Semarang Post office such as completeness of air conditioner, comfortable waiting chair, clean toilet, a room that is fragrant and comfortable to contribute to loyalty. When customers enter the room, they feel a good atmosphere because PT POS Indonesia (Persero) Semarang has provided various facilities mentioned above. The customer satisfaction of the big Post Office Semarang is quite high, this is indicated by the customer is willing to re-purchase. The number of customers who consistently make repurchase is quite a lot, Semarang big Post Office should be able to retain customers for the sake of corporate survival.

H3: It is assumed that Experiential Marketing and Customer Satisfaction positively and significantly influence Customer Loyalty at Attaya Café & Resto, simultaneously.
RESEARCH METHOD

Research Approach
This research will use quantitative approach in order to collect the data. Sugiyono (2012) argues that quantitative methods can be interpreted as a research method based on the philosophy of positivism, used to examine specific populations or samples, data collection using research instruments, quantitative / statistical data analysis, with the aim to test hypotheses which has been set. This research in-field of marketing will investigate the relationship among experiential marketing and customer satisfaction with customer loyalty.

Population, Sample, Sampling Technique
Population
Population is identifiable group of elements (e.g, people, products, organizations) of interest to the researcher and pertinent of the information (Hair et al., 2009). The population in the research is customers of Attaya Café & Resto.

Sample
Sample is the subset or subgroup of population (Sekaran and Bougie, 2010). The sample in this research is consisting of 100 respondents and the sampling method will be classification based on customers visit at Attaya Café & Resto.

Sampling Technique
A sampling method is used with consideration to save time, effort, and cost, then in this study used convenience sampling, where potential respondents selected were those who visit Ataya Café & Resto. According to Dörnyei (2007) Convenience sampling is a type of nonprobability or nonrandom sampling where members of the target population that meet certain practical criteria, such as easy accessibility, geographical proximity, availability at a given time, or the willingness to participate are included for the purpose of the study.

Type of Data and Data Source
Primary Data
According to Sekaran and Bougie (2010), primary data refer to information obtained first-hand by researcher on the variables of interest for the specific purpose of the study. Primary data is data obtained by the writer through observation or direct observation from the company, whether through observation, questionnaires, and interviews directly with customers in accordance with the needs of this study.

Secondary Data
According to Sekaran and Bougie (2010), secondary data refer to information gathered from sources that already exist. Secondary data collected for some purpose other than the problem at hand taken from books, journals, and relevant literature from library and internet.

Testing of Research Instruments
Reliability Test
The reliability test was carried out to test the respondents’ interpretation of the items contained in the research instrument as indicated by the consistency of the answers given. Reliability is a measure of the internal consistency of indicators of a construct that shows the degree to which each indicator indicates a construct / latent factor that is common (Ferdinand, 2006). Reliability is a value that shows the consistency of a measuring instrument in measuring the same symptoms. Each measurement tool should have the ability to provide consistent measurement results. The technique used to measure reliability is by using the Cronbach technique. This technique is used to find the reliability of instruments whose scores have a range of values between several values, for example 0-10 or on a scale 1-3, 1-5, 1-7.

Validity Test
Ghozali (2011) noted that validity test is used to measure the validity or validity of a questionnaire. A questionnaire is said to be valid if the questions in the questionnaire are able to express something that will be measured by the questionnaire. Validity test is used to find out the respondent's interpretation of each statement contained in the research instrument, whether the interpretation of each respondent is the same or completely
Measurement of Research Variables

In this research, variables were measured using five points of Likert Scales. Likert Scale is a scale for measuring attitude, opinion, and perception of a person or a group of people about social phenomenon. By using the likert scale, respondents will not have problems in understanding and filling out the questionnaire and it is easy for the researcher to measure, interpreting, and analyzes the data.

Data Analysis Method Classical Assumption Test
Normality
According to Ghozali (2011), the normality test aims to test whether in the regression model a confounding variable or residual has a normal distribution. In other words, the normality test is carried out to determine the nature of the distribution of research data that serves to determine whether the sample taken is normal or not by testing the distribution of the analyzed data.

Multicollinearity
The purpose of the multicollinearity test is to test whether there are correlations between independent variables in the regression model (Ghozali, 2011). A good regression model should not occur correlation between independent variables. How to find out whether there is multicollinearity or not is to see the value of Tolerance and Variance Infection Factor (VIF). Tolerance measures the variability of selected independent variables and is not explained by other independent variables (Ghozali, 2011). A low tolerance value is the same as a high VIF value, this is because \( VIF = 1 / Tolerance \). The cutoff value that is generally used to indicate the presence of multicollinearity is a Tolerance value > 0.10 or equal to a VIF value < 10 (Ghozali, 2011).

Heteroscedasticity
Heteroscedasticity test aims to test whether in a regression model, there is an inequality of residual variance from another observational observation (Ghozali, 2011). If the residual variance from one observation to another is fixed, then it is called Homoscedasticity. And if the variance is different, then it is called Heteroscedasticity. A good regression model is not heteroscedasticity.

Multiple Regression Analysis Model
Multiple Regression is a correlation coefficient indicates the strength of relationship between two variables, it gives us no idea of how much of the variance in the dependent or criterion variable will be explained when several independent variables are theorized to simultaneously influence it (Sekaran, 2003). This analysis is adopted when the researcher has one dependent variable which is presumed to be a function of two or more independent variables. The formula of multiple regression models in this research is as follows:

\[
Y = \alpha + \beta_1X_1 + \beta_2X_2 + e
\]

Testing the Goodness of Fit: Coefficient of Correlation (R) and Coefficient of Determination (R²)
Coefficient of determination is used to show the percentage of variability in Y that can be explained by regression equation (Newbold et al., 2002). Coefficient of Multiple Correlation is used to measure the strength of relationship between Y (dependent variables) and X (independent variables) (Newbold et al., 2002).

Hypothesis Testing
T-Test
The t test is conducted to show the influence of one independent variable individually in explaining the variation of the dependent variable. This test is conducted by comparing the t value of the calculation with the value of t table. If the value of t count is greater than the value of t table, the alternative hypothesis which stated that an independent variable individually affects the dependent variable is acceptable (Ghozali, 2011).

F-Test
This test is intended to determine whether the independent variables simultaneously influence to dependent variable (Hair et al., 2009). This test is performed with the hypothesis acceptance criteria.
RESULT AND DISCUSSION

Research Result

Validity and Reliability Tests

Validity testing result shows that the lowest Corrected Item-Total Correlation value for X1 at X1.1 and X1.4 is 0.405; for X2 at X2.2 is 0.623; and for Y at Y1 is 0.404. It is meant that all variables items are above 0.30, and it is stated as valid.

Reliability Statistics result shows that Cronbach Alpha Coefficient value of each variable X1 = 0.882, X2 = 0.827, and Y = 0.634 are above minimal r test value = 0.600, thus, it is concluded that the questionnaire is reliable.

Table 1. F Test Result

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Square</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>32.541</td>
<td>2</td>
<td>16.270</td>
<td>314.337</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>5.021</td>
<td>97</td>
<td>.052</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>37.562</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Customer_Satisfaction, Experiential_Marketing
b. Dependent Variable: Customer_Loyalty

Source: Data Processed (2021)

Calculation result of Table 1 shows that F count value is 314.337 with significant level 0.000 < 0.05, thus it can be concluded that the formed regression model is in fit criteria, which means Experiential Marketing (X1) and Customer Satisfaction (X2), are proper predictor to Customer Loyalty at Attaya Café & Resto (Y).

Table 2. Multiple Regression and t Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.610</td>
<td>.126</td>
</tr>
<tr>
<td>Experiential_Marketing</td>
<td>.408</td>
<td>.034</td>
</tr>
<tr>
<td>Customer_Satisfaction</td>
<td>.490</td>
<td>.031</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer_Loyalty

Source: Data Processed (2021)

Based on Table 2, the obtained multiple linear regression formula is as followed: 

\[ Y = 0.610 + 0.408 X1 + 0.490 X2 + e \]

It can be informed that:

1. tcount value for Experiential Marketing variable (X1) is 12.029 > ttable value is 1.66023 with significant level 0.000 < 0.05, thus H0 is rejected and Ha is accepted, means Experiential Marketing (X1) positively and significantly influences Customer Loyalty at Attaya Café & Resto (Y).

2. tcount value for Customer Satisfaction variable (X2) is 16.061 > ttable value is 1.66023 with significant level 0.000 < 0.05, thus H0 is rejected and Ha is accepted, means Customer Satisfaction (X2) positively and significantly influences Customer Loyalty at Attaya Café & Resto (Y).

Table 3. R and R²

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.931a</td>
<td>.866</td>
<td>.864</td>
<td>.22751</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Customer_Satisfaction, Experiential_Marketing

Source: Data Processed (2021)

Coefficient correlation or R result is 0.931 at Table 3 shows that the relationship among Experiential Marketing (X1) and Customer Satisfaction (X2) with Customer Loyalty at Attaya Café & Resto (Y) has positive association as many as 93.1%. Coefficient Determination R square (R²) result at Table 3 is 0.866 and shows that 86.6% variation of Customer Loyalty at Attaya Café & Resto (Y) can be explained by variation of Experiential Marketing (X1) and Customer Satisfaction (X2).
Discussion

Customer loyalty is important for ensuring the continuity of every business in the market. A product that is used and is recommended or one service model that is repeatedly utilized by the majority of them indicates that the business owners have loyal customers that will always look forward for further new innovation of goods or service. Expressly, maintaining and enhancing customers’ loyalty is essential concept that is implemented by any marketer for any destination that give a certain model of service to people in the surrounded environment. Consideration of customer loyalty in every market can be changed and is related with two aspects, which are experiential marketing and customer satisfaction. Experiential marketing can be seen from every concept for publicizing and persuading any good or service that is based on every established experience by customers. Customer satisfaction is usually shown from the level of satisfactory of them after using one or more products or service. The changing of customer loyalty that is based on the experiential marketing and customer satisfaction is moderately considered by the owner and management from Ataya Café & Resto. The competition of this hangout destination with other similar places in North Sulawesi Province will not harmfull for its’ continuousness when many people still come and waste time Ataya Café & Resto, frequently. Thus, their loyalty to keep visit Ataya Café & Resto is associated with customers’ understanding for experiential marketing and customer satisfaction.

Experiential Marketing, Customer Satisfaction and Customer Loyalty at Ataya Café & Resto

The positive experience and satisfactory feeling that is formed by the majority of people that frequently come to Ataya Café & Resto become the reason why their loyalty for keep coming this hangout place give good contribution for its’ continuity. This constructive expression later makes the majority of them more prefer to come to Ataya Café & Resto. The positive experience and satisfactory level is further shared by loyal customers to more potential ones and can give more advantage for its owner and management. This research result shows that experiential marketing and customer satisfaction positively and significantly influence customer loyalty of Ataya Café & Resto customers. It is supported by Sukmaputra (2018) research that experiential marketing and customer satisfaction positively and significantly influence customer loyalty of halal tourism in Indonesia’s customers.

Experiential Marketing and Customer Loyalty at Ataya Café & Resto

The encouraging and remembering experience from customers of Ataya Café & Resto that can be shared to more people makes the loyalty from the majority of them become important for its’ upcoming operational activities. Many people who come to this hangout place with positive expression will encourage them to always come when there is a free time. It is possible for each one of them to call others that are not yet come to Ataya Café & Resto and will add more loyal customers with optimistic experience. This research result shows that experiential marketing positively and significantly influences customer loyalty of Ataya Café & Resto customers. It is supported by Vildayanti (2020) research that marketing positively and significantly influences customer loyalty of Excelsio café in Central Jakarta’s customers.

Customer Satisfaction and Customer Loyalty at Ataya Café & Resto

Higher satisfactory level from a product usage or a service model utilization is related with the positive customer loyalty and is seen from the loyal customers of Ataya Café & Resto. When its’ customers have been satisfied when visiting this hangout place for more than once, it is obvious from them to choose Ataya Café & Resto as the primary location for spending time for leisure. These satisfied customers are possible to come again with friends and relatives that can emerge the same satisfaction degree for Ataya Café & Resto. This research result shows that customer satisfaction positively and significantly influences customer loyalty of Ataya Café & Resto customers. It is supported by Nugraheni and Fauziah (2019) research that customer satisfaction positively and significantly influences customer loyalty of Islamic Insurance Company in Indonesia’s customers.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions
1. Experiential Marketing positively and significantly influences Customer Loyalty at Ataya Café & Resto.
Recommendations

1. The owner and management team of Attaya Café & Resto must preserve and boost the proper experiential marketing and customer satisfaction from people whom frequently come here, related with the good degree of customer loyalty of its’ customers.

2. The owner and management team of Attaya Café & Resto have to also learn about other essential aspects that is impactable for the changing of its’ customer loyalty in the future.

REFERENCES


