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THE EFFECT OF EXPERIENTIAL MARKETING ON SATISFACTION AND ITS IMPACT ON CUSTOMER LOYALTY

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ABSTRACT
The increase of competitiveness among culinary business makes it become a prospect of business development. Meanwhile, recognizing Malang is the second largest city in East Java, which has many tourists both domestic and foreign, the density of activities became the cause of consumers in Malang could not have enough time to prepare food. Therefore, they tend to buy food from Rumah Makan or Traditional Restaurant. Based on those phenomena, it will be an opportunity for culinary business. Thus, it should have a competitive advantage. One proper way is to create a positively unforgettable experience for consumers. Creation of experience that can touch the feelings and emotions of consumers which make consumers feel happy, satisfy and will have a positive impact on loyalty. The purpose of this study is to analyze and explain the influence of Sense, Feel, Think, Act and Relate, the variable Experiential Marketing Customer Satisfaction, while also analyze and explain the effect of Customer Satisfaction to Customer Loyalty. The hypothesis in this study are among other variables of Experiential Marketing that includes Sense, Feel, Think, Act and Relate, have a significant influence on Customer Satisfaction and Customer Satisfaction significant influence on Customer Loyalty. This research is explanatory, using a quantitative approach with survey method. This research method to distribute questionnaires to 100 customers, analyzed using descriptive and inferential statistics such as path analysis (path analysis). The results of this study are all variables Experiential Marketing that includes Sense, Feel, Think, Act and Relate, which have a significant influence on Customer Satisfaction and prove that Customer Satisfaction has a significant influence on Customer Loyalty.

KEY WORDS
Experiential marketing, customer satisfaction, customer loyalty.

Business is an activities undertaken by the company for profits and values. Culinary business is the one of quite good business nowadays. Along with some changes in lifestyle patterns of consumers, this kind of business could compete on a competitive basis. The consumers nowadays are more prefer to buy fast food from restaurants or cafes because of their density activities and limited time to prepare their own meals. This is also happens to consumers in Malang. Consumers in Malang city is a very busy consumers with density activities due to Malang known as student city and tourism city. Most of consumers in Malang is domestic and foreign tourists or immigrants who settled long enough for study. This situation became an opportunity to open a business in the culinary field. The growth rate of culinary business in Malang tends to increase, although in 2009 and 2013 slightly decreased. Facing the competitive rivalry, businessmen need to have a competitive advantage. This competitive advantage is very important to attract more attention from consumers. Culinary businessmen frequently less attention on competitive advantage as way to improve and retain customers, thus negatively impacting the culinary business to be bankrupt.

Culinary business is vulnerable to the problem of the food taste consistency also to the problem of services provided. Culinary businessmen wants to make the customers satisfied and loyal to their business. Determining the level of customer satisfaction and loyalty to culinary business is quite difficult because only few customers that fully satisfied and loyal to the culinary business they visited. The customers in average has a tendency to try an interesting food and atmosphere of the room. Most of them are visiting the restaurant or
some culinary places not only for the needs of hunger but also as a place to gather and interact with family, friends and colleagues.

A method that the businessmen in this field should do for the competitive advantage is to instill a positive impression about the products, services, neighborhood atmosphere of the culinary business they have in costumers mind. The marketing focus now is more oriented to create a memorable experience for the customers so that could make a positive impression to the company, touch the customers feeling and emotions, this focus is called experiential marketing. This kind of marketing method could shift the traditional marketing focus that only has focus on the features and benefits.

Experiential marketing is a very effective to provide an information about a product or service. Marketers are more emphasising on product differentiation to differentiate their products with the competitor’s products. Schmitt (1999) stated that experiential marketing is divided into several variables called strategic experiential modules (SEMs) that consist of sense, feel, think, act and relate. The application of experiential marketing requires media to distribute an experiential providers (ExPros) to customers that include of communication, visual/verbal identity, product presence, co-branding, spatial environments, websites and electronic media, people (Schmitt, 1999). This experiential marketing also has benefit in many situations like to increase the customer’s loyalty.

The customers satisfaction is one of the main goals for business activities. Customer satisfaction, according to Oliver (1981) in Tjiptono (2005) an evaluation of inherent suprise or attached to the acquisition of products and/or services consumption experience. Wilkie (1990) in Tjiptono (2005) defines customer satisfaction as an emotional response to an evaluation of the experience of the consumption of a product or service.

Lovelock, Wirtz and Mussry (2011) states that the basis of loyalty lies in customer satisfaction, where the quality of service becomes the primary input. Highly satisfied customers tend to be loyal supporters to the company, purchases to a service provider, and spreads the positive news. Anderson, et al., 1994; Anderson, et al., 1997; Edvardsson, et al., (2000) in Tjiptono (2005) states that customers satisfaction could contribute on a number of crucial aspects, such as the creation of customer loyalty, enhance reputation of the company, reduce price elasticity, reduce cost of future transactions, and increase the efficiency and productivity of employees. Results of research conducted by Alireza, Ali and Aram (2011) about The Satisfaction of Customers has a direct determinan to customer loyalty. Satisfaction is an important thing but it does not take place on the condition of loyalty. In the other words we can have satisfied customers without loyalty, but too difficult or even impossible to have a loyal customer without the customer satisfaction (Mohsan et al., 2011).

Research will be conducted using variables of Experiential Marketing that is Sense, Feel, Think, Act and Relate expressed by Schmitt (1999) and variable of customer loyalty also customer satisfaction. This study adopts from previous empirical research studies.

LITERATURE REVIEW

Experiential Marketing. Experiential marketing according to Schmitt (1990), “Experiences are private events that occur in response to some stimulation (e.g., as provided by marketing Efforts before and after purchase)”. Experience is a special event that happens to someone in response to some types of stimuli. Experience is the result of observation and involvement in the events in real or mannered. Experiences involving the parts of human senses, feelings, rational and emotional minds also the body as well. So, experiential marketing is the product’s ability to offer emotional experiences that could touch the customer's mind and heart.

Experiential marketing is widely used by enterprises to establish experiential connections (relationship experience) with the customer. Experiential marketing can be useful in many situations, including: to reverse the decline of the brand; in order to differentiate the product from competitors; to create the image and identity for a company; to boost innovation; persuade to try, make purchases and the most important is loyalty (Schmitt, 1999).
The main idea of experiential marketing is by creating variety of experiences for customers. According to Schmitt (1999), the type of the intended experience be that of strategic experiential modules (SEMs), namely sensory experiences (SENSE), affective experiences (FEEL), creative cognitive experiences (THINK), physical experience and lifestyle (ACT), and experience the result of the interaction of social and cultural (RELATE).

Senses (Five Senses). Sense of marketing as something that creates the experience to customers by providing the touch of the sense costumers have that include vision, hearing, touch, taste, and smell (Schmitt, 1999). The three strategic objectives that can be used to motivate a sense of marketing so that consumers can feel the excitement are:

1. Sense as a differentiator. Sense as a differentiator can be formed through product design, communication and point of sale by the new strategy. Differentiation is a great way to create sensory appeal.
2. Sense as a driving force. Sense motivate customers to buy and try products. Stimulation creates an optimal sense, it can provide a strong motivation.
3. Sense (senses) as a provider of values. Sense delivering value to customers and create a result of sensory appeal, so marketers must be able to understand it (Schmitt, 1999).

Feel. Feel on experiential marketing is closely related with affective experience. Feel marketing is a strategy and implementation which could impact on the company and brand through experience providers, in order to get succeed, marketing requires a clear understanding of how to create a feeling for the consumption experience (Schmitt, 1999).

Feel experiences can be exemplified, ranging from a light mood up with strong emotions. Consumption situation is very important to feel, although the communication feel before consumption can affect the feel. As marketers experience, it must know how to influence the feelings and provides a level of stimulation to the feelings to the appropriate level. If it is successful, it will be able to create a strong bond between the brand and the user.

Think. Think can stimulate someone's intellectual ability and creativity to create a cognitive experience and invites customers to think creatively. The purpose of the think to influence customers to think creatively and create awareness of the impact on the re-evaluation of the company and products.

Think engage consumers using convergent and divergent thought patterns. According to a psychologist J.P. Guilford as disclosed in Schmitt (1999), individual is routinely engage in two type, namely convergent and divergent thinking. Generally, convergent is narrow mental focus to converge on a solution, while divergent is expanding mental focus in various directions.

The key success of think is by stimulating the concentration and attention of the customers. Concentration is a situation of mind where people are very focused on something that is relevant to their goals and objectives. Attention is a state of mind where people really pay attention to the details and distinguish things from one another. Think can be said succeed if consumers have the attention and focus to a product or brand.

Act. Strategies act aims to create a customer experience associated with the body, behavior, lifestyle and experiences that occur as a result of interaction with the other people. Changes in lifestyle are often more motivated, inspire and spontaneity makes naturally influenced by the role of a model (eg, a movie star or a famous athlete).

Relate (Relationship). Relate marketing contains aspects of sense, feel, think, act marketing. However, a broader marketing relate, because it covers the existing environment outside of a person and personal feelings, so that adds a personal experience for themselves, others also the culture that exists outside environment. In essence, relate marketing aims to connect someone with something outside himself.

Customer Satisfaction. Customer satisfaction is one of the goals that are important to business and the key elements that determine the success of the implementation of the marketing concept. Customer satisfaction contributes to a number of crucial aspects, such as the creation of customer loyalty. The impact derived from the satisfaction or dissatisfaction of customers which crucial for businesses. Increased customer satisfaction potentially lead to
sales growth in the long term and short term, as well as market share as a result of repurchasing (Tjiptono, 2012).

According to research conducted Giese & Cote found similarities in terms of three main components: customer satisfaction is a response (emotional or cognitive); the response involves a specific focus (expectations, product, consumption experience and so on); the response occurs at a specific time (after consumption, after the selection of products / services, based on the accumulated experience, and others) (Tjiptono, 2012).

Customer Loyalty. Customer loyalty has an important role in a company, because keeping customers can improve financial performance and maintain the viability of the company. Although marketers already have a loyal customer segment considered, but competitive pressures are deliberately geared to changing customer loyalty, can not be ignored, because the brand will continue with the movement to be performed by the customer.

Griffin (2002) in Hurriyati (2010) states "Loyalty is defined as non-random purchase Expressed over time by some decision making unit." Based on that definition can be explained that more loyalty refers to a form of behavior of decision-making's unit to make purchases continuously for goods / services of a selected company.

Loyal customers is an important asset for the company, it can be seen from the characteristics. Griffin (2002) in Hurriyati (2010), states that loyal customers have the following characteristics:

Loyal customers is an important asset for the company, it can be seen from the characteristics. Griffin (2002) in Hurriyati (2010), states that loyal customers have the characteristics as below: makes regular repeat purchases; purchases across product and services lines; refers other product; demonstrates an immunity to the full of the competition.

METHODS OF RESEARCH

The study used a quantitative research methods since the purpose is to explain the correlation among variables Sense, Feel, Think, Act and Relate (Experiential Marketing) on Customer Satisfaction and Customer Loyalty.

This research can be categorized as a causality research. The method that is used to explain the causal relationships among variables is the survey method. Furthermore, this research aims to predict and to examine the influence of the variables. The method of data analysis in this research is descriptive data analysis, which has a goal to show the data image collected from the research locations. The analysis technique that is used is the path analysis with SPSS applications. The research framework is presented in Fig 1.

Figure 1 – Research Framework

Hypothesis:
- $H_1$: Sense had a significant influence on Customer Satisfaction;
- $H_2$: Feel had a significant influence on Customer Satisfaction;
- $H_3$: Think had a significant influence on Customer Satisfaction;
- $H_4$: Act had a significant influence on Customer Satisfaction;
- $H_5$: Relate had a significant influence on Customer Satisfaction;
- $H_6$: Customer Satisfaction had a significant influence on Customer Loyalty.

The location of this research at Traditional Restaurant in Malang. With a sample of 100 customers. This study used a questionnaire distributed to customers on restaurant.

Assumptions underlying the Path analysis is to use the test for normality and linearity test. Here are the results of normality test and linearity test:
The normality assumption is based on the significance of the test Kolmogorov-Smirnov on model 1 of 0.406, and in model 2 at 0.336, from all of its value > α (0.05), it can be concluded that the residual data on model 1 and model 2 normal distribution (assuming normality met). Normality test results to the groups of the above data it can be seen that there is no violation of the assumptions of parametric tests, then the path analysis can be done.

**Linearity test.** Linearity test aims to test whether the relationship between the independent variables and the dependent variable is linear or not. The good model is a model where the relationship between the two variables is linear. The method used in the linearity test is to test curve estimates. Relations between the two variables is said to be linear if the significance value <α (5%) were used.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Significances</th>
<th>Alpha (5%)</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residual Model 1</td>
<td>0.406</td>
<td>0.05</td>
<td>Normal</td>
</tr>
<tr>
<td>Residual Model 2</td>
<td>0.336</td>
<td>0.05</td>
<td>Normal</td>
</tr>
</tbody>
</table>

The calculation of the path coefficient is processed using SPSS version 13.0 for Windows. Path analysis is used to analyze the patterns of relationships between variables in order to determine the effect of directly or indirectly, exogenous and endogenous.

The test result in substructures 1 (Table 3) shows that the all variable of Experiential Marketing has significance on Customer satisfaction.

<table>
<thead>
<tr>
<th>The Effect</th>
<th>Path Coefficient</th>
<th>Significances</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sense</strong> (<strong>X1</strong>) ➔ Customer Satisfaction (<strong>Y1</strong>)</td>
<td>0.200</td>
<td>0.037</td>
<td>Significant</td>
</tr>
<tr>
<td><strong>Feel</strong> (<strong>X2</strong>) ➔ Customer Satisfaction (<strong>Y1</strong>)</td>
<td>0.222</td>
<td>0.031</td>
<td>Significant</td>
</tr>
<tr>
<td><strong>Think</strong> (<strong>X3</strong>) ➔ Customer Satisfaction (<strong>Y1</strong>)</td>
<td>0.182</td>
<td>0.034</td>
<td>Significant</td>
</tr>
<tr>
<td><strong>Act</strong> (<strong>X4</strong>) ➔ Customer Satisfaction (<strong>Y1</strong>)</td>
<td>0.211</td>
<td>0.016</td>
<td>Significant</td>
</tr>
<tr>
<td><strong>Relate</strong> (<strong>X5</strong>) ➔ Customer Satisfaction (<strong>Y1</strong>)</td>
<td>0.180</td>
<td>0.028</td>
<td>Significant</td>
</tr>
</tbody>
</table>

The test result in substructures 2 (Table 4) shows that the path coefficient variable Customer Satisfaction (**Y1**) of 0.845 with a significance value of 0.000, then the variable Customer Satisfaction (**Y1**) has a significant influence on Customer Loyalty variable (**Y2**). The test results prove that the variable Customer Satisfaction (**Y1**) directly influence the variable Customer Loyalty (**Y2**).

<table>
<thead>
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<th>Path Coefficient</th>
<th>Significances</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction (<strong>Y1</strong>) ➔ Customer Loyalty (<strong>Y2</strong>)</td>
<td>0.845</td>
<td>0.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

**RESULTS AND DISCUSSION**

The effect of **Sense on Customers satisfaction.** In accordance with the result of the study, sense has a significant effect on customer satisfaction. Table 3 showed the path...
coefficient by 0.200. The result of this study reinforces previous research, such as the research of Lu et al., (2008), Lin et al. (2009), Lin, Hsu and Tsai (2011), and Alkilani, Ling, and Abzakh (2013). They found that sense has a positive significant on customer satisfaction. Sense can be used as a differentiator, driving and value provider. One of them can be through visions, colors can create a striking impression to produce sensory stimuli on the customer so that will always be remembered.

The effect of Feel on Customers satisfaction. In accordance with the result of the study, feel has a significant effect on customer satisfaction. Table 3 showed the path coefficient by 0.222. The result of this study reinforces previous research, such as the research of Yang (2010) and Chen, Chen, Hsieh (2012). According to Schmitt (1999), the success of feel marketing requires a clear understanding of how to create feelings during consumption experiences. According to research conducted Giese & Cote in Tjiptono (2012) found similarities in terms of three main components, namely, customer satisfaction is a response (emotional or cognitive), the response regarding a particular focus (expectations, product, consumption experience). The respon occurs at a specific time (after consumption, after the selection of products / services, based on the accumulated experience, and others). Customers feel if the service provided to the friendly, it will make them feel happy and satisfied.

The effect of Think on Customers satisfaction. In accordance with the result of the study, think has a significant effect on customer satisfaction. Table 3 showed the path coefficient by 0.182. The result of this study reinforces previous research, such as the research of Lin et al. (2009), Lin, Hsu and Tsai (2011).

The effect of Act on Customers satisfaction. In accordance with the result of the study, act has a significant effect on customer satisfaction. Table 3 showed the path coefficient by 0.211. The result of this study reinforces previous research, such as the research of Shih, Yu, and Yen (2015). The traditional Restaurants in Malang provide a special appearance to customers who are not given by the other restaurant is a Tarian Topeng Malang. It is appropriate Tjiptono opinion (2005), one element of customer satisfaction is the promotion of loyalty programs, these programs provide a kind of special rewards such as discounts and vouchers to customers regularly to remain loyal to the products of the company.

The effect of Relate on Customers satisfaction. In accordance with the result of the study, relate has a significant effect on customer satisfaction. Table 3 showed the path coefficient by 0.211. The result of this study reinforces previous research, such as the research of Lin, Hsu and Tsai (2011). Many customers who visited at Traditional Restaurants because attracted by the concept of restaurant. The customer like the restaurant because that introduced Malang in the past. Customers will be satisfied to have a memorable experience and will be revisit.

The effect of Customers satisfaction on Customer Loyalty. In accordance with the result of the study, customer satisfaction has a significant effect on customer loyalty. Table 4 showed the path coefficient by 0.845. The result of this study reinforces previous research, such as the research of Lin et al. (2009), and Aram (2011), Mohsan et al. (2011). Customers will be satisfied with the services obtained, so they will often make repeat purchases. This is consistent with the statement expressed Tjiptono (2012) satisfaction will yield two benefits, namely customer loyalty and word of mouth (WOM).

CONCLUSION

From the results of the hypothesis which shows that there is significant influence between experiential marketing to customer satisfaction and customer loyalty. Ways in which to maintain customer satisfaction and loyalty with regard experience that will be earned by the customer. Memorable experience for the customer is one of the main factors in maintaining customer loyalty in a competitive business competition.
REFERENCES