

The Effect of Experiential Marketing on Customer Satisfaction in Malang Customer Products

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ABSTRACT

Recently, people's increasing interest in business has encouraged them to try their luck in it. The more similar businesses are established, the tighter competition in, especially for similar businesses. Company leaders must not be careless and need to continue to strive to keep the company remain superior and compete with other companies. To win the competition, the company must have a competitive advantage to continue to survive. One effort is focusing on the consumers by providing the experience that is felt from these contacts. Companies must be able to influence consumers by creating products or services that win over their heart. They will have unforgettable good memories; in exchange they will come back or make repeat purchases.

Keywords: Customer Satisfaction, Experiential Marketing

INTRODUCTION

There are several contemporary coffee shops in Malang including Pesen Kopi with its good style and unique name. This makes this shop easy to remember and stick in the minds of coffee lovers in this Flower City. The name 'Pesen Kopi' seems simple, yet easy to pronounce. No wonder this shop has enough fans. They have to be able to influence consumers by creating products or services that can touch consumers' emotions. When the hearts and minds of consumers can be touched and affected by positive things, consumers have unforgettable good memories at the company and with the hope they come back or make a repeat purchase. The concept of marketing in influencing consumer emotions is experiential marketing, a concept of marketing not only providing information and opportunities for customers to gain experience of the benefits obtained but also touching emotions and feelings with an impact on marketing.

In the experiential marketing approach, products and services must be able to generate sensations and experiences that will become the basis of customer loyalty. According to Liu et al. (2012), loyalty is positive behavior and related to the level of customer repurchase for a product or service on a regular basis. When customers can be influenced through the five senses enable them to feel comfortable, they will have good feeling for the company. The customers' sense of comfort will involve the company in their mindset influencing the preference. Companies' positive influences creates customer loyalty to when they have to choose.

This study aims to:

1. analyze the variable of sense with a significant effect on customer satisfaction of coffee orders in Malang
2. analyze the feel variable significantly affecting the satisfaction of coffee order

- customers in Malang
3. analyze think variables with a significant effect on customer satisfaction for coffee orders in Malang.
 4. analyze the act variable with a significant effect on customer satisfaction of coffee orders in Malang.
 5. analyze the relate variables significantly affecting the satisfaction of Coffee Order Customers in Malang.

RESEARCH METHOD

The research method used in this study is a quantitative method. According to Suharsaputra (2012), quantitative research methods defines the understanding of positivism empiricism arguing that the truth lies in facts empirically proven or tested. According to Sugiyono, (2013) quantitative research methods defines research methods based on the philosophy of positivity, used to examine specific populations or samples, data collection with research instruments, quantitative/statistical data analysis to test the preset hypotheses. This study is descriptive research. The nature of the research is to explain (descriptive explanatory) the position of the variables and the relationship between one variable with another variable (Sugiyono, 2012).

Population

Population is a generalization area consisting of objects/subjects with certain qualities and characteristics determined by researchers to study and drawn conclusions (Sugiyono, 2012). According to Noor (2011), population is used to mention all elements/members of an area that are the target of research or constitute the whole of the object of research. The total population in this study was 13,638 visitors to Pesen Kopi Malang from January to September 2019.

Samples

Sample is a subgroup of elements of the population selected to participate in the study. Thus, we have created a representative population called a sample. According to Sugiyono (2012), sample is part of the number and characteristics of the population. If the population is large, and researchers may not study everything in the population, due to, for example, limitation in funds, manpower and time, they can use samples out from the population. For this reason, samples taken from the population must be truly representative. The consideration is based on customers above 17 years old, and have been regular customers of Pesen Kopi for more than 1 month.

The samples number was determined using the Slovin Formula (Sevilla et.al, 2007;182) as follows:

$$n = \frac{N}{1 + ne^2}$$

Where:

n = sample size

N = population size

e = Critical value or desired accuracy limit (percentage of inaccuracy due to sampling error) of 10%.

Least squares method is necessary to test to find out whether the resulting regression model meets the classical assumption requirements. They are:

Multicollinearity

To be able to find out whether the estimation of the regression equation there are symptoms of multicollinearity; that is the coefficient between independent variables. Value Inflation Factor (VIF) display the presence of multicollinearity. If the tolerance value approaches 1 and the VIF value <10, no multicollinearity exists (Gozali, 2006). The tolerance and VIF values are as follows.

Table 1: Tolerance and VIF Values

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Sense (X1)	.660	1.516
	Feel (X2)	.925	1.082
	Think (X3)	.820	1.219
	Act (X4)	.651	1.536
	Relate (X5)	.995	1.005

a. Dependent Variable: Kepuasan Pelanggan (Y)

Thus, the number of samples used in this study were 100 respondents. The study uses a percentage of inaccuracy of 10% for Slovin formula show the provisions as follows: Value $e = 0.1$ (10%) for large populations, and $e = 0.2$ (20%) for a small population. Therefore, the range of samples that can be taken from the Solvin technique is between 10-20% of the study population.

Heteroscedasticity Indicators

Heteroscedasticity results in estimating the regression coefficients to be inefficient. The assessment results will be less than they should be. Heteroscedasticity contradicts one of the basic assumptions of linear regression. The residual variation is the same for all observations or is called Heteroscedasticity (Gujarati, 2006). A good regression model does not produce heteroscedasticity. According to Santoso (2012) the basic indicator of Heteroscedasticity is:

- If there are certain patterns, such as points that form a certain regular pattern (bumpy, spread and then narrowed), Heteroscedasticity exists.
- If there is no clear pattern, such as the points above and below the number 0 on the Y axis, there is no heteroscedasticity. The following shows the absence of heteroscedasticity.

Figure 1: Graph of Heteroscedasticity Detection

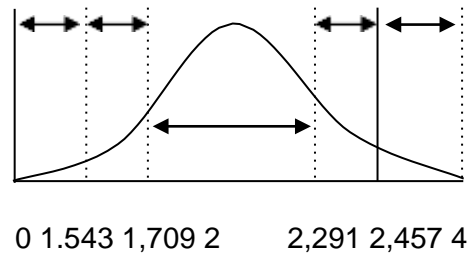


Figure 1 classifies the Durbin-Watson (DW) value as follows.

A = $0 < DW < 1.543$: Reject H_0 (positive autocorrelation)

B = $1.543 < DW < 1.709$: Area of doubt

C = $1.709 < DW < 2.291$: Accept H_0 (no positive/negative autocorrelation)

D = $2.291 < DW < 2.457$: Regional doubt

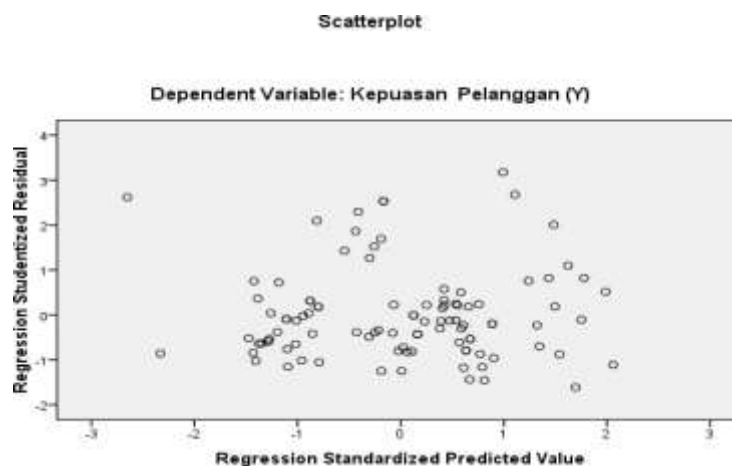
E = $2.457 < DW < 4$: Reject H_0

Figure 2 reveals that there is no clear pattern, since the points spread above and below the number 0 on the Y axis. It concludes that in this proportion model there are no symptoms of heteroscedasticity.

Autocorrelation

According to Gujarati (2002), to detect autocorrelation the Durbin-Watson (D-W) number can be used. Generally, it can be taken as follows.

Figure 2: Durbin-Watson (D-W) Value Classification (negative autocorrelation)



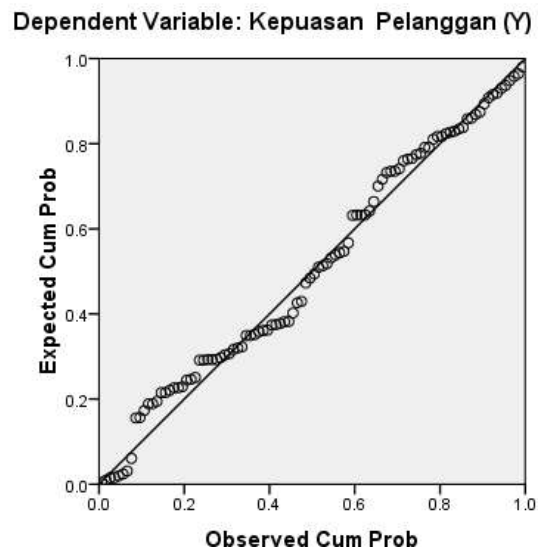
Durbin-Watson (D-W) test shows rate of + 1,962 (attachment 2 of SPSS Output). This means that the regression model proves no autocorrelation problem.

Normality Test

The test results to prove the normal distribution are in Table 2 below.

Table 2: Distribution Normality Test

Normal P-P Plot of Regression Standardized Residual



Graph 2 above indicates that the normal distribution will form a diagonal straight line, plotting data will be compared with the diagonal line. Ghozali (2006) argues that "If the data distribution is normal, then the lines that describe the actual data will follow the diagonal line". Based on the analysis of the four assumptions above, the data is feasible for statistical testing.

Multiple Regression Analysis

The following table shows the results of statistical calculations.

Table 3: Analysis of Multiple Linear Regression

Dependent Variable	Independent Variable	Standardized Coefficients (β)	T Value	t Table	Level of Sig. ($\alpha=5\%$)	Significance
Y	X1	.105	2.846	1,661	.005	Significant
	X2	.063	2.746	1,661	.007	Significant
	X3	.126	3.264	1,661	.002	Significant
	X4	.153	2.240	1,661	.027	Significant
	X5	.310	4.869	1,661	.000	Significant
	Constanta (a)	0,245				

R	=0,727	Significant
Adjust	=0,504	
R ²	=21,115	
F value	= 2,32	
F table	=0,000	

Source: Processed Primary Data

X1: Sense X3: Act X5: Relate
X2: Feel X4: Think Y: Consumer Satisfaction

Multiple linear regression equation above can be explained as follows.

- a (constant) = 0,245 means that if the independent variable consisting of Sense (X1), Feel (X2), Think (X3), Act (X4), Relate (X5) variables are ignored or assumed to be zero, the consumer satisfaction variable (Y) will increase by its constant value of 0.245.
- b. Regression coefficient $bx_1 = 0.105$ shows the size of the contribution of the Sense variable to the consumer satisfaction variable. It means that if the Sense variable rises by 1 unit, the customer satisfaction variable will rise by 0.105 units assuming the other independent variables remain constant.
- c. Regression coefficient $bx_2 = 0.063$ indicates the amount of contribution of the Feel variable to the consumer satisfaction variable. It means that if the Feel variable increases by 1 unit, the variable of customer satisfaction will increase by 0.063 units assuming the other independent variables are constant.
- d. Regression coefficient $bx_3 = 0.126$ shows the magnitude of the contribution of Think variables to Customer Satisfaction variable. It means that if the Think variable increases by 1 unit then the variable of Consumer Satisfaction will increase by 0.126 units assuming the other independent variables are constant.
- e. Regression coefficient $bx_4 = 0.153$ shows the magnitude of the contribution of Act variable to variable of Customer Satisfaction. It means that if Act variable rises by 1 unit then the variable of Customer Satisfaction will increase by 0.153 units assuming the other independent variables remain.
- f. Regression coefficient $bx_5 = 0.310$ indicates the magnitude of the contribution of the Relate variable to the Consumer Satisfaction variable. It means that if the Relate variable increases by 1 unit, the Customer Satisfaction variable will increase by 0.310 units assuming the other independent variables remain constant.

Determination Coefficient Test (R²) is used to measure how far the ability of the regression model in explaining the variation of the dependent variable (Ghozali, 2006). Table 4.14 explains that the correlation coefficient (R) of 0.727 shows the strength of the relationship variables of Sense (X1), Feel (X2), Think (X3), Act (X4), Relate (X5) simultaneously to consumer satisfaction (Y). Adj. Value R Square of 0.504 shows that 50.4% of the ability variable Sense (X1), Feel (X2), Think (X3), Act (X4), Relate (X5) in explaining consumer satisfaction (Y), while the remaining 49.6 % is influenced by other variables beyond the 5 independent variables, such as price, promotion, service quality and others.

RESULTS AND DISCUSSION

The results of calculations indicate that the regression coefficient of Sense is 0.105 (positive value) with a significance of 0.005 (<0.05). These results indicate that the hypothesis (H_a) is accepted, which means Sense has a positive and significant effect on customer satisfaction. Sense is an intangible aspect felt by customers through their five senses including sight, smell, hearing, touch, and taste. This is consistent with most of respondents' answers, agreeing that: (1) The design or layout of the coffee order is attractive; (2) The coffee offered has a distinctive taste; (3) The lighting of the coffee order in and out of the room is good; (4) The coffee aroma evokes tastes; (5) The coffee room is cool and the coffee menu is interesting.

The calculation results show that the regression coefficient of Feel (X_2) is 0.063 (positive value) with a significance of 0.007 (<0.05). This indicates that the hypothesis (H_a) is accepted, meaning that Feel has a positive and significant effect on customer satisfaction. The higher the feeling arises, the higher the customer satisfaction. Feel does not only offer the benefits of a product, but also it arises in the consumers' minds when consuming a product or service. This feeling is ultimately an unforgettable experience for consumers.

The things that can make the emotional experience is through service products, packaging, and service. Most respondents agree that: (1) They feel relaxed atmosphere in the café; (2) The service of the employees is polite and friendly; (3) The cleanliness room is well maintained; (4) The appearance of the employees is neat; (5) The atmosphere is cozy; (6) Wi-Fi is available.

The calculation results show that the value of the regression coefficient of Think (X_3) is 0.126 (positive value) with a significance of 0.002 (<0.05). These results indicate that the hypothesis (H_a) is accepted, which means the better the method used by service providers in encouraging customers to think creatively about the company and its brands, the higher the customer satisfaction. Customers are encouraged to think about the brand or slogan used by service providers. The main core of this factor is to demand consumers' creative thinking about service providers and brands. This process involves consumers to receive cognitive experiences. One of the keys to success of this factor is understanding the structure of consumer knowledge and sources of customer attention and concentration. This supports the results of respondents' answers, mostly argue that the various products offered are guaranteed safe for consumption. Pesen Kopi has a diverse menu of coffee products for consumers, accessible locations, good reputation, and good quality products for reasonable price.

Calculation results show that the regression coefficient of the Act (X_4) is 0.153 (positive value) with a significance of 0.027 (<0.05). These results indicate that the hypothesis (H_a) is accepted, which means that the better the Act of creating consumer experience, the higher the customer satisfaction. The Act is designed to create customer experiences related to physical, long-term behavior and lifestyle as well as experiences that occur as a result of interactions with others. In Experiential Marketing, a product or service must be able to create experience for customers. In Act Marketing, elements of lifestyle or human habits are important. The company is always looking for the relationship between brand products and the lifestyle of a social group. This is supported by the results of respondents' responses stating that Pesen Kopi café is a pretty ideal place to hang out,

the customers come to enjoy the atmosphere, and Pesen Kopi is able to communicate well information about its latest products through the media website.

The calculation results show that the regression coefficient of Relate (X5) is 0.310 (positive value) with a significance of 0,000 (<0.05). These results indicate that the hypothesis (H_a) is accepted, the better the relationship between consumers and customers, the higher the customer satisfaction. In Experiential Marketing, a service product must have a relationship with social elements, in the form of habits, behavior, culture, and even a lifestyle. The main purpose of this factor is to form relationships between brands and consumers socially.

The essence of this factor is to make consumers connect or associate themselves with other individuals or groups through a brand. The relate factor is related to a person's culture and reference group that can create a social identity. A marketer must be able to create a social identity for consumers with the products or services offered. Consumers can feel the relationship with other consumers and provide a strong experience that is formed from the social culture and consumer needs for social identity. An important key to this factor is the selection of the right reference group and the display of references that distinguish social identity for consumers. Respondents' answers mostly state that: (1) Pesen Kopi is a hangout place highly demanded by the young community; (2) Pesen Kopi is an identical place for the lower middle economic class to gather together to meet (3) Pesen Kopi describes the lifestyle trends of the community.

CONCLUSIONS

1. The test results prove that the Sense variable has a significant effect on customer satisfaction of Pesen Kopi in Malang.
2. The test results prove that the Feel variable has a significant effect on customer satisfaction of Pesen Kopi in Malang.
3. The test results prove that the Think variable has a significant effect on customer satisfaction of Pesen Kopi in Malang.
4. The test results prove that the Act variable has a significant effect on customer satisfaction of Pesen Kopi in Malang.
5. The test results prove that the Related variable has a significant effect on customer satisfaction of Pesen Kopi in Malang.

The results of the study show the Adj value. R Square of 0.504 implying that 54.4% of the variable ability Sense (X1), Feel (X2), Think (X3), Act (X4), Relate (X5) in explaining consumer satisfaction (Y), while the remaining 49.6 % is influenced by other variables beyond the 5 independent variables, such as price, promotion, service quality and others.

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