

The Influent of Experiential Marketing and Store Atmosphere on Customer's Loyalty

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Abstract

Experiential marketing and store atmosphere have an influence on customer's loyalty. This study aims to determine the responses of respondents about Equal Coffe Dau Malang experiential marketing, store atmosphere and customer loyalty and to determine the effect of experiential marketing and store atmosphere simultaneously and partially on Equal customers Coffe Dau Malang. This study uses the explanatory research method and the sampling technique uses the Slovin formula with an error rate of 10%. The number of samples taken is 97 which is the consumer of Equal Coffe Dau Malang. The data analysis technique used is the analysis of instrument test, classic assumption test, multiple linear regression, simultaneous hypothesis test F and partial hypothesis test t. Based on the results of the analysis it can be concluded that the responses of respondents about Equal Coffe experiential marketing, store atmosphere and customer loyalty are good. Simultaneously experiential marketing and store atmosphere significantly influence customer loyalty. Partially experiential marketing and store atmosphere significantly influence customer loyalty. From the results of the research that has been carried out there are several suggestions for Equal Coffe in order to maintain product packaging and compounding and presentation for customers and improve the arrangement of indoor and outdoor spaces and make Equal Coffe decorations more harmonious with the typical dishes of Nusantara coffee makers.

Keywords

experiential marketing; store atmosphere; customer's loyalty



I. Introduction

Human Resources (HR) is the most important component in a company or organization to run the business it does. Organization must have a goal to be achieved by the organizational members (Niati et al., 2021). Development is a change towards improvement. Changes towards improvement require the mobilization of all human resources and reason to realize what is aspired (Shah et al, 2020). The development of human resources is a process of changing the human resources who belong to an organization, from one situation to another, which is better to prepare a future responsibility in achieving organizational goals (Werdhiastutie et al, 2020)

Customer's loyalty is an encouragement from activities in making purchases repeatedly and also in making or create customer's loyalty to a product or service produced by the company take a long time to go through the buying process repeatedly (Olson, 2000).

Experiential marketing is an activity did by marketers that has been done until now. This activity considered quite effective, because in one way with the progress of times and

technology, so the marketers tend to emphasize product differentiation as differentiating their own product from competing product (Andreani, 2007).

The company's effort in support or guarantor of customer's loyalty in one way, namely growing an atmosphere will be provide able to support in creating loyalty. Comfort atmosphere with creative decoration and unique will become a more value for the cafe or restaurant. And it is not uncommon customer come that cafe or restaurant because they like the atmosphere offered by the cafe or restaurant. Store atmosphere is an atmosphere that is planned in accordance with the market share and can attract the potential customer to make a purchase (Kottler, 2005:177).

Atmosphere quality and experiential customer that created a deep impression on customer's heart and will make them loyal customer for the cafe or restaurant (Bitner, 2003). When the customer is satisfied with the product or service offered by the cafe or restaurant, so the customer will create a new behaviour, that is loyal to the company (the cafe or restaurant).

Equal Coffe is one of cafe in Dau Malang that offered coffee dish from various local areas in Nusantara although another country. Beside that, this cafe has interesting presentation for their dish with comfort place located in ricefield area and also beautiful mountain view. Because the natural view offered by Equal Coffe, so customer can enjoy their meal with happy feelings. Equal Coffe try offered new atmosphere, so Equal Coffe can give more value to customer and improve the customer's loyalty. Researcher try to view and apply it to Equal Coffe Dau Malang about experiential marketing and store atmosphere with efforts to improve the customer's loyalty.

Based on the introduction, so researcher interested in make a new research "The Influent of Experiential Marketing and Store Atmosphere on Customer's Loyalty (Study on Equal Coffe's Customer Dau Malang).

II. Review of Literature

2.1 Customer's Loyalty

Loyalty based on Utami (2017:109) is customer that ready to buy product in shop location. Loyalty based on Tjiptono (2014:392) is repurchase can be the result of market dominance from a company that has succeeded making a product the only available product alternative.

Based on Hasan in Suryati (2015:93) said "customer's loyalty is repurchase behaviour, high relevance and involvement in the choice, and characterized by disbursement of external information and alternative evaluation".

Jill Griffin in Kartajaya (2007:134) said "customer's loyalty is closer than behaviour not attitude. So if a customer bough two or three same product, automatically he is a loyal customer. Based on Griffin in Sudarmanto (2018:40-41) loyalty indicator are:

Makes regular repeat purchase. Loyalty refer to application of behaviour from make a decision to regular repeat purchase in product or service by a company. The level of satisfaction with the store will influence them to repurchase.

Purchase across product and service line. Buy across product line and service is desire to buy more of the product or service that the company has offered. Cutomers who already believe to a company in on matter that also believe in other matter. Referring shop to other, it means refer to new customer for the company (refers other). Loyal customer will give recommendation of company to his friends. Demonstrates an immunity to the full of the competition. Not easily influenced by the pull of competitors of other similar companies.

2.2 Experiential Marketing

Kartajaya (2004:166) said that experiential marketing is a marketing concept that aims to make a loyal customer with touching their emotion and giving a positive feeling on product and service.

Schmitt in Lupiyoadi (2017:131) said that the definition of experiential marketing is an ability of product or service provider in offered emotional experience to touch the heart of customer's feeling.

Based on Schmitt in Lupiyoadi (2017,133-134) said that "strategic experiential modules (SEMs) is a framework of experiential marketing which consist of 5 elements include :

1. Sense

Sense marketing is how to create an experience to consumers by touching to human sense. This touched can be achieved through the sense of sight, hearing, touch, taste and smell.

2. Feel

Feel marketing is a strategy and implementation in engaging costumers to love in a company or brand through the service provider experience. To be succesfull, feel marketing requires us to to know how to create feeling through the experience of consumption.

3. Think

Think marketing campaign is a marketing model that push the customers in order to think creatively about the company and brand.

4. Act

Act marketing is implemented to create customer's experience that are linked to individual behaviour, social attitude, and lifestyle, such as experiences arising from social interaction.

5. Relate

Relate marketing is the development of feelings felt by the individual which is an experience associated with the individual's ideal figure, another person, or something.

2.3 Store Atmosphere

Based on Utami (2017:322) said "store atmosphere is a combine from store physical characteristic such as architecture, layout, lighting, dispkay, colour, themperatur, music, and a smell that will create an image in the minds of customers.

Based on Kottler (2005:177) said store atmosphere or store environment is a planned atmosphere that suits the target market and that can attract consumers to buy.

Store atmosphere has some influential elements on store atmosphere that wants to create. Based on Berman and Evan (2017:545) said there are some elements that can be reference, they are :

1. Exterior (the outside of store)

Exterior is the outside of store (shop front) that can describe the characteristic of store such as signage, driveway, display case, store height, store size.

2. General interior (the inside of store)

General interior consist of floor colour and lighting, smell, music, wall texture, temperature, the widht of one room to another room, service level and price.

3. Store layout

Store layout consist of arrangement of space placement to fill the available floor area, classifiying the product to offered, in-store traffic management, setting the required store width, mapping the store space and arranging the products offered individually.

4. Interior display

Interior display aims to give some information to shoppers, that was more value to give different impression to the store atmosphere and serve as a promotional tool.

III. Research Method

This research using explanatory research and using multiple linier regression analysis for data analysis technique. The population of this research amounted to 3000 people based on estimates per month of customers who come. Based on the sample using Slovin Formula, the sumber of samples used is 97 people as respondents. The hypotesis of this research are:

H1: Experiential Marketing and Store Atmosphere simultaneously on customer's loyalty.

H2: Experiential Marketing and Store Atmosphere berpengaruh partially on customer's loyalty.

Before tested using multiple linier regression analysis, tested using classic assumption test and quantitative analysis and supported hypothesis test. Description for the test are:

Multiple Linier Regression Analysis

The step of multiple linier regression analysis is:

- a. designing aregression equation model

$$Y = a + (b1X1) + (b2X2) + e$$

- b. coeffitient of determination the greater value of R^2 means the greater influence of independent variable on the dependent variable. In general, the value of R^2 is declared in percentage.

IV. Result and Discussion

4.1 Validity Test

Table 1. The Result of Validity Test

No	Variable	KMO value	Desc
1	Experiential Marketing	0,864	VALID
2	Store Atmosphere	0,699	VALID
3	Customer's loyalty	0,796	VALID

Based on table 1 shows that every Experiential Marketing variable has KMO value $0,864 > 0,50$. Store atmosphere variable has KMO value $0,699 > 0,50$. And customer's loyalty variable has KMO value $0,796 > 0,50$. So, every variable declared valid because KMO value more than a predetermined minimum limit of 0,50.

4.2 Reliability Test

Table 2. The Result of Reliability Test

No	Variable	Cronbach's Alpha	Desc
1	Experiential marketing	0.863	RELIABEL
2	Store atmosphere	0.743	RELIABEL
3	Customer's Loyalty	0.827	RELIABEL

Based on table 2, each variable item generates *Cronbach's Alpha* value $>0,6$ it means the instruments are reliable.

4.3 Normality Test

Table 3. The Result of Normality Test

One-Sample Kolmogorov-Smirnov Test				
		total_x1	total_x2	total_y
N		97	97	97
Normal Parameters ^{a,b}	Mean	17.82	13.95	14.11
	Std. Deviation	4.047	3.097	3.259
Most Extreme Differences	Absolute	.076	.089	.081
	Positive	.076	.089	.077
	Negative	-.076	-.076	-.081
Test Statistic		.076	.089	.081
Asymp. Sig. (2-tailed)		.200 ^{c,d}	.056 ^c	.116 ^c

Based on table 3 shows that Experiential Marketing variable has Asymp. Sig. (2-tailed) value amounted $0,200 > 0,05$. Store atmosphere variable has Asymp. Sig. (2-tailed) value amounted $0,056 > 0,05$ and Customer's Loyalty variable has Asymp. Sig. (2-tailed) value amounted $0,116 > 0,05$. It means the data has normal distribute.

4.4 Classic Assumption Test

a. Multicollinearity Test

Table 4. The Result of Multicollinearity Test

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.245	.274		.892	.375		
	total_x1	.849	.024	1.055	34.748	.000	.336	2.973
	total_x2	-.091	.032	-.087	-2.856	.005	.336	2.973

a. Dependent Variable: total_y

Based on table 4 shows Experiential Marketing variable (X1) has tolerance value amounted $0,336$ and VIF value amounted $2,937$. Store atmosphere variable (X2) has tolerance value amounted $0,336$ and VIF value amounted $2,937$. From the data, the conclusion is the tolerance value from two of variable are more than $0,10$ that VIF less than $10,00$. So, the regression model is not multicollinearity and this model can be used.

b. Heteroscedasticity Test

Table 5. The Result of Heteroscedasticity Test

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		

1	(Constant)	.641	.167		3.848	.000
	total_x1	-.015	.015	-.176	-1.003	.319
	total_x2	.004	.019	.040	.227	.821
a. Dependent Variable: RES2						

Based on table 5 shows that the significance of the Glejser Test on the Experiential marketing variable is $0,319 > 0,05$. The significance value of the Glejser Test on the Store Atmosphere variable is $0,821 > 0,05$. All of the result test shows that regression model that used in this test is not heteroscedasticity.

4.5 Multiple Linier Regression Analysis

Table 6. The Result of Multiple Linier Regression Analysis

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.245	.274		.892	.375
	total_x1	.849	.024	1.055	34.748	.000
	total_x2	-.091	.032	-.087	-2.856	.005
a. Dependent Variable: total_y						

Based on Table 6 that can arrange of multiple linier regression equation for Experiential Marketing, store atmosphere, and customer's loyalty belows:

$$Y = 0,245 + 0,849X_1 - 0,091X_2$$

a = Konstanta
 X1 = Experiential Marketing
 X2 = Store Atmosphere
 e = Error

Based on the multiple linier regression equation that can be explained belows:

- Based on coefficient value from experiential marketing is positive, it describes if experiential marketing is increased, customer's loyalty will increase.
- Based on coefficient value from store atmosphere is negative, it describes if store atmosphere is increased, customer's loyalty will decrease.
- The value of dependent variable is customer's loyalty whose value is predicted by the independent variables of experiential marketing and store atmosphere.

4.6 Hypothesis Test

a. Simultaneous Test (F)

Table 7. The Result of F-Test

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	990.054	2	495.027	1566.853	.000 ^b
	Residual	29.698	94	.316		
	Total	1019.753	96			

Based on table 7, the value of F-test in the amount of 1566,853 which is the significance value of F is 0.000. the significance value is less than 0,05. So, H_1 accepted and H_0 rejected. It means there is a simultaneous (together) effect of experiential marketing and store atmosphere variables on customer loyalty.

b. Partial Test (t)

Table 8. The Result of t-Test

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.245	.274		.892	.375
	total_x1	.849	.024	1.055	34.748	.000
	total_x2	-.091	.032	-.087	-2.856	.005

Based on table 8 shows that the result of hypothesis test partially (t-test) belows:

- a. Hypothesis tester : experiential marketing (X1) tester variabel on customer's loyalty. Experiential marketing variable has t_{count} value amount 34,748 with significance amount 0,000 is less than 0,05. So H_1 accepted and H_0 rejected. And it can be concluded that there is a significant effect of Experiential marketing variables on customer loyalty (Y)
- b. Hypothesis tester : store atmosphere (X2) tester variabel on customer's loyalty. atmosphere variable has t_{count} value amount -2,856 with significance amount 0,005 is less than 0,05. So H_2 accepted and H_0 rejected. And it can be concluded that there is a significant effect of store atmophere variables on customer loyalty (Y)

4.7 Discussion

The discussion refers to the first hypothesis result is experiential marketing and store atmosphere have simultaneous effect on customer's loyalty. This is supported by the opinion of Bitner (2003) said that "atmosphere quality and customer's experience that creates a deep impression on the heart of customer will make them loyal customer". When customer satisfied with product or service that offered by company, so customer will create a loyal behavior to the company.

That argument supported by the result of research who did by Krisdayanti (2017) in her research "The Influent of Store Atmosphere and Experiential Marketing on Customer's Loyalty Study at Warung Lesehan Yogyakarta in Malang". The result of research shows that store atmosphere and experiential marketing has positive significant effect on customer's loyalty at Warung Lesehan Yogyakarta in Malang. And the research who did by Paramitha (2018) in her research "The Influent of Experiential Marketing on Customer's Loyalty at CoffeeShop Medan Sidoarjo" the result shows that experiential marketing has simultaneous effect on customer's loyalty and sense, feel, act and relate has partial effect on loyalty.

From that description can be concluded that for the first hypothesis can be accepted in theory and research that has been done. So, experiential marketing and store atmosphere have simultaneous effect on customer's loyalty.

But, for the second discussion of hypothesis result that experiential marketing and store atmosphere have partial effel on customer's loyalty. It supported by the result of research that has been done of Linggasari (2014) in her research "The Influent of Store Atmosphere on Customer's Loyalty at Kopi Progo Bandung". The result of concultion that store

atmosphere have result significant simultaneously effect on customer's loyalty, and the store atmosphere have result significant partially effect on customer's loyalty. And also supported the result of research by Krisdayanti (2017) that store atmosphere and experiential marketing have paartial effect on customer's loyalty.

Based on the result of research has been done, experiential marketing have positive and significant effect on customer's loyalty. So, in theory and research supported from that result of research. But, for store atmosphere on customer's loyalty have negative and significant effect. The result of research unsupported from theory and the result of research.

After know the result of research, so experiential marketing at Equal Coffe really pays attention to the indication of this. With the reason from the results of this reasearch that there is a unidirectional relationship with the level of loyalty that has been applied to Equal Coffee, on this basis the results of the research show positive and significant.

Equal Coffee has no unidirectional relationship with reinforced negative results. This shows that Equal Coffee needs to improve rather than the indication of the store atmosphere, because it does not rule out that the store atmosphere will become a reference for one level of customer loyalty. This has been reinforced by the results of research by Lingasari (2014) that store atmosphere has a direct relationship with customer loyalty.

IV. Conclusion

- a. There is a simultaneous effect between experiential marketing and store atmosphere on customer's loyalty at Equal Coffe Dau Malang
- b. There is a partial effect between experiential marketing and store atmosphere on customer's loyalty at Equal Coffe Dau Malang

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