

Effects of Shopping Experience, Brand Prestige, and Perception Value on Loyalty of Mall Visitors in Yogyakarta and Batam

Nur Amira¹, Raden Roro Ratna Roostika²

^{1,2}Faculty of Business and Economics, Universitas Islam Indonesia, Indonesia
18311350@students.uii.ac.id, 113110409@uui.ac.id

Abstract

This study aims to determine the effect of the shopping experience, brand prestige, and perceived value on the loyalty of mall visitors in Yogyakarta and Batam. The population in this study consisted of consumers who visited modern development centers/malls. Several malls in Yogyakarta and Batam were selected as survey sites. This survey was conducted for eight weeks from February to April 2022. The data were collected using a bold survey, namely Google Form. Respondents in this study were 270 people. Statistical analysis in this study utilized SPSS version 17 and SmartPLS. Based on the research, the result shows that Esthetics Experience has a positive and significant effect on Brand Prestige. Then, Brand Prestige also has a positive and significant effect on Perceived Value, Functional Value, Hedonic Value, Social Value, and Financial Value. In addition, this test shows that Functional Value, Hedonic Value, and Social Value also have a positive and significant Influence to Loyalty.

Keywords

shopping experience; brand prestige; perceived value; loyalty; modern shopping center/mall.



I. Introduction

In the era of globalization, there are various transfers of technology in developed countries, both in science and industry. In the industrial sector, changes that occur related to aspects of food production, clothing, boards, and transportation and other fields. One of the rapid developments of the technology industry today, one of which is in the food sector. This can be seen by the number of appearances practical and ready-to-eat food. The existence of shopping centers in the industry has created fierce competition. This is due to the development of modern stores that affect the role of grocery stores in determining the choices made by consumers. Modern stores provide better service and atmosphere so that customers have more freedom and preference in buying choice. Shopping centers such as malls are one of the modern stores that are most visited by the public as a place for refreshing as well as a place for social interaction. Currently, visiting malls is no longer just a consumption trend but a lifestyle demand. This change of lifestyle in shopping is one of the causes of the decline in purchases at grocery stores. According to Kim, Lee and Suh (2015), today's customers tend to purchase products while spending time in a shopping mall, which includes a combination of shopping and culture, rather than just going to a mall for the sole purpose of purchasing goods, and this has already become a lifestyle. However, the reason behind visiting malls has shifted from shopping only, to shopping and other experiences that may be more important (Sadachar and Fiore, 2018). This is certainly a benchmark for business actors to improve their strategy and performance. Shopping centers must be designed in such a way both in terms of mall arrangements as well as what

activities are available in them such as entertainment, food courts, and exhibitions so that customers can increase their loyalty and visit. In line with development in today's business world, the growing level of competition in the fulfillment of the necessities of life. The role of marketing is increasingly important in a company, whether it is a company that produces goods or services. The approach cannot be separated from the consumer side, because consumers have a role in where the consumer as a measuring tool in determining success a company's goods or services because of that the role of marketing aims to meet human needs where human needs will move dynamically according to developments so that the role of marketers must be sensitive to every change in consumer tastes.

According to Oliver (1999) and Petrick (2004), loyalty is a major component for the long-term sustainability of a brand and is the result of visitor satisfaction and attitude towards the brand. In addition, according to Ajzen & Fishbein (2005) and Oliver (1999), Consumers will be more loyal when they have a favorable attitude towards the brand and when they are satisfied with the experience they get. The role of the brand on the quality of a product or service is that the brand is not only a symbol, but the brand can also give the meaning that the product has a certain value or quality. A brand is a name or symbol that is associated with a product or service and gives rise to a psychological meaning or association. A brand is not just what is printed on a product or its packaging, but what is in the minds of consumers and how consumers associate them. In further developments, a brand is a name that is considered to represent an object, is considered a symbol and then becomes an image. In the end the brand is not what is made in the factory, printed on a package or what the marketer wants, but what is in the minds of consumers. Repurchase interest can be influenced by many factors, both from: internal and external factors. Application of intents to repurchase according to Agarwal & Teas (2002) consists of three extrinsic cues, namely: price perception, brand perception and store name perception. In Ike.'s research Kusdyah (2012) selected price perception and brand perception because they were adjusted with the object of research, namely Erha Clinic Surabaya where the brand and name shops do not differ in the object of the study. Price perception and brand perception has an effect on perceived value and then affects to intents to repurchase.

Business actors are required to be able to meet customer expectations. In this case, customer loyalty is very important for the success of business actors. According to Babin & Attaway (2000), attracting shoppers and obtaining their loyalty are the key concerns of shopping mall developers and their management authority. In addition, according to Deloitte (2017), in relation to the food and services that restaurants have traditionally sold, their establishments are now required to meet customer expectations by providing environments that deliver consistently engaging and memorable experiences to customers at every touch point of the operation. Afshar (2017) argues that 'Customer Experiences is the last source of sustainable differentiation and the new competitive battleground'. Yogyakarta and Batam are big cities which certainly have modern shopping centers that are always growing and innovating. This can be seen from the high public interest in visiting shopping centers to meet primary, secondary and tertiary needs.

II. Review of Literature

2.1 Experience

According to Chen and Chen (2010), when buying or using a product or service, an individual's experience is a subjective personal response and feeling. Moreover, according to Pine and Gilmore (1999), buyers are no longer interested in simply purchasing goods and services, they want to be a part of the experience. In addition, according to Pine and Gilmore (2014), they defined an individual's experience as commercial offerings that engage customers in memorable ways. Moreover, according to Sternberg (1997), the most important thing is to provide a great customer experience because it can increase visitor satisfaction and willingness in returning. This is certainly a strategy for companies to go to higher levels such as creating unlimited experiences for consumers and making it easier for consumers to interact in accessing products.

H1. Experience has a positive effect on brand prestige among mall visitors in Yogyakarta and Batam.

2.2 Brand Prestige

According to Steenkamp et al (2003), The relative high positioning of a product associated with a brand is referred to as brand prestige. According to Dubois and Czellar (2002), a brand is considered prestigious if it meets specific requirements that are inherent or unique to it, as well as if it possesses certain characteristics that are associated with something limited and special. This idea is also supported by Vigneron and Johnson (1999), who stated that by prestige level brand, a prestigious brand is divided into three categories: (1) upper-middle class brands, (2) premium brands, and (3) luxury brands. Because the price of prestigious brands is rather costly compared to non-prestigious brands, they are often not purchased on a regular basis and are regarded as the exclusive possession of the upper middle class.

H2. Brand prestige has a positive influence on value perception among mall visitors in Yogyakarta and Batam.

2.3 Perceived Value

Perceived value becomes another important factor in assessing satisfaction and loyalty. According to Zeithaml (2015), the total assessment of a product's or service's efficiency based on perceptions of what is received and what is offered is known as perceived value. According to Garcia-Fernandez et al (2018), the core idea of perceived value is a theory of equity that shows the proportion between the seller's input and the consumer's input. If customers believe the proportion between his sacrifice and the experience acquired is equal, they will feel treated fairly. Value perception consists of four dimensions, namely functional value, hedonic value, social value and financial value.

H3. Perceived value has a positive influence on visitor loyalty among mall visitors in Yogyakarta and Batam.

2.4 Loyalty

Loyalty is an important concept in the field of marketing. According to Back (2005), brand loyalty is defined as repeat visits consistent with a particular brand. Cronin et al (1992) stated that customer loyalty is indicated by repeated purchases (using the same product or service) from the same company. Kartika and Kaihatu (2012) describe that Customer loyalty develops over time as a result of the customer's learning process (experience) as a result of his or her own continual purchases. Consumers will make repeat purchases if they believe they are receiving what they expect. In sum, Cong (2016) stated

that loyalty is more than just a desire to buy. However, there are observable attitudes such as a desire to suggest or repurchase the product despite price rises (Yoon dan Uysal, 2005).

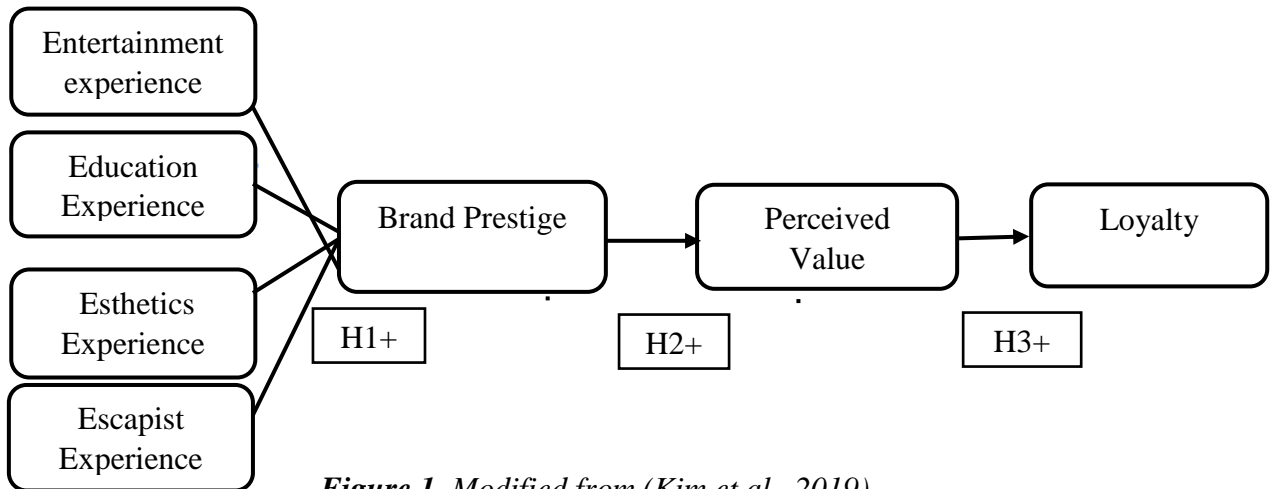


Figure 1. Modified from (Kim et al., 2019)

III. Research Method

Data used in this research were primary data. Primary data are data obtained directly from research purposes by using data retrieval tools on the subject as the source of the information sought. In this research, data were obtained using a questionnaire distributed to 270 respondents. All questions in the questionnaire were translated into Bahasa Indonesia to help the respondents understand the questions better. The questionnaires were distributed online (Google forms) to the respondent.

Validity shows the extent to which a measuring instrument measures what is being measured. The validity test was carried out using the product moment correlation formula. Validity test was used to measure the validity of a questionnaire. A questionnaire is said to be valid if the questions in the questionnaire are able to reveal something that will be measured by the questionnaire. Validity testing was done by comparing the value of the product moment correlation coefficient (r_{xy}) with the table correlation (at the degree of freedom ($df = n-2$) and the significant level (α) of 5%), or $r_{count} > r_{table}$ (Ghozali, 2006).

IV. Result and Discussion

This study measures the validity and reliability of each variable, namely education experience, entertainment experience, escapist experience, aesthetic experience, financial value, functional value, hedonic value, perceived value, and social value and loyalty. The process of testing the validity and reliability of all these variables was processed using SmartPLS with 270 respondents.

4.1 Construct validity and reliability

a. Outer Loadings

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
LO_1 <- Loyalty	0,657	0,653	0,061	10,775	0,000
LO_2 <- Loyalty	0,838	0,834	0,029	29,159	0,000

LO_3 <- Loyalty	0,850	0,850	0,016	52,189	0,000
PK_1 <- Experience	0,910	0,908	0,020	45,698	0,000
PK_2 <- Experience	0,900	0,897	0,019	46,532	0,000
PK_3 <- Experience	0,900	0,899	0,017	53,389	0,000
PV_1 <- Perceived Value	0,729	0,725	0,047	15,493	0,000
PV_2 <- Perceived Value	0,829	0,828	0,025	33,139	0,000
PV_3 <- Perceived Value	0,794	0,791	0,039	20,593	0,000
PV_4 <- Perceived Value	0,821	0,820	0,029	28,466	0,000

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Loyalty	0,689	0,721	0,828	0,619
Experience	0,887	0,890	0,930	0,816
Perceived Value	0,805	0,813	0,872	0,631

4.2 Discriminant validity

a. Cross Loadings

	Loyalitas	Pengalaman Belanja	Persepsi Nilai
LO_1	0,657	0,472	0,484
LO_2	0,838	0,569	0,631
LO_3	0,850	0,666	0,714
PK_1	0,637	0,910	0,626
PK_2	0,692	0,900	0,656
PK_3	0,652	0,900	0,706
PV_1	0,517	0,558	0,729
PV_2	0,649	0,698	0,829
PV_3	0,614	0,486	0,794
PV_4	0,703	0,578	0,821

b. Fornell Larcker (AVE Square root)

	Loyalty	Experience	Perceived value
Loyalty	0,787		
Experience	0,731	0,903	
Perceived Value	0,786	0,735	0,794

4.3 Hypothesis Results

a. Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Experience -> Perceived Value	0,735	0,735	0,038	19,130	0,000
Perceived Value -> Loyalty	0,786	0,787	0,043	18,290	0,000

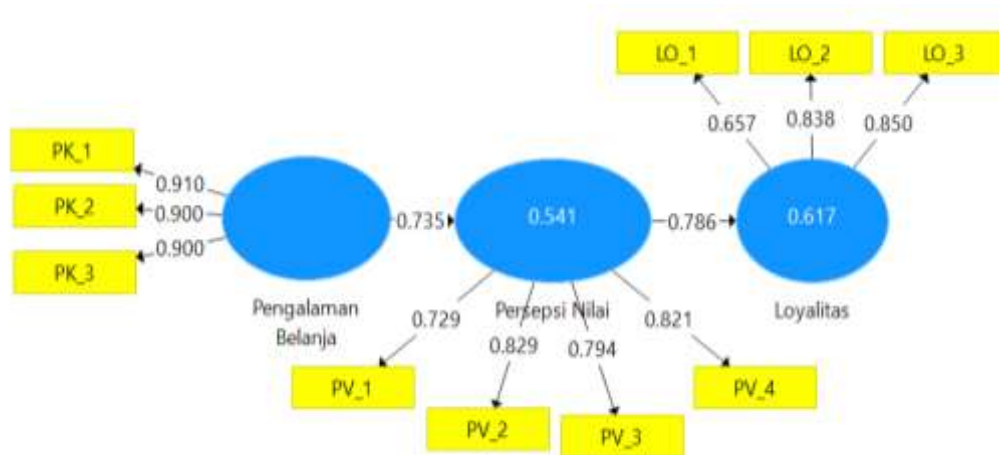


Figure 1. Final model

V. Conclusion

Based on the results of the analysis and discussion that has been carried out on 270 samples of respondents regarding the effect of experience on mall visitor loyalty by moderating mall brand prestige and mall visitor value perceptions, the following conclusions can be drawn:

1. This research was conducted to determine the relationship between the independent variables consisting of, namely experience of mall visitors as the independent variable, brand prestige and perceived value as mediating variable, as well as mall visitor loyalty as dependent variable. The relationship between these variables was collected from an online questionnaire distributed by the Google Forms platform through several social media. The research samples are Indonesian people with an age range of 16-40 years who have visited malls, especially in Yogyakarta and Batam.
2. Through the results of the research analysis listed in the previous chapter, the analysis that has been carried out shows the effect of a positive relationship between Aesthetic Experience and Brand Prestige. Then, Brand Prestige also has a positive and significant effect on Perceived Value, Functional Value, Hedonic Value, Social Value, and Financial Value. In addition, this test shows that Functional Value, Hedonic Value, Social Value also has a positive and significant relationship in influencing Loyalty. From all the results, there are nine hypotheses that are approved and five not approved.

3. This research can provide insight and reviews about the influence of the shopping experience where the more experiences felt by visitors, the higher the brand prestige owned by the mall. Therefore, it is very important to provide high quality experience to customers. To fulfill all of that, management and business actors must provide the best for customers starting from the shopping experience they get, such as the Aesthetic experience that has been received in this study. It also ensures that customers have the opportunity to learn a unique and interesting experience while shopping in a shopping center.
4. Next, the prestige of the mall brand has a positive and significant effect on the overall value perception of mall visitors. This means that the higher the brand prestige owned by a mall, the higher the perceived value of the mall's visitors.

References

- Afshar, V. (2015). 50 Important customer experience stats for business leaders. Huffington post.
- Ajzen, I., & Fishbein, M. (2005). The Influence of Attitudes on Behavior.
- Ajzen, I., & Martin, F. (2018). The influence of Attitudes on Behavior. Psychology.
- Alden, D., Steenkamp, J.-B., & Batra, R. (1999). Brand positioning through advertising in Asia, North America, and Europe: The role of global consumer culture. *Journal of Marketing*, 63(1), 75-87.
- Anuwichanont, J., & Mechinda, P. (2009). The Impact Of Perceived Value On Spa Loyalty And Its Moderating Effect of Destination equity. *Journal of Business & Economics Research*, 7(12),73-90.
- Aryani, D. (2011). “Efek Pendapatan Pedagang Tradisional Dari Ramainya Kemunculan Minimarket Di Kota Malang. *Jurnal Dinamika Manajemen*, 2(2),169-180.
- Aurellia, T., & Perdana, H. (2020). PENERAPAN STRUCTURAL EQUATION MODELING PARTIAL LEAST SQUARE PADA KEPUASAN MASYARAKAT TERHADAP PELAYANAN PUBLIK KEPOLISIAN KALIMANTAN BARAT. *Buletin Ilmiah Math. Stat. dan Terapannya (Bimaster)*, 9(4), 475 – 482.
- Babin, B., & Attaway, J. (2000). Atmospheric Affect as a Tool for Creating Value and Gaining Share of Customer. *Journal of Business Research*, 49(2), 91-99.
- Hair, J., Hult, G. T., Ringle, C., Sarstedt, M., & Thiele, K. O. (2017). Mirror, mirror on the wall: a comparative evaluation of composite-based structural equation modeling methods. *Academy of Marketing Science*.45(5), 616-632
- Kim, M., Kim, S., & Lee, Y. (2010). The effect of distribution channel diversification of foreign luxury fashion brands on consumers’ brand value and loyalty in the Korean market. *Journal of Retailing and Consumer Services*, 17(4), 286-293.
- Kim, S., Ham, S., Moon, H., Chua, B. L., & Han, H. (2019). Experience, brand prestige, perceived value (functional, hedonic, social, and financial), and loyalty among GROCERANT customers. *International Journal of Hospitality Management*, 77, 1-9.