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The Influence of Experiential Marketing and Location on Customer Loyalty

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Abstract

This study aims to examine how experiential marketing and location influence customer loyalty mediated by customer satisfaction. This study's population was Cafe Excelso Rinjani customers in Semarang, Indonesia. The sampling employed a purposive sampling technique, with the following criteria: customers who visited and enjoyed Cafe Excelso Rinjani and aged more than 17 years. Data analysis used multiple regression analysis, and a single test was utilized to test for mediation. The results revealed that experiential marketing positively and significantly affected customers satisfaction. It showed that the better the experiential marketing was done, the more customer satisfaction would be. Location positively and significantly increased customer satisfaction. It indicated that the more strategic the location, the more customer satisfaction increased. Meanwhile, experiential marketing had no impact on customer loyalty. Location positively and significantly affected customer loyalty at Cafe Excelso Rinjani Semarang. It denoted that the more strategic the location, the more customer loyalty increased. Besides, customer satisfaction had a positive and significant effect on customer loyalty. It signified that, when customer satisfaction increased, customer loyalty would increase. Finally, customer satisfaction perfectly mediated the influence of experiential marketing on customer loyalty, and customer satisfaction mediated the effect of location on customer loyalty.

Keywords: Experiential Marketing, Location, Satisfaction, Loyalty

JEL Classification Code: M3, M30, M31

1. Introduction

Currently, the habit of enjoying coffee in a coffee shop has become a way of life. It seems to have been realized by businesspeople, which has led to many of them establishing coffee shops with their uniqueness that become the hallmark of the coffee shop to be used as a means of attraction for their

consumers. Herlyana (2012) states that the rise of coffee shops happening now is inseparable from the influence of big cities' lifestyle. As one of the big cities, Semarang also has many coffee shops, which currently seem to have become a trend for the surrounding community.

Excelso is an Indonesian coffee outlet founded in 1991. Currently, Excelso has more than 100 outlets spread across 28 cities in Indonesia. One of the Excelso Cafes outlets is in Rinjani. Today's number of Excelso Cafes cannot be separated from the community demands, making coffee a lifestyle. This outlet offers coffee as the main menu, but there are also drinks with a coffee mixture, both hot and cold. To provide the best service to consumers, Excelso works based on the vision of becoming the number one cafe in Indonesia with the best coffee and providing satisfying service. Excelso has also been awarded the Franchise Top of Mind 2012 in the Local Coffee Shop category from Info Franchise Indonesia Magazine (Audinovic, 2013). With this award, the brand image of Café Excelso will be better, it will undoubtedly affect consumer perceptions.

Recently, sales have tended to decline due to the increasing number of similar businesses or cafes. Based

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on existing data, there was a decline in the past three months, namely, in June, July, and August 2019. According to Handi (2009: 132), the decline in transaction data can be influenced by decreased consumer satisfaction. If the consumer is satisfied, it is marked with a sense of pleasure, and vice versa. If consumers feel sad, it can be said that the consumer is not satisfied. Besides, the number of consumers who complain also indicates that these consumers are not satisfied. Consumer complaints are used as a tool to measure how much customer satisfaction is. The existing data also uncovered that there were still several complaints from consumers by Café Excelso Rinjani Semarang, although there were not many, namely, in one year to be precise in 2019, there were 15 complaints. However, complaints could be caused because consumers were not satisfied with what Café Excelso Rinjani Semarang provided. Also, customer satisfaction can be caused by several factors, including experiential marketing and location.

According to Schmitt (1999), experiential marketing is a marketing approach that involves consumers' emotions and feelings by creating positive and unforgettable experiences so that consumers come and are fanatical about the product. The concept of experiential marketing is one of the marketing concept developments adapted to dynamically evolving circumstances, where consumers are smarter and more selective in choosing products. Schmitt (1999) argued that traditional marketing and business concepts provide almost no direction for exploiting the emerging experiential economy. Marketers must establish the right environment to enable the experience that customers want.

Location (place) shows the various activities that companies carry out to make their products accessible and available to consumers (Swastha, 2001). Companies in carrying out these sales need a strategic location that is easily accessible by consumers. Because if something goes wrong in choosing a location or place, it will have a big effect on the owner's survival and the credit sales cycle continuously. Location plays a role in determining the business success level. The strategic location makes it easy for customers to access the road leading to the office. Thus, a location that is easily accessible to the customer is needed. Meanwhile, customer satisfaction is defined as an after-purchase evaluation, in which perceptions of the performance of the selected product or service alternatives meet or exceed expectations before purchase.

There is a gap from previous research, including research conducted by Djatmiko and Adartha (2018), Wu and Teng (2015), Zena and Hadisumarto (2012), which stated that the experiential marketing variable positively and significantly affected customer satisfaction. Meanwhile, according to Octaviana and Nugrahaningsih (2018), experiential marketing did not positively and significantly affect customer satisfaction. Moreover, Sofiyanto, Fathoni, and Haryono

(2016), Sari and Soliha (2018), and Wirawan, Sjahruddin, and Razak (2019) showed that the location had a positive and significant effect on satisfaction, while Soliha, Aquinia, Basiya, Waruwu, and Kharis (2018), and Manampiring, Tumbuan, and Wenas (2016) revealed that location did not affect customer satisfaction. Dulkhatif, Haryono, and Warso (2016), Wirawan, Sjahruddin, and Razak (2019), and Hermanto, Apriansyah, Fikri, and Albetris (2019) also found that location positively and significantly influenced customer loyalty. Meanwhile, Nursiana (2015) uncovered that location negatively and insignificantly impacted loyalty.

Research on customer satisfaction and customer loyalty showed different results. According to Soliha et al. (2019), Soliha et al. (2019), Soliha et al. (2019), Pambudi, Soliha, Tjhajaningsih (2018), Santoso and Soliha (2017), Sigit and Soliha (2017), Solechah and Soliha (2015), Sumadi and Soliha (2015), Munisih and Soliha (2015), Handayani and Soliha (2015) exposed that customer satisfaction had a positive and significant influence on customer loyalty. Meanwhile, Sulistiyanto and Soliha (2015) found that customer satisfaction had no significant effect on customer loyalty.

This study's problem formulation is how the influence of experiential marketing and location on customer loyalty is mediated by customer satisfaction at Cafe Excelso Rinjani in Semarang.

2. Literature Review

2.1. Customer Loyalty

Dharmmesta (1999) suggests that loyalty has two alternative events: (1) consumers' reliance on the brand they choose (brand loyalty), and (2) consumers' vulnerability to switch to other brands (brand switching). It depends on how much integration level (the condition in which the cognitive, affective, conative, and action stages have been realized and form a harmonious whole) exists in consumers. Consumers who only activate their cognitive stage can be hypothesized as the consumers' most vulnerable to brand switching due to marketing stimuli. Meanwhile, fully integrated consumers at the action loyalty stage can be hypothesized as consumers with low vulnerability levels to switch brands. In other words, their loyalty does not allow consumers to switch to another brand.

Customer loyalty is a high commitment to buy back a preferred product or service in the future, in addition to the influence of situation and the marketer's efforts to change behavior. In other words, customers will be loyal to make repeat purchases continuously. According to Kotler and Keller (in Sigit & Soliha, 2017), customer loyalty can be measured as follows: (1) Repeat purchase is a customer's willingness to repurchase service products; (2) Retention is customer resilience against negative influences on the

company; and (3) Referral is a customer's willingness to buy another product line.

Based on some of these opinions, basically, customer loyalty can be defined as a positive attitude and consumers on a brand and intends to continue their purchases in the future on the value of consumption and the frequency of repurchases made by a consumer towards a company.

2.2. Customer Satisfaction

In every company, customer satisfaction is the most important thing because if the consumer is satisfied with the service or product, its position will be good in the market. What customers expect and want are the main factors that companies must consider in preparing a marketing policy plan that will be carried out.

According to Tjiptono (2008), consumer satisfaction is an evaluation that provides results, where the experience felt is at least as good or as expected. According to Kotler (2005), satisfaction is the number of attributes of a product or service. Veloutsou (2005), in his research, describes the product; there is a difference between customer satisfaction of products and services. The difference between tangible and intangible goods is a factor of customer satisfaction, and it is why they should be treated separately.

There are several ways to measure customer satisfaction, according to Tjiptono (2004):

1. Conformity of expectations is the conformity or mismatch between consumer expectations and the actual performance of the company's products or services. In this case, more emphasis will be on service quality, which has components in the form of customer expectations for the services provided (such as location cleanliness, speed of service, and friendliness/courtesy of employees).
2. Repurchase intention is customer satisfaction measured behaviorally by asking whether the customer will shop or use the company's services again. Quality service can create customer satisfaction, where the service quality will enter the consumers' minds so that they are perceived as good. For example, if one experiences health problems later, a particular hospital will be a reference that appears for the first time in consumers' minds.
3. Willingness to recommend is that someone is not reluctant to suggest a product to friends or family, being an essential measure to analyze and follow up on. If the service received or felt is as expected, then the service quality is perceived as good and satisfying so that through that satisfaction, consumers will purchase services or decide to use services, and in the end, will recommend it to others.

2.3. Experiential Marketing

According to Schmitt (1999), experiential marketing is a marketing approach that involves consumers' emotions and feelings by creating positive and unforgettable experiences so that consumers come and are fanatical about the product. The concept of experiential marketing is one of the marketing concept developments adapted to dynamically evolving circumstances, where consumers are smarter and more selective in choosing products.

Experiential marketing is a concept based on consumer experience. Marketers strive to touch the elements of sense, feel, act, think, and relate to creating a positive and enjoyable experience for consumers. Experiential marketing also provides value to a product or service as a whole by touching the side of the consumer's experience when consuming a product or using a company's services. A marketer does not have to focus on individual experiences only but instead turns to strategic thinking about what types of experiences to provide and how to provide them with a high appeal level (Schmitt, 1999 in Maulani).

As stated by Schmitt (1999), experiential marketing is a way to create experiences that will be felt by customers when using products or services through the five senses, affective experience (feel), creative thinking experiences (think), customer experiences related to the body in physical behavior and lifestyle and with experiences as a result of interaction with other people (act), and creating experiences connected to social circumstances, lifestyle, and culture, which can reflect the brand in the development of sense, feel, think, and act. According to Lee et al. (2011), experiential marketing is a memory of memories or experiences that enter customers.

Based on these experts' opinions, the authors conclude that experiential marketing is a creation of experiences given to customers using products through the five senses, affective experience (feel), the experience of creative thinking (think), customer experience related to the body in physical behavior and lifestyle, and with experiences as a result of interactions with other people (act).

Schmitt, in Yuliawan and Ginting (2016), explains that experiential marketing is divided into five elements, as follows:

1. Sense. The sense is a way of creating an experience for consumers through the touch of the five senses.
 - a. Cafe decoration design
 - b. Beautiful scenery
2. Feel. Feel is a crucial part of the experiential marketing strategy.
 - a. Food and drink at the cafe
 - b. Cozy cafe atmosphere

3. Think. Think is one of the ways companies take to bring commodities into an experience by continuously customizing.
 - a. Finding solutions to consumer complaints.
 - b. An inspiring cafe atmosphere.
4. Act. An act is designed to create a consumer experience concerning the physical body, lifestyle, and interactions with other people.
 - a. Activities offered by the café is attractive.
 - b. Increased consumer social activation.
5. Relate. Relate can be measured through several indicators, consisting of:
 - a. Cafe choice shows taste.
 - b. Increasing social relations.

2.4. Location

Location or place is a company activity that makes products available to target customers (Kotler & Armstrong, 2008). Kotler and Keller (2009) state that location is each layer of marketing intermediaries, who will carry out some kind of task in bringing products and ownership closer to the end buyer.

According to Swastha (2012), a location is a place where a business or business activity is carried out. Crucial factors in the development of a business are the urban area's location, how to reach it, and the time traveled by the location. Broadly speaking, there are two possible considerations in terms of the location of service facilities. First, customers visit the location of service facilities, and the second is service providers who visit customers. Besides, service providers can combine the two. Location is measured by indicators, according to Tjiptono and Chandra (2010), as follows:

1. Access is a location that is easily accessible by public transportation.
2. Visibility is a location or place that can be seen clearly from a normal viewing distance.
3. Traffic concerns 3 primary considerations: a large, comfortable, and safe parking space.
4. Expansion is a sufficiently large space available for future business expansion.
5. The environment is the surrounding area that supports the services offered.
6. Competition is where competitors are located. In determining a business location, it is necessary to consider whether there are many similar businesses on the road or area.
7. Government regulations contain provisions to regulate certain businesses' locations; for example, motorized vehicle workshops are prohibited from being located too close to worship places.

3. Hypothesis Development

3.1. The Influence of Experiential Marketing on Customer Satisfaction

Experiential marketing is one way to build and increase customer satisfaction. As stated by Schmitt (1999), experiential marketing is a way to create experiences that will be felt by customers when using products or services through the five senses (sense), affective experience (feel), creative thinking experiences (think), customer experiences related to the body in physical behavior and lifestyle and with experiences as a result of interaction with other people (act), and creating experiences connected to social circumstances, lifestyle, and culture, which can reflect the brand in the development of sense, feel, think, and act. Having a positive experience in a place accepted by the customer will certainly create a sense of satisfaction in the customer's mind. The research results of experiential marketing on customer satisfaction have been conducted by Djatmiko and Adartha (2018), As¹⁷ (2019), Mei-Ying Wu and Li-Hsia Tseng (2015), which revealed that experiential marketing had a significant effect on customer satisfaction. Based on the description above, the first hypothesis is:

H1: *Experiential marketing has a positive effect on customer satisfaction.*

3.2. Relationship between Location and Customer Satisfaction

Recently, not a few of the various small businesses have sprung up to compete in business. The new company usually comes up with various innovations. Also, sometimes, the locations between various or even similar businesses are not far apart. Of course, it is not a coincidence, but due to deliberate factors and other factors considered beneficial. Determining a business location is undoubtedly essential when establishing the company because it can determine whether the business will develop or not in the future.

Many business ventures fail to develop their business simply because they are wrong in determining their business location. Sometimes, companies do not really prioritize location issues but marketing to attract the attention of their consumers. In fact, the location actually has a significant influence on the development of business ventures, especially in the current era, where businesses are very tightly competitive. Research carried out by Sari and Soliha (2018) and Wirawan, Sjahrudin, and Razak (2019) discovered that location positively and significantly impacted customer satisfaction. Based on the description above, the second hypothesis is:

H2: *Location has a positive effect on customer satisfaction.*

3.3. Relationship between Experiential Marketing and Loyalty

Experiential marketing is one way to build and increase customer satisfaction. As stated by Schmitt (1999), experiential marketing is a way to create experiences that will be felt by customers when using products or services through the five senses (sense), affective experience (feel), creative thinking experiences (think), customer experiences related to the body in physical behavior and lifestyle and with experiences as a result of interaction with other people (act), and creating experiences connected to social circumstances, lifestyle, and culture, which can reflect the brand in the development of sense, feel, think, and act. Having a positive experience in a place accepted by the customer will certainly create a sense of satisfaction in the customer's mind. The research results by Khoa (2020), Wu and Tseng (2015), Zena and Hadisumarto (2012) showed a significant influence of experiential marketing on consumer loyalty. Based on the description above, the third hypothesis is:

H3: *Experiential marketing has a positive effect on customer loyalty.*

3.4. Relationship between Location and Customer Loyalty

Not a few of the various small businesses have sprung up to compete in business. The new company usually comes up with various innovations. Also, sometimes, the locations between various or even similar businesses are not far apart. Of course, it is not a coincidence, but due to deliberate factors and other factors considered beneficial. Determining a business location is undoubtedly essential when establishing the company because it can determine whether the business will develop or not in the future.

Many business ventures fail to develop their business simply because they are wrong in determining their business location. Sometimes, companies do not really prioritize location issues but marketing to attract the attention of their consumers. In fact, the location actually has a significant influence on the development of business ventures, especially in the current era, where businesses are very tightly competitive.

In research conducted by Dulkhatif, Haryono, and Warso (2016), Wirawan, Sjahrudin, and Razak (2019), Hermanto, Apriansyah, Fikri, and Albetris (2019), location positively and significantly affected customer loyalty. Based on the description above, the fourth hypothesis is:

H4: *A location has a positive effect on customer loyalty.*

3.5. Relationship between Satisfaction and Loyalty

Increasingly advanced and competitive competition leads companies to create satisfaction in their company's products by improving and maintaining product performance and other factors, which affect customer satisfaction to lead to customer loyalty. In today's era, loyalty is the most important thing for a company to maintain its progress and prove that it has good performance. Customer satisfaction is one of the most critical things in the company's progress, showing how much influence product performance has in satisfying consumers. Thus, it can be interpreted that consumers can feel satisfied when they have purchased by considering the benefits provided by the product, and subsequently, a satisfied or dissatisfied category will arise. Research showed that the higher the satisfaction generated, the higher the customer loyalty created. Loyalty is a consumer's positive attitude towards a brand; consumers have a strong desire to repurchase the same brand now or in the future. Thus, the existence of customer loyalty can reduce marketing failure costs and decrease operating costs caused by decreased customer satisfaction.

In research conducted by Le and Le (2020), Lee and Seong (2020), Munisih and Soliha (2015), Handayani and Soliha (2015), Rizan, Febrilia, Wibowo, and Pratiwi (2020), Sumadi and Soliha (2015), Sigit and Soliha (2017), Santoso and Soliha (2012), Pambudi, Soliha, and Tjahjaningsih (2018), Soliha et al. (2019), Saha et al. (2019), Soliha et al. (2019), satisfaction had a positive and significant impact on loyalty. Therefore, this study's fifth hypothesis could be formulated as follows:

H5: *Customer satisfaction has a positive effect on customer loyalty.*

4. Research Methods

This study's population was Cafe Excelso Rinjani customers in Semarang. Sampling was carried out employing a non-probability sampling method with a purposive sampling technique, namely the sampling technique using specific criteria (Sugiyono, 2017). This technique was chosen because the respondents sampled already had criteria under this study. The sample selection criteria in this study comprised:

1. Customers had visited and enjoyed Cafe Excelso Rinjani in Semarang. It was to measure the impression and how satisfied consumers were in buying products/services at that place.
2. Customers aged over 17 years. It was because, at that age, a person is considered mature, has a responsibility towards himself, and is considered capable of making decisions.

Table 1: Concept and Operational Definitions of Variables

No	Concept Definitions	Operational Definitions	
		Dimensions	Indicators
1	Experiential marketing is a way to create experiences that will be felt by customers when using products or services through the five senses (sense), affective experience (feel), creative thinking experiences (think), customer experiences related to the body in physical behavior and lifestyle and with experiences as a result of interaction with other people (act) (Schmitt, 1999).	Sense	1. Cafe decoration design 2. Beautiful scenery
		Feel	3. Food and drink at the cafe 4. Cozy cafe atmosphere
		Think	5. Finding solutions to consumer complaints 6. An inspiring cafe atmosphere
		Act	7. Activities offered by the café is attractive. 8. Increased consumer social activation
		Relate	9. Cafe choice shows taste. 10. Increasing social relations
2	A location is a place where a business or business activity is carried out. Crucial factors in the development of a business are the location to the urban area, how to reach it, and the time traveled by the location (Swastha, 2012)		1. Access 2. Visibility 3. Traffic 4. Expansion 5. Environment 6. Competition 7. Government regulations
4	Consumer satisfaction is an evaluation that provides results, where the experience felt is at least as good or as expected (Tjiptono, 2008)	Conformity of expectations	1. Product/service quality as expected
		Repurchase intention	2. The desire to buy again
		Willingness to recommend	3. The desire to recommend a product/service
5	Loyalty is a deeply held commitment to buy or support back a preferred product or service in the future, despite the circumstances and marketing efforts that cause customers to switch (Kotler, 2008)		1. Repeat purchase (loyalty to product purchases) 2. Retention (resistance to negative influences on the company) 3. Referral (referencing the total essence of the company)

5. Results

Descriptions of respondents' profiles based on gender, age, occupation, number of visits, and favorite drink are as follows:

Based on Table 2, it can be seen the results' description of the respondent's profile based on the gender of the visitors to Café Excelso Rinjani Semarang, with 69 men, 71.9% and 27 women, 28.1%. It showed that the gender of visitors to Café Excelso Rinjani Semarang was dominated by men.

Judging by the description of the respondents' profile based on age, visitors to Café Excelso Rinjani Semarang consist of nine people aged >17 years, with a percentage of 9.4%, 14 people aged 20 – <30 years, with a percentage of 14.6%, and aged 30 – <40 years were 40 people, with a percentage of 41.7%. It indicated that visitors to Café Excelso Rinjani Semarang were dominant at the age of 30 – <40 years.

Seeing by the description of the respondent's profile based on status/job, visitors to Café Excelso Rinjani Semarang consist of six civil servants with a percentage of 6.3%, 12 private employees with a percentage of 12.5%, students/university students as many as nine people with a percentage 9.4%, self-employed as many as 31 people with a percentage of 32.3%, and other jobs as many as 38 people with a percentage of 39.6%. It revealed that visitors' most dominant status/occupation to Café Excelso Rinjani Semarang was other jobs.

Judging by the description of the respondent's profile based on the number of times visitors came to Café Excelso Rinjani Semarang, it can be seen that five people visited once with a percentage of 5.2%, 39 people visited twice with a percentage of 40.6%, 41 people visited 3–5 times with a percentage of 42.7%, and 11 people visited >5 times with a percentage of 11.5%. It denoted that the dominant visitors to Café Excelso Rinjani Semarang had visited 3–5 times.

Table 2: Identity of Respondents

No	Information		Frequency	Percentage
1	Gender	Male	69	71.9
		Female	27	28.1
2	Age	> 17 years old	9	9.4
		20 – <30 years old	14	14.6
		30 – <40 years old	40	41.7
		40–50 years old	33	34.4
3	Job	Civil servants	6	6.3
		Private employees	12	12.5
		Students	9	9.4
		Entrepreneur	31	32.3
		Another	38	39.6
4	How many times visited	1 time	5	5.2
		2 times	39	40.6
		3–5 times	41	42.7
		> 5 times	11	11.5
5	Favorite drink	Coffee	62	64.6
		Non Coffee	19	19.8
		Fruit Frappio	12	12.5
		Tea Selection	3	3.1

Seeing by the description of the respondent's profile based on the favorite drink of visitors to Café Excelso Rinjani Semarang, it can be seen that 62 people with a percentage of 64.6% drank coffee, 19 people with a percentage of 19.8% had non-coffee drinks, 12 people with a percentage of 12.5% drank fruit frappio, and tea selection was drunk by three people with a percentage of 3.1%. It signified that coffee was a favorite for visitors to Café Excelso Rinjani Semarang.

5.1. Description of Experiential Marketing (X_1)

The experiential marketing variable in this questionnaire was formed based on ten statement indicators, with a mean of 4.07, and the value that often appeared (mode) was 4, while the average median value was 4. It indicated that the respondent's responses were to agree with all indicators of experiential marketing variables so that it could be described that experiential marketing created was good.

5.2. Description of Location (X_2)

The location variable in this questionnaire was constructed based on seven statement indicators, with a

mean of 4.2068, and the value that often appeared (mode) was 4, while the average median value was 4. It showed that the respondent's responses were to agree with all indicators of location variables so that it could be explained that the location was good.

5.3. Description of Customer Satisfaction (Y_1)

The customer satisfaction variable in this questionnaire was arranged based on three statement indicators, with a mean of 4.0452, and the value that often appeared (mode) was 4, while the average median value was 4. It suggested that the respondent's response agreed to all variable indicators of customer satisfaction, so it could be stated that customer satisfaction was good.

5.4. Description of Customer Loyalty (Y_2)

The customer loyalty variable in this questionnaire was based on three statement indicators, with a mean of 3.9861, and the value that often appeared (mode) was 4, while the median average value was 4. It implied that the respondent's responses were to agree with all indicators of the customer loyalty variable, so it could be concluded that customer loyalty was good.

Table 3: Validity Test Results

Variable	KMO	Indicator	Loading Factor	Result
Experiential Marketing (X1)	0.702	X1.1	0.711	Valid
		X1.2	0.754	Valid
		X1.3	0.569	Valid
		X1.4	0.791	Valid
		X1.5	0.531	Valid
		X1.6	0.636	Valid
		X1.7	0.409	Valid
		X1.8	0.509	Valid
		X1.9	0.760	Valid
		X1.10	0.435	Valid
Location (X2)	0.679	X2.1	0.805	Valid
		X2.2	0.498	Valid
		X2.3	0.883	Valid
		X2.4	0.425	Valid
		X2.5	0.599	Valid
		X2.6	0.787	Valid
		X2.7	0.451	Valid
Customer Satisfaction (Y1)	0.788	Y1.1	0.986	Valid
		Y1.2	0.985	Valid
		Y1.3	0.989	Valid
Customer Loyalty (Y2)	0.704	Y2.1	0.847	Valid
		Y2.2	0.882	Valid
		Y2.3	0.831	Valid

5.5. Validity Test

Table 3 shows that all the variables used in this study consisted of experiential marketing, location, customer satisfaction, and customer loyalty variables, each of which had KMO results above 0.5. It indicated that the sample adequacy criteria were met, and a total of 23 indicators for each statement item had a loading factor value above 0.4. Thus, all indicators were declared valid and suitable for research.

5.6. Reliability Test

A reliability test was utilized as a tool to measure a questionnaire. The questionnaire is declared reliable if it produces consistent or stable answers over time, and a variable is said to be reliable if it provides a Cronbach's Alpha (α) value >0.70 (Ghozali, 2018). The following are the reliability test results, presented in Table 4.

In Table 4, it can be seen that all variables had a Cronbach's Alpha value of more than 0.70, so it could be said that all indicators of each variable from the questionnaire were reliable.

Table 4: Reliability Test Results

Variable	Cronbach Alpha	Result
Experiential Marketing	0.818	Reliable
Location	0.770	Reliable
Customer Satisfaction	0.966	Reliable
Customer Loyalty	0.811	Reliable

5.7. Multiple Regression Analysis

Multiple regression analysis was performed using the SPSS version 22 program. The multiple regression analysis results are displayed in Table 5.

Based on Table 5, the results of model 1 regression analysis showed the following results:

1. The experiential marketing variable (X_1) had a regression coefficient value of 0.351 and a significance value of 0.000 less than 0.05. Thus, it could be stated that the experiential marketing variable (X_1) had a positive effect on customer satisfaction. It indicated that if better experiential marketing (X_1) were created, customer satisfaction would increase.
2. The location variable (X_2) had a regression coefficient value of 0.522 and a significance value of 0.000 less than 0.05. Hence, it could be mentioned that the location variable (X_2) positively and significantly affected customer satisfaction. It denoted that the more strategic the location, the more customer satisfaction would be.

Meanwhile, the results of the regression analysis model 2 revealed the following results:

1. The experiential marketing variable (X_1) had a regression coefficient value of 0.057 and a significance value of 0.446 higher than 0.05, so it can be stated that the experiential marketing variable (X_1) had no positive influence on customer loyalty.
2. The location variable (X_2) had a regression coefficient value of 0.246 and a significance value of 0.003 less than 0.05, so it could be said that the location variable (X_2) positively and significantly impacted customer loyalty. It signified that the more strategic the location, the more customer loyalty would be.
3. The customer satisfaction variable (Y_1) had a regression coefficient value of 0.630 and a significance value of 0.000 less than 0.05, so it could be inferred that the location variable (X_2) had a positive and significant effect on customer loyalty. It denoted that the higher the satisfaction, the more customer loyalty would be.

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Table 5: Multiple Linear Regression Test Results

Variable	Adjusted R Square	F Test		T Test			Result
		F Count	Sig.	Regression Coefficient (Beta)	T	Sig.	
$Y = \beta_1 \cdot X_1 + \beta_2 \cdot X_2$	0.630	81.996	0.000				
Experiential Marketing (X_1)				0.351	4.228	0.000	Accepted
Location (X_2)				0.522	6.288	0.000	Accepted
$Y = \beta_3 \cdot X_1 + \beta_4 \cdot X_2 + \beta_5 \cdot Y_1$	0.754	98.211	0.000				
Experiential Marketing (X_1)				0.057	0.766	0.446	Rejected
Location (X_2)				0.246	3.039	0.003	Accepted
Customer Satisfaction (X_3)				0.630	7.453	0.000	Accepted

5.8. Coefficient of Determination (R^2)

According to Ghozali (2018), the coefficient of determination (R^2) is basically to measure how far the model is able to explain variations in the dependent variable. Based on Table 5, it could be explained that the coefficient of determination in model 1 seen from the adjusted R square was 0.630. It showed that the experiential marketing and location variables could affect customer satisfaction by 63.00%, while the remaining 37.00% was influenced by other variables not studied (product quality, service quality, company image, word of mouth, price perception, and others).

Based on Table 5, it could be seen that the coefficient of determination in model 2 seen from the adjusted R square was 0.754. It revealed that experiential marketing, location, and satisfaction variables could affect customer loyalty by 75.40%, while the remaining 24.60% was affected by other variables not researched (product quality, service quality, company image, word of mouth, price perception, and others).

Based on Table 5 in model 1, the F -count value was 81.996, with a significance value of $0.000 < 0.05$. Thus, it could be interpreted that the variables of experiential marketing (X_1) and location (X_2) had a simultaneous or joint effect on customer satisfaction (Y_1). Meanwhile, seen from Table 5 in model 2, the F -count value was 98.211, with a significance value of $0.000 < 0.05$. Therefore, it could be concluded that the variables of experiential marketing (X_1), location (X_2), and customer satisfaction (Y_1) simultaneously or collectively affected customer loyalty (Y_2).

The t-test was employed to determine how much influence the independent variable individually had in explaining the dependent variable in this study. In testing, the criterion for a significant value of 0.05 was used. Based on Table 5, the following hypothesis test results were obtained:

1. Experiential marketing (X_1) hypothesis test results obtained a significance value of $0.000 < 0.05$. It showed that the first hypothesis was accepted, so experiential marketing positively and significantly affected customer satisfaction.
2. The results of the location hypothesis test (X_2) obtained a significance value of $0.000 < 0.05$. It indicated that the second hypothesis was accepted so that location positively and significantly affected customer satisfaction.
3. The experiential marketing (X_1) hypothesis test result obtained a significance value of $0.446 > 0.05$. It denoted that the third hypothesis was rejected, so experiential marketing had no impact on customer loyalty.
4. The results of the location hypothesis test (X_2) obtained a significance value of $0.003 < 0.05$. It signified that the fourth hypothesis was accepted so that location positively and significantly influenced customer loyalty.
5. The customer satisfaction (Y_1) hypothesis test result obtained a significance value of $0.000 < 0.05$, which implied that the fifth hypothesis was accepted, so that customer satisfaction had a positive and significant influence on customer loyalty.

The significance value was $0.0000 < 0.05$, so it could be concluded that customer satisfaction was a mediating variable. Thus, the customer satisfaction variable mediated the effect of experiential marketing on loyalty. In addition, the significance value was $0.0000 < 0.05$, so it could be inferred that customer satisfaction was a mediating variable. Therefore, the customer satisfaction variable mediated the influence of location on loyalty.

6. Discussion

6.1. The Influence of Experiential Marketing on Customer Satisfaction

The first hypothesis stated that experiential marketing had a positive and significant effect on customer satisfaction. Also, the hypothesis testing results indicated a positive and significant influence of experiential marketing on customer satisfaction, with a regression coefficient of 0.351 and a significance value of 0.000 smaller than the criteria for a significance value of 0.05. Thus, the first hypothesis was accepted.

The hypothesis testing results in this study indicated that better experiential marketing was created, the more customer satisfaction would be. As stated by Schmitt (1999), experiential marketing is a way to create experiences that will be felt by customers when using products or services through the five senses (sense), affective experience (feel), creative thinking experiences (think), customer experiences related to the body in physical behavior and lifestyle and with experiences as a result of interaction with other people (act), and creating experiences connected to social circumstances, lifestyle, and culture, which can reflect the brand in the development of sense, feel, think, and act. Having a positive experience in a place accepted by the customer will certainly create a sense of satisfaction in the customer's mind.

This research is also supported by previous research conducted by Djatmiko and Adartha (2018), Asjad (2019), Wu and Peng (2015), which found that experiential marketing significantly affected customer satisfaction.

6.2. The Influence of Location on Customer Satisfaction

The second hypothesis stated that location positively and significantly impacted customer satisfaction. Moreover, this study's hypothesis testing results indicated a positive and significant influence of location on customer satisfaction, with a regression coefficient value of 0.248 and a significance value of 0.003 smaller than the significance criterion value of 0.05. Hence, the second hypothesis was accepted. The hypothesis testing results in this study suggested that the more strategic the location, the more customer satisfaction. This research also reinforces previous research carried out by Sari and Soliha (2018) and Wirawan, Ierman, and Razak (2019), which uncovered that location positively and significantly influenced customer satisfaction.

6.3. The Influence of Experiential Marketing on Customer Loyalty

The third hypothesis stated that experiential marketing had a positive and significant influence on customer loyalty. Also,

the hypothesis testing results in this study implied that there was no effect of experiential marketing on customer loyalty, with a regression coefficient value of 0.057 and a significance value of 0.446 higher than the significance criterion value of 0.05. Therefore, the third hypothesis was rejected.

6.4. The Influence of Location on Customer Loyalty

The fourth hypothesis stated that location positively and significantly affected customer loyalty. Moreover, this study's hypothesis test results showed a positive and significant influence of location on customer loyalty, with a regression coefficient value of 0.246 and a significance value of 0.003 smaller than the significance criterion value of 0.05. Thus, the fourth hypothesis was accepted. The hypothesis testing results in this study implied that the more strategic the location, the more customer loyalty would increase. This research also corroborates previous studies by Dulkhatif, Haryono, and Warso (2016) and Hermanto, Apriansyah, Fitri, and Albetris (2019), which revealed that location had a positive and significant impact on customer loyalty.

6.5. The Influence of Customer Satisfaction on Customer Loyalty

The fifth hypothesis posited that location had a positive and significant influence on customer loyalty. From the hypothesis test results, it also showed a positive and significant influence between customer satisfaction and loyalty, with a regression coefficient value of 0.630 and a significance value of 0.000 smaller than the significance criterion value of 0.05. Therefore, the fifth hypothesis was accepted. The hypothesis testing results in this study indicated that the more strategic the location, the more customer loyalty would increase. This study also revealed that the higher the satisfaction generated, the higher customer loyalty was created. Loyalty is a consumer's positive attitude toward a brand; consumers have a strong desire to repurchase the brand now or in the future. Thus, customer loyalty can reduce marketing failure costs and decrease operating costs caused by decreased customer satisfaction. This research aligns with studies by Munisih and Soliha (2015), Handayani and Soliha (2015), Sumadi and Soliha (2015), Solechah and Soliha (2015), Sigit and Soliha (2017), Santoso and Soliha (2017), Pambudi, Soliha, and Tjahjaningsih (2018), Soliha et al. (2019), Soliha et al. (2019), Soliha et al. (2019), which showed that satisfaction positively and significantly affected loyalty.

6.6. The Influence of Experiential Marketing on Customer Loyalty Mediated by Customer Satisfaction

Based on the Sobel test mediation results, the sig value was $0.0000 < 0.05$, so it could be concluded that customer

satisfaction was a mediating variable. Thus, the customer satisfaction variable mediated the effect of experiential marketing on loyalty. As for customer satisfaction, it perfectly mediated the impact of experiential marketing on customer loyalty because it could be seen from the hypothesis 3 results testing that experiential marketing did not influence customer loyalty. Hence, the effect of experiential marketing on customer loyalty was mediated by customer satisfaction.

6.7. The influence of Location on Customer Loyalty mediated by Customer Satisfaction

The mediation test results with the Sobel test found that the sig value was $0.0000 < 0.05$, so it can be inferred that customer satisfaction was the mediating variable. Therefore, the customer satisfaction variable mediated the impact of location on loyalty.

7. Conclusion

This study's results concluded as follows:

1. Experiential marketing had a positive and significant effect on customer satisfaction at Café Excelso Rinjani Semarang customers. It showed that the better the experiential marketing was done, the more customer satisfaction would be.
2. Location positively and significantly affected customer satisfaction at Café Excelso Rinjani Semarang customers. It indicated that the more strategic the location, the more customer satisfaction increased.
3. Experiential marketing did not influence customer loyalty at Café Excelso Rinjani Semarang customers.
4. The location had a positive and significant impact on customer loyalty at Café Excelso Rinjani Semarang. It revealed that the more strategic the location, the more customer satisfaction increased.
5. Customer satisfaction positively and significantly influenced customer loyalty. It denoted that by increasing customer satisfaction, customer loyalty would increase.
6. Customer satisfaction perfectly mediated the influence of experiential marketing on customer loyalty.
7. Customer satisfaction mediated the effect of location on customer loyalty.

This research has been carried out in accordance with scientific procedures; however, there were still many limitations, including: (1) the factors affecting customer satisfaction in this study only consisted of two variables: experiential marketing and location, while many other factors can influence customer satisfaction; and (2) there is a lack of concern and seriousness from the respondent in answering all the questionnaire items.

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