

Experiential Marketing and Customer Satisfaction on Consumer Loyalty of IKEA Bali



Kadek Eni Marhaeni¹, Cokorda Gede Putra Yudistira², I Gede Made Sebagiana³,
Luh Mei Wahyuni⁴, I Made Sura Ambara Jaya⁵

^{1,2,3} Department of Business of Administration, Bali State Polytechnic

^{4,5} Department of Accounting, Bali State Polytechnic

ABSTRACT: This purpose of this study is to find out the effect of experiential marketing on customer satisfaction at IKEA Bali and customer satisfaction on customer loyalty among visitors to IKEA Bali. Research was conducted on 120 customers who had shopped at IKEA Bali and visited at least twice. The data collection technique uses a survey method, namely distributing questionnaires and the results are processed using the SPSS 27.0 program. This research uses regression analysis. The results of the hypothesis test show that there is a significant effect between Experiential Marketing on Customer Loyalty and Customer Satisfaction on Customer Loyalty

KEYWORDS: Experiential Marketing, Customer Satisfaction, Customer Loyalty

INTRODUCTION

Providing a different experience and can be remembered by consumers is an experiential marketing strategy used by IKEA. Experiential marketing is a marketing approach that provides an extraordinary framework for integrating experience and entertainment elements into products/services. Experiential marketing has 5 strategic dimensions which include sense, feel, think, act, and relate. In practice, IKEA has completed each dimension well which makes consumers get a new experience in shopping for home furnishings.

But the existence of experiential marketing at IKEA is very contrary to the habits of the Indonesian people, even a local website says IKEA "forces" its consumers to be independent and with the provision of instruction books and simple tools, consumers are directed to arrange their own furniture at home⁶. Some consumers who have often shopped at IKEA stores abroad may understand the self-service that must be done by themselves but for those who first shop at IKEA Indonesia, the experience can be a problem because customers feel unusual and confused about what to do to buy goods and bring them home from IKEA.

Many agree that the new experience is quite pleasant with the presence of IKEA, but it was found that 34% of respondents chose 'normal' and 32% chose not to agree to always buy their household needs at IKEA, the researcher also found in a consumer media website that the researcher read several consumers wrote unpleasant experiences that they felt after shopping at IKEA, the first problem was about IKEA's home delivery which had limited delivery areas and inflexible delivery times and very expensive costs, then other consumers who had problems with damaged goods after assembling themselves at home wrote that all had to pay at IKEA. Some of the consumers became kapok and reluctant to buy furniture again at IKEA, after the experience they got they prefer to buy at other stores with complete services and without much use of their own efforts.

From the existing problems that Experiential Marketing carried out by IKEA can affect the loyalty of customers. Although some customers admit that the layout provided by IKEA is fun and different, the lack of service from the first experience of shopping at IKEA makes customers reluctant to return to shopping at IKEA Bali, besides that it is suspected that customer satisfaction also affects customer loyalty. Whereas the purpose of IKEA using the Self Service or "DIY" concept is to reduce the cost of goods to be cheaper and provide a different experience to its consumers.

Every consumer wants the product or service offered to them to provide a different experience. That way, consumers will continue to come and enjoy the products and services offered by the company. One marketing concept that can be used by business people, one of which is in the modern market sector, is experiential marketing. This concept is considered effective when applied in the current era, in line with current developments and technological developments, entrepreneurs place more emphasis on service

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quality and something that can be added value for the company to differentiate it from its competitors or rivals. In the experiential marketing concept, every consumer or visitor is involved emotionally in every shopping process, so that every consumer has a unique and memorable experience. From that experience, the desire to use it again emerged. More than that, they will build the brand because they will enthusiastically promote or tell about the company to other people.

According to (Smilansky, 2018) Experiential marketing is the process of identifying and satisfying consumer needs and aspirations in a profitable way, involving consumers through two-way communication that can bring the brand personality to life to add value to target consumers. According to (Yuliawan & Ginting, 2016) Experiential marketing is not just offering features and benefits from a product offered to consumers, but also the influence of experiential marketing and customer satisfaction on customer loyalty must be able to provide a good experience which will then become the basis for generating customer loyalty. According to (Dumat et al., 2018) Experiential marketing is a marketing concept that aims to form loyal consumers by touching their emotions and providing a positive feeling towards products and services. According to (Yanti Febrini et al., 2019) Experiential Marketing is an effort used by marketers to package products so that they are able to offer an emotional experience that can touch the hearts and feelings of consumers.

According to (Larasati, 2018) customer satisfaction is the level of customer feelings after comparing the perceived performance or results with their expectations, this comparison then produces feelings of happiness or disappointment in the customer's mind. If performance meets expectations or exceeds expectations, then customers will feel very satisfied. Conversely, if performance does not meet expectations, customers will feel disappointed. According to (Lopumeten & Tomaso, 2018) customer satisfaction is a level where the needs, desires and expectations of customers will be met or exceeded through a transaction which will result in repeat purchases or loyalty to a product. According to (Sembiring, 2014) customer satisfaction is the conformity between customer expectations and perceptions of the service received, namely the results obtained are in accordance with the reality experienced. Customer satisfaction is created during the purchase period, the experience when using the product or service and the period after purchase. When customers are satisfied, they will make repeat purchases and tend to recommend the product to others. According to (Yuliawan & Ginting, 2016) customer satisfaction is a comparison between the quality of service offered by the company and the customer's expectations. If a customer is satisfied with the value provided then this is the first step in creating customer loyalty. According to (Novianti et al., 2018) customer satisfaction is an emotional response that arises in the form of feelings of happiness because their desires are fulfilled after purchasing a product or service.

According to (Sangadji, M., 2013) customer loyalty is a customer's commitment to a particular brand based on a very positive attitude, which is reflected in consistent repeat purchases. According to (Bisnari, 2015) customer loyalty can be defined as a buying behavior of loyal customers by making repeat purchases of products or services regularly and recommending them to others. According to (Lopumeten & Tomaso, 2018) customer loyalty can be defined as a person's loyalty to a particular product or service. According to (Novianti et al., 2018) customer loyalty is customer loyalty to a product or service which is characterized by commitment and support for the product or service.

METHODS

This research is quantitative and exploratory research, namely research with an explanation of influences, and the research method is descriptive analysis, where data is collected, compiled, interpreted, and analyzed so as to provide complete information on the problem at hand. The population of this research is IKEA Bali customers whose population size is unknown. Because the population is not known with certainty, in this case the sampling technique used is purposive sampling, namely taking samples by providing certain criteria and considerations to the sample. According to (Hair et al 2014) it is recommended to determine the sample using a minimum sample size of 5 to 10 times for each number of parameters estimated. The number of indicators in this study was 12, so the number of samples in this study was 10×12 (number of estimated parameters) = 120 people from IKEA Bali customers.

RESULT AND DISCUSSION

Experiential marketing on customer loyalty

The effect of variable X1 is 0.247 or 24.7%, on Y with a tcount value of 3.024 > t table of 1.65765 with a significance level of 0.003, meaning that experiential marketing has a positive and significant effect on Customer Loyalty at IKEA Bali so that the proposed hypothesis that experiential marketing affects customer loyalty at IKEA Bali is proven correct, thus the first hypothesis is accepted. Based on the results of data analysis, it states that experiential marketing has a positive and significant effect on customer loyalty. This means that experiential marketing is able to encourage customer loyalty at IKEA Bali. This can be seen from the loading factor results where in this study researchers explained from the highest to the lowest contributing indicators in influencing the customer loyalty variable. The effect of experiential marketing on customer loyalty can be explained by several factors. The highest loading

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factor score is on the action indicator (habit). action (habit) has an important role in customer loyalty. This shows that IKEA Bali has good experiential marketing from competitors which is the main reason customers are loyal to IKEA Bali. The lowest score of the experiential marketing loading factor is think. This shows that the way of thinking is not the main reason customers are loyal to IKEA Bali. From the results of the t test in this study, it was found that partially, experiential marketing has a positive and significant effect on customer loyalty variables. The results of the study are in line with research conducted by Bisnari (2015), and Wulandari et al., (2019), which explains that experiential marketing has a positive and significant effect on customer loyalty. The existence of this loyalty cannot be separated from the influence of experiential marketing, where for customers the experiential marketing factor is the basis for the formation of customer loyalty because customer loyalty can be increased through emotional touch. In this case, it means that experiential marketing has been implemented well to support customer loyalty at IKEA Bali.

Customer satisfaction on customer loyalty

The effect of variable X2 is 0.528 or 52.8% on Y, with a tcount value of 6.463 > t table of 1.65765 with a significance level of 0.000 < 0.05, which means that customer satisfaction has a significant positive effect on Customer Loyalty at IKEA Bali so that the proposed hypothesis that customer satisfaction has an effect on customer loyalty at IKEA Bali is proven correct, thus the second hypothesis is accepted.

Based on the results of data analysis, it states that customer satisfaction has a positive and significant effect on customer loyalty. This means that customer satisfaction is able to encourage customer loyalty at IKEA Bali. This can be seen from the results of the loading factor where in this study the researcher explains from the indicator that contributes the highest to the lowest in influencing the customer loyalty variable. The effect of customer satisfaction on customer loyalty can be explained by several factors. The highest loading factor score is on the indicator of ease of obtaining ease of obtaining has an important role in customer loyalty. This shows that IKEA Bali has good customer satisfaction from competitors which is the main reason customers are loyal to IKEA Bali. The lowest score of the customer satisfaction loading factor is the conformity of expectations. This shows that the suitability of expectations is not the main reason customers are loyal to IKEA Bali. From the results of the t test in this study, it was found that partially, customer satisfaction has a positive and significant effect on the customer loyalty variable. The results of this study are in line with research conducted by Lopumeten & Tomaso, (2018), and Widowati & Putra, (2018) which explain that customer satisfaction has a positive and significant effect on customer loyalty. This is supported by the theory of Karuniatama et al., (2020) which says customer loyalty will be high if a product is considered capable of providing the highest satisfaction so that customers are reluctant to switch to another brand. Fulfilling the expectations of IKEA Bali customers forms strong loyalty in customers, so that customers will increasingly use goods and services owned by the company and are willing to recommend them to others. That way the indicators of customer satisfaction to support customer loyalty at IKEA Bali have been implemented properly.

CONCLUSION

Based on the results of the research that has been conducted, experiential marketing (X1) has a positive and significant effect on customer loyalty (Y). So that the results of this study are in accordance with the hypothesis which states experiential marketing has a positive and significant effect on Customer Loyalty, the hypothesis is accepted. This can be interpreted that the better experiential marketing is carried out and implemented by IKEA Bali, it can increase customer loyalty. Based on the results of research that has been conducted, it is found that customer satisfaction (X2) has a positive and significant effect on customer loyalty (Y). so that the results of this study are in accordance with the hypothesis which states that customer satisfaction has a positive and significant effect on customer loyalty, the hypothesis is accepted. This can be interpreted that customer satisfaction has an effect in increasing customer loyalty.

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