



THE EFFECT OF EXPERIENTIAL MARKETING ON VISITOR SATISFACTION AND
VISITOR LOYALTY AT THE CGV CINEMAS HARTONO MALLYOGYAKARTA,
INDONESIA

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Abstract

The purpose of this research is to analyze the influence of experiential marketing on visitor satisfaction and visitor loyalty. The sample in this study is 150 respondents whose minimum age of 17 years old and who have visited CGV Cinemas Hartono Mall Yogyakarta. This research uses survey method and purposive sampling technique in determining sampling. Structural Equation Modeling (SEM) is used to analyze the data.

The results of this research indicate that: 1) Experiential marketing has a positive and significant effect on visitor satisfaction of CGV Cinemas Hartono Mall Yogyakarta. 2) Experiential marketing has a positive and significant effect on visitor loyalty of CGV Cinemas Hartono Mall Yogyakarta. 3) Visitor satisfaction has a positive and significant effect on visitor loyalty of CGV Cinemas Hartono Mall Yogyakarta. 4) Visitor satisfaction can significantly mediate the influence of experiential marketing on visitor loyalty of CGV Cinemas Hartono Mall Yogyakarta.

Keywords – Experiential Marketing, Visitor Satisfaction, Visitor Loyalty

I. INTRODUCTION

According to Pine and Gilmore (1999) the economic value has experienced a shift in the economic development nowadays. The shift from commodity goods and services to the stage of experience called experience economic. This experience economic stage follows the improvement



of the economic situation of the community, the increasingly tight business competition, and the development of information technology that makes it easier for consumers to obtain information and make them more sensitive to the value of a product. Shifting economic values towards experience economics by itself makes traditional marketing concepts not enough to be able to answer the challenges (Pine and Gilmore, 1999).

Experiential marketing then becomes the main concept in dealing with economic experience (McNickel, 2004 cited by Yuan and Wu, 2008). The traditional marketing concept still sees consumers as rational decision makers in purchasing products, whereas for now, product purchasing decisions are no longer just rational but emotional. Consumers buy products not only as solutions to problems with the functions and benefits of the products offered, but also for entertainment or pleasure. In other words, consumers ask for an experience that they can get from a product (Schmitt, 1999).

One of the creative economy industries is the film industry which contributes 0.16% of the creative economy GDP (BAREKRAF 2015 data). Part of the film industry is the cinema. In Indonesia, the cinema industry experienced rapid growth in the 1980s and 1990s with more than 2000 cinemas. In Indonesia, the number of spectators over the past five years tends to increase. In 2016 the number of Indonesian film viewers reached 34.5 million, an increase of more than 100 percent of the total audience in 2015 which was recorded at 16.2 million viewers. The number of cinema screens has also increased rapidly in recent years. As of December 2017, there were 263 cinemas from six business networks with a total screen of 1,412. This note was reported by the Indonesian Film Catalog (KFI) website in the 2017 Kaleidoscope article. According to KFI data, the number of screens at the end of 2017 was up to 2.3 times higher than at the end of 2012.

One of the cinema networks in Indonesia that offers a new concept to provide a different experience when watching a movie is CGV Cinemas (formerly called Blitzmegaplex and CGV Blitz). The presence of CGV Cinemas eliminates the impression of monopoly that occurs in the cinema business network in Indonesia because it was previously dominated by 21 Cineplex Groups which have already succeeded in the cinema market in Indonesia. CGV Cinemas comes with a minimum of 8 screens. The large number of screens provides an opportunity to watch various kinds of film genres, not just Hollywood films, but also Film Festivals, Art house, Indian Films, Animations and various films from all over the world in various languages. Cinemas belonging to CGV Cinemas which have less than 8 screens are called CGV Cinemas theatre.

Associated with the concept of experiential marketing which aims to provide experiences for consumers who then produce emotional benefits, CGV Cinemas also applies this marketing approach with the five strategic experience modules (SEMs) consisting of sense, feel, think, act and relate. CGV Cinemas experiences for consumers through experience providers that include building interiors, quality of film services, events or activities carried out by CGV Cinemas, CGV website, employees, CGV cards and so on. Experience - the experience provided by the company will be embedded in the minds of consumers and is the result of various physical, emotional, and cognitive activities.

In the service industry, satisfaction is a process in which consumer expectations of a service or goods are fulfilled by the company's capacity to meet the needs in the form of product features or in its marketing strategy, namely the moment of truth. Likewise, if consumers' expectations are not met, consumers will not feel satisfied. Through the application of the experiential



marketing concept carried out by CGV Cinemas Hartono Mall, consumers are expected to be satisfied with the services they offer. This becomes important because it becomes a measure of the company's performance. Customer loyalty is also important because the cost of attracting new consumers is more expensive than maintaining existing customers (Dick and Basu, 1994).

II. THEORETICAL FRAMEWORK

A. Experiential Marketing

The concept of experiential marketing has a close connection with the experience of consumers in consuming goods and services. According to Schmitt (1999) experiential marketing is a marketing concept that emphasizes the performance of products and services that provide emotional experiences that touch the hearts and feelings of customers. Schmitt (1999) describes a conceptual framework for managing the accumulation of customer experience for a company, divided into two concepts, namely strategic experiential modules (SEMs) which are the basic form of experiential marketing and experience providers (ExPros) as a tactical tool to implement experiential marketing. SEMs describes five types of customer experience that are the basis of experiential marketing. The five types are sense, feel, think, act and relate.

1. Sense

Sense marketing focuses on feelings in order to create experiences through the five senses of the customer. Sense marketing can be used to differentiate companies and products, provide motivation to customers, and increase product value. Schmitt (1999) reveals that the purpose of sense marketing is to give the impression of beauty, pleasure, beauty and satisfaction through the sensory stimuli of the five senses.

2. Feel (feelings that arise through emotional experience)

Feel marketing strives to attract the deepest feelings and emotions of customers, with the aim of creating a feeling of customer experience ranging from ordinary feelings to the level of strong emotions because of pride and prestige. According to Schmitt (1999) the strongest feeling occurs when consuming the product.

3. Think

Think marketing aims to bring customers to be able to think more deeply and creatively so that they will provide good opinions on the company's products and services. Schmitt (1999) reveals the principles of think that can be used to conduct marketing campaigns such as: surprise, intrigue and provocation.

4. Act

The marketing act aims to create experiences related to the body's experience (physical body). The long-term pattern of behavior and lifestyle, as well as experience as a result of interaction with others. So, this will enrich the lives of customers with physical experiences.



5. Relates

Relates marketing often occurs as a result of sense, feel, think and act experience. Relates are developed outside personal relationships and personal feelings but add to individual experiences in relationships with other people, communities and cultures reflected in the brand.

B. Visitor Satisfaction

According to Kotler (2012), customer satisfaction is a feeling of pleasure or disappointment someone as a result of a comparison between perceived and expected products. De Young (1996) cited by Rotti (2012) states that the more individual marketing tactics are used, the higher the level of customer satisfaction. In short, customer satisfaction is a feeling experienced by a customer after using a product or service. The closer the product quality is perceived to the quality of the product that is perceived, the more satisfied customers will be. Bower, et.al and Zeithaml in Tjiptono (2008: 312) state that service quality and customer satisfaction are determined by the same attributes in measuring visitor satisfaction. Parasuraman in Tjiptono (2008: 26) measures satisfaction with services as follows:

1. Tangible evidence, including physical facilities, equipment, employees and means of communication.
2. Reliability (reliability), the ability to provide services that are mediating, accurate, and satisfying.
3. Responsiveness (responsiveness), which is the employee's desire to help customers and provide services responsively.
4. Assurance (assurance), including the knowledge, ability, politeness, and trustworthiness of the staff, free from danger, risk or doubt.
5. Empathy includes ease of relationships, good communication, and understanding the needs of customers.

C. Visitor Loyalty

Griffin (2005: 5) expressed his opinion about customer loyalty, among others, that the concept of customer loyalty is more associated with behavior (Behavior) than with attitude. If someone is a loyal customer, he shows buying behavior that is defined as a non-random purchase that is revealed from time to time by several decision-making units. Then Griffin (2005: 11), argues that managing customer loyalty can provide benefits to business efforts in saving company costs such as, among others:

1. Marketing costs are reduced (customer acquisition costs are higher than customer retention costs).
2. Transaction costs are lower, such as contact negotiation and order processing.
3. Customer turnover costs are reduced (fewer lost customers must be replaced).
4. The success of cross-selling has increased, causing a greater share of customers.
5. Word of mouth becomes more positive; assuming loyal customers also feel satisfied.
6. Failure costs decrease (Reduction of rework, warranty claims and so on).



III. Hypotheses

H1: Experiential Marketing has a positive influence on visitor satisfaction.

H2: Experiential Marketing has a positive influence on visitor loyalty.

H3: Visitor satisfaction has a positive influence on visitor loyalty.

H4: Variable visitor satisfaction can significantly mediate the influence of experiential marketing variables on visitor loyalty.

IV. RESEARCH METHOD

In this study the object of the study was CGV Cinemas Hartono Mall Yogyakarta. Meanwhile, the research subjects were visitors to the CGV Cinemas Hartono Mall Yogyakarta cinema. The sampling technique in this study uses purposive sampling technique. The numbers of samples in this study were 150 samples. The data used in this study are primary data and secondary data. The survey was conducted by visiting the respondent and then requesting their availability to be able to answer several statements in the questionnaire. The questionnaire used was a likert scale technique which included five answers that could only be chosen by one of the respondents who filled out the questionnaire. While the data analysis used is Moderated Structural Equation Model (SEM with moderation relations) with the AMOS program.

V. RESULT AND DISCUSSION

1. SEM Analyzes

In this study, an analysis of the effect of experiential marketing variables on visitor satisfaction and visitor loyalty will be analyzed using Structural Equation Modeling (SEM) analysis techniques. All variables are valid and reliable.

2. SEM Assumption Test

Some requirements that must be met in the SEM analysis include requirements for sample size, normality requirements and requirements for the absence of multicollinearity in the model. The number of samples used in this study were 150 samples. The minimum sample size for SEM analysis with the Maximum Likelihood Estimation method is 100 to 200 (Ghozali, 2014).

The results of the normality test in this study indicate that the research data has been normally distributed because the value of c.r skewness univariate all variables have been in the interval $-2.58 < z < 2.58$. So it can be concluded that the data analyzed has met univariate normality. Furthermore, the multivariate c.r value has also been in the range of $-2.58 < z < 2.58$, which is 2.355. So that multivariate can be declared normal. Thus it can be concluded that the research data also has fulfilled the assumption of multivariate normality and is still suitable for further analysis.

In SEM analysis, outliers can be detected by looking at the Mahalanobis distance table. In the table the data is referred to as outliers if the Mahalanobis d-squared value exceeds 36,123, namely the Chi Square value at 24 degrees of freedom (because there are 24 valid indicators analyzed) and a significant level of 0.001. Outlier detection results in this study indicate that out



of 150 data analyzed there is no data that has an Mahalonobis distance at 36,123 which means 150 analyzed data does not contain outliers.

The Goodness of Fit test or the suitability of the structural model in SEM analysis is done by looking at some goodness of fit model criteria such as Chi Square value, probability, CMIN / DF, GFI, AGFI, TLI, IFI, RFI, RMSEA and CFI. Ghozali (2014) states that if there are one or two criteria of goodness of fit that have met, then it can be said that the model built is good and feasible to be used in research. From The Goodness of Fit test, it can be concluded that the overall research model has fulfilled the assumption of goodness of fit, where four (4) criteria are at the limit of goodness of fit. Therefore, this research model is suitable for further testing.

3. Hypothesis test

Hypothesis test results used to see the effect of exogenous variables on endogenous variables in this study can be seen in table as follows:

Results of the SEM Model Estimation
Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
Y1	<---	X1	.692	.080	8.625	***	par_1
Y2	<---	Y1	.181	.075	2.403	.016	par_2
Y2	<---	X1	.673	.085	7.896	***	par_3

Based on the results of hypothesis testing in the table above, it can be explained the influence of exogenous variables on endogenous variables used in the study as follows: Testing the first hypothesis: Experiential marketing has a positive influence on visitor satisfaction. The value of p value of the influence of experiential marketing variable on visitor satisfaction ($X1 \rightarrow Y1$) is very significant (***) with C.R having a positive sign of 8.625. These results explain that H1 in this study is accepted, because the p value obtained (***) <0.05 and C.R is $8.625 > 1.96$.

Testing the second hypothesis: Experiential Marketing has a positive influence on visitor loyalty. The value of p value of the experiential marketing variable effect on visitor loyalty ($X1 \rightarrow Y2$) is very significant (***) with C.R having a positive sign of 7.896. These results explain that H2 in this study was accepted, because the p value obtained (***) <0.05 and C.R was $7.896 > 1.96$.

Testing the third hypothesis: Visitor satisfaction has a positive influence on visitor loyalty. The value of the p value of the effect of variable visitor satisfaction on visitor loyalty ($Y1 \rightarrow Y2$) obtained a value of 0.016 and the value of C.R is positive with a value of 2.403. Therefore the p value obtained is $0.016 < 0.05$ and the C.R value is $2.403 > 1.96$, then H3 is accepted.

Testing the fourth hypothesis: Visitor satisfaction mediates the influence of experiential marketing on visitor loyalty. In this study, the significance of the mediating role of the variable visitor satisfaction in mediating the influence of experiential marketing variables on visitor loyalty variables will be carried out using the Sobel test. With a significance level of 0.05, H4 is accepted if the p value of the Sobel Test results is <0.05 . Based on the results of the Sobel test, the p value of the Sobel test results is 0.0198. Because of the value of p value obtained <0.05 , therefore H4 is accepted.



V. CONCLUSION

The results of testing the hypothesis in this study will be explained in the summary of the discussion.

1. Effect of Experiential Marketing Variables on Visitor Satisfaction

The results of the first hypothesis testing in this study shows that experiential marketing consisting of sense, feel, think, act, and relate has a positive influence on visitor satisfaction. This means that experiential marketing has a positive and significant effect on visitor satisfaction of CGV Cinemas Hartono Mall Yogyakarta. This is similar to the research of Ming-Shing Lee and Huey-Der Hsio (2012), where the results of their research indicate that experiential marketing consisting of sense, feel, think, act, and relate has a positive relationship with customer satisfaction.

2. Effect of Experiential Marketing Variables on Visitor Loyalty

The results of the second hypothesis test in this study shows that experiential marketing has a positive and significant effect on visitor loyalty. The higher the value of experiential marketing obtained by visitors, it will have an impact on increasing visitor loyalty. This means that experiential marketing has a positive and significant influence on visitor loyalty at CGV Cinemas. This study also agrees with previous research conducted by Mei-Ying Wu and Li-Hsia Tseng (2014) where the results of their research also prove that there is a positive and significant relationship between experiential marketing on consumer loyalty. This finding is also supported by the findings of R. Ozturk (2015), finding that experiential marketing has a positive and significant effect on customer loyalty

3. Effect of Visitor Satisfaction Variables on Visitor Loyalty

The results of the third hypothesis testing in this study state that visitor satisfaction has a positive and significant influence on visitor loyalty. The higher the customer satisfaction level, the higher the visitor loyalty. This means that visitor satisfaction has a positive and significant influence on visitor loyalty at CGV Cinemas Hartono Mall Yogyakarta. The results of this study are also similar to research conducted by Ming-Shing Lee and Huey-Der Hsio (2012) where the results of their research prove that consumer satisfaction has a positive and significant effect on consumer loyalty.

4. Visitor satisfaction mediates the influence of experiential marketing on visitor loyalty

Testing the fourth hypothesis shows that visitor satisfaction can significantly mediate the influence of experiential marketing on visitor loyalty of CGV Cinemas Hartono Mall Yogyakarta. These findings agree with the findings of Widowati and Firtia (2017) in which their research shows that consumer satisfaction plays a role in mediating the influence of experiential marketing on consumer loyalty. This is consistent with the theory put forward by Tjiptono (2008) that customers will not be able to reach the loyalty stage if they have not previously felt satisfaction from the product or service.



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