

Study on Experiential Marketing Influencing Brand Image, Satisfaction and Loyalty on Internet Banking Users in Surabaya

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Abstract: This study will examine how Experiential Marketing can influence the Brand Image, Satisfaction and Loyalty of Internet Banking users in Surabaya. The purpose of this study is to explore the customer experience of the internet banking used. The data collection process was carried out by distributing 150 questionnaires with questions on a Likert scale and several open questions. The results of the answers from filling in the questionnaire will be processed and analyzed using SmartPLS. The results of this analysis explain that Experiential Marketing has a significant positive effect on Brand Image, Satisfaction and Loyalty results as seen with the P-Values number <0.05 . The results of this analysis can be an indicator in developing internet banking, especially in meeting the needs of its users.

Keywords: Experiential Marketing, Brand Image, Satisfaction, Loyalty, Internet Banking, Mobile Banking

I. Preliminary

The development in the current era of globalization makes an individual always expect an ease in carrying out an activity, including in carrying out transaction activities. In line with this desire for convenience, the Bank as a service provider is required to continue to innovate in order to reach and fulfill the needs of prospective customers and customers.

Ren Fang-Chao, 2015 explained that Experiential Marketing that is felt by a consumer can increase the company's brand image and have a positive effect on the company. This is the basis on which the Bank can increase the growth of the Bank, in terms of Experiential Marketing which will have a positive Loyalty impact on the Bank.

Based on the background that has been described, several problems can be formulated, namely regarding whether Experiential Marketing has a significant positive effect on, Brand Image, Satisfaction, and Customer Loyalty and whether the perceived satisfaction will have a significant positive effect on customer loyalty.

II. Research methods

The instrument used to collect data from respondents in this study used a questionnaire. The questionnaire is a data collection technique by distributing a list of questions or statements to respondents in the hope of receiving responses or answers from respondents in written form Noor Hadi (2011: 139). The data used in this study are primary data. According to Sanusi (2011: 104), Primary Data is the first data recorded and collected by researchers.

The questionnaire distributed is a questionnaire that already has alternative answers as options. data collection used in this study using a questionnaire. The data collection instrument or tool is also called a questionnaire containing a number of questions that must be answered or responded to by respondents (Sutopo, 2006: 82).

The questionnaire that has been filled in by the respondent will be measured by a validity test, in order to get questions with a significance level of <0.05 (Imam Ghazali, 2013). If the overall variable has been said to be valid then it is followed by a reliability test. Reliability test shows the consistency and stability of a score (measurement scale). The reliability test results with the level of the coefficient (α) are said to be reliable if > 0.6 , on the contrary, if the coefficient <0.6 , there is no consistency in these indicators.

The data analysis technique used is Partial Least Square (PLS) which is an alternative method for structural equation modeling (SEM), which is to test simultaneously the relationship between latent constructs in a linear or non-linear

relationship with many indicators in the form of mode A (reflective), mode B (formative) and / or mode M (MIMIC) (Gozali, 2014: 3-4).

The PLS testing criteria used according to Hengky and Imam Ghozali (2012) are:

1. Measurement Model, which defines the relationship between variables and their indicators. Tests carried out using the outer model :
 - a. Convergent Validity, with an expected value of > 0.7 or the 0.6 limit is often used as a minimum factor loading limit.
 - b. Discriminant Validity, the loading value of the construct must be greater than the loading value of other constructs.
 - c. Composite Reliability, data that has composite reliability > 0.8 has high reliability.
 - d. Expected Average Variance Extracted (AVE) > 0.5.
 - e. Cronbach Alpha test of expected reliability > 0.6
2. Structural Model according to Hengky and Imam Gozali, (2012: 82) is used to see the R-Square of each variable as a strength for structural model predictions. Changes that occur in the R-square can be used to explain the magnitude of the substantive effect.
3. Naming the hypothesis, if the research can be declared acceptable if the P-Values value is < 0.05 or 5%.

III. Results and Discussion

1. Evaluate the Outer Model

- a. Convergent Validity, to test the convergent validity, the outer loading or loading factor value is used. An indicator is declared to meet the convergent validity in the good category if the outer loading value is > 0.70. According to Chin, as quoted by Imam Ghozali, the value of outer loading between 0.50 - 0.60 is considered sufficient to meet the convergent validity requirements of Imam Ghozali (2014: 39).

	Indicator	Outer loading
<i>Experiential Marketing</i>	EM1	0,697
	EM2	0,787
	EM3	0,812
	EM4	0,672
	EM5	0,757
<i>Brand Image</i>	CM1	0,889
	CM2	0,807
<i>Satisfaction</i>	K1	0,886
	K2	0,910
	K3	0,838
<i>Loyalty</i>	L1	0,665
	L2	0,736
	L3	0,804
	L4	0,774

- b. Outer loading test using cross loading value. An indicator is declared to fulfill outer loading if it has the highest cross loading indicator value compared to other variables. Imam Ghozali (2014; 39-40).

	Brand Image	Experiential Marketing	Satisfied	Loyalty
CM1	0,889	0,565	0,551	0,407
CM2	0,807	0,438	0,559	0,435
EM1	0,340	0,697	0,448	0,388
EM2	0,401	0,787	0,487	0,437
EM3	0,433	0,812	0,584	0,501
EM4	0,505	0,672	0,442	0,458

EM5	0,526	0,757	0,561	0,478
K1	0,564	0,590	0,886	0,562
K2	0,574	0,642	0,910	0,529
K3	0,576	0,562	0,838	0,576
L1	0,304	0,407	0,421	0,665
L2	0,357	0,375	0,453	0,736
L3	0,462	0,548	0,507	0,804
L4	0,331	0,472	0,501	0,774

The value of cross loading, outer loading can also be known through other methods, namely by looking at the average variant extracted (AVE) value for each indicator, it requires the value to be > 0.50 for a good model Imam Ghozali (2014: 40). AVE value for Experiential Marketing variable, Brand Image, Satisfaction and Loyalty > 0.50. Thus it can be stated that each variable has a good outer loading.

	<i>Average Extracted (AVE)</i>	<i>Variance</i>
Brand Image	0,720	
<i>Experiential Marketing</i>	0,558	
Satisfied	0,772	
Loyalty	0,557	

- c. Composite Reliability is the part used to test the reliability value of indicators on a variable. A variable can be declared to meet composite reliability if it has a composite reliability value > 0.60. Imam Ghozali (2014: 43).

	<i>Composite Reliability</i>
Brand Image	0,837
<i>Experiential Marketing</i>	0,863
Satisfied	0,910
Loyalty	0,834

- d. The reliability test with the composite reliability above can be strengthened by using the Cronbach alpha value. A variable can be declared reliable or meets Cronbach alpha if it has a Cronbach alpha

	<i>Cronbach's A</i>
Brand Image	0,617
<i>Experiential Marketing</i>	0,800
Satisfied	0,852
Loyalty	0,734

2. Evaluate the Inner Model

- a. Path Coefficient Test

Path coefficient evaluation is used to show how strong is the effect or influence of the independent variable on the dependent variable. Meanwhile, coefficient determination (R-Square) is used to measure how much the endogenous variable is influenced by other variables. The inner model scheme that has been shown above can be explained that the largest path coefficient value is indicated by the influence of Experiential Marketing on Satisfaction of 13.335. Then the second biggest influence is the influence of Experiential Marketing on Brand Image of 9,708. Then the third biggest influence is the effect of Satisfaction on Loyalty of 5,637 and the smallest effect is shown by the effect of Experiential Marketing on Loyalty of 4,645.

Based on the description of these results, it shows that all variables in this model have a coefficient path with a positive number. This shows that the greater the path coefficient value on one independent variable on the dependent variable, the stronger the influence between the independent variables on the dependent variable.

- b. Model Goodness Test (Goodness of Fit)

Based on data processing that has been done using the SmartPLS 3.0 program, the R-Square value is obtained.

	R Square
Brand Image	0,357
Satisfied	0,464
Loyalty	0,460

The goodness of fit assessment is known from the Q-Square value. Q-Square value has the same meaning as coefficient determination (R-Square) in regression analysis, where the higher the Q-Square, the model can be said to be better or more fit with the data. The results of the calculation of the Q-Square value are as follows:

$$\begin{aligned}
 \text{Q-Square} &= 1 - [(1 - R21) \times (1 - R22) \times (1 - R23)] \\
 &= 1 - [(1 - 0.357) \times (1 - 0.464) \times (1 - 0.460)] \\
 &= 1 - (0.643 \times 0.536 \times 0.540) \\
 &= 1 - 0.186 \\
 &= 0.814
 \end{aligned}$$

Based on the results of the above calculations, the Q-Square value is 0.814. This shows the large diversity of research data which can be explained by the research model amounting to 81.40%. While the remaining 18.60% is explained by other factors that are outside this research model. Thus, from these results, this research model can be stated as having a good goodness of fit.

3. Hypothesis Testing

Based on the data processing that has been done, the results can be used to answer the hypothesis in this study. Hypothesis testing in this study was carried out by looking at the T-Statistics value and the P-Values value. The research hypothesis can be stated as accepted if the P-Values value <0.05 (Sofyan Yamin and Heri Kurniawan, 2011: 54).

Hypotesis	Indicator	Original Sample (O)	T Statistics (O/STDEV)	P Values	Result
H1	Experiential Marketing -> Brand Image	0,597	9,708	0,000	Accepted
H2	Experiential Marketing -> Satisfied	0,681	13,335	0,000	Accepted
H3	Experiential Marketing -> Loyalty	0,334	4,645	0,000	Accepted
H4	Satisfied -> Loyalty	0,405	5,637	0,000	Accepted

IV. Conclusion

Based on the results of the analysis and discussion, it can be concluded that:

- a. Experiential Marketing has a great influence on the satisfaction of a customer, as described by the path coefficient of 13.335. Where if a customer has perceived Experiential Marketing, the higher the perceived satisfaction is. The satisfaction that this raises can be caused by the results of transactions used with internet banking that are satisfactory, safe and fast in accordance with what is expected by a customer.
- b. Experiential Marketing has a great influence on Brand Image, as shown by the path coefficient of 9,708. Where the resulting Experiential Marketing provides added value and a positive image for the selected Bank. The bank will be deemed able to meet the needs of these customers and meet the expectations.
- c. The path coefficient results from the satisfaction of a customer will have a big influence on Loyalty, as shown by the path coefficient results of 5,637. Where a positive sense of satisfaction from a customer will result in future Loyalty behavior, this sense of Loyalty makes a customer decide to recall and use the Bank's Internet Banking.
- d. Experiential Marketing also has a great influence on loyalty in accordance with the results of the patyh coefficient of 4.645. Where it can be said that the Experiential Marketing generated by a customer generates Loyalty for the use of Internet Banking from the bank. The high level of trust and experience in using the Internet / Mobile Banking makes customers remember and repeat transactions using the Internet / mobile banking.

Suggestion

From the conclusions, there are several suggestions for the Bank's progress in developing Internet / Mobile Banking facilities for customers, namely:

- a. Banks should be able to pay attention to the results of Experiential Marketing on other variables such as Satisfaction, Brand Image and Liability which have a positive impact and can provide added value to the Bank. This can be an indicator in the development of facilities such as Internet / Mobile banking to facilitate transactions while maintaining security and accuracy.
- b. Banks can also pay attention to developments by updating tools to meet the needs and expectations of a customer for the Bank, which can provide convenience in subsequent transactions.

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