Comparative Study of Experiential Marketing, Brand Image and Customer Loyalty on Starbucks

by Farrell Farhan Zhafiri, Isni Andriana Ahmad Maulana

JEMBATAN

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Farrell Farhan Zhafiri[1], Isni Andriana[2], Ahmad Maulana[3]
Universitas Sriwijaya, Palembang, Indonesia (01011381823162@student.unsri.ac.id) [1]
Universitas Sriwijaya, Palembang, Indonesia (isniandriana@fe.unsri.ac.id)[2]
Universitas Sriwijaya, Palembang, Indonesia (maulana25@Unsri.ac.id)[3]

ABSTRACT: This study aims to find out a comparison of experiential marketing, brand image, customer loyalty between Starbucks Kambang Iwak and Palembang Indah Mall. The data used in this study were primary data, with a sample of 100 respondents using a non-probability sampling technique with a purposive sampling approach. The analytical techniques used in this study were descriptive analysis and Mann Whitney difference test using the SPSS 25 program. The results showed that there are differences in experiential marketing and customer loyalty between Starbuck Kambang Iwak and Starbucks Palembang Indah Mall while there is no difference in brand image between Starbuck Kambang Iwak and Starbucks Palembang Indah Mall.

Keywords: *Experiential Marketing, Brand Image, Customer Loyalty*

INTRODUCTION

The development of the times today causes changes in various lines of human life. Lifestyle is one of the things that has undergone very significant changes and affects various patterns of daily activities such as many people who like to spend time consuming coffee at coffee shops. According to (Kottler & Keller, 2016) lifestyle is something that a person in the world usually does in expressing it in his activities, interests, and opinions.

The amount of coffee production in Indonesia on 2021 reached 765,415 tons (BPS, 2021), the development of coffee in Indonesia encourages a very significant increase the amount of coffee consumption in Indonesia so this is an excellent opportunity for people to open businesses in the food and beverages sector, especially coffee shops. Based on (Suryani & Krisyanti, 2021) said that the coffee shop is a place that provides processed coffee and processed beverages with facilities that are always innovating to improve comfort and community activities.

Various coffee shops that exist today are the alternative options, Based on top brand data (2021) Starbuck is the biggest coffee shops or coffee cafes in Indonesia. According to bisnis.com (2021) Starbucks through PT. Mitra Adiperkasa Tbk., recorded an increase revenue in quarter 1/2021 with a net profit of IDR 26.08 billion when compared to the first quarter on 2020 with a net profit it's only IDR 8.07 billion. The

increase in income shows that consumer interest in consuming Starbucks remains high despite the covid-19 pandemic.

The facilities and products provided by Starbucks cause consumers to have a high level of satisfaction and get a high experience in consuming the products presented by Starbucks. Satisfied customers will have an emotional bond with the product or service consumed and are likely to become loyal to the company (Khan, H., Wisner, 2019). In addition, consumers will make repeat purchases because marketing is based on experience (Yacub et al., 2022) thus Starbucks can make consumer loyalty increase. Some studies state that experiential marketing can affect customer loyalty (Iisnawati et al., 2020)

Another thing that makes Starbucks the main choice public in consuming coffee is about the reputation owned by Starbucks is very good because it has quality products so Starbucks has a very strong brand image. a good image of a company can increase trust in a product and encourage consumers loyalty to the products needed (Ahmad et al., 2019). This is also explained in the study (Fombrun & Shanley, 1990) stated that managing a brand image is the right marketing strategy to retain customers. It is therefore important for Starbucks to continue for increase the loyalty of existing consumers.

The number of Starbucks outlets based on katadata.co.id (2021) is about 478 outlets all around Indonesia and especially for Palembang city there are 5 outlets. From all of the outlets, obviously they have their own differences in the perspective of consumers about experiential marketing, brand image, customer loyalty. This is what underlies researchers to empirically prove the differences that exist in two different places. Based on the description above, the author is interested in conducting a research entitled: comparative experiential marketing, brand image and customer loyalty study of Starbucks Kambang Iwak and Palembang Indah Mall.

LITERATURE REVIEW

Marketing Management

According to (Kottler & Keller, 2016) Marketing is the activity, set of institutions, and processes for creating, capturing, communicating, delivering, and exchanging offerings that have value for customers, client, partners, and society at large.

Experiential Marketing

Experiential marketing is an consumers today recognize certain motivations by observing and participating in events, because presents important information and motivates them to move forward in user behavior for increase product value (Lee & Kang, 2015).

Strategic Experiential Modules (SEMs)

According to (Schmitt, 2010) Strategic Experiential Models (SEMs) are the basis of experiential marketing. The concept of experiential marketing moves by providing experience to consumers through five types of experience, namely sense, feel, think, act, relate.

Brand Image

Image is people's perception of a product. So the brand image is the public perception about brand from a product. (Kottler & Keller, 2016) define brand image as the perceptions and beliefs held by consumers, as reflected in the associations held in consumer memory.

Brand Image Indicators

Brand image can be said to be something that greatly affects consumers' perception of the brand according to the experience that has been passed on the brand. (K. L. Keller & Swaminathan, 2018) states that creating a positive brand image is done through a marketing program that connects strong, superior, and unique associations for brands in memory. Brand associations can be brand attributes or brand benefits.

Consumer Loyalty

(Griffin, 2016) stated the concept of customer loyalty is geared more to behaviour than attitude and a loyal consumer will exhibit regular buying pattern behavior for a long time by customer.

Characteristics of Consumer Loyalty

Loyal customers are an important asset for the company in increasing the company's profits and prospects in the future. (Griffin, 2016) mentions the characteristics or attitudes do by loyal customers, namely:
1. Make the same repeat purchase regularly
2. Purchases between product lines or services offered (purchases across product and service)
3. Refer products or services that have been used to others (recommendation)
4. Show immunity to product or service offers from competitors (refuse)

Theoretical Framework and Hypothesis Development
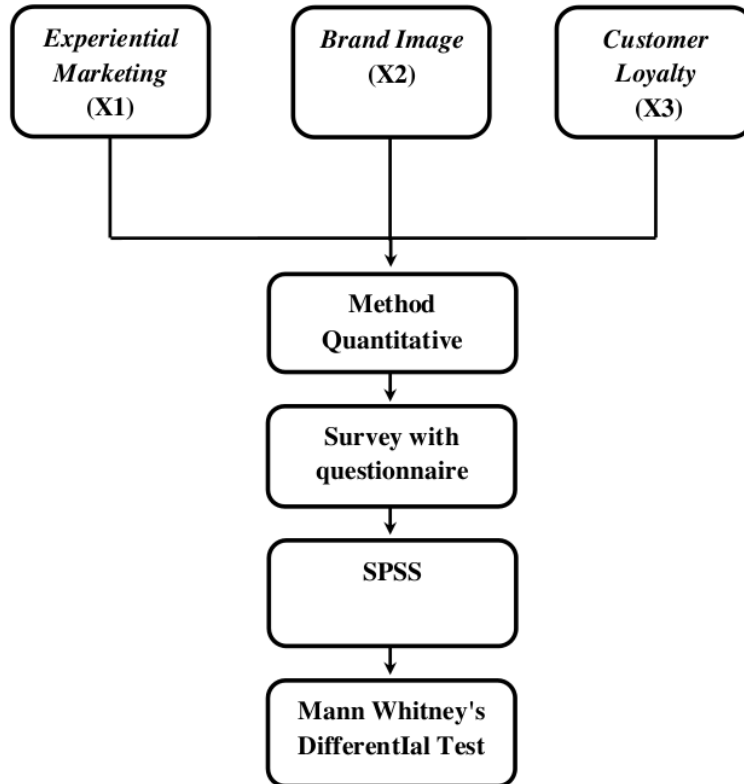
Picture 1. Framework of Research

Hypothesis
Experiential Marketing Differences
Research conducted by (Zhang & Li, 2016) on experiential marketing differences between IKEA and local products in China found that there were differences between both of them.
H1 = There is a difference in experiential marketing of Starbucks Kambang Iwak and Starbucks Palembang Indah Mall
Brand Image Differences
Research conducted by (Ardika et al., 2019) who conducted research on comparative study of brand image of Asus and Acer laptop that there were differences between both of them.
H2 = There is a difference in the brand image of Starbucks Kambang Iwak and Starbucks Palembang Indah Mall

Customer Loyalty Differences
Research conducted by (Ali et al,. 2017) customer loyalty comparison of five-star

hotels in Malaysia and Jordan shows that there that there were differences between both of them.

H3 = There is a difference in customer loyalty of Starbucks Kambang Iwak and Starbucks Palembang Indah Mal

RESEARCH METHODS

Research design

This research is a type of comparative research, namely to compare experiential marketing, brand image and customer loyalty between Starbucks Kambang Iwak and Starbucks Palembang Indah Mall using Mann Whitney's differential test.

Data types and sources

This research is a quantitative study with data sources derived from primary data through the distribution of questionnaires to consumers of Starbucks Kambang Iwak and Starbucks Palembang Indah Mall.

Data collection techniques

This research was conducted by distributing questionnaires to consumers of Starbucks Kambang Iwak and Starbucks Palembang Indah Mall.

Population and Population

Population

In this study, the population was consumers who had or were buying Starbucks Kambang Iwak and Starbucks Palembang Indah Mall products totaling 100 respondents.

Sample

In this study, the sample used was 100 respondents from Consumers of Starbucks Kambang Iwak and Starbucks Palembang Indah Mall with a sampling technique using non-probability sampling. The following characteristics of the samples in this study are:

1. Domiciled in Palembang, South Sumatra
2. Consumers who have bought at least 3 times Starbucks Kambang Iwak and Starbucks Palembang Indah Mall products

Variable Operational Definition

Table 1. Variable Operational Definition

Varia	Dimention	Indicator	Reference
Experiential Marketing (X1)	Sense	Vision	Schmitt (1990)
		Hearing	
		Flavorings	
		Smell	
	Feel	Moods	
		Emotion	
	Think	Positive experience	
		Surprise and instinct	
	Act	Interaction	
		Lifestyle	
	Relate	Individual experience	
Brand Image (X2)	Corporate image	Popularity	Kotler and Keller (2016); Li *et al.*, (2011)
		Credibility	
		Network or branches of the company	
	User image	Lifestyle	
		Social Class	
	Corporate image	Quality	
		Packaging	
		Logo	
Customer Loyalty (X3)		Conformity of expectations	Kotler dan Keller (2016)
		Repurchase interest	
		Willingness to recommend	
		Positive feedback	

Analytical Techniques
Mann Whitney's differential test
This study used the Mann Whitney different test. Aims to test two free samples, with the aim of assisting researchers in distinguishing the results of group performance contained in the samples.

DATA DISCUSSION AND ANALYSIS

Validity Test
The validity test can be measured through correlations between statement item scores and variable total scores. In this study using the number of samples (n = 100), (dk = n - 2), (dk = 100 − 2 = 100) with a significance of 5 % is 0.195. That is, If r – count > r – table (0.195) it's mean the instrument or item of the statement can be declared valid. Conversely, If r – count > r – table (0.195) it's mean the instrument or item of the statement is declared invalid. Meanwhile, in this study, testing on validity

was carried out on three variables, namely Experiential Marketing (X1), Brand Image (X2) and Customer Loyalty (X3).

Table 2 Results of the Experiential Marketing (X1) Questionnaire Validity Test

statement item	r-hitung	r-tabel	Conclusion
1st Statement	0,595	0,195	Valid
2nd Statement	0,642	0,195	Valid
3rd Statement	0,697	0,195	Valid
4th Statement	0,719	0,195	Valid
5th Statement	0,739	0,195	Valid
6th Statement	0,749	0,195	Valid
7th Statement	0,750	0,195	Valid
8th Statement	0,672	0,195	Valid
9th Statement	0,740	0,195	Valid
10th Statement	0,648	0,195	Valid
11th Statement	0,370	0,195	Valid
12th Statement	0,235	0,195	Valid

Source : Primary data processed using IBM SPSS 22 (2022)

Table 3 Results of the *Brand Image* (X2) Questionnaire Validity Test

statement item	r-hitung	r-tabel	Conclusion
1st Statement	0,765	0,195	Valid
2nd Statement	0,706	0,195	Valid
3rd Statement	0,789	0,195	Valid
4th Statement	0,875	0,195	Valid
5th Statement	0,743	0,195	Valid
6th Statement	0,835	0,195	Valid
7th Statement	0,862	0,195	Valid
8th Statement	0,646	0,195	Valid
9th Statement	0,773	0,195	Valid

Source : Primary data processed using IBM SPSS 22 (2022)

Table 4 Results of the *Customer Loyalty* (X3) Questionnaire Validity Test

statement item	r-hitung	r-tabel	Conclusion
1st Statement	0,683	0,195	Valid
2nd Statement	0,708	0,195	Valid
3rd Statement	0,812	0,195	Valid
4th Statement	0,714	0,195	Valid

Source : Primary data processed using IBM SPSS 22 (2022)

The calculation results of the three variables show that each statement is declared valid, because all calculated r values > r table are 0.196 so that they can be used for further research and can measure the ones to be measured.

Reliability Test

In this study, the instrument was declared reliable if the value of Cronbach's Alpha > 0.60. It's mean if the value of the measured variable is more than the value of Cronbach's Alpha (0.60) so the variable can be declared reliable or trustworthy.

Table 5 Results of the Research Questionnaire Reliability Test

Variable	N of Sample	N of Items	Cronbach's Alpha	Information
Experiential Marketing (X₁)	100	12	0,854	Reliable
Brand Image (X₂)	100	9	0,918	Reliable
Customer Loyalty (X₃)	100	4	0,702	Reliable

Source : Primary data processed using IBM SPSS 22 (2022)

Based on the results of analysis in table 5 above, it is known that the results of Cronbach's Alpha values on the questionnaire are above 0.60. This shows that the research instruments used can be trusted or reliable and meet the criteria to be used as measuring instruments in research.

Mann Whitney Differential Test Analysis

To determine the results of the hypothesis test, researchers used the Mann Whitney differential test because they would test two free/independent samples from the same population. The basis for making hypothesis test decisions using the Mann Whitney difference test can be done through a probability approach, the significance used $\alpha=0.05$ with the following conditions:
1.   *P value* (sig) $\geq \alpha$ (0.05): H0 accepted
2.   *P value* (sig) $< \alpha$ (0.05): H0 rejected

Test Results of Different Experiential Marketing Variables

Table 6
Experiential Marketing Variable Hypothesis Test Results

	Experiential Marketing
Mann-Whitney U	2.332
Wilcoxon W	7.382
Z	-6,54
Asymp. Sig. (2-tailed)	0,00

Source : Primary data processed using IBM SPSS 22 (2022)

From table 6 above, Experiential marketing variables obtained a value (sig) of 0.00 < 0.05 or H0 are rejected. This can be interpreted to mean that there are differences in experiential marketing of Starbucks Kambang Iwak and Starbucks Palembang Indah Mall.

Brand Image Variable Different Test Results

Table 7
Brand Image Variable Hypothesis Test Results

	Brand Image
Mann-Whitney U	4.586
Wilcoxon W	9.636
Z	-1,03
Asymp. Sig. (2-tailed)	0,30

Source : Primary data processed using IBM SPSS 22 (2022)

From table 7 above, the brand image variable obtained a value (sig) of 0.30 > 0.05 or H0 is accepted. This can be interpreted to mean that there is no difference in the brand image of Starbucks Kambang Iwak and Starbucks Palembang Indah Mall.

Customer Loyalty Variable Different Test Results

Table 8
Customer Loyalty Variable Hypothesis Test Results

	Customer Loyalty
Mann-Whitney U	3.390
Wilcoxon W	8.440
Z	-4,01
Asymp. Sig. (2-tailed)	0,00

Source : Primary data processed using IBM SPSS 22 (2022)

From table 8 above, the customer loyalty variable obtained a value (sig) of 0.00 < 0.05 or H0 is rejected. This can be interpreted to mean that there is a difference in customer loyalty of Starbucks Kambang Iwak and Starbucks Palembang Indah Mall.

Discussion
Experiential Marketing Differences
The results of this study show that there are differences in experiential marketing between Starbucks Kambang Iwak and Stabucks Palembang Indah Mall. This difference was shown in the Mann Whitney difference test with a value (sig) of 0.00 which means it is smaller than 0.05 (0.00 < 0.05). When associated with theory, experiential marketing is the ability of the product to have an emotional impact that touches the hearts and emotions of its customers (Winahyuningsih et al., 2011). Based on the results obtained through the questionnaire, it shows that Starbucks Kambang Iwak has a better emotional impact when compared to Starbuck Palembang Indah Mall.

This result is in line with (Zhang & Li, 2016) research on experiential marketing differences between IKEA and local products in China, it was found that there are differences between both of them. This research is also in line with research conducted by (Oesman, 2010) which states that there are differences in experiential marketing between Sushi Tei and Tawan.

Brand Image Differences
The results of this study show that there is no difference in the iamge brand between Starbucks Kambang Iwak and Stabucks Palembang Indah Mall. None of this

difference was shown in the Mann Whitney difference test with a value (sig) of 0.30 which means greater than 0.05 (0.30 > 0.05). When associated with brand image theory is the perception and trust held by consumers, which is reflected or embedded in the mind and memory of a consumer himself (K. Keller, 2018). Based on the results obtained through the questionnaire, it shows that the two objects have no difference because the type of brand studied is similar so that the inherent perceptions are the same.

This is contrary to research conducted by (Kusuma & Dewi, 2019) who conducted research on a comparative study of brand image on the Dunkin Donuts and Jco brands in Bandung found that there were differences in brand image between both of them. This research is also in line with research conducted by (Ardika et al., 2019) which states that there are differences in brand images in Asus and Acer laptop.

Customer Loyalty Differences

The results of this study show that there are differences in customer loyalty between Starbucks Kambang Iwak and Stabucks Palembang Indah Mall. This difference was shown in the Mann Whitney difference test with a value (sig) of 0.00 which means it is smaller than 0.05 (0.00 < 0.05). When associated with theory, the concept of loyalty is more towards behavior than attitudes and a loyal consumer will show buying behavior which can be interpreted as a pattern of regular purchases for a long time, carried out by customers (Griffin, 2015). Based on the results obtained through the questionnaire, it shows that Starbucks Kambang Iwak Customer has a better loyalty when compared to Starbuck Palembang Indah Mall Customer.

This result is in line with the research of (Kibria et al., 2016) who conducted a comparative study of 2G and 3G customer loyalty in Dhaka City, Bangladesh found that there was a difference in customer loyalty between the two. This research is also in line with research conducted by (Ali et al,. 2017) which states that there are differences in customer loyalty in five-star hotels in Malaysia and Jordan.

CONCLUSION

The results of this study are about a comparative study of experiential marketing, brand image and customer loyalty of Starbucks Kambang Iwak and Starbucks Palembang Indah Mall conducted on 100 Starbucks consumer respondents in Palembang City. Based on hypothesis testing that has been carried out using the Mann Whitney difference test on the variables of experiential marketing, brand image and customer loyalty Starbucks Kambang Iwak and Starbucks Palembang Indah, it was found that there are differences in experiential marketing and customer loyalty of Starbucks Kambang Iwak and Starbucks Palembang Indah Mall while the brand image has no difference between Starbuck Kambang Iwak and Starbucks Palembang Indah Mall.

LIMITATION AND FUTURE RESEARCH

In this study, the author only used three variables, namely experiential marketing, brand image and customer loyalty. Furthermore, researchers are expected to be able to add variables, especially those related to product innovation and products based on environmentally friendly. The method used in this study was the Mann Whitney

difference test. Further research can also use other methods such as the Paired T-test in comparing two different objects.

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