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Experiential Marketing's effect on Customer Loyalty with Customer Satisfaction as Intervening Variabel

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Abstract:

This study aims to analyze the effect of experiential marketing on customer loyalty with customer satisfaction as an intervening variabel among MS Glow customers in Cikarang. The research adopts an associative approach with 91 respondents selected through purposive sampling. Data were analyze using the SmartPls method. The results show that experiential marketing positively influences customer satisfaction, which subsequently impacts customer loyalty. Furthermore, cutomer satisfaction significantly mediates the relationship between experiential marketing and customer loyalty. This study underscores the importance of effective experiential marketing strategies to enhance customer loyalty by improving customer satisfaction.

Keyword : Experiential Marketing, Customer Loyalty, Customer Satisfaction.

Introduction

The challenges in the world of beauty industry are getting tougher and the development of technology have made the Companies must innovate more to innovate in creating effective marketing strategies to maintain and develop their market share in the face of increasingly tight competitions. Therefore, marketing plays an important role in achieving company goals. In a business, loyal consumers are crucial. The kecantika industry is currently one of the fastest growing sectors. The various kinds of beauty products that have been produced by this sector. The company faces increasingly tight competition to market its items. Manufacturers use various marketing Techniques to make their goods, the choices they like.

A native local skincare brand, for Women and men who like to use skincare products, MS Glow first appeared in Indonesia in 2013 and started to achieve popularity in 2020. This skincare is called halal, safe, and free from harmful components. MS Glow Road Kudmud Abdurrahman Saleh, managed. Asrikaton, Bracken District, Kab. Malang Province of East Java. Indonesian Global Cosmetic company engaged in cosmetic industry by professionals who are in a wide effect and driven by young pekeja who has skills in the field and has unlimited integrity.

MS Glow's presence is to adapt efficiently to marketing tactics. Every business must memprioritaskanstrategi marketing to achieve the goal. This approach is a thorough and methodist markets direct the activities carried out for mencapapi marketing objectives, such as products, costs, places, offers, and services. Therefore, the business world must



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be more thorough in doing this to compete and assess the situation of the market. The decision to choose a cosmetic brand is a difficult process for consumers. Consumers have many factors to consider before buying (Fachrozie et al., 2023)



Figure 1. of best-selling sales of 2022

Based on information and descriptions above the phenomenon of Ms. Glow products. Although there are other rival cosmetic products, the public prefers Ms Glow's cosmetics. But according to data. Based on the sales figures in cosmetics Ms Glow have witnessed a decrease in sales from rival cosmetic companies. Regarding the research that supported the incident, according to Ms Glow's findings saw the decrease in sales as a result of the strict competition caused by many competitors who provided higher quality goods at more affordable and competitive prices.

In general, customer loyalty refers to a person's service to a product, including goods and services. According to (Muhtarom et al., 2022) customer loyalty is customer dedication to the store brand or supplier by considering a significant amount that benefits when making the next purchase. And on the other hand, customer loyalty as a promise to consistently subscribe or buy goods and services from a business despite the influence of goods and services offered by competitors' businesses according to (Robby & Marlina, 2021). According to Dwi Wahyuni (2017), there are five indicators that can be used to measure customer loyalty, namely: 1) re-purchase, which is the act of buying the product more than one time or repeatedly; 2) the habit in using the brand; 3) always felt that the brand is the best; and 5) recommends the person.

Marketing experience is one of many elements of marketing plans that can affect consumer loyalty. According to karuniatama et al. (2020), experiential marketers are a Technique for creating experiences that consumers will have during taking advantage of goods and services through taste, sensations, thinking, acting, and related. Meanwhile, (Manengkey et al., 2019) stated that experiential marketing is a marketing idea that attempts to create loyal clients by attracting their emotions and fostering good perceptions of goods and services. Because they can feel and have direct experience, customers will be able to distinguish products or services from the others thanks to experiential marketing.



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But in achieving that loyalty, businesses must design experiences that will satisfy their clients. Customer happiness is an important characteristic that mediates the relationship between customer loyalty and marketing based on experience, according to previous studies. For example, in research on relations between experiential marketing and customer loyalty by (Kadafi & Novita, 2021) to bring that experiential marketing has a good impact and should be considered for consumer loyalty.

Some previous studies support the relevance of experiential marketing to customer loyalty through customer satisfaction. The research conducted by (Hutabarat & Prabawani, 2020) Experiential marketing gave the opportunity to customers to experience direct experiences, so they can judge feelings of satisfaction or dissatisfaction based on the interactions they experienced. Another study by (Wedanta & Seminari, 2024) also found that Through experiential marketing, the product was marketed using customer experience, both before and after they used products. In this study, the authors hope to achieve several objectives, namely: (1) to describe experiential marketing, customer satisfaction, and MS Glow customer loyalty; (2) learning about the influence of experiential marketing on customer satisfaction at MS Glow; (3) knowing the influence of customer satisfaction at MS Glow; loyalty (4) to the experiential'S loyalty on GLOW).

Customer satisfaction is emotions perceived by the customer, either in the form of pleasure or dissatisfaction, which arise from the comparison between their expectations for a product and an accepted reality. This satisfaction refers to the feeling of pleasure or disappointment that arises when one compares perceptions or impressions to the product with the expectations. Customer satisfaction refers to the customer's view that their hopes have been fulfilled or even passed down (Gerson, 2004). According to (Putra, 2021) consumer satisfaction is one of the main reasons consumers decided to shop somewhere. When consumers are satisfied with a product, they will tend to continue to buy it and use it, as well as share their positive experiences with other people.

In this study, focus will be directed at MS Glow customers in Cikarang, where an analysis will conduct about the influence of experiential marketing on customer loyalty with customer satisfaction as intervening variables. Based on early data collected from MS Glow customer surveys in this region, most customers state that the positive experiences they feel while using MS Glow products and services provide high levels of satisfaction. Still, the level of loyalty shown by customers is still varied, suggesting that other factors, including customer satisfaction, may mediat the influence. Customer satisfaction is needed as a media element to effectively manage studies between experiential marketing and loyalty. When someone compares performance (or results) felt by a product with hope, they may feel happy or disappointed, according to Karuniatama et al. (2020).

Method

Types of Research and Images of the Research Population

This study uses an octive method with 1 (one) free variable, 1 (one) media variable, and 1 (one) bond variable. The variables used in this study include bound variables (dependent), namely consumer loyalty, mediaing variables, consumer satisfaction, and free variables (independent), namely experiential marketing. using purposive sampling technique. This technique was based on determining a sample through certain criteria set by researchers according to certain considerations (Sugiyono, 2013) Criteria of respondents include:



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- 1) Respondents around Cikarang;
- 2) Respondents have used MS Glow product in Cikarang more than once in the past year.

Sample Sampling Technique

The number of respondents used as many as 91 people, is calculated based on the formula according to Hair et al. (Hair et al., 2014), which explains that if the population is unknown, then the determination of the number of samples can be carried out by the following calculations:

N = (5 to 10 x the number of indicators used)

 $N = (7 \times 13) = 91$

Based on this calculation, the number of samples used in this study was 104 respondents.

Data collection is conducted through a questionnaire using Google Form, with a assessment scale of Likert. These scale ranges from one (strongly disagree) to five (strongly agree). The analysis methods used include analysis of the R Square algorithm and bootstrapping path coefficients analysis with SmartPLS, to evaluate the effect of experiential marketing on customer loyalty mediated by customer satisfaction.

Research Instruments

To understand the variables that affect consumer loyalty, can be seen in the research instruments presented in Table 1.

Table 1. Research Instruments

Variable	Indicator	Item
Experiential Marketing is	1. Sense	1. MS Glow product texture when applied to the
the marketing concept that	2. Feel	skin.
promotes products and	3. Think	2. I was satisfied and happy when I was using MS
services by stimulating the	4. Act	Glow product.
emotional aspect of	5. Relate	3. MS Glow product made me think more critical
consumers, thereby		of my skin care needs.
creating a variety of		4. The use of MS Glow product has become part
meaningful experiences		of my daily skin care routine.
for them (Schmitt &		5. The use of MS Glow product has become part
Rogers, 2008).		of my daily skin care routine.
Customer loyalty is a	1. re-buy	1. I often buy MS Glow products repeatedly in a
person's loyalty to a	2.keep choosing	certain period of time.
product, both goods and	the brand.	2. Although there are similar products, I still
services, as well as a	3. Believe the	choose MS Glow products compared to other
certain distribution	brand is best.	brands.
channel (Nosita, 2020).	4. brand the brand	3. I believe that MS Glow is the brand of the most
	is to someone else.	appropriate and best skin care for my needs.



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		4. I often recommend MS Glow to friends, family, or other people who seek skin care products.
Consumer satisfaction is a	1. product quality	1. I feel that MS Glow product is safe and suitable
feeling level experienced	2. quality of	for use for my skin type.
by one when comparing	service	2. The services provided by the MS Glow team
the performance of the	3. emotional	(both online and offline) are very satisfying.
products or services	4. price	3. I feel more confident after using MS Glow
received in their hope		product.
(Lupiyoadi, 2001).		4. MS Glow product price is comparable to the
		quality that I receive.

Result And Discussion

Respondents from this questionnaire consisted of 91 on MS Glow customers in Cikarang who used MS Glow products. Out of the 13 statements with a flat value of 0.8 are considered valid if surpassing 0.5 in terms of customer loyalty. Experiential Marketing has an average of 0.8 and is considered valid if exceeding 0.5. For Customer Satisfaction, a average of 0.79 is considered the original surpassing 0.5, suggesting that Experiential Marketing of loyalty customers contributed to the positive average and passing through the Customer Satisfaction.

Validitas konvergen

	Customer Loyalty	Customer Satisfaction	Experiential Marketing
CL1	0,902		
CL2	0,915		
CL3	0,930		
CL4	0,875		
CS1		0,893	
CS2		0,910	
CS3		0,879	
CS4		0,917	
EM1			0,917
EM2			0,869
EM3			0,824
EM4			0,890
EM5			0,876

Based on the above table, all items of statements have a greater value of loading factor than 0.70, which implies that all items are considered valid converge.



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Validitas Diskriminan

	Customer Loyalty	Customer Satisfaction	Experiential Marketing
Customer Loyalty	0,906		
Customer Satisfaction	0,892	0,900	
Experiential Marketing	0,852	0,892	0,876

The table suggests that the root value of AVE for each variable exceeds the correlation with other constellations, which indicate that all variables are a valid diskriminan.

R-Square

	R Square	R Square Adjusted	
Customer Loyalty	0,812	0,808	
Customer Satisfaction	0,796	0,793	

The table above shows the value of R-Square Adjusted Customer Loyalty variable of 0.808 who shows that the Experiential Marketing variable is able to explain Customer Loyalty's variable of 80.8% which means the model is considered moderate. Meanwhile, the R-Square value of Adjusted Customer Satisfaction variable of 0.793 which shows that the Experiential Marketing variable is able to explain the Customer Satisf action variable of 79.3% which means the model is considered moderate.

Hipotesis

	Path Koefisien	T Statistics (O/Stdev)	P Values
Customer Satisfaction -> Custom Loyalty	ner 0,124	5,235	0,000
Experiential Marketing -> Custon Loyalty	ner 0,129	2,124	0,034
Experiential Marketing -> Custon Satisfaction	ner 0,024	36,763	0,000
Experiential Marketing -> Custon Satisfaction -> Customer Loyalty	ner 0,108	5,368	0,000

The explanation of the table above the following seribon:

- 1. Customer Satisfaction -> Loyalty gets a value's value 0.000 <0.05, so H1 is accepted, namely Customer Satisf action has an effect Loyalty.
- 2. Experiential Marketing -> Loyalty Customer Loyalty obtained a p value of 0.034 <0.05, H2 is accepted, namely Experiential Marketing affects Customer Loyalty.



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- 3. Experiential Marketing -> Customer Satisfaction values 0.000 <0.05, H3 is accepted, namely Experiential Marketing affects the Customer Satisfaction.
- 4. Experiential Marketing -> Customer Satisfaction -> Customer Loyalty earns the value of the 0,000 <, H4 is accepted, namely Experiential Marketing influential on Customer Loyalty through Customer Satisfaction.

Conclusion

This study shows that experiential marketing plays an important role in increasing customer loyalty, especially when mediated by customer satisfaction. MS Glow can utilize experiential marketing's strategy to create positive experiences that improve customer satisfaction, thus strengthening their loyalty to the brand. By understanding this relationship, companies can develop more effective marketing approaches to compete in increasingly competitive markets.

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