

Effect of Experiential Marketing and E-Wom on Brand Trust and Brand Loyalty

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Effect of Experiential Marketing and E-Wom on Brand Trust and Brand Loyalty

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ABSTRACT: During the COVID-19 pandemic, the goal of this research was to see how experiential marketing and e-WOM affected brand trust and loyalty at Starbucks Samarinda. Starbucks customers in Samarinda made up the majority of the study's participants, with 160 people taking part. The data is gathered by asking Starbucks customers in Samarinda a series of questions or filling out a questionnaire. This research is classified as quantitative research. Analysis of the data used is the Structural Equation Model (SEM). Hypothesis testing is done by multivariate analysis which is run through the SmartPLS program. Data analysis through Partial Least Square (PLS) was carried out in two stages, firstly assessing the Outer Model or Measurement Model. The Inner Model, also known as the Structural Model, is evaluated in the second step. According to the findings, the experimental marketing variable has a direct and significant positive effect on brand trust, WOM has a direct and significant positive effect on brand trust, the experimental marketing variable has a direct and significant positive effect on brand loyalty, and the e-WOM variable has a significantly positive effect. to have a direct and significant positive effect on the brand loyalty variable, and to have a direct and significant positive effect on the brand trust variable.

KEY WORD: Experiential Marketing, Word of Mouth, Brand Trust, Brand Loyalty

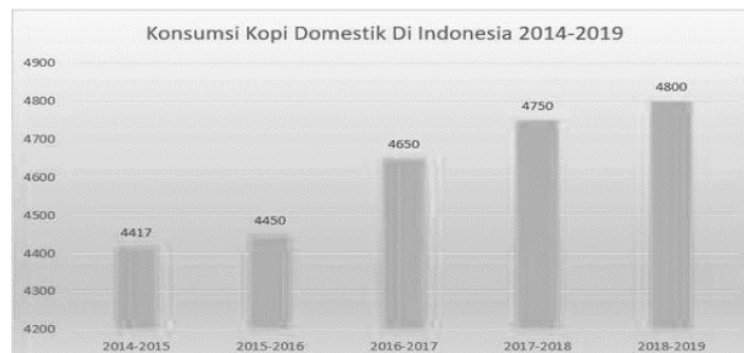
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I. INTRODUCTION AND LITERATURE REVIEW

The coffee business in Indonesia continues to grow into an emerging business that is in great demand by Indonesian coffee lovers. The growth of the coffee shop business in Indonesia is caused by several factors, namely the increasing purchasing power of consumers, the habit (culture) of hanging out with coffee and the presence of social media that makes it easier for coffee shop businessmen to carry out marketing and promotional activities. The increasing purchasing power of consumers accompanied by the high consumption of domestic coffee in recent years has encouraged young people to visit coffee shops. One of them is to go to coffee shops with the grab and go concept in business and shopping centers, such as those owned by Kopi Kenangan, Dunkin, Jco Donut and Ceffe, Kulo, Starbucks and Promise Jiwa.

Figure 1. Domestic Coffee Consumption



Based on the data above, the growth of coffee shops has increased sharply. According to Toffin's independent research, the number of coffee shops in Indonesia has almost tripled compared to 2016, from only 1000 shops to 2950 shops.

However, since the Director General of the World Health Organization (WHO), Tedros Adhanom Ghebreyesus officially declared the corona virus (Covid 19) as a pandemic on March 11, 2020 and spread to almost all parts of the world, the business sector was greatly shaken. In Indonesia, several large and small-scale Food and Beverage businesses have started screaming, due to the drastic decline in turnover. This heavy blow

was felt by Starbucks International, in the second quarter of 2020 posting a loss of US \$ 678.4 million or approximately 9.9 trillion due to the corona virus pandemic.

Based on data from CNN Indonesia in 2020, the Financial Statements for the second quarter of 2020, the price of Starbucks shares fell 5.25 percent, because the company recorded revenues of US \$ 4.2

billion, down 38 percent, compared to the same period in the previous year. Starbucks CFO Patrick Grismer also projects global sales will decline between 12% and 17%. This record of losses has encouraged Starbucks Indonesia to maintain its business during this Covid pandemic, maintaining consumer confidence with various marketing strategies and appropriate marketing communications.

1.1 Experiential Marketing Against Brand Trust

The research of Dewanti et al., (2011) obtained the results that the Experiential Marketing variable has a positive and significant effect on Brand Trust but Experiential Marketing and Brand Trust do not have a positive and significant effect on Brand Loyalty. Emotional Branding variable has a positive and significant effect on Brand Loyalty. Syahdiany & Trinanda's research (2019) found that E-WOM had a positive but not significant effect on Brand Trust, while Customer Experience had a positive and significant effect on Brand Trust.

1.2 E-Wom Against Brand Trust

Research by Charvia & Erdiansyah (2020) results of research stating that E-wom and Brand Experience have a positive and significant influence on Brand Trust. However, Syahdiany & Trinanda's research (2019) found that E-wom had a positive but not significant effect on Brand Trust. Customer Experience has a positive and significant effect on Brand Trust. Mudarifah's research (2020) obtained research results that E-wom has a positive and significant influence on Brand Trust. Lianto's research (2015) found that the E-WOM and Brand Image variables had a positive and significant effect on Brand Trust and on consumer buying interest.

1.3 Experiential Marketing Against Brand Loyalty

Research by Dewanti et al., (2011) obtained research results showing that Experiential Marketing and brand trust have a positive and significant effect on Brand Loyalty. Research by Yacob et al., (2016) the results of the study show that Experiential Marketing has a positive and significant influence on Customers brand loyalty.

1.4 E-Wom Against Brand Loyalty

Research by Praharjo et al., (2016) the results of the study show that there is a positive and significant influence between E-Wom on Brand.

1.5 Brand Trust Against Brand Loyalty

Research by Dewanti et al., (2011) obtained research results showing that Experiential Marketing and Brand Trust have a positive and significant effect on Brand Loyalty. Loyalty and Repurchase Intention.

1.6 Research Objectives

This study aims to analyze the effect of Experiential Marketing on Brand Trust and brand loyalty, then analyze the effect of E-Wom on Brand Trust and brand loyalty.

1.7 Research Methodology and Data Analysis

This research can also be referred to as an observational type of research with a cross-sectional and non-linguistic research design (not serialized or not repeated). The method used in this study is a survey method by interviewing respondents at random who happened to be met without being addressed to the pre-planned target sample. In order for the interview process to be directed and standardized, the questionnaire guide was held by the researcher. This was done in order to make the interview process easier and not burden the respondents to fill out questionnaires which were sometimes considered psychologically burdensome to the respondents. Information or data can be biased if the respondent feels burdened by filling out the questionnaire, so that the respondent wants to end it immediately by filling out quick questions. However, if there are respondents who feel more comfortable with answering the questions in the questionnaire themselves without being guided by the interview, the researcher will provide a list of research questions to the respondent to be filled in while being guided if there is an interpretation of the sentence in the question that has not been understood correctly, or there are multiple interpretations of the statement, and above that will be noted by the researcher to be revised so that there is no bias in understanding. The population in this study involved Starbucks customers in Samarinda. The sampling technique in this study was done by simple random sampling.

Determination of the sample depends on the number of research indicators multiplied by 5 to 10. In this study there were 16 research indicators and used a multiplier of 10, so the sample calculation in this study is as follows:

$$\text{Number of samples} = 16 \times 10 = 160$$

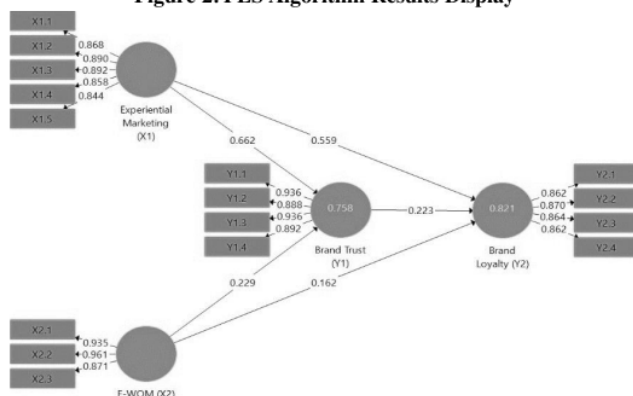
So the number of samples selected ¹⁸ this study was 160 respondents. Sampling in this study used the Cluster technique or Random Sampling and Accidental Sampling. Accidental sampling is taking respondents as a sample based on chance without being designed to target certain respondents beforehand, namely anyone who happens to be met by the researcher and has the probability of buying the product. The criteria for the sample taken are people in Samarinda City who have or are accustomed to consuming Starbucks products. From the specified number of samples, 160 samples, then the distribution (distribution) will use a semi-proportional pattern. The semi-proportional technique is a sample distribution technique in which the number of populations is not known with certainty and the number of samples is determined based on the criteria for the minimum number of samples, namely the number of research indicators multiplied by 5 to 10. After determining the number of samples, the samples are distributed fairly (not necessarily evenly distributed across the population). all areas studied). ¹⁹

The data used in this study is primary data. Primary data is data collected and processed by researchers directly from respondents. In this case the data was obtained through a questionnaire distributed to Starbucks customers in Samarinda City. The measuring instrument used for data collection in this study was a structured questionnaire or a questionnaire with closed questions in the form of a rating scale. A stratified scale where the alternative answers provided are arranged in stages and respondents in providing answers only need to check (□) or cross (x). All questionnaires were adapted from a scale that has been developed by previous research to obtain an instrument that has been proven to be valid and reliable. ¹¹

1.7.1 Evaluasi Measurement (Outer) Model

Evaluation of the measurement model is a stage that aims to evaluate the validity and reliability of the construct. The measurement of the outer model has three criteria, namely: convergent validity, discriminatory validity, and composite reliability. This study consists of five constructs, namely: Experimental Marketing and E-WOM, Brand Trust and Brand Loyalty. There are three stages in using SmartPLS analysis. The evaluation of the measurement of the outer model can be seen in detail in the picture and is described as follows:

Figure 2. PLS Algorithm Results Display



⁶ Convergent Validity aims to determine the validity of each indicator relationship with its latent variable. Convergent validity of the measurement model with reflective indicators is assessed based on the correlation between item scores or component scores with latent variable scores or construct scores calculated by PLS. The convergent validity value is said to be high if it has a correlation of more than 0.70 with the construct being measured.

For research in the early stages of development, ²³ loading value measurement scale of 0.5 to 0.6 is considered adequate (Ghozali, 2006). As for the research will be used limit loading factor of 0.50. Table 5.13 describes the loading factor value of each indicator. The loading factor value > 0.7 can be said to be valid, but the rule of thumbs interpretation of the loading factor value > 0.5 can be said to be valid. From this table, it is known that all the loading factor values of the Experim⁹l Marketing and E-WOM, Brand Trust and Brand Loyalty indicators are greater than 0.70, and the t-statistic value is above 1.96 or has a p-value below 0.05 with Thus it can be concluded that each indicator can be said to be valid and significant to measure the construct.

Table 1. Outer Loading (Mean, STDEV, t-values)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
X1.1 <- Experiential Marketing (X1)	0.868	0.862	0.036	23.883	0.000
X1.2 <- Experiential Marketing (X1)	0.890	0.886	0.025	35.561	0.000
X1.3 <- Experiential Marketing (X1)	0.892	0.878	0.075	11.897	0.000
X1.4 <- Experiential Marketing (X1)	0.858	0.840	0.083	10.312	0.000
X1.5 <- Experiential Marketing (X1)	0.844	0.835	0.043	19.794	0.000
X2.1 <- E- WOM (X2)	0.935	0.922	0.073	12.799	0.000
X2.2 <- E- WOM (X2)	0.961	0.952	0.060	15.962	0.000
X2.3 <- E- WOM (X2)	0.871	0.864	0.035	25.103	0.000
Y1.1 <- Brand Trust (Y1)	0.936	0.932	0.018	50.709	0.000
Y1.2 <- Brand Trust (Y1)	0.888	0.879	0.036	24.427	0.000
Y1.3 <- Brand Trust (Y1)	0.936	0.932	0.020	45.979	0.000
Y1.4 <- Brand Trust (Y1)	0.892	0.886	0.027	33.043	0.000
Y2.1 <- Brand Loyalty (Y2)	0.862	0.856	0.031	27.370	0.000
Y2.2 <- Brand Loyalty (Y2)	0.870	0.858	0.054	16.209	0.000
Y2.3 <- Brand Loyalty (Y2)	0.864	0.846	0.079	10.907	0.000
Y2.4 <- Brand Loyalty (Y2)	0.862	0.854	0.038	22.740	0.000

Source: PLS data analysis results, 2021.

Discriminant Validity serves as proof that the latent construct predicts the size of the block better than the size of the other blocks. Ghozali (2008) states that Discriminant Validity with the reflective indicator measurement model can be assessed from the crossloading measurement with the construct. The indicator is said to be valid if the loading value on the intended construct is greater than the loading value with other constructs, Hussein (2015). The model has good discriminant validity if each loading value of each indicator of a latent variable has the largest loading value with other loading values on other latent variables. The results of the discriminant validity test are obtained as follows:

Table 2. Cross loading

	Experiential Marketing	E-WOM	Brand Trust	Brand Loyalty
X1.1	0.868	0.698	0.787	0.789
X1.2	0.890	0.726	0.765	0.752
X1.3	0.892	0.795	0.768	0.799
X1.4	0.858	0.871	0.708	0.782
X1.5	0.844	0.750	0.730	0.767
X2.1	0.794	0.935	0.678	0.756
X2.2	0.830	0.961	0.730	0.786
X2.3	0.811	0.871	0.830	0.766
Y1.1	0.822	0.775	0.936	0.792
Y1.2	0.754	0.739	0.888	0.714
Y1.3	0.786	0.716	0.936	0.762
Y1.4	0.792	0.737	0.892	0.785
Y2.1	0.804	0.778	0.814	0.862
Y2.2	0.729	0.668	0.641	0.870
Y2.3	0.766	0.699	0.641	0.864
Y2.4	0.785	0.733	0.781	0.862

Source: PLS data analysis results, 2021.

Based on the crossloading value in table 2, it can be seen that all the indicators that compose each variable in this study (the values in bold) have met discriminant validity because they have the largest outer loading value for the variables they form and not for other variables. Thus, all indicators in each variable in this study have met discriminant validity.

Composite Reliability and Cronbach's Alpha, the construct reliability test is measured by composite reliability and Cronbach's alpha from the indicator block that measures the construct. In addition, composite reliability also compares the AVE root value with the correlation between constructs where if the AVE root value is higher than the correlation value between constructs, then good discriminant validity is achieved. In addition, an AVE value greater than 0.5 is highly recommended (Tasha Hoover, 2005 in Ghozali, 2011). Besides that, the construct that is declared reliable if the value of composite reliability and cronbach alpha is above 0.60. The following are the results of testing composite reliability and cronbach's alpha.

Tabel 3. Research Hypothesis Testing Results

Path Coefficients						
Hipotesis	Variabel	Original Sample(O)	Sample Mean(M)	Standar Deviation (STDEV)	T Statistics (IO/STDEV)	P Values
H1	EM -> BT	0.662	0.656	0.087	7.621	0.000
H2	EW ->BT	0.229	0.226	0.085	2.707	0.007
H3	EM -> BL	0.559	0.552	0.093	6.017	0.000
H4	EW -> BL	0.162	0.165	0.079	2.043	0.042
H5	BT -> BL	0.223	0.220	0.076	2.944	0.003

Source: PLS data analysis results, 2021.

Basically in hypothesis testing there is a value in the output result for inner weight which provides information about the relationship between research variables. Hypothesis testing is done by comparing the t-table and t-statistics. The t-table can be obtained from a total of 160 respondents with a significance value of 0.05 and a t-table value of 1.960.

Table 4. Indirect Influence

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (IO/STDEV)	P Values
Experiential Marketing (X1) ->Brand Trust (Y1) ->Brand Loyalty(Y2)	0.147	0.145	0.054	2.727	0.007
E-WOM (X2) -> Brand Trust (Y1) -> Brand Loyalty(Y2)	0.051	0.049	0.025	2.052	0.041

Source: PLS data analysis results, 2021.

Based on table 4 there are research findings regarding the indirect effect with the following description:

The coefficient of the indirect effect of the experimental marketing variable on the brand loyalty variable through the brand trust variable is 0.147, with a t-statistic value of 2.727 > 1.960, and a p-value of 0.007 < 0.05. Therefore, the experimental marketing variable has a significant positive effect on the brand loyalty variable and the role of the brand trust variable as a mediating variable is declared perfect.

The magnitude of the coefficient of the indirect effect of the e-wom variable on brand loyalty through the brand trust variable is 0.051, with a t-statistic value of 2.052 > 1.960 and a p-value of 0.041 > 0.05, meaning that e-wom has a significant positive effect on the brand loyalty variable through brand trust and the role of the brand trust variable as a mediating variable were declared perfect.

1.4 Findings and Interpretation

Berdasarkan penelitian yang telah dilakukan oleh peneliti dengan judul Pengaruh Experiential Marketing and E - Wom on Brand Trust and Brand Loyalty Starbucks Samarinda During the Covid Pandemic Period, the following conclusions were obtained:

The Experiential Marketing variable has a direct and significant positive effect on Brand Trust. Based on the test results, it can be concluded that the first hypothesis is accepted and has a direct influence on the Brand Trust variable

The variable E - WOM has a direct and significant positive effect on Brand Trust. Based on the test results, it can be concluded that the second hypothesis is accepted and has a direct influence on the Brand Trust variable. The stronger the E-WOM, the higher the level of Consumer Confidence in Starbucks.

The Experiential Marketing variable has a direct and significant positive effect on the Brand Loyalty variable. It can be concluded that hypothesis 3 is accepted and has a direct influence on the Brand Loyalty variable. The stronger Experiential Marketing perceived by consumers, the higher consumer loyalty to Starbucks

The E-WOM variable has a direct and significant positive effect on the Brand Loyalty variable. It can be concluded that hypothesis 4 is accepted and has a direct influence on the Brand Loyalty variable. The stronger the E-WOM, the higher the consumer loyalty to Starbucks.

The Brand Trust variable has a direct and significant positive effect on the Brand Loyalty variable. It can be concluded that hypothesis 5 is accepted and has a direct influence on the Brand Loyalty variable. The stronger the Brand Trust, the higher the consumer's Brand Loyalty to Starbucks.

Based on the conclusions obtained, the researchers provide the following suggestions:

Experimental marketing is proven to have an effect on increasing the brand trust of Starbucks Samarinda consumers. To further increase consumer brand trust through experiential marketing, Starbucks Samarinda must prioritize providing new insights and experiences to consumers by introducing new vocabulary

such as tumbler day, family treats promo, tumbler day, literally free on us on social media platforms and outlets. and pay more attention to the starbucks customer community who are members of the starbucks rewards card in order to further increase consumer interest in buying products and applications "starbucks delivers and starbucks cares".

Electronic word of mouth is able to give a real influence on increasing brand trust Starbucks Samarinda. In order to increase brand trust through E-WOM, Starbucks Samarinda must prioritize increasing the popularity of Starbucks products through consumer perceptions which can be seen from the total number of comments posted on the Starbucks platform by social media users. And pay more attention to recommendations and positive comments from social media users about promotions or Starbucks products and content on Starbucks social media platforms that can attract interest and trust to buy products.

Experimental marketing proved to have a direct effect on the brand loyalty variable. To further increase brand loyalty through experiential marketing, Starbucks Samarinda should focus more on the Think indicator by providing new insights and experiences to consumers by introducing new vocabulary related to Starbucks, such as Tumblr Day or Family Treats Promo. In addition, pay more attention to the Starbucks customer community who are members of the Starbucks Rewards Card.

Electronic word of mouth can be proven to have an effect on Starbucks brand loyalty. To further increase consumer brand loyalty through E-WOM, Starbucks Samarinda must prioritize consumer perceptions which refer to online comments on social media that represent the popularity of Starbucks products. And pay more attention to consumer perceptions of expertise when making comments in consumer reviews that will attract other consumers to buy starbucks products.

Brand trust is proven to have a positive and significant effect on brand loyalty. If you want to increase brand loyalty through brand trust, Starbucks Samarinda should prioritize promotional programs during the Covid-19 period which will increase consumer confidence in the quality of Starbucks products with a variety of menus. And pay more attention to creating memorable new experiences both at Starbucks outlets and social media.

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