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The Effect of Experiential Marketing on Consumer Satisfaction and Behavioral Intentions

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Abstract---This research was conducted to analyze the effect of experiential marketing on consumer satisfaction and visitor behavior intentions. The research was conducted at the One-Stop Entertainment Center Atlas Beach Fest Canggu, Bali. The sample for this study was visitors to the One-Stop Entertainment Center Atlas Beach Fest Canggu, Bali around June-October 2022. The sample used was a purposive sampling method of 100 people and used descriptive analysis and the Partial Least Square (PLS) method. The results of the research answer the two hypotheses proposed, namely; experiential marketing has a positive influence on satisfaction (satisfaction), experiential marketing has a positive influence on behavioral intention (behavioral intention). This study has important implications related to aspects that affect visitor satisfaction such as: playground facilities for children, display of food and drinks and waiter service making visitors willing to give positive word of mouth, telling their experiences during their visit and inviting friends to come back.

Keywords---behavioral intention, consumer, experiential marketing, partial least square, satisfaction

Introduction

Experiential marketing comes from the experience economy concept proposed by Pine and Gilmore (1998) stating that there are 4 stages in offering economic value (four stages on offering economic value), including: the function and nature of commodities (commodities), tangible and standardized, namely products. (goods), intangible and need adjustment, namely services (services), and something that can be remembered, namely experiences (experiences). Seller-buyer relationships have also evolved from traders-markets (commodities) for producers-users (goods) to providers-clients (services) for actor-guests (experience). Companies can use experiential marketing in creating satisfaction for their customers (Hollebeek & Rather, 2019). Experiential marketing is a concept by adding elements that can enhance interactions directly related to the five senses through five approaches (Hollebeek & Rather, 2019; Schmitt, 2000; Tsaur et al., 2007). Sensory experience (Sense), Affective experience (Feel), Cognitive-creative experience (Think), Physical experience, behavior and lifestyle (Act), Experience related to culture or reference

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group (Relate). Along with this shift in consumption patterns, it becomes a challenge for companies to be able to offer an experience that evokes emotions (Baker & Crompton, 2000; Cronin Jr et al., 2000).

Araci et al. (2017), proved that experiential marketing, especially on feel and relate, has a positive effect on satisfaction and behavioral intentions such as the desire to repurchase and create positive word of mouth. So in this study we want to know the effect of experiential marketing on behavioral intentions both directly and indirectly. Satisfaction or satisfaction reflects a person's assessment of the performance of his perceived product (or results) in relation to expectations (Kotler & Armstrong, 2010). In the context of the tourism and travel industry Sharma & Nayak (2019); Yoorg & Uysal (2005) visitor satisfaction is important for successful destination marketing as it influences the choice of destination and decision to return. According to Suprapti (2010), understanding consumer behavior is important for marketers to design customer retention and customer satisfaction strategies. It was also revealed that various studies conducted by consumer researchers showed that there was a positive relationship between customer satisfaction and loyalty (Oyserman, 2009; Schmitt et al., 2015).

The extent to which a company is able to offer the desired experience will largely determine its success in the global market (Hollebeek & Rather, 2019). Therefore, this study raises the issue of experiential marketing in influencing visitor satisfaction and behavioral intention at the One-Stop Entertainment Center Atlas Beach Fest Canggu, Bali. The first advantage and appeal of the Atlas Beach Club is the beach festival. Where, visitors can enjoy festival events with a variety of the most interesting events. Sometimes the beach festival event at the Atlas Beach Club is filled by well-known artists in Indonesia, so that it makes visitors feel comfortable while on vacation. Not only that, the visitors will be spoiled by various kinds of live music organized by the management. This is of course very suitable for those of you who want to vacation with friends in Bali while enjoying pop music. The second advantage and attractiveness of atlas beach club is the longest beach bar. Tourists can see firsthand the longest beach bar in Asia at Atlas Beach Club Bali. In addition, visitors will be presented with natural views of the beach in the afternoon and at night which are so beautiful (Skandalis et al., 2019; Sheu et al., 2009).

This research is important so that tourism business people and students can use the right tools to create experiential marketing where the goal is to create good behavioral intentions such as loyalty, positive evaluation of the products offered and the desire to come back. According to Kotler & Armstrong (2010), consumer behavior is the study of how individuals, groups and organizations select, buy, use and dispose of goods, services, ideas or experiences (experiences) to satisfy their needs and desires. From the explanation of the background, it can be formulated the problem of this research is whether experiential marketing affects satisfaction and behavioral intentions (Mehmood et al., 2012; McIntosh & Lobaugh, 2004). In research conducted by Rahardja & Anandya (2010), shows experiential marketing has a positive effect on customer behavior intentions at Timezone game center Surabaya. Research conducted by Tsaur et al. (2007), shows that experiential marketing has a positive influence on the behavioral intention of Taipei Zoo visitors through emotions. Lee & Chang (2012), in his research on tea merchants in Taiwan proves that experiential marketing has a positive effect on customer satisfaction and loyalty. Öztürk (2015), in his research on cosmetic products in Konya proved that experiential marketing has a positive and significant effect on behavioral intentions. The research by Tsai & Yeh (2012) shows that experiential marketing has a positive effect on brand image, customer satisfaction and customer loyalty who use digital cameras (Sitzia & Wood, 1997; Cooper & Artz, 1995).

Research conducted by Ryu et al. (2012) showed that satisfaction has a significant effect on behavioral intentions in Chinese restaurants in the Southeastern state of the United States. In research Hadiwidjaja (2014), states that satisfaction has a positive and significant influence on the behavioral intention of loyal Starbucks Coffee customers in Surabaya Town Square Surabaya. Research Aristya & Atmaja (2017), shows that satisfaction has a positive effect on customer behavior intentions of Aristya Silver, Gianyar. Alkilani et al. (2012), in his research on social networking users in Malaysia proved that satisfaction has a positive effect on customer commitment (Ramadhayani et al., 2022; Dudutari et al., 2022).

Methods

This study uses all visitors to the One-Stop Entertainment Center Atlas Beach Fest Canggu, Bali. Sampling (sampling) from the existing population was carried out by purposive sampling with the aim of obtaining a representative sample according to the specified criteria. This study uses a questionnaire as a research instrument. The measurement scale used is the Likert scale. This research uses Structural Equation Model (SEM) with Partial Least Square (PLS). Research data processing is assisted by the Smart PLS program version 3.0 to test hypotheses and produce a fit model as a general method for estimating path models that use latent constructs with multiple indicators (Ghozali, 2014). PLS as a predictive model does not assume a certain distribution to estimate parameters and predict causality. PLS model evaluation is done by evaluating the outer model and inner model. The outer model

is a measurement model to assess the validity and reliability of the model. Through an iterative process, the algorithm, the measurement model parameters (convergent validity, discriminant validity, composite reliability and cronbranch's alpha) were obtained, including the value of R2 as a predictive model determination parameter. The inner model is a structural model for predicting the causality relationship between latent variables. Through the bootstrapping process, statistical T-test parameters are obtained to predict the existence of a causal relationship (Chao, 2015; Fatmawati & Rahayu, 2018).

Result and Discussion

Table 1 Hypothesis

Variable	Path Coefficient	t-Statistics	Significant	Result
Experiential Marketin Satisfaction	0.735	23.185	0,000	Accepted
Experiential Marketing $\square \square$ Behavioral Intention	0.618	8.213	0,000	Accepted

Primary Data, 2022

Hypothesis testing is done by using t-statistics and looking at the p-value. If the t-statistics value \geq t-table value (1.96) or p-value <0.05, then Ho is rejected and the research hypothesis is accepted. Table 1 shows that experiential marketing has a positive and significant effect on satisfaction with a correlation coefficient value of 0.735, a t-statistics value of 23.185 and a p-value of 0.000 or <0.05, then Hypothesis 1 (H1) is accepted. This shows that the better the perceived experiential marketing, the higher the consumer satisfaction. Experiential marketing has a positive and significant effect on behavioral intention with a coefficient value of 0.618 and a t-statistics of 8.213 with a p-value of 0.000 or <0.05, so Hypothesis 2 (H2) is accepted. This shows that the higher the perceived experiential marketing, the higher the behavioral intention (Hollebeek, 2011; Olii et al., 2016).

Experiential marketing has a positive and significant influence on satisfaction, meaning that the higher the experience or good experience felt by visitors to the Atlas Beach Fest, the more satisfied the visitors will be. Vice versa, the lower the experience or experience felt by visitors, the less satisfied they will be. The test results show that the focus on experiential marketing and satisfaction includes sensory experience (sense), namely the overall color seems pleasant, experiences related to culture and social environment (relate), namely the tagline 'family beach club' makes visitors want to come with family and a design that is considered good makes visitors want to take lots of photos. From a satisfaction standpoint, education or entertainment programs for children such as getting to know tame animals or kite festivals and playground facilities make visitors feel satisfied.

The results in this study are in line with research (Araci et al., 2017; Hadiwidjaja, 2014; Tsaur et al., 2007; Yuliawan & Ginting, 2016). This finding implies that visitors tend to feel more satisfied if experiential marketing or a good experience is fulfilled. Further observations found that the significant influence between experiential marketing and satisfaction in this study was caused by sensory experiences, especially on sight, where pleasant colors, instagramable places make visitors want to take lots of photos as memories, the tag line 'family beach club' makes visitors come with family and when they get there there are playground facilities and many children's activities are offered, this has an impact on feelings of satisfaction.

Experiential marketing has a positive and significant influence on behavioral intention, meaning that the better the visitor's experience, the higher the behavioral intention will be. Vice versa, the less experience visitors have, be it sense, feel, think, act and relate, the lower the visitor's behavioral intention. The test results show that the focus on experiential marketing and behavioral intention includes sensory experience, cultural experience and the social environment, telling experiences during a visit (word of mouth), giving a positive impression about the Atlas Beach Fest and the intention to invite family or friends to visit this place. The results in this study are consistent with research Rahardja & Anandya (2010); Lee & Chang (2012); Tsai & Yeh (2012) and research conducted by Öztürk (2015); Tsaur et al. (2007), these findings imply that behavioral intention will be created if experiential marketing or good experience is fulfilled. Further observations found that the significant influence between experiential marketing and satisfaction in this study was caused by sensory experiences and experiences related to other social environments (relate) making visitors create positive word of mouth and the desire to invite friends to come to the Atlas Beach Fest.

Conclusion

Based on the results of the analysis, several conclusions can be drawn as follows; Experiential marketing has a positive and significant influence on satisfaction, meaning that the higher the experience or good experience felt by visitors to the Flamingo Bali family beach club, the more satisfied the visitors will be. Experiential marketing has a positive and significant influence on behavioral intention, meaning that the better the experience felt by visitors, the higher the behavioral intention will be. Satisfaction has a very important role in influencing the behavioral intention of visitors to be loyal and prioritize the Flamingo Bali family beach club so it is suggested to management to pay attention to satisfaction indicators such as improving service or waiter initiatives in helping or following up visitor needs. The second indicator is offering attractive and affordable food menu packages for visitors in post-pandemic recovery situations. Indicators that must be maintained are educational and entertainment programs for children, good quality food and beverages and clean playground facilities. Management can make employees a very important company asset. It would be very good if they could provide training in foreign language communication skills and excellent service in the framework of preparing for the recovery of tourism conditions which appear to be improving post-pandemic. It is recommended for future researchers to conduct research using the same model but adding new variables such as emotions and brand image.

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