THE IMPACT OF EXPERIENTIAL MARKETING ON WORD OF MOUTH (WOM) WITH CUSTOMER SATISFACTION AS THE INTERVENING VARIABLE

Muhammad, Yessy Artanti

Faculty of Economic, Universitas Negeri Surabaya, Surabaya, Indonesia

Abstract

Indonesia is a country with the biggest Moeslem population in the world, with 85% of its population is Moeslem. The greater development and economy in Indonesia, awareness and ability of Moeslem people in Indonesia to do the fifth pillars of Islam, namely Hajj has been increasing which can be indicated by the raising number of the applicants in 2015. PT Maktour got a predicate from the Ministry of Religious Affairs as the best special haji and umrah organizer and was ranked as the Top Brand Index category travel agency in 2014. This study was to examine the impact of Experiential marketing on Word of Mouth (WOM) with customer satisfaction as intervening variable. The research design used hypothesis testing with a purposive sampling techniques. The respondents in this study were 105 respondents. The data were analyzed using AMOS software 20. The result showed Experiential marketing has a significant on customer satisfaction and WOM.

PENGARUH EXPERIENTAL MARKETING TERHADAP WORD OF MOUTH (WOM) DENGAN KEPUASAN PELANGGAN SEBAGAI VARIABEL INTERVENING

Abstrak


JEL Classification: M3, M31
INTRODUCTION

Indonesia is a country with the biggest Moeslem population in the world, with 85% of its population is Moeslem. The greater development and economy in Indonesia, awareness and ability of Moeslem people in Indonesia to do the fifth pillars of Islam, namely Hajj has been increasing which can be indicated by the raising number of the applicants in 2015, reached 2,519,129 which exceed quota limit has been set as many as 1,688,000 (www.kemenag.go.id).

Industry competition of special travel agency, especially umrah and hajj travel agency in Surabaya is getting tougher, the Ministry of Religious Affairs recorded 75 hajj and umrah travel agencies in Surabaya that are listed in the Ministry of Religious Affairs. Having sense of competitiveness, company that can survive is a company that has ability to give a satisfaction to customer, then it will give positive impact for the company both long term and short term. As a result, customer loyalty can be gained.

According to Lupioyadi and Hamdani (2013), service quality that is given by company give external benefits for the company, creating customer satisfaction and loyalty. After purchasing the products and service, customer will evaluate which has two possible results, satisfaction and unsatisfaction towards the products and service. This unsatisfaction of customer will make the customer goes to the other or not repurchase the same brand. On the contrary, customer who gets satisfaction of the brand will make repurchase in the future (Farida, 2014). Sallam (2015) stated that customer satisfaction is the main key of relationship between company and customer. According to Zeithaml and Bitner (1996), Griffin (2005), Baloglu (2009), customer loyalty measured using some indicators, one of them is recommending the products or service to other people or Word of Mouth (WOM).

WOM is a statement (personal or non-personal) delivered by other people apart from organization to customer (Tjiptono, 2014). He says that the purpose of running business is to create customer satisfaction. Satisfaction is a person’s feeling of pleasure or dissapointment which resulted from comparing a product’s perceived performance or outcome against his/her expectations (Kotler & Keller, 2009). Irawan (2009) stated that there are five factors to create satisfaction; they are product’s quality, service quality, price, emotional, and feasibilty. In long term, satisfaction level will give many benefits for the company. The satisfied customer will tell positive experience through Word of Mouth (positive WOM) and will be as running and speaking advertisement for the company (Lovelock & Wright, 2007). This result was supported by Putri and Suhariadi (2013) which claimed that satisfaction has positive significant on WOM. Jan (2013) explained that satisfaction has positive impact on WOM.

The initial marketing only concentrates on features and benefits for customer or named as traditional marketing. Traditional marketing views consumers as rational decision-makers who care about functional features and benefits (Schmitt, 1999). Consumers need more than the core benefits of products so marketer or company should create a product or service quality which are able to make an unforgettable sensation and experience (memorable sensation) on emotional side of customer, it is called as Experiential marketing. Experiential marketing is a concept of marketing which has aims to create a loyal customer by touching customer satisfaction and giving positive feeling on sevices and products (Kartajaya, 2010).

Experiential marketing came up from Schmitt’s idea (1999). Experiential marketers views consumers as rational and emotional human beings who are concerned with achieving pleasurable experiences, that marketers can create for customers are distinguished: sensory experiences (sense); affective experiences (feel); creative cognitive experiences (think); physical experiences, behaviours and lifestyles (act); and social-identity experiences that result from relating to reference group or culture (relate). Those are expected to create impressing and holistic experiences for consumers and finally can crea-
Experiential marketing has many benefits for company, such as to survive in a tight competition, to avoid price war, to get profit from loyal customers and to encourage customers to do WOM. It is consistent with research conducted by Kailani and Ciobotar (2015) which stated Experiential marketing has positive effect on WOM. Meanwhile, according to Lin (2012) stated that variable of Experiential marketing has positive effect on WOM. Because of hajj quota restriction, it resulted in the large number of pilgrims who have to wait longer. Based on data from MORA (2015), hajj quota given to Indonesia is 168.000 for all provinces in Indonesia (website www.kemenag.go.id/2015).

The highest hajj quota is in East Java, 33.935 with the highest applicants reaching 586.879 people. More, average of hajj waiting list in Indonesia is 17 years or until 2032. However, it differs from umrah. Government does not restrict the quota so it makes a lot of people prefer doing umrah. According to http://news.manasik.info.com/2013 elucidated that there is an increasing umrah pilgrims in Indonesia every year.

One of special hajj and umrah travel agency which offers marketing strategy of experiential marketing is PT. Maktour Umrah and Haji Khusus. Maktour is a company which running special hajj and umrah management. Some facilities given by Maktour to the pilgrims for example, five-star hotel as a accommodation, transportation, food, and other facilities. It also offers various program for umrah, such as umrah manasik (rituals) and musahabah (spiritual cleansing). Maktour now develops rapidly, it was choosen as the best special hajj and umrah organizer from 1997-2001 based on Accreditation of the Ministry of Religious Affairs.

Maktour is the first rank of Top Brand Index in 2014 with TBI value is 19.8% and the second rank is Shafira Tour with TBI value is 7.2%. One of the reason of this success is the implementation of service quality which is provided as well as marketing strategy of experiential marketing.

Based on the phenomenon, it is important to conduct research to analyze the impact of experiential marketing on WOM with customer satisfaction as intervening variable. The purpose of this study is to examine the impact of experiential marketing on WOM with customer satisfaction as a intervening variable.

**Hypothesis Development**

**Experiential Marketing and Customer Satisfaction**

Schmitt (1999) explained that experiential marketing is an approach to make customers having experiences through sense, feel, think, act and relate toward certain brand and company. Experiential marketing does not only communicate the features and benefits of the products, but also combine the products and services with unique and interesting experience. It is as mentioned in the research conducted by Greg (2004), experiential marketing is kind of tools to create WOM. Experience can be encouraged by providing resources beyond the limit of products or services offered, a codified buzz where WOM is the result of company strategy.

Based on those definitions, it can be concluded that experiential marketing is a marketing concept which is made to create customer experience on company. Through its element (sense, feel, act, think, relate), it can enhance consumer expectation to the real experience obtained by consumer so it is able to create customer value to improve consumer loyalty in long term and creating WOM.

Schmitt (1999), Experiential marketing is identified through the following indicators, sensory experiences (sense); affective experiences (feel); creative cognitive experiences (think); physical experiences, behaviours and lifestyles (act); and social-identity experiences that result from relating to reference group or culture (relate). The hypothesis is formulated as follows:

**H1:** There is an impact of experiential marketing on customer satisfaction.
Customer Satisfaction and Word of Mouth (WOM)

Satisfaction is defined as an effort to fulfill anything to make it adequate (Tjiptono, 2014). Customer satisfaction is a person’s feeling of pleasure or disappointment after comparing the performance or result with previous expectation (Azizah, 2012). Engel et al. (1995) views satisfaction as post-consumption evaluative judgement of a chosen alternative at least fulfill or over the expectation. Furthermore, Kotler and Keller (2009) stated that satisfaction is person’s feeling of pleasure or disappointment which resulted from comparing a product’s perceived performance or outcome against his/her expectations. If the performance is under expectation, consumer will be unsatisfied. If the performance is more than expectation, consumer will be very happy or satisfied. Based on those definition, it can be concluded that customer satisfaction is a difference/discrepancy between expectation before purchasing with performance or result after purchasing.

Indicator parameter of customer satisfaction in this research is measured using indicator by Azizah (2012) which is adjusted to research object, they are: (1) a sense of pleasure, (2) being certain, (3) being satisfied, (4) being comfortable, (5) satisfaction that cannot be obtained elsewhere. The hypothesis is formulated as follows:

H2: There is an impact of customer satisfaction on WOM

Experiential Marketing and Word of Mouth (WOM)

WOM is a statement (personal or non-personal) delivered by other people apart from organization to customer (Tjiptono, 2014). Hasan (2008) said that WOM is part of promotion strategy in marketing activity by involving satisfying people to stimulate other people in order to improve product awareness and produce certain sale level. A powerful emotional responses like trust, encourages someone to give positive comment about their service provider (Nuryanto, 2012). More, Assael (2004) describes WOM as a private communication between two or more individuals, for instance between costumer and seller or among members of a group. Based on those definition, it can be concluded that WOM is a statement or information about a product or service that is delivered to other people.

Hananing (2011) stated that WOM is measured by: saying positive things related to the products and services, suggesting other people to join, recommending other people about the products and services, persuading other people to join. WOM measurement in this research used these indicators: saying positive things about company to other people, being excitement to give recommendation, persuading other people to have service in the same place, and encouraging friends and relatives to do business with the company (Bloemer et al., 1999; Taghizadeh et al. 2013; Kailani & Ciobotar, 2015). The hypothesis is formulated as follows:

H3: There is an impact of experiential marketing on WOM

Experiential Marketing, Word of Mouth and Consumer Satisfaction

Experiential marketing which is included into one of driven factor of customer satisfaction is an emotion, as basis of customer satisfaction to create sensation and unforgettable experience (Irawan, 2009). Satisfying customer usually still be loyal for longer time and upgrade the old products, say a good things to other people about company, products or service (Kotler & Keller, 2009). Satisfying customer also tends to give a good referee for the products and service to other people (Lupiyoadi and Hamdani, 2013). Smilansky (2009) stated that experiential marketing has several advantages for the company, such as driving WOM.

Research conducted by Yuan and Wu (2008); Oeyono and Dharmayanti (2013) showed that experiential marketing has positive impacts on customer satisfaction. In addition, result of research from Ardani and Suprapti (2012), Putri and Suhariadi (2013) concluded that satisfaction has positive and significant
impacts on WOM. While direct impact of Experiential marketing on WOM, refers to Lin (2012); Kailani and Ciobotar (2015).

Figure 1. Research Model

METHOD

This research is a quantitative study which used hypothesis testing as the research design to test the hypothesis and explain the phenomena of experiential marketing influencing on WOM with customer satisfaction as intervening variable.

Purposive sampling was used as the method of sample collection using regular umrah pilgrims as the criteria of respondents instead of plus umrah category, ranging from 19-50 years old. It was adjusted with segmentation of PT. Maktour Umrah and Haji Khusus. There were 105 respondents in this research. Data primer was used through questionnaire.

This research used three variable which consist of independent variable, intervening variable and dependent variable. The independent variable is experiential marketing, the intervening variable is customer satisfaction and the dependent variable is WOM.

Experiential marketing is a marketing concept which is made to create customer experience on company. To measure experiential marketing, indicator from Schmitt (1999) which is adapted with the research object was used: (1) sense, (2) feel, (3) think, (4) act, and (5) relate.

Customer satisfaction is a difference/discrepancy between expectation before purchasing with performance or result after purchasing. Indicator parameter of customer satisfaction in this research is measured using indicators by Azizah (2012) which is adjusted to research object, they are: (1) a sense of pleasure, (2) being certain, (3) being satisfied, (4) being comfortable, (5) satisfaction that cannot be obtained elsewhere.

WOM is a statement or information about a product or service that is delivered to other people. The writer combine the measurement of WOM indicator from several researchers; Bloemer et al. (1999), Hananing (2011), Taghizadeh et al. (2013), Kailani and Ciobotar (2015) which is adjusted with research object: (1) saying positive things about company to other people, (2) being excitement to give recommendation, (3) persuading other people to have service in the same place, (4) encouraging friends and relatives to do business with the company.

Measurement scale used is Likert scale. It is a scale which is broadly used to ask the respondents to give mark of agreement or disagreement level on each of statement about stimulus object. It has 1 until 4 scale weight, (1) strongly disagree, (2) disagree, (3) agree, (4) strongly agree (Maholtra, 2009). Path analysis was used to analyze the data.

After having validity test, it was noticed that all statements in indicator for experiental marketing, satisfaction and WOM variable has greater value of corrected item-total correlation than R table value (0.30). It shows that indicator from each variable is valid or can be used to measure research variable correctly. Then, through reliability test, it has the value of cronbach’s alpha for each variable, which is greater than 0.60. It can be concluded that all variable has a good reliability.

RESULT AND DISCUSSION

Before doing the path analysis, normality, linearity and outlier test was done. Based
on the result of analysis using AMOS 20. It was obtained 0.377 as the result of multivariate normality, which is between -2.58 until 2.58. It can be concluded that assumption of multivariate normality has been fulfilled. Based on linearity and outlier test, it is known that the significance value of experiential marketing, WOM and customer satisfaction is less than 0.05 or 0.000 < 0.05. Beside that, relationship of experiential marketing, WOM and customer satisfaction is also linear and value of $p^2$ does not show less than 0.05. Hence, overall it can be concluded that the data is feasible to be used in the next estimation.

Based on the first until fourth hypothesis, it is got the value of CR and probability are less than 0.05. It showed that experiential marketing and customer satisfaction has significant impact on WOM variable or it can be concluded that the first until fourth hypothesis is accepted. After knowing the impact of one variable to other variable, then it can be seen the direct effect, indirect effect and total effect of dependent variable towards independent variable, which can be seen in Table 1.

According to Table 1, it can be seen that there is significant value of direct effect, indirect effect and total effect from each variable. Besides of that, to test significance of indirect effect coefficient (mediation), Sobel test, as the software developed by Sobel (1982) was used in this research. The result of Sobel test is shown in the Table 2. Based on Table, it is recognized that the significance value of experiential marketing probability is 0.000 ($p \leq 0.05$). It showed that the variable of experiential marketing has significant effect on satisfaction and WOM, which means that mediation test through sobel test is accepted. The result of path analysis can be seen in Figure 2.

![Figure 2. Result of Path Analysis](image)

**Demographic Characteristic of Respondents**

Description of the respondents’ characteristics by demography is viewed through gender, age, jobs and information about Maktour, accordance with the results of a questionnaire that had been distributed by the researcher. Re-

| Table 1. Standardized Direct Effects, Standardized Indirect Effects, and Standardized Total Effects |
|---|---|---|
| Experiential Marketing | Customer Satisfaction |
| Standardized Direct Effect | 0.584 | 0.000 |
| Standardized Indirect Effect | 0.497 | 0.423 |
| Standardized Total Effect | 0.247 | 0.000 |

| Table 2. Result of Sobel Test |
|---|---|---|
| Experiential Marketing | Sobel Test | 6.600 | 0.36 | 0.000 |
sults based on the demographic characteristics of respondents can be seen in Table 3. The majority of respondents in this research is female, working as self-employed/private employees, having > 46 years old, and got Maktour information from the family.

Table 3 Respondents’ Characteristic by Demography

<table>
<thead>
<tr>
<th>Respondents’ Characteristic</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>63 (60.6)</td>
</tr>
<tr>
<td>Male</td>
<td>41 (39.4)</td>
</tr>
<tr>
<td>Total</td>
<td>104 100</td>
</tr>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>16-25 years old</td>
<td>11 (10.6)</td>
</tr>
<tr>
<td>26-35 years old</td>
<td>21 (20.2)</td>
</tr>
<tr>
<td>36-45 years old</td>
<td>29 (27.9)</td>
</tr>
<tr>
<td>&gt;46 years old</td>
<td>43 (41.3)</td>
</tr>
<tr>
<td>Total</td>
<td>104 100</td>
</tr>
<tr>
<td>Job</td>
<td></td>
</tr>
<tr>
<td>Students</td>
<td>8 (7.7)</td>
</tr>
<tr>
<td>Civil servants</td>
<td>13 (12.5)</td>
</tr>
<tr>
<td>Housewife</td>
<td>32 (30.8)</td>
</tr>
<tr>
<td>Self Employed/Private Employees</td>
<td>51 (49.0)</td>
</tr>
<tr>
<td>Others</td>
<td>0 (0)</td>
</tr>
<tr>
<td>Total</td>
<td>104 100</td>
</tr>
<tr>
<td>Maktour information</td>
<td></td>
</tr>
<tr>
<td>Friends</td>
<td>33 (31.7)</td>
</tr>
<tr>
<td>Website</td>
<td>17 (16.3)</td>
</tr>
<tr>
<td>Family</td>
<td>43 (41.3)</td>
</tr>
<tr>
<td>Electronic media</td>
<td>11 (10.6)</td>
</tr>
<tr>
<td>(adv, magazine, newspaper, etc)</td>
<td>0 (0)</td>
</tr>
<tr>
<td>Total</td>
<td>104 100</td>
</tr>
</tbody>
</table>

Result of Hypothesis Testing

Result of the first hypothesis showed that experiential marketing has positive effect on customer satisfaction directly, with value of 7.293 > 2.00, value of significance probability is 0.000 (p ≤ 0.05), and value of standard regression weight is 0.037. This result supports theory from Irawan (2009), that in determining level of customer satisfaction, there are five drivers of customer satisfaction, one of them is emotion. In this case, experiential marketing is included into one of the driving satisfaction; emotion. The result also supports Yuan and Wu (2008), stated that experiential marketing influences simultaneously on customer satisfaction.

Otherwise, based on the second analysis, the result showed that customer satisfaction has positive impact on WOM directly with value of 6.076 > 2.00, value of significance probability is 0.000 (p ≤ 0.05), and value of standard regression weight is 0.058. This research supports theory from Kotler and Keller (2009) satisfying customer usually still is loyal for longer time, repurchase when company introduce and upgrade new products, say good things about company, products or service. The result of second hypothesis is also inline with research conducted by Ardani and Suprapti (2012) which claimed that satisfaction has positive and significant impact on WOM.

Result of the third hypothesis showed that experiential marketing has positive impact on WOM directly with value of 7.134 > 2.00, value of significance probability is 0.000 (p ≤ 0.05), and value of standard regression weight is 0.027. This research supports the theory of Smilansky (2009), declared that experiential marketing has many benefits for company (encouraging WOM). This research also supports research by Lin (2012) which stated that experiential marketing has positive impact on WOM.

Finally the result of this research shows that experiential marketing has an impact on WOM with customer satisfaction as intervening variable. It can be seen from indirect effect of experiential marketing variable on WOM with satisfaction as intervening variable. It means that the fourth hypothesis is accepted.

Through experiential marketing done by PT. Maktour, the pilgrims are satisfied with facilities given when they do umrah. Experience which touch the emotional side is to improve pilgrims’ satisfaction, involving elements of sense, feel, think, act and relate. The strategy applied by the company proved to be successful to make pilgrims to tell positive things to others on their experience using the services of umrah, recommending and advising Maktour to others.
if they will perform Umrah and encouraging others to join in doing rumrah through Maktour. It is highly advantageous for Maktour because it can increase the number of new customers without the cost of promotion.

This research supports the research of Smilansky (2009), experiential marketing has several advantages for the company, such as driving WOM. Satisfying customer also tends to give a good referee for the products and service to other people. As stated by Yuan and Wu (2008), experiential marketing influences simultaneously on customer satisfaction. Lin (2012) stated that experiential marketing has positive impact on WOM, while Ardani and Suprapti (2012) declared that satisfaction has positive and significant impact on WOM. This research supports all of those previous studies.

CONCLUSION AND RECOMMENDATION

Based on discussion and result aforementioned, it can be concluded that variable of experiential marketing has positive and significant impact on satisfaction, variable satisfaction has positive and significant impact on WOM, variable of experiential marketing has positive and significant impact on WOM, variable of experiential marketing has positive and significant impact on WOM with customer satisfaction as the intervening variable.

Some suggestions can be put forward for PT. Maktour, such as providing character building Maktour to all officers of Maktour through ESQ training and other technical training as well as providing further dissemination to the muttawif provided especially in terms of softskill and hard skill quality of muttawif can be increased. In this case, Maktour can do the monitoring and evaluation of programs and services that are being done.

In this research, there are variables that can affect the results of research, it is quality of service. The results showed that variable of experiential marketing has enough correlation to variable of customer satisfaction. Further research can examine variable of service quality, due to variable of quality of service is including into one of the driving factors of satisfaction, the higher level of perceived satisfaction, the higher the level of WOM will be generated. In addition further research is recommended if other researchers want to examine variable of experiential marketing to be more specific in the selection of appropriate indicators and to develop items for the variable experiential marketing statements describing consumer behavior in more detail.

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