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THE INFLUENCE OF BRAND EXPERIENCE AND SERVICE QUALITY TO CUSTOMER LOYALTY MEDIATED BY CUSTOMER SATISFACTION IN STARBUCKS COFFEE MALANG

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ABSTRACT

This study discusses the effect of brand experience and service quality on customer loyalty mediated customer satisfaction. The purpose of this study was to determine and analyze in depth the effect of brand experience and service quality on customer loyalty mediated customer satisfaction at Starbucks Coffee Malang. Analysis of the data in this study using Smart PLS. This study found that the loyalty and brand experience influence the improvement of service quality on customer loyalty. Furthermore, the loyalty and brand experience influence the improvement of service quality on customer loyalty, brand experience also influence the improvement of service quality on customer loyalty. In addition, it found that the loyalty and brand experience influence the improvement of service quality on customer loyalty. Starbucks Coffee Malang consistently need to monitor the brand experience and the quality of services provided to consumers in order to make more and more consumers loyalty and certainly will lead to benefits for the company.

KEYWORDS: Brand Experience (Sensory, Affection, Behavior, Intellectuals), Quality of Service (Reliable, Responsiveness, Empathy), Loyalty, Customer Satisfaction.

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INTRODUCTION

Along with the growing age, people of the city at this time has undergone a change in lifestyle. One of the manifestations of today's modern lifestyle is the habit of certain groups of people hanging out in the cafe or coffee shop. Starbucks Coffee is a coffee shop network of US-based Seatlle, Washington. Starbucks Coffee is the largest coffeehouse company in the world, with 15 012 shops in 44 countries. Starbucks sells coffee, espresso-based hot drinks, other hot and cold drinks, snacks, as well as cups and coffee beans. Starbucks coffee was first opened in 1971 in Seatlle by Jerry Baldwin, Zev Siegle, and Gordon Bowker. The first Starbucks outside Seatlle is in Vancouver and Chicago in 1987 while the first branch outside North America is located in Tokyo,

Companies that have a future view to advancing their business needs to consider various aspects in achieving excellence. The changing nature of today's market is from sellers market into a buyers market, resulting in the consumer becoming increasingly powerful in the market, and increasing competition in the business. Hence the business owners and

business people should be able to formulate business strategies that can address those impacts, it is necessary for the survival of the business is managed.

Brand experience holds promise the company to consistently provide characteristics, benefits, and certain services to consumers. In addition, if the quality can provide functional benefits to consumers, so the brand can provide additional benefits that are more emotional and psychological related to the consumer, such as prestige, confidence, hope, pride, and others. Therefore put the brand as one of the components of asset competitive advantage, in addition to quality and price is the right strategy. Moreover, if manufacturers can manage all three correctly, it will create a synergy that mutual support among the three, and the synergy in turn can provide advantages for the company in competition (Kusuma, 2014).

According to marketing expert customer satisfaction and loyalty is influenced by the assessment of the results, the interaction and the quality of the physical environment. Customer satisfaction also depends on many factors such as product or service features, consumer emotion, attributes the success or failure of services, perceptions of fairness and justice as well as other consumers such as family members or coworkers (Zethaml, 2006). On the other hand, customer satisfaction can also have an impact on loyalty, their satisfactory service to customers becomes a more important part in increasing loyalty.

Consumer satisfaction is feeling happy or disappointed someone arising from comparing the perceived performance or results against the expectations of consumers of products and services produced. The creation of customer satisfaction can provide a variety of benefits, including the relationship between the company and customers into a harmonious, providing a good basis for the re-purchase and creation of customer loyalty and establish a word of mouth recommendation favorable to the company. Providing customer loyalty as a commitment which is held in sufficient depth to support the repurchase or preferred products or services, thus causing heavy customers to switch to other products and services (Kotler, 2016).

LITERATURE REVIEW

Relationships brand experience customer loyalty evidenced by Surya (2014) to get the result that the overall brand experience does not have a significant relationship with customer loyalty. The study then describes the significant influence of service quality on customer loyalty. Research conducted Iskandar (2013) resulted in no significant effect on the brand experience with loyalty, then the results of his research further states brand experience and satisfaction jointly effect on loyalty.

Then, according to Lara (2017), dimensional brand experience consists of four dimensions:entertainment, educational, esthetic, and escapist entertainment has proved that a significant relationship to consumer loyalty. Then educational nothing to do with consumer loyalty, for esthetic is also no correlation with consumer loyalty, and escapist have a significant relationship to consumer loyalty. The variable quality of service study proves that there is significant influence of service quality on customer loyalty.

Starbucks Coffee Shop is a company that already has a very strong brand, and consume coffee products is an old phenomenon that exists in human life, according to one coffee consultant in Indonesia, "Now almost all corners of the city can be assured there is a coffee shop. Usually, visitors will linger at the coffee shop for a cup of coffee, pastries, and talk or chat ", (Taroepratjeka, 2013)

Market leader position held by Starbucks Coffee, arguably the sweet fruit of human technology strategies that have been formulated. The purpose of this strategy is that Starbucks Coffee prefer to use the emotional approach in its marketing. For the coffee mania in Malang. Starbucks Coffee has the distinct impression that is considered capable of providing an emotional attachment to the customers. There are quite a lot of factors that underlie the assessment of customer satisfaction and lovalty, so companies need to carefully examine it. Attention to the brand experience and service quality is one of the strategies that can be undertaken by the company to improve the competitive position.

Research Rivan (2015) stated brand experience consisting of sensory, affective, intellectual, and behavioral prove to sensory, affective and behavioral has a significant relationship to consumer loyalty. While intellectual nothing to do with loyalty. For variable quality of service overall research proves there is significant influence of service quality on customer lovalty.

The concept of brand is one fairly important part of the first phase of creation of products and services. In developing a marketing strategy for individual products, sellers must face the decision to give the brand a major problem in the product and services strategy. Develop branded products require spending a great long-term investment, particularly for advertising, promotion, and packaging. A brand is essentially a seller's promise always mamberikan set of special features, benefits, and services to buyers, (Kotler, 2016).

Always bring the best brand quality assurance, could even constitute a complex symbol. The challenge in branding is to float a package of deep meaning for the brand. According to Kotler (2016) deep meaning of a brand can be known if all six dimensions of the brand, such as the attributes, benefits, values, culture, personality, and users can be visualized.

Brand is very important, because the brand management is the process to control everything done and said by the brand, as well as a way of perceiving the process. Brand intangible assets and tangible, makes it relatively difficult to be imitated by competitors. If managed properly will provide benefits for the corporation that owned, among others, can be used as a means of differentiating products company with competitors, open access more easily to the market and new industries, providing sales ratio, and bring profit that is sustainable, (Rangkuti, 2008).

According Brakus et al (2009) Brand experience is defined as sensations, feelings. cognition and consumer response generated by the brand, associated stimuli generated by the brand design, brand identity, marketing communications, people and the environment are marketed brands. In order to define more about the brand experience,

According Brakus et al. (2009) there are four dimensions of brand experience is a sensory dimension, creating an experience through sight, sound, touch, smell, and taste. Then affection, feeling approach to influence moods, feelings and emotions. Then behavior, create a physical experience, patterns of behavior, lifestyles of consumers. Intellectual is the dimension of the latter is to create an experience that encourages consumers involved in thinking carefully about the existence of a brand.

Brand experience or the brand experience is conceptually different from that of other brands, because the brand experience is a concept that describes the customer relationship with the brand that is formed on the responses subjectively, internal (feelings, sensations, and knowledge) and customer behavior is influenced by stimuli associated with and is part of the design and brand identity, packaging, communication and environment (Brakus et al, 2009).

Services (services) are activities, benefits or satisfaction offered for sale, or service is an activity that can be identified separately are essentially no palpable (intangibles), which is the fulfillment of the needs and should not be tied to the sale of products or services of others, to produce services may need or may not be necessary to use real objects (tangibles). However, even though the use of objects that need, but there is not any transfer of ownership of the object (Lamb, 2008).

Quite a lot of different opinions about the definition of quality, because quality has a relative measure of a good or service is considered of attributes, design and suitability for buyers. According to Deming in Supranto et.al (2011) quality is defined as appropriate, in accordance with requirements, free of irregularities, and so on. According to Lamb et al (2006) give a sense of quality as the overall shape and characteristics of the products or services that support the ability to meet the needs promised.

Quality and customer satisfaction are closely related, therefore, the quality of giving a boost to consumers to establish a strong bond with the company. In the long term, these bonds allow companies to understand thoroughly the expectations of consumers and their needs. Thus, companies can increase customer satisfaction where the firm maximizes the consumer's experience a pleasant and meminimum consumer experience less enjoyable.

In the end, customer satisfaction to create loyalty to the company that provides satisfactory quality, Kotler (2016) states that: "the satisfaction is feeling happy or disappointed someone who comes from a comparison between her impression of the performance (yield) of a product with expectations". According to Lamb (2006), "states that loyalty is an old word that is usually used to describe the loyalty and obedience to the state, movements or individuals." Loyalty is used in a business context, to describe the willingness of customers to continue to use the products or services of the company in the long term.

Consumer loyalty is customer loyalty that is presented in a consistent purchase of the product or service all the time and there is a good attitude to recommend other people to buy the product. The real indication of loyalty required a measurement of the attitudes combined with a measurement of the behavior. There is a renewal in this study is their customer satisfaction mediating variables that affect the relationship between brand experience and loyalty, as well as quality of service and loyalty. The renewal is based on research conducted by Alexander et al. (2013) and Paramita et al. (2016). Lara et al. (2017) mentions that the brand experience has a significant impact on customer loyalty, which means that when consumers have a good experience on the brand, the consumer will also have a high loyalty. While the research conducted Ramaseshan (2014) in his study mentions that brand experience have no significant effect on loyalty.

This research is the development of some previous studies that have pointed out above, by taking the title: "The Influence Of Brand Experience And Service Quality To Customer Loyalty Mediated By Customer Satisfaction In Starbucks Coffee Malang".

the formulation of the problem that will be investigated is whether the brand experience affect the increase in customer loyalty Starbucks Coffee Malang? Is the quality of service affect the increase in customer loyalty Starbucks Coffee Malang? Are brand experience affect the improvement of customer satisfaction Starbucks Coffee Malang? Is the quality of service affect the improvement of customer satisfaction Starbucks Coffee Malang? Is influence consumer satisfaction increase customer loyalty Starbucks Coffee Malang? Are brand experience affect the increase in customer loyalty mediated by customer satisfaction Starbucks Coffee Malang? Is the quality of service affect the increase in customer loyalty mediated by customer satisfaction Starbucks Coffee Malang?

METHODS

This research is an explanatory research with a quantitative approach. Explanatory research is research that explains the causal relationship between the variables through hypothesis testing research is called research hypothesis or research explanation. This research method can be used with more terms and more comprehensive than other methods and provide cutting edge information that is beneficial to the development of science (Denscombe, 2007).

Place of research carried out at Starbucks Coffee Malang City Point Floor 1. When the study was conducted from March to April 2018. The population used in this study is a customer of Starbucks Coffee in Malang. The samples in this study are customers who come to Starbucks Coffee in Malang. In this study, using sampling techniques are non-probability sampling. Sugiyono (2008), states that the selection of the sample by using Non Probability Sampling researchers can at will or consciously decide whether the elements into the sample. This means that the possibility or chance of a person or object to be elected to unknown samples.

Criteria for the sample to be used in this study are:

- a. The age of respondents was seventeen years old and older (> 17 years). Age is based on Law No. 23 of 2002 on the Protection of Children is an age that is no longer categorized as children, in other words, already in adulthood who are consumers of Starbucks Coffee Malang.
- b. Ever visit and make purchases at Starbucks Coffee Malang more than once.

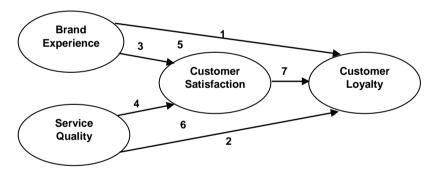


Figure 1. Conceptual Framework Research

Primary data collected in this study the researchers obtained by distributing questionnaires to the respondents to be examined to find out the opinion of the respondents about the influence of brand experience and service quality on customer loyalty mediated customer satisfaction. Primary data in this study was a questionnaire. The primary data collection to 180 respondents to fill out a questionnaire distributed directly to the respondents are made in the study sample.

Methods of collecting primary data on current research is using the survey method using a questionnaire. This questionnaire is intended only for customers of Starbucks Coffee Malang coming to Starbucks Coffee unfortunate and meet the criteria of a sample that is aged 17 years and over.

Variable Measurement techniques in this study using a questionnaire containing questions that must be answered by the respondents and responded by selecting one appropriate answer, quantitative questionnaire using a Likert scale numbers 1 through 5, where 1). Strongly disagree 2). Disagreeing 3). Hesitation 4). Agree and 5). Strongly agree. Data analysis was conducted in the present study using the Smart-PLS 3.0.

RESULTS AND DISCUSSION

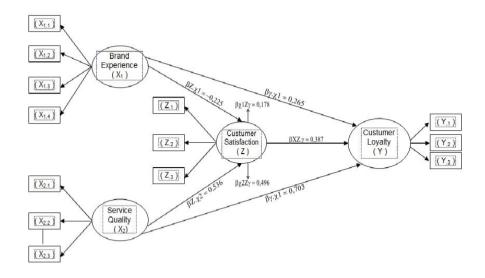
Multiple linear statistical analysis in this study to determine and influence of the variables studied using SPSS version 20 for windows. The conclusion are as follow:

- 1. There is the Influence Consumer Brand Loyalty Experience proved from 6.815 F count> F table (2,260) and 3,107 t count> t table (1.980) then the hypothesis is accepted it means there is significant influence of the Brand Experience to Customer Loyalty with singnifikan 0,000 < 0.05. Then note also that the value of R Square of 0.211 means that the influence of the Brand Experience against 21.1% Consumer Loyalty.</p>
- 2. There is the Influence Customer Loyalty Service Quality evidenced by 95.040 F count> F table (2.260) and 9.749 t count> t table (1.980) then the hypothesis is accepted it means there is significant influence of customer Loyalty to the service quality with significant 0.000 <0.05. Then note also that the value of R Square of 0.348 means that the influence of the quality of service to the Consumer Loyalty of 34.8%.
- 3. There is the Influence Brand Experience against Customer Satisfaction evidenced by 8.463 F count> F table (2.260) and 3.016 t count> t table (1.980) then the hypothesis is accepted it means there is significant influence of the Brand Experience to Customer Satisfaction with significant 0.000 <0.05. Then note also that the value of R Square of 0.295 means that the influence of the Brand Experience to Customer Satisfaction by 29.5%.
- 4. There is the influence of Quality of Service Customer Satisfaction evidenced by 41.029 F count> F table (2.260) and 6.405 t count> t table (1.980) then the hypothesis is accepted it means there is a significant influence on the quality of service to the consumers' satisfaction with significant 0.000 <0.05. Then note also that the value of R Square of 0.287 means that the influence of Quality of Service Customer Satisfaction 28.7%.</p>
- 5. There is the influence Consumer Satisfaction Loyalty evidenced by 120.702 F count> F table (2.260) and 10.986 t count> t table (1.980) then the hypothesis is accepted it means there is significant influence on customer satisfaction with the loyalty of the consumen with significant 0.000 <0.05. Then note also that the value of R Square of 0.404 means that the influence of customer satisfaction on consumer loyalty of 40.4%.</p>
- 6. There is the influence Brand Experience Loyalty Consumers are mediated by customer satisfaction as evidenced by F count 62.789> F table (2.260) and t value 11.061> t table (1.980) then the hypothesis is accepted it means there is significant influence of the Brand Experience Loyalty Consumers are mediated by Consumer satisfaction with singnifikan 0.000 <0.05. Then note also that the value of R Square of 0.415 means that the influence of customer satisfaction on consumer loyalty of 41.5%.</p>
- 7. There is the influence of Quality of Service Loyalty Consumers are mediated by customer satisfaction as evidenced by F count 95.040> F table (2.260) and t value 9.749> t table (1.980) then the hypothesis is accepted it means there is significant influence of service quality on customer loyalty mediated by consumer satisfaction with significant 0.000 <0.05. Then note also that the value of R Square of 0.444 means that the influence of customer satisfaction on consumer loyalty by 45.4%.

Table 1.1. Respondent Characteristics

Characteristics	Frequency (%)			
GENDER:				
Man	59.6%			
woman	40.6%			
AGE:				
17-19 Years	5.6%			
20-25 Years	29.4%			
26-30 Years	51.7%			
31-35 Years	12.8%			
> 35 Years	0.6%			
EDUCATION:				
elementary school	1.7%			
junior high school	7.8%			
graduation	9.4%			
finished school	42.8%			
College student	38.3%			
Graduated College				
WORK:				
Government employees	2.8%			
Private employees	8.9%			
entrepreneur	13.9%			
College student	42.8%			
Not yet working	31.7%			

Testing the hypothesis in this study using the Smart PLS, which aims to measure the overall effect of brand experience and service quality on customer loyalty mediated customer satisfaction. The results, as presented in the figure below:



Based on a model that has been presented it can be seen that there is the influence of the brand experience to customer satisfaction with the value of -22.5% -0.225 or brand experience pales decreases there will be a decline in the customer satisfaction. Then to influence quality of service to customer satisfaction with the value of 0.536 or 53.6% so that good quality services will have an impact on consumer satisfaction is high enough. Furthermore, the effect of brand experience on consumer loyalty to the value of 0,265 or 26.5% so if the brand experience is maintained then it will have an impact on customer loyalty enough. Then to the influence of service quality on customer loyalty with a value of 70.3% 0,703 or so if the quality of services provided can be improved, then give a big contribution in improving customer loyalty. Influence of brand experience and service quality customer satisfaction with the value of 0.178 or 17.8% means that if the brand experience and service quality is always addressed, it can give effect to customer satisfaction. For the influence of brand experience and service quality on customer loyalty with a value of 0.496 or 49.6% means that if the brand experience and service quality with a good note it will affect consumer lovalty is guite high. Last namely the influence of brand experience and service quality on customer loyalty mediated consumer satisfaction with the value of 0.435 or by 43.

So this research provides clear results that are pengaruh brand experience and service quality to increase customer loyalty mediated by customer satisfaction.

CONCLUSION

This research can be concluded that the role of mediation is effective consumer satisfaction in delivering the influence of brand experience and service quality to customer loyalty. Consumer loyalty can be directly encouraged by simultaneously building customer satisfaction, and / or building service quality and brand experience. Consumer satisfaction is chosen as a variable of mediation in this study because it is the attitude of consumer behavior that can be an indicator whether the brand experience variable and service quality obtained by the consumer has been achieved according to the standard set by the company. This will affect long-term consumer behavior to be most profitable for the company that is consumer loyalty.

Starbucks which is the object of research is chosen because it is a world brand that has a uniform standard in the aspect of brand experience and service quality, but very rarely conduct consumer satisfaction survey so it can not simultaneously measure what kind of consumer loyalty, especially in Malang city which is a city that has many coffee shops. So that the citizens of Malang may not be loyal to a brand coffee. But if Starbucks conducts customer satisfaction surveys on a regular and consistent basis then it can measure whether consumers are satisfied or not to the brand experience and quality of service, so that consumer loyalty will grow by itself.

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