

The Effect of Experiential Marketing on Customer's Brand Loyalty in Modern Retail Business: A Case Study of Jambi City in Indonesia

Author's Details:

⁽¹⁾Syahmardi Yacob ⁽²⁾Erida ⁽³⁾Sry Rosita ⁽⁴⁾Hayder Alhadey ⁽⁵⁾Ahmad mohameed²

¹²³⁴ Business and Economics Faculty, University of Jambi, Indonesia

⁵ Economics and Business Faculty: University Padjadjaran, Bandung, Indonesia

Abstract

This study conducts test and analysis on the impact of experiential marketing on modern retail business in Jambi City. Data collected from Matahari Hypermart in Jambi City was tested and analyzed to determine the influence of experiential marketing on the customer's brand loyalty of modern retail business. Sampling technique is based on certain considerations namely, the customers and the visitors at modern retail Matahari Hypermart in one (1) year, from 2014 to 2015. The number of respondents out of 115 questionnaires distributed for the study is 115. Sampling technique carried out by purposive sampling. Structural Equation Model (SEM) software AMOS 18 was used for interpretation and analyzing data. The results show that; Sense has positive influence on experiential marketing (hypothesis 1), Feel has a positive influence on experiential marketing (hypothesis 2), Think has positive influence on experiential marketing (hypothesis 3), Act has positive influence on experiential marketing (hypothesis 4), Relate has positive effect on experiential marketing (hypothesis 5), Experiential Marketing has positive effect on brand loyalty (hypothesis 6). The results of the analysis describe causal relationships between variables that are being developed in the research model. The proposed model can be accepted after the assumed condition are met and that the normality of standardized Residual Covariance is <1.96. Model Structural Equation Model (SEM) was used to test models of causal relationships between variables that are affected by Sense, Feel, Think, Act, Relate, Experiential Marketing and Brand loyalty, and have met the criteria for Goodness of Fit. Based on the results of data analysis, it can be concluded that the model is acceptable.

Keywords: *Experiential marketing, Customer's Brand loyalty, Modern Business Retail*

INTRODUCTION

The development of retail business in Indonesia is increasingly vibrant with the presence of modern retailers given its own color for the development of retail business. This increase is evident with the increasing speed in the growth of modern markets from 2009 to 2014. The growth of supermarket reaches 50% annually and during the same period, the Hypermarket even jump to 70% per year. The growth of supermarkets and hypermarkets that encourage shut up in prices is caused due to the concept that gained acceptance from urban communities in Indonesia.

Indonesia retail business is a strategic business for economic development of the nation. According to Aprindo (2015), retail business has contributed about 75% to the national stock market, and this has put Indonesian retail sector on the second sector that absorbs the largest workforce in Indonesia with skill absorption of labor amounted to 24.5 million, people under the agricultural sector also stated to have reached 48.9 million people in 2014.

Currently, another development which is very prominent is that retail has changed its function that was placed on channel product to the consumer, but also a function of its own. New perspectives on the retail business is emerging from the eyed manufacturers because retail is considered to be a strategic place to market goods in a timely manner, the location and the consumer. Beside the power networks of retailers currently reckoned with by the manufacturers for distributing functions slowly but surely began to turn to large retailers.

Retail trade in the modern market in Indonesia is experiencing rapid growth and competition with the entry of large companies such as Alfa, Makro, Carrefour, Giant Hypermarket, Lotte, Seven Eleven and others. Currently there are about 62 companies with about 2700 retail outlets across Indonesia (www.wiepublika.co.id/koran_detail.asp). Various forms of modern shops are in existence, causing diverse customer expectations for services and facilities provided by these shops. The diversity of customer expectations in the literature can be explained in nine factors: price, product completeness, uniqueness, comfort, reliability, quality of service, value for money, reliable information, and the right place to shop, (Omar, 1999).

Life interaction between the companies and customers can lead to emotional attachment, where the ability to solve problems in a problem-solving marketing creates brands and promotes results for the business. This requires more than just an attempt to be able to create the right experience for a brand. The concept of experiential marketing is a concept that is acceptable at all levels to create perfection and benefits towards the experiences, (Gilmore, 2003; Petkus, 2004; Hannam, 2004; Steenhouse, 2003)

Pine and Gilmore (2005) stated that a paradigm shift changing the economics of the service due to experience on the modern economy has evolved from a commodity to a goods delivery. Goods in services in the process has evolved in an experience; Service is becoming more increases with necessity of consumer perception on the lack of competitive advantage, together with satisfaction; Transferring experiential markets that offer close engagement with consumers in a memorable thing; All the action of an organization that contributes all the actions of the organizations that can contribute to experience on what is offered in experiential marketing.

Experiential marketing is an approach in marketing that have actually done since the times first until now by the marketers. Schmitt (2000) and Palupi (2001) says the essence of shifting the traditional marketing approach to experiential marketing approach due to the development of three factors in the business world where information technology exists, the sophistication of the technology revolution can create an experience in a person and share them with others anywhere for example share them with media computers, cell phones, etc. The second factor is the hallmarks of the brand through sophistication of information technologies about the brand which can be widely spread through various media globally. When there is control on a product or service from different characters which are no longer functional but meaningful as a creator of experience for consumers. As for the last factor which causes the shift is the large number of communications and entertainment everywhere, it results in all current products and services to be branded to large number of people. It can equally be used for marketing form of communication and entertainment devices while will create experience for consumers (Schmitt, 2000).

According to Schmitt (2000) and Li (2008), wherever is experiential marketing developed by 5 and 5 subjects included in the Strategic Experiences Modules namely: sense of feel, think, act and relate. Sense influences by sight, sound, taste and smell; feel influenced by emotion and feeling; think influenced by convergent, divergent, surprise, intrigue and, provocation; act is influenced by the interaction, action and lifestyle, relate is affected by idealizing self, others and the culture. Meanwhile, Widdis (2001) says that consumers now have a direction on features and its benefits, product quality and brand image positive. It communicates reality as possible, marketing campaign can bring a brand to life by communicating a sense of consumers, touched his heart and stimulating their minds

Kotler & Keller (2014), Schmitt (2000) explained that the customer experience can be done through experience providers (facilities / tools that provide / supply the experience for the customer) the following: Communications: advertising, public relations, annual reports, brochures, newsletters and analogs. 2. Visual-verbal identity: brand name, logo, signage, vehicle as transportation. 3. Product presence: product design, packaging, point-of-sale displays. 4. Co-branding: event marketing, Sponsorships, alliances and partnership (partnership), Licensing (patent), advertising on TV or cinema. 5. Environments: retail and public spaces, trade booths, corporate buildings, interior offices and factories. 6. Web sites and electronic media: the company website, the site of products and services, CD-ROMs, automated emails, online advertising, intranets. 7. People: sale people, representative's customer service, technical support, Repair providers (repair service), company spokespersons, CEOs and executives involved.

Experiential marketing can have advantages in some situations, including preventing the decline of brand, to differentiate the products with the products of competitors, to create the image and the identity of the company, to promote innovation and lead trial, purchase, and the most important thing is loyalty, (Schmitt, 2000).

According to Mc. Farlane (2008), Managing Director of Ogilvy Action Analyst stated that experiential marketing brings emotions consumers can create consumer purchasing decisions. According Yue.et.al., (2007), the existence of positive influence between experiential marketing and brand loyalty through experiential marketing aspects such as sense, feel, think, act and relate. Schmitt (1999), Fransisca (2007), Hamzah (2007), Munson (2001), Pullen (2001), Palupi (2001) Petkus(2004), Hannam (2004) and Stenhouse (2003), said that the experiential marketing is very effective for marketers to build brand loyalty through sense feel, think, act and relate. Brands have to draw on all the factors that can increase your

brand image and brand awareness, keeping the memorable experiences that affect the spirit of the word of mouth and loyalty. This experience created bigotry in the minds of consumers (Wolf, 1999). Customer perceived experience is unique and gives a different impact in the marketing process. With the rise of the modern retail market in Indonesia, followed by rapid growth and competition between large companies such as Alfa, macro, Carrefour, Giant, Hypermarket, Lotte, Seven Eleven and others, gave rise to a high competition to gain customer loyalty. On the other hand, the existence of a wide variety of modern shops in this form, resulting in diverse customer expectations toward the services and facilities provided these stores. Not all products capable of providing experiential marketing, because only product/service categories established premium have differentiation to the upscale segment of the customer. (Rhenald Kasali, 2001 into Palupi, 2001), but it was rejected by Goni (2001) into Palupi (2001) said that all of product/service enable to giving experiential marketing.

Nevertheless, experiences that are created are not always felt by consumers if it already perceived (Rahmawati, 2003). Experiential marketing cannot always be consumed repeating reset (because it contains a surprise only occasionally) while the emotional branding is done routinely. The various facilities offered modern retail led consumer can hardly distinguish the experience they feel toward a modern retail with other modern retail. An enjoyable experience can be created for consumers through the buying activity when one of the stimuli established loyalty. Therefore in order to be known whether the factors forming experiential marketing will affect customer loyalty in retail business in Jambi, it needs to be done to provide empirical studies a model hypothetic about the antecedent and consequence of experiential marketing in retail business in Jambi.

Problem Statement

There is a specific problem arises in the structure of retail business in Indonesia in spite its impressive business style in the recent time. There is a need to know how modern business in Indonesia is affected by some factor. As reviewed in this research study background it becomes imperative focus the study how to influence strategic experiences modules towards experiential marketing on modern retail business in Jambi and maketing experiential influences how against customer's brand loyalty in modern retail business in Jambi.

Research Purpose

The purpose of this study is as follows:

1. To test and analyze the influence of sense towards experiential marketing on modern retail business.
2. To test and analyze of the influence of feel towards experiential marketing on modern retail business.
3. To test and analyze of the influence of think towards experiential marketing on modern retail business.
4. To test and analyze of the influence of act towards experiential marketing on modern retail business.
5. To test and analyze of the influence of relate towards experiential marketing on modern retail business.
6. To test and analyze of the effect of experiential marketing against customer's brand loyalty.

Benefits of research

This study will provide many benefits among others, adequate measures for brand loyalty, right decision for business investment, predict the prospect experiential marketing to new business and recreate template for measure of brand loyalty. This research is will be useful for corporate parties, expected: the study can be a consideration about what factors to consider in the antecedent experiential marketing and its consequences on the customer's brand loyalty.

LITTERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Experiential Marketing

According to Schmitt (2000), experience is the events that occur in response to stimulation (e.g created by the efforts before and after the purchase). Experience is often the result of direct observation or participation of activities - good activities in reality, fantasy and virtual. Thus a marketer does not have to focus on individual experience alone but switched on strategic thinking about the type - the type who want to experience what is provided and how to provide it with a high degree of appeal (Schmitt, 2000).

Experiential Marketing is a strategic concept which is an era of change in marketing with the displacement concept of functional to the concept of experiences of a product or service that was first supported by Pine and Gilmore II (1998), in his book on Experiential Economy that discussed the special experiences and unforgettable memories.

Schmitt (2000) uses the term traditional marketing on a set of principles, concepts, and methodologies developed by academics, practitioners (marketing director, brand manager and communication manager) and marketing consultants throughout this century, especially in the last thirty years. These concepts and principles used to develop new products, product lines and brand planning, designing communication and responding to the activities of competitors.

According to Silverman (2004), there are 10 manifesto experiential marketing has which are: experiential marketing should be able to predict one-on-one personal interactions between consumers and marketers, to be in touch when the consumer has chosen a product, to clearly ship benefits meaning for the consumer, based on individual experiences to achieve innovative approaches and tactics to reach consumers and compelling ways, to implements idealism that can increase individual customer and street-savety sufficient to release the "grassroots activation". Experiential marketing is associated with authenticity. Experiential marketing assumes that the world is all that concerns on the media and the universe is based on the consumer base. Experiential marketers are demonstrated curiosity about strange things of the world, others and the curiosity of all things. But keep in mind by marketers is that experience cannot always be perceived by consumers if it is already often perceived.

According to Hamzah (2007), the positive influence between experiential marketing and brand loyalty is through experiential marketing aspects such sense, feel, think, act and relate. Fransisca (2007) says that experiential marketing is very effective for marketers to build brand loyalty. Experiential marketing can have advantages in some situations, including preventing the decline of brand, to differentiate the products with the products of competitors, to create the image and the identity of the company, to promote innovation and experimentation led to the purchase, and the most important thing is loyalty. In some studies show that sense, feel, think, act and relate an indicator forming experiential marketing, but in this study, the indicator increased to a variable forming experiential marketing to become antecedence and consequence experiential marketing.

Brand

Brand is becoming the dominant thing in the current era of globalization. Brand to be one important factor in the competition and is a valuable corporate asset. According to the American Marketing Associations (AMA), (2014) brand is a name, term, sign, symbol; or design or guide of things - it is intended to provide the identity of the goods or services made or provided a seller or group of sellers and to differentiate them from the goods or services supplied competitors.

Brand is part of the consideration set which affect customer preferences in selecting the brand and making purchasing decisions. Brand is also very influential in creating a competitive advantage through the minds of consumer's capabilities. Brand used to provide product differentiation from competitors. This is the symbol of the brand created or attribute that is the identity of the brand itself and for its customers. According to Peter and Olson (1996) the brand is something that is formed in the mind of the customer and has the power to form the trust of customers.

Aaker (1991) says that a brand is a distinguishing name and/or symbol (such as a logo, trade-mark, or package design) intended to identify the goods or services of either one seller or a group of sellers, and to differentiate reviews those goods or services from reviews those competitors. Therefore, the brand function is to help consumers in early recognition of the origin of the products and protect the producers and consumers of the competitors who are trying to provide similar products. Kotler (2003) mentioned that the function of brand is to identify the goods or services of persons or groups of presenters and differentiate with similar products from other renderers.

Kertajaya (2004) and Douglas (2006) expressed the opinion that the level of customer loyalty is a process that has been constantly evolving since 1970. Loyalty became a destination for strategic market planning in the long term and are also used as the basis for developing a sustainable competitive advantage that can be realized through marketing efforts. Kotler (2014) defines brand loyalty as a deep commitment to buy back or re-subscribe to a product or service selected for the future, a way to buy the same brand again and again

or buy a bunch of the same brand over and over again despite situational influences and business ventures marketing potentially because switching behavior.

Douglas (2006) says that brand loyalty is a fundamental concept in strategic marketing; customer's brand loyalty can create an advantage in marketing with word of mouth referrals and resistance in the greater competition. Yoo et al (2000) and Arjun & Morris (2001) defined brand loyalty within the meaning of the conditions in which consumers have a positive attitude toward a brand, commitment to the brand, and intend keeping future purchases. The occurrence of brand loyalty in customer caused by the influence of satisfaction or dissatisfaction with the brand accumulated continuously in addition to the perception of the quality of the product.

Customer's Brand Loyalty

Dimension of customer's brand loyalty by Arjun & Morris (2001) was formed by three indicators whose names are always kept in mind, recommend, and buy birthday. This concurs with the expression of Reicheld & Sasser (1997) there are three indicators: Retention, Related Sales (Repeat Purchasing Intentions) and Referrals. Experiential marketing have advantages in some situations, including preventing the decline of brand, to differentiate the products with the products of competitors, to create the image and the identity of the company, to promote innovation and lead to aspects of experiential marketing aspects (Schmitt, 2000).

The shift from the industrial age to the service of industry and market is aimed at making important, emotional, applied emotional experiential marketing and branding. Based on several studies in which the sense, feel, think, act and relate the indicators formation of experiential marketing, then based on these studies, will be made a concept antecedence and Consequence Experiential Marketing, based on developing a concept where indicators are used as variables for formation of experiential marketing support in building the customer's brand loyalty. Based on research Schmitt (1999), Li (2008), Widdis (2001), Yoo, Donthu and Lee (2000), Aaker (2001), Munson (2006), Petkus (2004) Hannam (2004), Stenhouse, (2003), it is expected to be clearer Antecedents and consequences Experiential Marketing on Customer's Brand Loyalty in Modern Retail Industry in Indonesia.

Previous research

This research is the development of a research conducted by Ye-Chuen Li (2008) entitled "A Discussion of Applying Experiential Marketing to Leisure Agriculture with AHP" The results of this study show all of the 40 internal surveys consistently confirm. Act is a major concern of consumers and experts after TSC transformed. Then the TSC Should improve facilities associated with ACT for clicking "atrack" consumers. On Relate, experts give second priority but the consumer insists on the feel. TSC then have to reduce relate but increases the feel for clicking "atrack" and satisfy consumers. In the sense, sight is an important factor to experts and consumers. TSC need to plan how to impress consumers and comfortable while at the branch TSC. In the Act, the interaction is a priority for experts and consumers. TSC then not only improve on the design ACT experience but how to increase consumers the opportunity to interact with others. At relate, culture is an important factor of the consumers and experts.

Further research by Hamzah (2007) which was titled "Experiential marketing, Emotional Branding and Brand Trust on the Brand Loyalty Mentari" aims to determine customer ratings in using Mentari; finding out the extent at which the influence of experiential marketing, emotional branding and brand trust shape the brand loyalty of customers Mentari; knowing how besarpengaruh sense, feel, think, act, relate commandment, viability and intentional acceptance in the formation of Mentari customer brand loyalty. The results showed that the study is a strong correlation between the presence of Experiential Marketing (X1), Emotional Branding (X2) and Brand Trust (X3) on Brand Loyalty.

Research Model

Based on the description above, a schematic can be instituted to describe model of Experiential Marketing Antecedents and consequences Customer's Brand Loyalty in Modern Retail.

Figure 1 below is a schematic structure of a typical Industry in Indonesia:

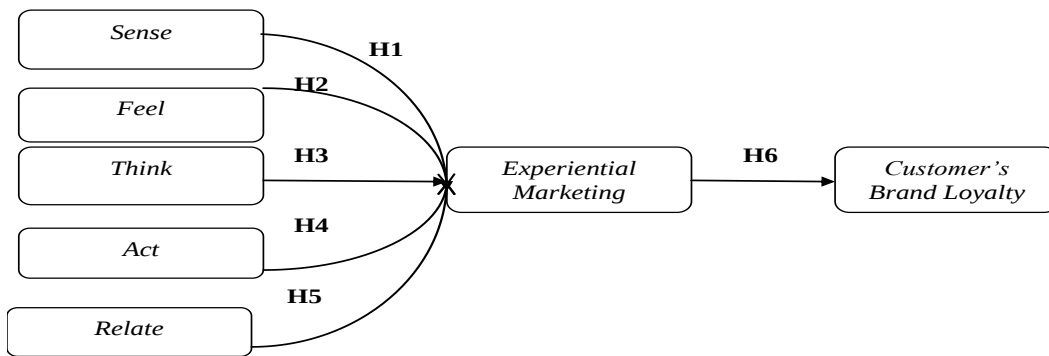


Figure 1. Research Model

Research Hypothesis

Based on the formulation of the problem, research objectives, and theories used in this study, some hypothesis were proposed as follows:

- Hypothesis 1: Sense positive influence on experiential marketing.
- Hypothesis 2: Feel positive influence on experiential marketing.
- Hypothesis 3: Think positive influence on experiential marketing.
- Hypothesis 4: Act positive influence on experiential marketing.
- Hypothesis 5: Relate positive influence on experiential marketing.
- Hypothesis 6: Experiential marketing has positive influence on Customer's brand loyalty.

RESEARCH METHOD

Type, source and method of data collection

The data used in this study are primary data and secondary data. Primary data was sourced from the respondents chosen by distributing questionnaires and interviews. Information received from respondents regarding the characteristics of respondents, experiential marketing and brand loyalty. While the secondary data obtained inter alia from the modern retail, the Central Bureau of Statistics, the Association of Indonesian Retailers (APRINDO), and other relevant agencies, the study of literature both offline and online journal publications and other material related to the research problem.

Population and Sample

The study population was a customer of the modern retail business in Jambi bounded on Matahari Hypermart with a location in the city of Jambi. While the selected samples are customers who've been into modern retail business for long time, and have been elected at least 3 times and have relatively similar characteristics which may represent a population with convenience sampling approach (non-probability sampling).

According to Hair et al (1995), sample size according to SEM is 100-200, while for a sample size of at least 5 observations for each of its estimated parameter = 23, then the minimum sample size is $23 \times 5 = 115$.

Research Variable

The variables used in this study are an endogenous variable that is experiential marketing. Variable Experiential Marketing adapted from the research developed by Wunderman (2003). Indicators Experiential Marketing is the Performance, Treatment and Community (Wunderman, 2003) and a variable Brand Loyalty developed in this study is an adaptation according to Arjun and Morris (2001), Reicheld and Sasser (1997), Hamzah (2007) with three indicators of retention, referrals, and related sales. While it's exogenous variable is a sense with the indicator. Sight, Sound, Touch (Schmitt, 1999, Li, 2008), feel created by Emotion, Feeling and Mood (Schmitt, 2000 and Li, 2008), think with indicators: convergent, divergent, surprise,

intrigue and provocation (Schmitt, 2000 and Li, 2008), act with indicator: Interaction, Action and Life Style (Schmitt, 2000 and Li, 2008), and relate to indicators relate: self-idealization, others, culture (Schmitt, 2000 and Li, 2008). Each of these will be outlined in the indicator measurements using an interval scale. Interval scale used in this study is bipolar adjective, which is a refinement of the semantic scale with the hope that the resulting responses can be scaled on interval Data (Ferdinand, 2006). The scale used in the range of 1-10 intervals.

Approach Research and Analysis

The method used in this research is Field Studies (Field Research). Field studies conducted through a survey. This approach obtained clear information about the actual condition (existing condition) regarding the research object. This study used two kinds of analysis techniques, namely; 1. The confirmatory factor analysis in the SEM is used to test a concept that is built using several measurable indicators. 2. Regression analysis (Regression weight) in the SEM to be intended to measure the influence of one or more independent variables on one particular variable

RESULT AND DISSCUSSION

Description of Respondent Characteristics

The number of respondents received is 115. Jambi city community has visited modern retail at Matahari Hypermart at least once in the past year. To know the characteristics of respondents to the questionnaires, a quantitative analysis was performed. This analysis gives an overview of the identity of respondents are formulated in the form of a table so that it is easier to understand and answered. The characteristics of the respondents are as follows:

Purchasing Frequently

Respondents who are consumers that visited modern retail at Matahari Hypermart Jambi town and the most modern retail purchase in Matahari Hypermart is once in the last 1 year by 59 respondents with a percentage of 51.3%.

Gender

The number of male respondents who are buyers and visitor modern retailers at Matahari Hypermart Jambi City is 78 (57%) of respondents and 60 female sex (43%) of respondents. The result shows there is a higher percentage woman who buy product from Matahari Hypermart and also visit Matahari Hypermart.

Age

The respondents who are the buyers and visitors of modern retailers at Matahari Hypermart largest city of Jambi between age 25-34 amounted to 33.04%, followed, 35-44, 45-54, 15-24, and over 55 years. With this result, it can be inferred that the aged 25-34 years buy and visit Matahari Hypermart mostly in jambi city.

Education

Respondents who are the buyers and visitors modern retailers at Matahari Hypermart in largest city of Jambi Educated is 62 (53.91%), and then successively graduated from high school, junior high school graduation. This shows that buyers and visitors of modern retail at Matahari Hypermart city of Jambi are mostly College Graduate.

Work

The number respondents who are the buyers and visitors modern retailers at Matahari Hypermart Jambi city with largest private employees is 57 (38.26%), followed by others, self-employed, civil servants / police and military. It can be inferred that the majority of modern retail buyers and visitors to the city of Jambi Matahari Hypermart are private employees.

Income

Respondents who are the buyers and visitors modern retail Matahari Hypermart is the largest city of Jambi having income 2000.00 1.000.001 equivalent to 57 people (49.57%), <1000.000 equivalent 32 people (27.83%), 2000001-3000000 equivalent to 17 people (14.78%), 3.000.001- 4,000,000 about 6 people (5:22%), and income > 4,000,001 approximately 3 (2.60%).

Confirmatory Factor Analysis of Exogenous

From the results of data processed using AMOS 18 software indicates that Goodness of Fit Indexes (absolute fit and incremental fit indexes) meet the minimum threshold. In addition, Convergent Validity can be met in this study due to exogenous construct measurement model as it is fit to the data. The relationship between the indicator (S- R) with exogenous construct tightly (Loading Factor > 0.50) and significant at the 5% significance level (CR + 2; p value <0.05) (Steenkamp and Van Trijp, 1991). Besides, Anderson and Gerbing stated that evidence of convergent validity can be seen from the comparison between the standardized load the standard error (SE) where 2 x standard error is still smaller than the standardized loading. This strengthens the convergent validity.

Squared Multiple Correlations (R²) shows that more than 40% of the variance of each - each indicator can be explained by exogenous construct wherein R² is greater and higher than reliability indicator (Bagozzi and Boumgartner, 1994). R² informed the most reliable F1 at 0.760 and each indicator exogenous construct (S-R) with a high reliability.

Confirmatory Factor Analysis of Endogenous

From the data analysis it is indicated that Goodness of Fit Indexes (absolute fit and incremental fit indexes) meets the minimum threshold. Also, Convergent Validity is met as shown in table 5:15 above showing that endogenous construct measurement model has been fit to the data. The relationship between the indicators (EM- CBL) in constructing tight endogenous (Loading Factor > 0.50) and significant at the 5% significance level (CR + 2; p value <0.05) (Steenkamp and Van Trijp, 1991). This strengthens the convergent validity.

Squared Multiple Correlations (R²) shows that more than 40% of the variance of each construct indicators can be explained by the greater purchasing decisions in R², the higher reliability indicator (Bagozzi and Boumgartner, 1994). Furthermore, the above table column informs most reliable R² is CBL2 amounted to 0.789 and construct each indicator endogenous (EM - CBL) has a high reliability.

Overall Analysis Model of Fit

From data analysis it is indicated that the Chi-square value of 244.833 is smaller than the chi-square value in the table at a significance level of 5% and df 214 (249.215) and p value of 0.073 means greater than 0.05 or 0.1 and 0.2 as recommended in Hair et al (1995) to show a very good models. RMSEA value = 0.032 prove its value as suggested good fit (Hair et al, 1995) which is smaller than 0.08 and showed no gap between sample covariance matrix of the covariance matrix estimated in the model perderajat freedom (perfect fit). Value of 0.864 indicates that the value of GFI is still below the threshold, but Hair et al (1995) explains that GFI approaching 0.90 is acceptable (called marginal fit) and the above analysis with SEM show consistence.

On the other hand AGFI value of 0.824 is below the recommended threshold (0.90). However, this condition is not a serious problem because AGFI it is known to be more sensitive to the complexity of the model and the sample size, so it is not advisable to AGFI feasibility indicator model (Kline, 1998). Hair et al (1995) explains that AGFI approaching 0.90 is acceptable (called marginal fit) and the above analysis with SEM still do. TLI value (0.983) and CFI (0.986) which indicates that the overall fit perfectly where the measurements specified in this study is better than the baseline null same model using the same data.

Structural Model of Fit

In this stage structural model is evaluated. If the measurement model includes the correlation between constructs with indicators of the structural model contains a causal relationship between the constructs. Feasibility structural model (Structural Model of Fit) is shown from several aspects: (Bagozzi & Baumgartner, 1994; Joreskog, 1993): 1. The extent at which the direction of the relationship constructs is in

accordance with hypothesis in which causal relationship is significant; 2. Amount of Residual especially Standardized Residual (The gap between the covariance matrix estimated by the model with the sample covariance matrix) which does not exceed +2.58 indicates no error model specification. Inspection of these residuals by Joreskog (1993) called the Detailed Assessment of Fit; 3. Magnitude Squared Multiple Correlations (SMC) or analogous to R^2 is shown in the regression analysis. At full output the standardized latent variable models residual covariance's part seems no standardized residuals more than + 2.58. This condition shows no finding of fault specification of the structural model in this study. The results from evaluation of the structural model as a whole matrix models were used to test existing theories, and have proven to be consistent and in accordance with the data.

Relationships between constructs are specified in this study as shown in the following output:

Table 1
Causal Relationship between Construct

Construct			Estimate	S.E.	C.R.	P	Decision
Ex_Marketing	<---	Think	0,241	0,107	2,25	0,02	Accepted
Ex_Marketing	<---	Relate	0,31	0,093	3,34	0,00	Accepted
Ex_Marketing	<---	Act	0,185	0,069	2,677	0,01	Accepted
Ex_Marketing	<---	Feel	0,255	0,11	2,327	0,02	Accepted
Ex_Marketing	<---	Sense	0,121	0,058	2,093	0,04	Accepted
Customer's Brand_Loyalty	<---	Ex. Marketing	0,795	0,088	9,029	0	Accepted

Source: Estimation Result of AMOS 18, 2015

Hypothesis testing

Hypothesis I

Hypothesis which stipulates that sense was positively related to experiential marketing. Based on the data analysis, it is known that the value of CR on the relationship between experiential marketing sense shown in Table 5:17 amounted to 2,093 P value of 0.04. Both of these values indicate a value above 1.96 and below 0.05 for the CR to the P value, thus it can be inferred that the first hypothesis of this study is acceptable.

Hypothesis Testing II

Hypothesis which stipulates that feel was positively influenced on experiential marketing. Based on the results of the data analysis it is known that the relationship between the variables CR sense with experiential marketing is at 2.327 with a P value of 0.02. Both of these values provide information that feel variables influence on experiential marketing is unacceptable, because it meets the above requirements for CR 1.96 and under 0:05 for the P value, thus it can be said that the second hypothesis of this study is acceptable.

Hypothesis Testing III

In this hypothesis think is positively influenced on experiential marketing. Based on the results of the data analysis it is discovered that the value of CR think the relationship between experiential marketing is of 2.25 with a P value of 0:02. Results from these two values give information about the variables that influence on experiential marketing think is acceptable, as qualified above 1.96 for CR and under 0:05 for the P value, thus it can be said that the third hypothesis of this study is acceptable.

Hypothesis IV

In this hypothesis act is positive influenced on experiential marketing. Based on the results of the data analysis it is known that the relationship between the value CR act with experiential marketing is at 2.677

with a P value of 0.01 results from these two values provide information that influences act on experiential marketing variables is acceptable, as qualified above 1.96 for CR and under 0:05 for the P value, thus it can be said that the hypothesis of this research can be accepted.

Hypothesis V

In this hypothesis relate is positively influenced on experiential marketing. Based on the results of the data analysis is known that CR values relate to the relationship between experiential marketing is at 3.34 with a P value of 0:00 Results of these two values provide information that relate variables influence on experiential marketing is unacceptable, because it meets the requirements above 1.96 to CR and under 0:05 for the P value, thus it can be said that the research hypothesis is acceptable.

Hypothesis VI

In this Hypothesis experiential marketing is positively affected on the customer's brand loyalty. Based on the results of the data analysis it is known that the value of CR relationship between experiential marketing to the customer's brand loyalty is at 9.029 with a P value of 0:00 Results of these two values provide information that influences variables relate to experiential marketing is unacceptable, because it meets the above requirements for CR 1.96 and under 0:05 for the P value, thus it can be said that this research hypothesis can be accepted.

CONCLUSION

Based on the process developed in this study, combine with the research finding, the problem encountered in the course of the research has been justified through testing by Structural Equation Model (SEM) and it is therefore concluded that the effect of the strategic experiences modules on experiential marketing and the influence of experiential marketing to the customer's brand loyalty can be realized at least through five (5) basic processes, namely:

- a) Sense is the first essential element in implementing of experiential marketing.
- b) Feel is the second variable that affects the realization of experiential marketing through a process and mechanism for gradual strategy, directed and continuous.
- c) Think a third element that is important in experiential marketing which shows that the influence of think of the customer's brand.
- d) The Act is a fourth important element in experiential marketing which indicates that the effect of the act on the customer's brand loyalty begins with how the Act gives the dominant strategic impact on the improvement of experiential marketing
- e) Relate is a fifth element which is important in experiential which shows that the effect relate to the customer's brand loyalty begins with how Relate dominant strategic impact on the improvement of experiential marketing.

RECOMMENDATION

From the research finding it is recommended that modern retailers at Matahari Hypermart should continue to maintain and improve the customer's brand loyalty by taking into account the five basic elements in each experiential marketing, such as; sense, feel, think, act and relate. This is due to the variable experiential marketing is the variable most powerful and dominant influence on the customer's brand loyalty and variables can be controlled indirectly by the company. Efforts to increase consumer confidence in the customer's brand loyalty should be made through an increase in the intensity of activities which relate to the public so that the image and credibility of the stores can be maintained.

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