How the Five Dimensions of Experiential Marketing Affect Customer Satisfaction: Focused on Starbucks

Yixin Tian

School of Management, Xiamen University
Corresponding author. Email: SylviaTian0420@163.com

ABSTRACT

With the continuous changes in various social factors, consumer habits have also changed accordingly, opening up the era of experience economy. Industry leaders have adopted different strategies in setting up their experience marketing strategies for differentiation. Focused on Starbucks, this paper designs an experience marketing measurement scale based on the five dimensions of experiential marketing proposed by Schmidt and related studies to explore the mechanism of experience marketing acting on customer satisfaction. Analyzing the data from the valid questionnaires, it is confirmed that sensory experience, emotional experience, action experience, and association experience all have a positive effect on Starbucks' customer satisfaction, while the role played by thinking experience is not significant enough.

Keywords: *Experiential Marketing; Customer Satisfaction; Starbucks; Marketing Strategy*

1. INTRODUCTION

With the prosperity of society and economy, people pursue a higher quality of life, and the consumption concept and consumption behavior have changed consequently. After experiencing the agricultural economy, industrial economy and service economy, the social economy has stepped into the era of experience economy, which was first introduced by the famous futurist Alvin Toffler in 1970 [1]. It means that the progress of science and technology has increased product homogeneity and the intensity of competition in a saturated market. So, creating an unrepeatable consumer experience has become the key to enhancing brand competitiveness.

Traditional coffee shops focus on the quality of the coffee product, the behavior of coffee consumers and the competitive activities of the coffee market, often ignoring the fact that, as a service-oriented industry, coffee shops also have the function of creating a great coffee cultural experience for consumers. Howard Schultz proposed the concept of 'third space' when Starbucks was founded, hoping that customers would no longer treat Starbucks as just a provider of coffee products, but as an informal public space between home and work place. Based on the needs and emotional demands of target consumers, Starbucks focuses on the context of the customer consumption experience, creating a casual and relaxing

consumption experience for consumers who live in a rush on a regular basis. Starbucks has thus become the trendsetter for experiential marketing in the coffee industry.

Most of the existing research on Starbucks experiential marketing focuses on how to apply corresponding strategies, but there is a little research on the mechanism of how experiential marketing affects consumers. Taking Starbucks as the research objective, this paper will explore and compare the impact of five dimensions of experience marketing on customer satisfaction. Finally, based on the findings of the study, management strategies for experiential marketing in the coffee industry will be given.

2. LITERATURE REVIEW AND ASSUMPTION ESTABLISHMENT

2.1. Experiential marketing

In existing research, scholars define experience marketing from two perspectives: component perspective and process perspective. From the perspective of components, Schmidt, the father of experience marketing, first proposed the definition of experience marketing in 2001. He divided experience into 5 dimensions: sensory experience, emotional experience, action experience, thinking experience and associative experience.

Businesses can create experiential marketing strategies based on each of the five dimensions [2]. In terms of the process of experiential marketing, Guoqing Guo, a Chinese scholar, believes that experience marketing is a marketing model in which companies design marketing concepts based on the five dimensions proposed by Schmidt. Companies use their products or services as tools for marketing activities to stimulate and satisfy customers' experience needs so as to achieve organizational goals eventually [3].

2.2. Customer satisfaction

Academics mainly define customer satisfaction from two perspectives. Scholars who gave definitions from the process perspective, such as Hunt, believe that customer satisfaction is based on the feelings of customers after the whole process of purchasing a product or service. When this feeling is positive, customer satisfaction will be generated. Others believe that customer satisfaction is a static state of consumers' inner satisfaction with a product or service. Oliver (1981) proposed a calculation method of customer satisfaction that equals the actual experience of consumers minus their pre-purchase expectations [4].

In empirical studies, different scholars chose different indicators to measure customer satisfaction. Lau and Lee (1999), in their study of customer satisfaction, classified the indicators of customer satisfaction according to the performance of the product from consumers' perspective as: "I am not happy with the product; it is not as good as I expected; and I like the product very much." In 2000, Croninetal added the indicators "I made a wise choice" and "This product and service is exactly what I need." [5].

2.3. Relation between experiential marketing and customer satisfaction

Some scholars have studied the relationship between experiential marketing and customer satisfaction in the catering industry. Chunlian Luo (2009) classified cafe customer experience into sensory experience, associative experience, community relationship, service experience, and immersion experience [6]. After empirical analysis, all factors are proved to have a positive effect on customer satisfaction, except for immersion experience. Yajing Bian (2012) divided brand experience into sensory experience, emotional experience, and associative experience, and the study showed that all three dimensions have a direct positive effect on customer perceived value, which in turn affects customer satisfaction evaluation [7]. Based on the results of related studies, the following hypotheses for the Starbucks are proposed.

H1: Sensory experience created by Starbucks positively affects the customer satisfaction.

H2: Emotional experience created by Starbucks positively affects the customer satisfaction.

H3: Action experience created by Starbucks positively affects the customer satisfaction.

H4: Thinking experience created by Starbucks positively affects the customer satisfaction.

H5: Associative experience created by Starbucks positively affects the customer satisfaction.

3. RESEARCH DESIGN

3.1. Questionnaire design and data collection

To validate the five hypotheses proposed in the previous module, the questionnaire is designed with 21 questions using the five-point Likert scale method. Respondents should score each indicator on a scale of 1 to 5 according to the actual situation. At the same time, to ensure the reliability of the data source and to facilitate data cleaning at a later stage, the questionnaire also investigated the consumers' gender, age, occupation and monthly income.

The survey was conducted on consumers with Starbucks consumption experience, and the results were collected mainly through the street intercept method and online questionnaire method. 50 paper questionnaires were distributed in Starbucks offline stores, and there were 47 valid results. 170 questionnaires were distributed online, and 165 valid questionnaires were received. The overall questionnaire return rate was 96.4%. The valid questionnaire respondents were 91 (42.9%) males and 121 (57.1%) females. The largest number of respondents were between the ages of 18-21 and 26-30, accounting for 30.2% and 21.2%, respectively. The monthly consumption level of the subjects was concentrated in the range of RMB 3,000-5,000, accounting for 67.5%.

3.2. Variables and metrics

3.2.1. Independent variables

1). Sensory experience

Starbucks connects with consumers through the senses of sight, sound, taste, smell and touch to create a unique, enjoyable, and memorable sensory experience for consumers. The visual senses include the layout of Starbucks stores, the appearance of food and the packaging design; the auditory senses include the background music in the store; the taste senses include the taste of the drinks and pastries provided by Starbucks; the smell senses are mainly created by the smell of the coffee beans; the tactile senses include the touch of tables, chairs and tableware; and in some Starbucks Bakery stores, customers can also touch the coffee beans.

Table 1. Sensory Experience Measurement Scale

Experiential Marketing Dimension	Measurement
Sensory experience	Visual experience
	Auditory experience
	Taste experience
	Smell experience
	Tactile experience

2). Emotional experience

Since its inception, Starbucks has been committed to creating a "third space" outside of the workplace and home for customers. Based on deep insight of customers' emotional needs, they provide the appropriate stimulus to integrate emotional elements into the consumption scenario [8].

Customers can invite families, lovers and colleagues to Starbucks for a relaxing and enjoyable get-together.

Table 2. Emotional Experience Measurement Scale

Experiential Marketing Dimension	Measurement
Emotional experience	Feel relaxed and joyful
	Ease the stress
	Enhance the relationship with peers
	Feel cared by attendants

3). Action experience

Action experiences emphasize that the brand engages consumers to spontaneously take part in activities that may change or enrich their lives. As a place with strong social attributes, Starbucks provides consumers with opportunities to freely and regularly interact with friends. At the same time, some stores (such as the Starbucks Roastery in Shanghai) hold regular events where customers can experience the entire process of coffee grinding and making, deepening their understanding and knowledge of coffee.

Table 3. Action Experience Measurement Scale

Experiential Marketing Dimension	Measurement
Action experience	Change lifestyles
	Feel a high sense of interaction with others
	Participate in related branding activities

4). Thinking experience

In the thinking experience dimension, Starbucks inspires customers to think about Starbucks products and services by providing them with professional coffee knowledge, such as how the origins and roasting methods affect the taste of coffee. Through reflection and spontaneous learning, customers can deepen their understanding of the coffee culture and develop an emotional bond with the brand.

Table 4. Thinking Experience Measurement Scale

Experiential Marketing Dimension	Measurement
Thinking experience	Curiosity is aroused
	Gain new knowledge
	Think about brand connotation

5). Associative experience

The associative experience is the highest level of consumer experience, providing customers with culturally charged activities that create a sense of connection and belonging to a specific social group. Through its deep brand history, distinctive brand image, and expensive pricing, Starbucks creates an associative

experience through its customers. Consumers buy Starbucks not just for a drink, but as a symbol of taste, identity, and lifestyle.

Table 5. Associative Experience Measurement Scale

Experiential Marketing Dimension	Measurement
Associative experience	Status can be reflected
	Lifestyle can be represented
	Have a sense of belonging

3.2.2. Dependent variable: Customer Satisfaction

In the empirical studies, scholars selected different indicators for measuring customer satisfaction based on the specific research fields and objectives. Synthesizing relevant studies by J. Joseph Cronin (2000) [9], Su Lujun and Huang Fucai (2011) [10], the following indicators have been selected.

Table 6. Customer Satisfaction Measurement Scale

Variable	Measurement
Customer satisfaction	This purchase is a wise decision
	Feel satisfied with overall consuming experience
	Have a strong desire to re-consume

4. DATA ANALYSIS

4.1. Reliability and validity analysis

First, the reliability of the questionnaire was tested using the Cronbach alpha coefficient method. The standardized alpha coefficients for the six variables range from 0.819 to 0.946, and all variables were greater than 0.8, indicating that the internal reliability of the measurement scales designed in this research is excellent.

In terms of validity, the KMO coefficients of the questionnaires ranged from 0.687 to 0.838 and were all greater than 0.5. The cumulative explained variance of the scales ranged from 56.30% to 76.21% (>50%). In conclusion, the validity of the scales is good.

4.2. Correlation analysis

The study used Pearson's correlation coefficient to test the correlation between the variables. Based on the results shown in table 7, it can be concluded that the relationship between customer satisfaction and the five dimensions of experiential marketing is significantly and positively correlated.

Table 7. Pearson Correlation Coefficient

	Sensory experience	Emotional experience	Action experience	Thinking experience	Assoicative experience
Customer satisfaction	0.408**	0.372**	0.296**	0.228**	0.189**

*$p < 0.05$ **$p < 0.01$

4.3. Regression Analysis

The study used multiple linear regression analysis to verify the relationship between the five dimensions of Starbucks experiential marketing and customer satisfaction, and established a linear regression model between Starbucks customer experience and customer satisfaction accordingly. The results are shown in the table below.

Table 8. Regression Analysis Coefficient

	Unstandardized Coefficients		t	p	VIF	R²	F
	B	SE					
Sensory experience	0.203	0.054	3.771	0.000**	1.323		
Emotional experience	0.150	0.056	2.682	0.008**	1.362		
Action experience	0.142	0.060	2.365	0.019*	1.277	0.261	F=8.941**
Thinking experience	0.026	0.062	0.420	0.675	1.211		
Assoicative experience	0.109	0.049	2.226	0.027*	1.060		

Dependent variable : Customer satisfaction

* $p < 0.05$ ** $p < 0.01$

The study concluded that the degree of influence of different experience dimensions on customer satisfaction can be reflected by the magnitude of the regression coefficients. In Table 8, the standardized regression coefficients of the four independent variables of sensory experience, emotional experience, action experience, and association experience are 0.203, 0.150, 0.142, and 0.109 in order, among which the significance degree of sensory experience and emotional experience is greater than that of action experience and association experience. In addition, although thinking experience was positively correlated with customer satisfaction, the p-value is too high for the results to be significant and therefore could not account for the linear relationship between thinking experience and customer satisfaction.

4.4. Summary of Data Analysis

This study uses Starbucks as an example to explore the relationship between experience marketing and customer satisfaction by conducting correlation analysis and regression analysis on the questionnaire results.

The results of the correlation analysis show that all five dimensions of experiential marketing have a positive relationship with customer satisfaction. Based on this, the linear regression model of customer satisfaction regarding the five dimensions of experiential marketing was established through multiple linear regression. As reflected by the regression coefficients, Starbucks' sensory marketing has the greatest impact on customer satisfaction, followed by emotional and action experiences, and marketing of associative experiences has the least effect. Although there is a positive correlation between thinking experience and customer satisfaction, the results of its regression analysis are not significant and cannot indicate the influence of thinking experience on customer satisfaction.

To sum up, among the five hypotheses initially proposed in this paper, H1, H2, H3 and H4 are proved to be valid. H5 does not pass the significance test in the regression analysis, so this hypothesis is not valid.

5. MANAGEMENT SUGGESTIONS

5.1. Establishing a comprehensive sensory experience marketing strategy

Sensory experience has the greatest impact on customer satisfaction, because the most direct way for consumers to obtain information is through their perception of the five senses [11]. Starbucks should continuously invest in product development and create unique, fresh and memorable product experiences for consumers through co-branding or effective use of the brand's existing intellectual properties.

5.2. Emphasizing emotional and action experience marketing to enhance the bond with consumers

The consumption motivation of Starbucks customers is not only to have a cup of coffee or find a place to rest, but also to seek a place for emotional communication or to reflect their lifestyle. So, Starbucks should actively take measures to create enjoyable an emotional and action experience for consumers.

In terms of emotional experience marketing, Starbucks should focus on creating an emotional atmosphere, gaining insight into consumers' emotional changes, and training employees to provide services with Starbucks characteristics. Regarding action experience marketing, Starbucks can set up bakery stores in multiple cities, hold regular coffee-related events, and encourage loyal customers to deeply participate in brand activities to create a unique coffee lifestyle.

5.3. Moderately creating associative and thinking experience

The experimental results proved that associative experience has a small impact on Starbucks customer satisfaction, and the role of thinking experience on customer satisfaction could not be proved. Therefore, Starbucks can hold associative and thinking experience

marketing events with low capital investment. For example, building online communities to increase consumers' sense of belonging, and setting up in-store salons to promote corporate culture and coffee culture.

6. CONCLUSION

This research takes Starbucks as the research object to investigate the influence of experience marketing on customer satisfaction. Through reading related literature, five hypotheses were established based on the five dimensions of experience marketing proposed by Schmidt. Drawing on the measurement index scale of related studies, a questionnaire was designed to investigate the relationship between the five dimensions of Starbucks experiential marketing and its customer satisfaction. The consumer experience of 211 Starbucks consumers was investigated through offline questionnaires and online questionnaires. After collecting the data, SPSS software was used to analyze the data for reliability, correlation and regression analysis. On the premise of ensuring the validity of the data, the study concluded that among the five dimensions of experiential marketing, all factors positively contribute to customer satisfaction except for the role of associative experience on customer satisfaction, which could not be confirmed. And sensory experience has the greatest influence, emotional experience and action experience are second, and associative experience has the least influence. Finally, based on the research findings, three suggestions are given for Starbucks to develop experiential marketing strategies.

However, this study still has some shortcomings due to the limitations of data collection, for example, the offline research survey was conducted in only one Starbucks store in Xiamen, so the limited data may deviate from the overall data. Future scholars can expand the scope of the survey on this basis to collect a larger range of consumers' consumption experiences in order to develop a more universal Starbucks experience marketing strategy.

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