The Effect of Experiential Marketing, Brand Image on Customer Satisfaction and Customer Loyalty: Coffee-Shop Context

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Abstract. The purpose of this literature research was to establish what kinds of antecedent circumstances produced consumer loyalty in the context of coffee shops. Our research also sought to determine the type of experience that顾客 had while dining or drinking in a coffee shop. This research drew on a variety of books as well as a number of reputable indexed publications. According to the findings of this literature analysis, three aspects shape customers’ involvement in coffee-shops: experiential marketing, brand image, and customer happiness. This literature analysis founds some implications for coffee-shop providers to apply the notion of experiential marketing in the instance of how to create distinct dining and atmospheric experiences that can bring added value to both parties.

Keywords: Experiential Marketing · Brand Image · Customer Satisfaction · Customer Loyalty

1 Introduction

Creating customer experiences has become an essential element in the service industry since this produces memories which are unique to both the consumer and the provider of services [1]. There are shifting in consumers’ mind from product-oriented to service oriented [2]. This shifting also change consumer of coffee-shop that concerned to dining experience and atmospheric experience instead of the product/coffee itself [3].

Coffee-shop play an important role in city residents’ daily lives as well as the hospitality and tourism industries [4]. Coffee shops are popular all over the world because they can be used for a variety of activities such as conversing, meeting, snacking, or learning [5]. The development of coffee-shop in Indonesia since 2015 has increased until 2021. The trend of hanging out makes entrepreneurs increasingly see opportunities in the Food and Beverages business. The spread of coffee-shops in Indonesia is increasingly massive. The many conveniences offered by coffee shops increasingly make people motivated to visit and spend time at the coffee shop. This can make drinking coffee become a new lifestyle [6]. One strategy that must be done to gain competitive advantage is to focus on consumers. Focus on consumers can be done by monitoring the experience or experience felt from the contact [7].

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Experiential marketing is a strategy to market a product or service that makes customers have experience in using the product or service of a brand. One of the marketing concepts that can be used to influence consumer emotions is through experiential marketing, which is a marketing concept that not only provides information and opportunities for customers to gain experience with the benefits gained but also evokes emotions and feelings that have an impact on marketing, especially sales [8].

Considering that experience is one of the main additional factors in influencing consumer purchasing decisions, making experiential marketing needs to be studied more deeply and applied by every business person in order to get more customers. The inventor of this theory, namely Schmitt argued that in order to approach, get, and retain loyal consumers, producers through their products need to provide unique, positive, and memorable experiences to consumers. It can be encompassed through the five elements, sense, feel, think, act, and relate [9]. Research by Öztürk [10], Jeon [11], also Yeh et al. [12], which suggests that there is a positive influence between experiential marketing on customer satisfaction. Other experiential marketing research was also researched by Vildayanti which states that there is a positive influence of experiential marketing on customer loyalty [13]. But the findings of Chang [14], also Widowati and Tsabita [15] which states that experiential marketing does not affect customer loyalty, there is an inconsistency of findings, so the further research is needed regarding the relationship between two variables. With so many coffee shops, the competition is also getting tougher. Coffee shop owners must innovate in order to win the competition. One of them uses indicators of customer satisfaction and loyalty. In Fadillah’s research related to Java Dancer Coffee, he stated that the store atmosphere had a positive and significant influence on customer satisfaction [16].

Consumer behavior must be studied in order to get new customers and retain loyal customers. This is inseparable from how business actors build their business branding. Brand image has an important role in how consumers view a brand. Brand image is a consumer’s response to a brand based on the good and bad of the brand that consumers remember. Brand image is a belief that is formed in the minds of consumers about the object of the product that has been felt. Therefore, consumer perceptions of our products are important because they are related to consumer purchasing decisions. Research related to brand image is carried out by Neupane [17] and Lahap et al. [18] which states that there is a positive relationship between brand image and customer satisfaction. Research from Abbas et al. [19], Sharma [20], also Lin and Hsu [21], which states that there is a positive and strong relationship between brand image and customer loyalty. However, research from Pratiwi et al. [22] states that brand image does not affect customer loyalty partially. And brand image has no effect on restaurant customer satisfaction [23].

After consumers decide to buy products from a brand, then customer satisfaction is something that must be considered so that consumers can return to consuming the brand’s products. Different consumer behavior makes the satisfaction expected by consumers is also different. So that in satisfying customers, must pay attention to several factors that become a reference for how customers can have maximum customer satisfaction. Customer satisfaction is defined as a determinant that how many goods, maintenance,
services, and improvements a company is able to meet customer expectations [24]. Consumer satisfaction is a measurement between expectations and the reality that consumers receive or feel. If what is received by consumers is not in line with expectations, then the customer will feel dissatisfied. If customers are satisfied, they will tend to return to transactions and become more loyal. Research from Chiguvi and Guruwo [25] also Darmawan [26] which states that there is an effect of customer satisfaction on customer loyalty. And also produces a significant indirect relationship between customer satisfaction and customer loyalty [27].

Loyal customers are those who buy routinely and repeatedly, coming to the same place to satisfy their desires by having a product or getting a service and paying for it. Companies can more easily promote their products to loyal customers because they are also promotional agents. Customers not only buy company products, but they also recommend company products if they have become loyal customers. There are still differences in the findings that experiential marketing and brand image has no effect on customer loyalty. Research on experiential marketing and brand image on customer satisfaction is still limited. Improve findings related to customer loyalty to the company that will be useful for practice in the real market.

Based on the context described above, the researcher is interested in discussing experiential marketing and coffee shop brand image, both of which effect consumer pleasure and their impact on customer loyalty. In relation to the above summary, the researcher wishes to discuss a literature review titled “Analysis of the Effect of Experiential Marketing and Brand Image on Customer Satisfaction and Customer Loyalty”.

2 Literature Review

2.1 S-O-R Theory

Mehrabian and Russell designed the SOR model, which was originally used for environmental psychology but has since been adapted by other disciplines such as consumer behavior, information systems, and various other disciplines as done by several researchers [28]. This theoretical framework suggests that the resulting effect is a special reaction to a special stimulus so that one can expect and estimate the suitability between the message and the communicant’s reaction. The SOR theory framework consists of three main components: Stimulus, organism, and response. The environment is a stimulus (S), which consists of a set of signs that cause a person’s internal evaluation (O) and then produce a response (R). The S-O-R model is used by several researchers from Hewei and Youngsook [29] which examines environmental stimuli such as store environment, social factors, and fashion, to impulsive buying behavior mediated by customer emotional satisfaction and its effect on post-purchase. About measuring customer satisfaction (organism) in determining purchase impulsive online buying behavior (response) that is influenced by online shop agents (stimulus) [30].

2.2 Coffeehouses

Coffeehouses are a sort of food service (or restaurant) in the hospitality sector, just like buffets, fast food, and fine dining [31]. There are two main categories of coffeehouses: traditional and contemporary. Traditional coffee-shop are frequently furnished
with lounge and group dining furniture that encourages spontaneous interactions therefore a modern coffee shop was founded to respond to changing consumer demands that were influenced by both macro and micro environmental factors in the marketplace [32]. Coffee shops can meet higher level requirements for people in addition to meeting their fundamental physiological needs for food and water; however, the needs that are addressed may vary depending on the sort of coffee shop that is being handled by bar owners.

2.3 Experiential Marketing

Experience is defined as the subjective stages encountered by a person in the process of building or developing the individual self by emphasizing the interaction of emotional and sensory aspects during product or service consumption. Experiential marketing is also a marketing approach that employs the creation of an experience that consumers can feel when consuming a product or service, resulting in a sense of fulfillment [33]. Experiential Marketing is the process of getting people to sense, feel, think, act, and relate to a company and its brands [34].

These five dimensions tries to touch the consumer’s emotions through experiences received through the five senses. The feel dimension seeks to connect with customers by beginning with their mood, whether happy, sad, joyful, or sorrowful. The think dimension is a sort of experience that tries to generate cognitive experiences that encourage consumers to think creatively. The act dimension tries to provide a consumer experience that is tied to behavior, lifestyle, and contact with others. The relate dimension integrates parts of sense, feel, think, and act to build a community within customers through communication so that customers feel accepted in their surroundings.

The practice of experiential marketing has an important meaning in explaining customer satisfaction and loyalty. A study notes that promoting the level of consciousness of experiential marketing and service innovation will increase customer satisfaction, whereas the increase in customer satisfaction will reinforce customers’ intentions and purchase products. Experiential marketing and brand image both significantly influence brand loyalty, whereas experiential marketing is not expected to impact brand loyalty.

2.4 Brand Image

Brand image is a customer’s set of beliefs, ideas, and impressions about a brand; thus, customers’ behaviors and attitudes toward a brand are likely to be influenced by brand image [35]. Furthermore, brand image refers to intangible and physical perceptions or ties to a brand produced by customers’ cognition, affection, and evaluative processes [36]. In terms of market rivalry, a strong brand image can increase brand competitiveness and is also a significant component impacting customer satisfaction and trust levels [37].

2.5 Customer Satisfaction

Satisfaction is an overall affective response to a discrepancy between the expected expectations and the actual experience of the entire services received [38]. Customer satisfaction is the subjective assessment made after a purchase based on all interactions with
a business as well as other experiences [39]. Satisfaction as a customer’s emotional or cognitive reaction to a product after purchasing and using for a length of time [40].

2.6 Customer Loyalty

Customer loyalty is a customer’s deeply held commitment to continually repurchase or promote a favored brand [41]. Consumers’ emotional bonds frequently initiate both recurring purchases and informal endorsements to peers. As a result, a consumer’s positive-emotion to a retailer is expected to foster product loyalty and drive repeat purchases of the same products [42]. Furthermore, an engaged person is more likely to develop favorable sentiments toward a product, company, or brand, resulting in loyalty to the entity [43].

3 Methods

There are several steps that an author must take when compiling a literature review [44]. These steps are illustrated in the workflow on Fig. 1 below:

Based on these stages, the author attempts to identify the issue, specifically what are the antecedent factors that can form customer loyalty, particularly in ethnic cafes. The author must then determine the type of study that will be explained in accordance with the table format proposed by Loureiro [45] which includes the following Table 1:

This study made use of reputable journal literature from the Science Direct, MDPI, and Taylor Francis databases. Researchers conducted a literature search using keywords such as “experiential marketing” as well as keywords related to the research topic to

![Workflow Diagram]

Fig. 1. How to conduct literature review.
Table 1. Criteria of literature review.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field</td>
<td>Business, management, gastronomy</td>
</tr>
<tr>
<td>Paper type</td>
<td>Literature review</td>
</tr>
<tr>
<td>Language</td>
<td>English</td>
</tr>
<tr>
<td>Scope</td>
<td>Consumer Behavior specifically for Coffee-shop</td>
</tr>
<tr>
<td>Empirical year’s limit</td>
<td>Until 2022</td>
</tr>
<tr>
<td>Relevance</td>
<td>Defining the antecedents that formed customer loyalty on coffee-shop.</td>
</tr>
<tr>
<td></td>
<td>Analysis Level: contribute to the development of the business sector,</td>
</tr>
<tr>
<td></td>
<td>particularly in gastronomy and ethnic cafes</td>
</tr>
</tbody>
</table>

be discussed such as “brand image” and “customer loyalty in coffee.“ The researcher reduces the publication theme to the formation of consumer loyalty in the context of a café. The author discovered and collected a number of international journals and reference books. The concept of experiential marketing, which has been adopted in the café industry, is one of the important findings. The author discovered a number of articles in international journals that are appropriate and relevant to the topic of the problem after conducting a search on the journal database website. The results are shown in Table 2:

4 Discussion

According to earlier studies, experiential marketing is a condition of comfort in the environment that gives clients a sense of familiarity and comfort, which leads to satisfaction in the tourism industry [46]. In terms of coffee-shop, providing clients with café experiences helps them feel better as they consume, which increases the value of the coffee, food, and services they have received by Zhang. This statement is supported by Yuan and Wu research that experiential marketing could partially induce customer satisfaction [47]. Ainy et al. [48] and Arismunandar [33] also confirmed that in terms of coffee-shop industry, satisfaction is what every firm seeks to obtain. From that theory, authors made a preposition:

(P1): Experiential Marketing Has an Effect on Customer Satisfaction

Researchers generally agree that appearance influences customer behavior in the future. Brand image is critical for every firm that strives for customer satisfaction [49]. Organizations boost their efficacy through brand image and client happiness [14]. This notion demonstrates how the effects of store image are related to retail satisfaction. The positive relationship between the firm and the customer demonstrates the link between brand image and customer pleasure [19].

This statement is supported by research from Neupane [17] and Lahap et al. [18] which found a positive relationship between brand image and customer satisfaction. Ryu et al. findings in a fast service restaurant context demonstrated that both functional (i.e., waiting time for a seat, store environment, and store location) and psychological
Table 2. Summary of articles.

<table>
<thead>
<tr>
<th>No</th>
<th>Journal</th>
<th>Number of Articles</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>International Journal of Hospitality Management</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>Journal of Hospitality Marketing and Management</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Journal of Business Economics and Management</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>International Journal of Hospitality and Tourism Administration</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>Journal of Travel Research</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>International Journal of Market Research</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>Journal of Foodservice Business Research</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>Entertainment Computing</td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>Journal of Global Marketing</td>
<td>1</td>
</tr>
<tr>
<td>10</td>
<td>Central Asian Survey</td>
<td>1</td>
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<tr>
<td>11</td>
<td>Asian Anthropology</td>
<td>1</td>
</tr>
<tr>
<td>12</td>
<td>Asian Social Science</td>
<td>1</td>
</tr>
<tr>
<td>13</td>
<td>Foundations and Trends in Marketing</td>
<td>1</td>
</tr>
<tr>
<td>14</td>
<td>International Journal of Economics and Management Engineering</td>
<td>1</td>
</tr>
<tr>
<td>15</td>
<td>Journal of Applied Business and Economics</td>
<td>1</td>
</tr>
<tr>
<td>16</td>
<td>International Journal of Academic Research in Business and Social Sciences</td>
<td>1</td>
</tr>
<tr>
<td>17</td>
<td>Journal of Fashion Business</td>
<td>1</td>
</tr>
<tr>
<td>18</td>
<td>International Journal of Social Science and Management</td>
<td>1</td>
</tr>
<tr>
<td>19</td>
<td>British Food Journal</td>
<td>1</td>
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<tr>
<td>20</td>
<td>Sustainability</td>
<td>2</td>
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<tr>
<td>21</td>
<td>Procedia</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>27</td>
</tr>
</tbody>
</table>

(emotion-eliciting aspects of surroundings) store image attributes are important predictors of Consumer satisfaction [50]. The author makes the following proposition in reference to the customer satisfaction theory:

**P2): Brand Image Has an Effect on Customer Satisfaction**

Customer experience is a better predictor and explainer of customer loyalty. Customer experience has been found to be a stronger predictor of customer loyalty because it considers the emotional side of customers [51]. Customers who are satisfied are not the same as customers who are loyal. Understanding the experiential side of customer interactions can help predict customer loyalty more precisely [52].

This argument also provided by Vildayanti, found that experiential marketing affects customer loyalty in Excelso café of Central Jakarta [13]. When experiential marketing hits the client’s emotions, the customer has a unique experience when dealing with the
company’s offerings. Customers’ interactions with the company’s services influence their decision to continue prioritizing the company’s services over the services of other companies [48]. From these researches, author proposes a proposition based on the experiential marketing theory that has been compiled:

(P3): Experiential Marketing Has an Effect on Customer Loyalty
Brand image has an important impact on customer loyalty [19]. According to research conducted by Chao the industry nowadays focuses on the experience. It must use consumer perceptions of brand image and brand satisfaction to create customer loyalty [53]. Consumers use a product’s brand image to form overall perceptions of the specified products, with a better brand image implying a product of superior quality and value [37]. Individuals can be loyal based on previous experiences as well as information they acquire about or their projected image of the organization prior to real experience [4]. The presence of a match between expectations about the atmosphere of the coffee shop and also positive interactions can have implications for the establishment of consumer loyalty behavior as an impact of actual conduct [3]. From that argument, authors propose a proposition as below:

(P4): Brand Image Has an Effect in Customer Loyalty
Authors posit that customer satisfaction can lead into customers’ loyalty. Satisfied consumers are loyal and spread positive word of mouth Thus, consumer pleasure precedes customer loyalty and has a beneficial impact on loyalty [10]. Customer loyalty is a firmly held commitment to repeatedly repurchase or patronize a preferred product or service in the future, despite situational factors and marketing efforts that may trigger behavioral intentions [13].

This argument is supported by research by Leninkumar which found a significant direct relationship between customer satisfaction and customer loyalty [27]. That relationship was determined by positive emotional and brain recognition in terms of determining customer loyalty [25]. Lee et al., also provide that customer satisfaction is critical in the service industry since it has been connected to beneficial business outcomes (e.g., higher levels of sales and customer loyalty) [46]. Authors proposes a proposition as below:

(P5): Customer Satisfaction Has an Effect on Customer Loyalty.
Based on all the theories and prepositions that examined in this discussion, author was intended to propose the following conceptual framework (Fig. 2):
5 Conclusion

Before embarking on a research project, academics and practitioners must conduct a literature review in order to apply diverse theories and information. The stages in compiling a literature review are as follows: identifying problems, then conducting a literature search and screening, then presenting theories relevant to the research topic, then presenting a framework of thought, and finally outlining the implications and limitations of the research. Authors did literature research by gathering and filtering theories from 27 publications obtained from 21 credible International Journal Portals.

Based on their review of the literature, the authors propose that in order to form loyal coffee-shop visitors, a value-added process is required through experiential marketing activities that use the five human senses to provide an assessment of expectations for coffee products and services at the coffee-shop. Furthermore, the significance of brand image is crucial since a product’s name will reflect the service and quality that will be delivered to consumers. They play an important role in establishing favorable customer emotions through these two antecedent elements, which have an impact on consumer loyalty while remaining governed by the Stimulus-Organism-Response theory framework.

6 Suggestion

Based on the literature study, the researchers make recommendations for future researchers to learn more about the role of stakeholders in order to get a comprehensive understanding and view of the collaboration processes in producing dining experiences at coffee-shop. The second suggestion is that future academics incorporate the authenticity variable into their research on experiential marketing, particularly in the setting of coffee shops. The authentic visitor experience is critical for the provider because it allows the provider to improve the quality of service through a collaborative process in creating a memorable dining experience.

References

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