



The Multi-sensory Marketing Effect on Buying Intention of PT Sari Coffee Indonesia (Starbucks Indonesia) in the COVID-19 Pandemic Era

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Abstract. The coffee industry is growing rapidly in Indonesia, which prompts the presence of coffee shops or café brands, one of which is Starbucks Indonesia. A multi-sensory marketing strategy has been implemented; however, the large-scale social restrictions due to the COVID-19 pandemic have limited the multi-sensory marketing implementation at Starbucks Indonesia café. This paper aims to understand more about the multi-sensory marketing implementation and to assess its effect on Starbucks Indonesia's buying intention during the COVID-19 pandemic. The authors conducted the research methodology in qualitative and quantitative approaches. The authors interviewed one of the district managers of Starbucks Indonesia, netnography, and observation as a qualitative approach for data collection, as well as a survey of 200 respondents of Starbucks Indonesia customers as a quantitative approach. For data analysis, open coding and triangulation validation were used for the qualitative approach, and PLS-SEM and analysis of correlation were conducted for the quantitative approach. The results reveal positive relationships between multi-sensory marketing and buying intention, with brand experience as a major role mediator. Furthermore, 6 paths of the customer journey are formed that mediate multi-sensory marketing to buying intention. This research contributes to neuromarketing and customer research by delivering empirical support for the relevance of multi-sensory marketing to customer buying intention. The findings provide insightful information about the efficiency of multi-sensory marketing in creating enduring brand experiences that have an impact on brand performance during the COVID-19 pandemic. Furthermore, the findings add to our understanding of how multi-sensory marketing has affected the Indonesian café market.

Keywords: Buying Intention · COVID-19 · Multi-sensory Marketing · Starbucks Indonesia

1 Introduction

One of the most consumed beverages worldwide is coffee, particularly in Indonesia where there are numerous coffee shops and cafés [1]. According to TOFIN study data gathered in partnership with MIX MarComm Magazine, enterprises in the HOREKA sector (hotels, restaurants, and cafés), Indonesia had more than 2,950 cafés in August 2019. This amount is three times greater than the 1,950 stores in 2016 [2].

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R. Hurriyati et al. (Eds.): GCBME 2022, AEBMR 255, pp. 1018–1027, 2024.

https://doi.org/10.2991/978-94-6463-234-7_106

Starbucks is one of the well-known coffeehouse brands in Indonesia [3]. It is a high-end coffee shop with locations across the globe, including Indonesia [4]. It offers a variety of coffees of varied international standards.

Starbucks Indonesia has used a marketing approach to win over loyal customers that alter buying intention through a five-sensory - visual, auditory, haptic, olfactory, and gustatory - or multi-sensory marketing [4]. This is done to provide new customer behavior. This tactic is thought to be suitable for enhancing consumer behavior among Starbucks Indonesia customers and boosting sales [5].

Nonetheless, the COVID-19 pandemic struck, necessitating adaptability, such as the multi-sensory marketing implementation in the coffee market. Customers were discouraged from coming directly to the café as a result of the large-scale social restrictions imposed to combat the spread of COVID-19. As a result, coffee demand has dropped by half, and the multi-sensory marketing implementation, which should be a marketing strategy that directly touches the customer's senses, is limited [6, 7]. As a result, this paper will understand more about the multi-sensory marketing implementation and test the multi-sensory marketing effect on Starbucks Indonesia's buying intentions during the COVID-19 pandemic.

1.1 Theoretical Basis

This study explains the relationship established between variables of multi-sensory marketing, brand experience, and brand performance indicators. Multi-sensory marketing is a marketing strategy that uses common senses including visual, acoustic, haptic, olfactory, and gustatory to attract customers. This is a type of neuromarketing in which brand elements are associated with customers' memories [8]. Then, Starbucks Indonesia employs a multi-sensory marketing structure to create an environment in which the experience can be shaped, feelings communicated, and memories formed. Multi-sensory marketing can broaden the nature of customer hospitalization, resulting in stronger lengthy memorability and brand image [9]. Tuu and Olsen [10], emphasizing the importance of multi-sensory marketing, stated that customer satisfaction appears when customers' wants and needs are met to some extent, and the level of satisfaction can be wonderful or terrible. Customers can connect emotionally with attitudinal loyalty from this satisfaction, which occurs when a customer prefers a particular company's contribution in the form of products or services over competing brands [11]. Furthermore, the connection between these variables is expected to influence customers' readiness to pay a higher price for a particular item and have an item buying intention through the use of inherent signs like preference, involvement, and satisfaction [12, 13].

Multi-sensory marketing for individuals is linked to making the five senses the central focus of a brand's sensory experience, especially when feelings and emotion would seem to have power over rationale and impartiality in the human cerebrum. The challenge for a business is to activate the person's touchpoints via the five senses to work with the sensory stimuli and fulfill individual needs and desires [9]. The quality of experience is then positively associated with the number of senses processed consistently, based on the theory of super additive effects [14]. As a result, the author proposed:

H1: Multi-sensory marketing is positively correlated with brand experience

As stated by Bacik et al. [15], there is a link between positive brand experiences and brand perception images. Then, Iglesias et al. [16] demonstrated that emotional experience commitment to the brand causes customer satisfaction with the brand. Furthermore, as stated by Brakus et al. [17], brand experience influences loyalty both directly and indirectly through brand personality. Furthermore, the findings of the Haase et al. [18] study show as when customers have a favorable experience with a brand, their overall opinion of the brand improves, resulting in a greater readiness to pay a premium. Furthermore, Yasin and Shamim [19] found that brand experience, when combined with brand trust and loyalty, positively increases customer buying intention. As a result, the author proposed:

H3: Brand image is positively correlated with (a) brand satisfaction, (b) brand loyalty, (c) price premium, and (d) buying intention

As Şahin et al. [24] stated that one of the determinants of brand loyalty is satisfaction with the preferred brand. Furthermore, Homburg et al. [25] demonstrated that brand satisfaction leads to a willingness to pay a price premium for an undeniable level of satisfaction with their service or product. Konuk [26] also discovered that exceptionally satisfied customers, based on their internal evaluation, are more likely to return and spread word-of-mouth (WOM) than less satisfied customers. As a result, the author proposed:

H4: Brand satisfaction is positively correlated with (a) brand loyalty, (b) price premium, and (c) buying intention

According to an experimental study conducted by Chaudhuri and Holbrook [27], greater attitudinal brand loyalty should result in a greater willingness to sacrifice by paying a premium price for a valuable brand. Furthermore, Hameed et al. [28] stated that brand name, styling, price, quality of products, promotion, and retail environment all have a significant impact on brand loyalty, which in turn influences customer purchasing intentions. As a result, the author proposed:

H5: Brand loyalty is positively correlated with (a) price premium and (b) buying intention

Previous research by Son and Jin [29] found that because purchase intention increases when the price is fair, even when the price is high, marketers should concentrate on advertising and producing the impression of reasonable price in their brands and products to increase sales. Furthermore, Haase et al. [18] stated that readiness to pay a higher price influences purchases intention for the service or product. As a result, the author recommended:

H6: Price premium is positively correlated with buying intention

2 Methods

Multi-sensory marketing in this study is examined in terms of shaping customers' intentions to purchase Starbucks Indonesian coffee. First, the author performs an identification of the problem and reviews various types of literature related to this issue that was inspected and evaluated to provision this study. The author then collected data using a qualitative and quantitative method. The qualitative approach was used first to collect data in the form of keywords and insights on the multi-sensory marketing implementation through an interview with the district manager of Starbucks Indonesia, netnography, and observation in three Starbucks cafés in Greater Jakarta and one in Bandung City. The qualitative data will be analyzed first to determine the terminal finding that will be used as an assist indicator in the quantitative questionnaire survey utilizing open coding and triangulation. The quantitative approach, using a survey method, will then be used to assess the impact of multi-sensory marketing on Starbucks Indonesia customers' purchasing intentions in the COVID-19 pandemic era. The respondent will use a five-point Likert scale, with 1 being strongly disagreed and 5 strongly agreeing. The survey data from 200 respondents will be analyzed using PLS-SEM and analysis of correlation before being discussed to make conclusions and recommendations.

2.1 Data Analysis

2.1.1 Qualitative Approach

Qualitative approach result show by Table 1 as a follow:

As previously stated, the data from the interviews with the district manager of Starbucks Indonesia, netnography, and observations from four Starbucks Indonesia cafés will be triangulated to validate this qualitative research. Table 1 shows the qualitative approach's conclusion based on triangulation results. The haptic indicator variable cannot be determined because researchers were unable to obtain it due to a Starbucks Indonesia

Table 1. Qualitative approach results

Variable		Triangulation Key Phrases
Multisensory Marketing	Visual	a. Custom-made barista uniforms b. Starbucks Indonesia has such a patent-pending color palette c. Authentic design café
	Acoustic	The sound ambience (music and quiet) is balanced.
	Haptic	Not validated.
	Olfactory	The fragrance of the room is enhanced by ingredients from the parallel menu.
	Gustatory	a. Customers can customize their orders based on their preferences b. High-quality menu materials and techniques

interviewee's failure to explain that haptics is an essential part of Starbucks Indonesia's multi-sensory marketing strategy. As a result, multi-sensory marketing for visual, acoustic, olfactory, and gustatory can be validated and used as a support component for the quantitative approach.

2.2 Quantitative Approach

A questionnaire-based survey method was used to implement the quantitative approach. As shown in Table 2, a total of 200 respondents were collected, with 149 survey participants from Starbucks Indonesia Greater Jakarta and 51 survey participants from Starbucks Indonesia Bandung City.

The hypothesis was validated using PLS-SEM and correlation analysis. The measurement of Goodness of fit (GoF) yields a score of 0.2855, indicating that this study model can explain the existing empirical data in the medium category. Premised on the collinearity test, all Values of vif of all latent variable indicators meet the selection criteria (5), indicating there is no multicollinearity among all independent variables. Demographic-behavioural sample's profile show by Table 2 as a follow:

The Indicator Reliability test analysis also shows that all indicators have an acceptable outer loading value (>40) which indicates that all indicators are reliable and statistically significant. Then, the internal consistency reliability has been tested, the composite reliability (CR) value of all variables met the minimum score ($>.70$). Furthermore, as shown in Fig. 1, based on the bootstrapping analysis, $p < 0.05$ which is equivalent to t -value > 1.960 (for 2-tailed); all hypothesis, from H1, H2a, H2b, H2c, H2e, H3a, H3c, H4a, H5a, H5b, and H6, is accepted. H2d, H3b, H3d, H4b, and H4c were rejected with the t -values of 0.704, 1.907, 0.770, 0.307, and 0.810 respectively.

3 Result and Discussion

This study was carried out to investigate the implementation of multi-sensory marketing and to assess the impact of multi-sensory marketing on the buying intention of Starbucks Indonesia. Although some hypotheses were rejected, the analysis confirmed the existence of high correlations between multi-sensory marketing and purchasing intention.

Based on a qualitative approach and after evaluating interview data triangulated with netnography, observation, and survey data, the author concluded that PT Sari Coffee Indonesia's (Starbucks Indonesia) multi-sensory marketing implementation in the COVID-19 pandemic era was adequate and had a small effect compared to before the COVID-19 pandemics. According to data from a confined interview with Starbucks Indonesia's district manager, it is accurate that Starbucks is still implementing multi-sensory marketing amid a pandemic, despite being hampered by the inability to dine in. This is supported by netnography results and observations that Starbucks is still implementing multi-sensory marketing strategies such as using design interiors in color variances and lighting in cafes, music, initiating coffee aromas, and personalizing flavors with high-quality ingredients and techniques. Customers will have a Starbucks experience that they will memorize from the start of multi-sensory marketing, enabling them to continue to have an intention to buy Starbucks products [9, 14–20, 22, 24, 27–29].

Table 2. Demographic-behavioural sample's profile

Variable	Indicator	n	(%)
Age	>35 years old	9	4.5
	16–19 years old	23	11.5
	20–24 years old	128	64.0
	25–35 years old	40	20.0
Gender	Female	120	60.0
	Male	80	40.0
Education	Junior high school	1	0.5
	Senior high school	18	9.0
	University degree	181	90.5
	Pupil	0	0.0
Occupation	Full-time employee	55	28.0
	Housewife/househusband	1	0.5
	Part-time employee	5	3.0
	Scholar	132	66.0
	Student	3	1.5
	Trainee	2	1.0
	Unemployed	2	1.0
Income per month	<Rp1.000.000	25	12.5
	>Rp9.000.000	35	17.5
	No income	42	21.0
	Rp1.000.000–Rp3.000.000	47	23.5
	Rp3.000.001–Rp5.000.000	27	13.5
	Rp5.000.001–Rp9.000.000	24	12.0
Location	Bandung City	51	25.5
	Greater Jakarta	149	74.5
Time Purchase	> 10 times	29	14.5
	1–3 times	106	53.0
	4–6 times	43	21.5
	7–10 times	22	11.0
Total sample size		200	100.0

However, as illustrated in Fig. 1, not all customers in this study have the same experience journey to purchase intention. Six multi-sensory marketing paths have the greatest impact on purchasing intent. The first route leads from Multi-sensory Marketing to Buying Intention through Brand Experience. Second, Multi-sensory Marketing leads

to Buying Intention through Brand Experience and Brand Loyalty. Third, Multi-sensory Marketing leads to Purchasing Intention through Brand Experience, Brand Satisfaction, and Brand Loyalty. Fourth, Multi-sensory Marketing leads to Buying Intention through Brand Experience, Brand Image, and Price Premium. Fifth, Multi-sensory Marketing leads to purchasing intent through Brand Experience, Brand Loyalty, and Price Premium. Sixth, Multi-sensory Marketing to Buying Intention through Brand Experience, Brand Satisfaction, Brand Loyalty, and Price Premium is the path. These variables, which mediate each other from the preliminary independent variable of multi-sensory marketing to the last dependent variable of buying intention, validated and supported the six paths. Empirical model at the $T \geq 1.96$ and $p \leq 0.05$ level of confidence (two-tailed) show by Fig. 1 as a follow:

Customers have different customer journeys based on the six paths.

Then, contrary to previous [18, 21, 23, 25, 26], several hypotheses, namely H2d, H3b, H3d, H4b, and H4c, do not support this study. Currently, many cafés offer similar experiences at lower prices, favoring the Instagramable café trend at a lower cost [30]. This is a factor that customers should consider before abandoning Starbucks Indonesia in favor of a competitor. Instead, during in the COVID-19 pandemic, Starbucks Indonesia was less responsible for queuing arrangements, which can be quite busy during the COVID-19 pandemic. This makes the customers uncomfortable and reduces their ability to enjoy services and products.

This study focuses on the variables that affect customer buying intentions as a result of Starbucks Indonesia’s multi-sensory marketing strategy. In practice, this research can help Starbucks Indonesia Managers and Marketers evaluate specific aspects that will kickstart the evolution of a better multi-sensory strategy based on Starbucks Indonesia customer preferences. In addition, this study also offers knowledge on what variables need to be bolstered to support branding and management to motivate customers to come to Starbucks Indonesia cafés which can influence the profits and sales of Starbucks Indonesia which is even greater in the future.

Furthermore, there aren’t many research studies that concentrate on multi-sensory marketing variables, particularly in the Indonesian market, so this study adds to our

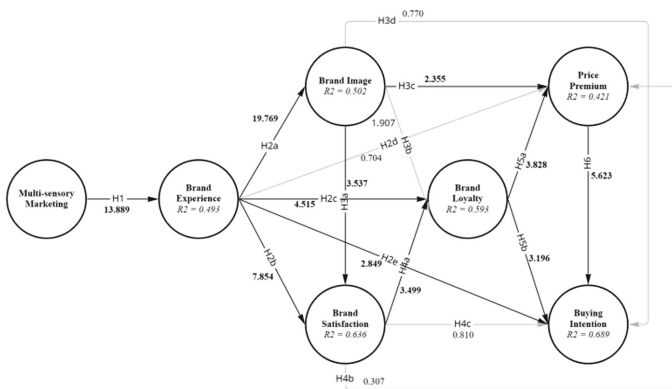


Fig. 1. Empirical model at the $T \geq 1.96$ and $p \leq 0.05$ level of confidence (two-tailed)

understanding of one aspect of marketing in neuromarketing that can serve as a reference for marketing strategy. Besides, this study provides a more detailed and comprehensive description of the framework for describing multi-sensory marketing in the Indonesian café and coffee industry.

4 Conclusion

This study has some limitations in terms of describing the situation. Future research should focus on the post-COVID-19 pandemic condition, explore other industries, more samples, and heterogeneous samples to determine current market segmentation, and add emphasis to haptic elements of multi-sensory marketing that were not validated in this study. Based on the findings of this study, recommendations can be made to Starbucks Indonesia Management teams and Marketers to maximize profit through multi-sensory marketing. Starbucks Indonesia's management team must keep the café's atmosphere calming, authentic, and luxurious. Nonetheless, Starbucks Indonesia must pay attention to seating arrangements associated with the customer's experience to make them feel more at ease, especially regarding seat cleanliness and customer capacity.

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