



## **Analysis of The Influence of Experiential Marketing on the Repurchase Intention of Daya Motor Consumers in Bandung**

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**Abstract.** In the era of increasingly intense competition in the two-wheeled automotive industry, particularly in the electric motorcycle segment in Indonesia, various challenges have emerged for industry players. PT Astra Honda Motor (AHM), one of the major players in this industry, faces additional challenges due to quality issues related to the eSAF frame, which have impacted its reputation and sales. As an official Honda dealer, Daya Motor must tackle these challenges by maintaining and enhancing its sales amidst tightening competition and negative perceptions of the product. This research analyzes the factors influencing consumer repurchase interest at Daya Motor, focusing on three main variables: experiential marketing, service quality, and customer satisfaction with Structural Equation Modeling. The research methodology includes evaluating the impact of experiential marketing and service quality on customer satisfaction and their effects on customer loyalty and repurchase interest. The results of this study reveal that Daya Motor's customer loyalty level is low. Furthermore, customer satisfaction does not always lead to customer loyalty.

**Keywords:** Experiential Marketing, Service Quality, Customer Satisfaction, Customer loyalty, Repurchase Intention, Structural Equation Modeling

### **INTRODUCTION**

In the current era, the competition in the electric motorcycle market in Indonesia's two-wheeler automotive industry has intensified. The emergence of new electric motorcycle products has been unstoppable, with several brands entering the market that previously had no involvement in automotive manufacturing. According to the Indonesian Electric Motorcycle Industry Association (Aismoli), the number of Motorcycle Brand Holders (ATPM) for electric motorcycle in Indonesia has rapidly increased from 9 to around 52 from 2019 to 2023. Notable new ATPMs

include Alva, Smoot, Polytron, Gesits, and U-Winflly. This increased competition means consumers have more options to consider when purchasing a motorcycle. PT Daya Anugrah Mandiri (Daya Motor), an official Honda dealer in Indonesia since 2002, faces these challenges directly. Daya Motor has historically maintained consistent sales with 96 dealers across the country contributing approximately 4.71% to national Honda motorcycle sales. However, recent issues with Honda's eSAF (enhanced Smart Architecture Frame) have negatively impacted sales. Reports of the eSAF frame being prone to damage, rust, and breakage have led to a 14.46% decline in Daya Motor's sales.

In the face of these obstacles, Daya Motor must enhance its strategies to sustain its market presence and contribution to AHM. To address these challenges, Daya Motor needs to enhance its strategies to maintain and grow its market presence and contribution to AHM. Understanding the factors influencing consumer repurchase intention is critical for maintaining sales. Research by Indriani (2006) suggests that traditional marketing approaches, which view consumers as rational decision-makers based on cost-benefit analysis, often fall short. Experiential marketing, which creates emotional connections and engagement, can be a valuable strategy for differentiation and improving profitability.

Dominiq (2021) highlights that repurchase intention is significantly influenced by service quality and customer satisfaction. This aligns with findings that suggest loyal customers are more likely to repurchase if they perceive high service quality and satisfaction with their initial purchase.

The study aims to construct a model to analyze how experiential marketing, service quality, and customer satisfaction impact consumer repurchase intention at Daya Motor. Insights from this research are expected to provide valuable recommendations for enhancing customer retention strategies and adapting to the evolving market conditions.

## **LITERATURE**

### **Customer Loyalty**

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Kotler (2008: 138) defines loyalty as a profound commitment to buy or endorse items or services in the future, regardless of situational factors and marketing strategies that can prompt customers to change their preferences. Tjiptono (2007) characterizes consumer loyalty as customers' commitment to a store, brand, or supplier, which is based on a favorable disposition manifested by persistent repeat purchases. Consumer allegiance to a product is a concrete expression of consumer fidelity. Kotler (2007: 18) defines consumer loyalty as a state in which a commitment to a brand, product quality, or company drives repurchase. It is a resolute dedication by consumers to repeatedly acquire or utilize a preferred product or service in the future, irrespective of contextual or promotional factors. Consumer loyalty refers to the voluntary and sustained long-term utilization of a seller's or merchant's products or services.

### **Customer Satisfaction**

Customer retention refers to the anticipation that customers will repurchase items or services when they have analogous demands. Satisfaction is the emotional response of pleasure or disappointment that arises from evaluating a product's performance against one's expectations (Kotler & Keller, 2009). Lovelock and Wright (2007) characterize satisfaction as a post-purchase response encompassing emotions like anger, displeasure, neutrality, joy, and pleasure. Customer satisfaction is contingent upon expectations and the actual outcomes achieved. Consequently, customer satisfaction is defined as the consumers' reaction to the alignment between their expectations and the actual performance encountered after utilizing a product or service.

### **Service Quality**

Kotler (as stated in Lupiyoadi, 2006) defines service as an action or activity provided by one party to another that is fundamentally intangible and does not confer ownership. Quality is a dynamic state associated with products, services, individuals, processes, and environments that exceed expectations (Tjiptono, 2004). Tjiptono (2007) defines service quality as the fulfillment of client wants and wishes and the precision of delivery in aligning with customer expectations. Based on the criteria above, it can be inferred that service quality encompasses activities in which a corporation delivers services that fulfill customer expectations, resulting in customer satisfaction. Lovelock and Wirtz (2011) assert that service-oriented firms necessitate direct engagement

between customers and service providers. Employee conduct, particularly in conveying information to consumers, is essential and differentiates exemplary service performance. Service quality is crucial for companies and must be enhanced to endure and remain a viable option for consumers. For businesses or vendors, customer service is paramount, and service initiatives should prioritize providing satisfaction that exceeds competitors' offerings.

### **Experiential Marketing**

Experiential Marketing is derived from the terms Experience and Marketing. Schmitt (1999, p. 60) defines experiences as individual occurrences that arise in reaction to stimuli presented by the seller before and after the acquisition of a product or service. Pine II and Gilmore (1999, p. 97) contend that experience is inherently individualized for individuals. Evans and Berman (1992, p. 8) define marketing as predicting, managing, and fulfilling client pleasure via the exchange process. Kotler (2003, p. 5) describes marketing as developing, promoting, and linking goods and services to customers and sellers. Experiential marketing is an activity designed to anticipate, manage, and attain customer pleasure through the exchange process involving stimuli perceived by consumers.

### **Repurchase Intention**

Interest is a psychological factor that profoundly influences behavioral attitudes. It can also be characterized as a motivational impetus that guides an individual before to taking action. Kinnear and Taylor (1995: 306) define buy interest as the phase in which respondents are predisposed to take action prior to finalizing a purchase decision. Repurchase interest is an evaluation conducted by an individual concerning the probability of utilizing the san. .npany's services again, taking into account their present status and circumstances (Noyan & Simsek, 2012).

## **METHOD**

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This research utilizes a quantitative methodology. Data is obtained via a survey, employing a questionnaire to collect information from a sample selected from the public. This research employs explanatory research to find and elucidate causal links among variables. As to Arikunto (2006), a population encompasses the complete collection of research subjects, which may consist of organisms, occurrences, phenomena, and similar entities that exhibit specific attributes and traits. This study's demographic comprises consumers who acquired a motorcycle from the Daya Motor dealership in Soekarno Hatta, with the sample encompassing purchases made between 2019 and 2024. Data is gathered using a questionnaire sent through Google Forms from April to June 2024. Participants must answer the questionnaire on a Likert scale rating from 1 to 4 for each topic. Respondents can participate in the population by completing the questionnaire or abstaining from it. Hair et al. (2017) stipulate that the minimum sample size necessary for a study is tenfold the number of arrows directed toward the dependent variable in the research model. This study examines and analyzes the effects of Experiential Marketing, Customer Satisfaction, Service Quality, and Customer Loyalty on purchase intention at Daya Motor Bandung. The study employs the subsequent factors external latent variable, Experiential Marketing (X1), an exogenous latent variable. The study examines the interrelationships of Service Quality (X2), Customer Satisfaction (Y1), Customer Loyalty (Y2), and Repurchase Intention (Y3), all of which are endogenous latent variables, to understand their influence on consumer repurchase intention. This entails hypothesis testing to ascertain whether the variables influence one another.

### Research Hypothesis

Hypothesis	Description	Literature
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H1	Experiential Marketing has a significant effect on Customer Satisfaction	(Dominiq, 2021)
H2	Service Quality has a significant effect on Customer Satisfaction	(Dominiq, 2021)
H3	Customer Satisfaction has a significant effect on Customer Loyalty	(Fitriyana F, 2013)
H4	Service Quality has a significant effect on Customer Loyalty	(Fitriyana F, 2013)
H5	Customer Satisfaction has a significant effect on Repurchase Intention	(Dominiq, 2021)
H6	Customer Loyalty has a significant effect on Repurchase Intention	(Ulum B, 2017)

Data processing was performed utilizing SmartPLS 3 software. This approach was employed to evaluate the research hypotheses developed from the acquired sample data. The analytical technique utilized in this research data examination is Structural Equation Modeling (SEM). Furthermore, various testing methodologies for assessing this study model are examined. Hail et al. (2017) state that two tests are required to evaluate a research model in PLS-SEM methodologies, specifically:

**Measurement Model Testing**

**Internal Consistency Reliability** aims to ensure the reliability of the research model. In this test, a model is considered reliable if the composite reliability value falls within the range of 0.7 to 0.95.

**Convergent Validity:** This test assesses whether a construct's measurement item correlates well and consistently. A good model should have an outer loading value above 0.7 in this test. However, if the outer loading value falls within the range of 0.4 to 0.7, the measurement item should be considered by examining the average variance extracted (AVE) value.

**Discriminant Validity:** This test is conducted using the cross-loading method. For a model to be considered good, the loading value of each item on its respective construct should be higher than the loading values of that item on other variables.

### **Structural Model Testing**

**Collinearity Assessment:** This test examines the influence of an independent variable on its dependent variable by looking at the Variance Inflation Factor (VIF) value. The maximum allowable VIF value for an item is 5.

**Path Coefficient (Direct Effect and Indirect Effect):** This test involves two effects: direct and indirect. The direct effect can be assessed using the path coefficient, while the indirect effect can be evaluated using the total effect in SmartPLS 3. The path coefficient value ranges from -1 to 1. A hypothesis is considered significant if the T-statistic value is greater than 1.96 and the P-value is less than 0.05.

**Coefficient of Determination:** This test aims to determine the extent to which independent variables affect the dependent variable. According to Hail et al., there are three categories for classifying  $R^2$  values:  $R^2$  value of 0.75 falls into the **strong** category.  $R^2$  value of 0.50 falls into the **moderate** category.  $R^2$  value of 0.25 falls into the **weak** category.

## **DISCUSSION**

All five variables in the research model are deemed dependable based on the conducted tests. This is due to each variable possessing a value within the permissible range of 0.7 to 0.9, with a maximum of 0.95. Consequently, the employed measurement model has strong consistency. Based on the external loading values, the measurement item EM13 from the Experiential Marketing variable and item LK3 from the Customer Loyalty variable were determined to be excluded from the research model. The decision was made because the removal of item EM13 and item LK3 enhanced the Average Variance Extracted (AVE) values for these variables. This

suggests that the variables of Experiential Marketing and Customer Loyalty more effectively account for the variance in their respective indicator items.

After removing item EM 13 and item LK3, the research model was reassessed for iteration 1. The outcomes for composite reliability and outer loading were deemed adequate. Consequently, the subsequent stage assessed the measurement's validity by the cross-loading approach. The results of this test indicate that the conditions for cross-loading in this model have been satisfied. Therefore, the measurement may be deemed genuine. The collinearity assessment indicates that all measurement items in the study model possess an inner VIF value below 5. This signifies that all variables and measurement items in this study model demonstrate low collinearity.

**Model Struktural SEM: Direct Influence**

Path	Path Coefficient	T-Statistics	P-Value	Kesimpulan
Experiential Marketing → Consumer Satisfaction	0,239	2,597	0,010	H0 <sub>1</sub> Ditolak
Consumer Satisfaction → Consumer Loyalty	0,063	0,334	0,739	H0 <sub>2</sub> Diterima
Consumer Satisfaction → Repurchase Intention	0,558	6,293	0,000	H0 <sub>3</sub> Ditolak
Service Quality → Customer Satisfaction	0,587	6,649	0,000	H0 <sub>4</sub> Ditolak
Service Quality → Consumer Loyalty	0,391	2,396	0,017	H0 <sub>5</sub> Ditolak
Consumer Loyalty → Repurchase Intention	0,366	3,600	0,000	H0 <sub>6</sub> Ditolak

<b>Variable</b>	<b><i>R Square Adjusted</i></b>
Consumer Satisfaction	0,579
Consumer Lyalty	0,181
Repurchase Intention	0,583

The analysis results indicate that 5 out of the 6 examined associations have considerable direct influence, whilst 1 relationship is non-significant. This section delineates the outcomes of the structural model concerning indirect influence. The indirect effect coefficient is derived from the product of the direct influence coefficient.

## **CONCLUSION**

This section will elucidate the conclusions derived from the research analysis and offer recommendations for subsequent studies. The conclusions respond to the research questions articulated in this study. The proposals are designed for both Daya Motor's business interests and future scholars. The following are the conclusions and recommendations derived from the conducted research. The conclusions drawn from the performed research are as follows:

1. Experiential marketing profoundly influences client happiness at Daya Motor dealerships.
2. Service quality substantially influences customer satisfaction at Daya Motor dealerships.
3. Client satisfaction does not substantially influence client loyalty at Daya Motor dealerships.
4. Service quality substantially impacts customer loyalty at Daya Motor dealerships.
5. Customer satisfaction profoundly influences repurchase intention at Daya Motor dealerships.
6. Customer loyalty substantially influences repurchase intention at Daya Motor dealerships.

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