

MEDIATION FUNCTION OF CUSTOMER SATISFACTION ON THE INFLUENCE OF PRICE, STORE ATMOSPHERE, AND EXPERIENTIAL MARKETING ON CUSTOMER LOYALTY AT SAMSUNG BRANDSHOP

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ABSTRACT

One of the smartphone shops that is trying hard to strengthen customer loyalty after the Covid-19 pandemic is the Samsung Brandshop of BIS WTC Surabaya. The purpose of this study was to determine the mediating function of customer satisfaction on the effect of price, store atmosphere, and experiential marketing on customer loyalty at the Samsung Brandshop of BIS WTC Surabaya. Quantitative data obtained through a 5-point Likert scale questionnaire distributed to 100 respondents through accidental sampling technique were processed and analyzed using SEM-PLS analysis with SmartPLS software. The results of the study prove that there is a mediating function of customer satisfaction on the influence of price, store atmosphere, and experiential marketing on customer loyalty at the Samsung Brandshop of BIS WTC Surabaya. The role of customer satisfaction as a mediator is formed from the existence of a significant negative price effect on customer satisfaction, a negative although not significant price effect on customer satisfaction on customer loyalty, a significant positive influence on store atmosphere and experiential marketing on customer satisfaction and customer loyalty, where Customer satisfaction itself also has a significant positive relationship with customer loyalty. It is recommended for further research to review the similar indicators between store atmosphere and experiential marketing, especially related to service, also examine the possibility of an experiential marketing mediating function on the influence of store atmosphere on customer loyalty.

KEYWORDS: Price, Store Atmosphere, Experiential Marketing, Customer Satisfaction, Customer loyalty



Introduction

The negative impact of the Covid-19 pandemic has reached the world smartphone market. According to the Rezkisari (2020) report, in the first quarter of 2020, smartphone sales were less than 300 million units. This is the worst condition since 2014. The smartphone brand that continues to lead the market is "Samsung" where this brand managed to reach one-fifth of global smartphone shipments. "Samsung" business profits increased from a year earlier despite weaker sales ahead of the first quarter of 2020.

Unfortunately, the impact of Covid-19 is still ongoing, making revenue in the next quarter also tend to fall because the Covid-19 pandemic has significantly affected demand. This condition is in accordance with Hadyan's report (2020) which explains that global smartphone sales in the second quarter of 2020 experienced a major decline, which was down 20.4% when compared to the same period in the previous year.

Considering the significant decline in sales, in the post-pandemic era of Covid-19 or the current new normal era, it is important for Smartphone distributors to have the strength and strategy to survive and then increase sales volume again, namely by creating a customer-oriented strategy or so-called as customer-oriented marketing.

Customer Oriented Marketing is marketing that focuses on what consumers want and need (Sugianto & Sugiharto, 2013). Customers will have an emotional bond if they have high satisfaction with the product or service they buy which in turn has a tendency to be loyal (Kotler & Keller, 2016). If the customer is loyal, according to the explanation of Kotler & Keller (2016), they will do: (1) Repeat Purchase, namely the purchase of repeated products without considering similar products offered by competing companies, (2) Retention, which is resistant to the influence of others, and (3) Referrals, which is willing to refer products to other people.

Thus, loyal customers, automatically, will provide opportunities for distributors to get new customers. In addition, according to Kotler and Keller (2016), retaining existing customers is more profitable than finding new customers which costs a lot of money. So, customer loyalty is very important for the development of a business in the future.

Customer loyalty will be high if the company pays attention to several factors that influence it the most. The results of research Mahmud et al. (2013), Subaebasni et al. (2019), and Wantara & Tambrin (2019) show that customer loyalty is influenced by price. Price can be defined as the amount of value issued by consumers to gain an advantage from the ownership or use of an item or service (Kotler & Keller, 2016). The indicators that reflect prices in accordance with the explanation of Kotler & Armstrong (2016), are: (1) affordability of prices by the purchasing power of customers, (2) conformity of prices with product quality, (3) price competitiveness, and (4) conformity the price with the benefits that the customer gets. So competitive prices that are in accordance with customer expectations and balanced with product quality and

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benefits are important factors that cannot be ignored by distributors because they are able to bind customers to be loyal to the products sold.

Meanwhile Oztas et al. (2016), Furoida & Maftukhah (2018), and Suryana (2019) prove that customer loyalty is influenced by store atmosphere. Store atmosphere according to Berman & Evans in Furoida & Maftukhah (2018) is an atmosphere that reflects the physical characteristics of a store that is used to build an impression and attract customers. There are 7 indicators according to Berman & Evans in Suryana (2019), including: Cleanliness (cleanliness), music (music playing), Scent (aroma), temperature (temperature), lighting (lighting), color (color of the building, furniture and equipment), and displays or layouts. So, the cleanliness of the store, the type or genre as well as the frequency of the music played in the store, the smell of the store both inside and outside, the temperature in the store, lighting, wall color, floor, ceiling, color of furniture and equipment, displays in the store are factors that reflect how the atmosphere of the store and become a part that is able to bind customers to frequent visits.

While Chao (2015), Widowati & Tsabita (2017) and Ekoputra et al. (2015) revealed that customer loyalty is strongly influenced by experiential marketing. Tjiptono (2012) defines experiential marketing as a marketing strategy that is packaged in the form of activities that are able to provide an experience that makes an impression on the hearts of customers. As for Ekoputra et al. (2015) proves that experiential marketing includes sense, feel, think, act, and relate.

Meanwhile, Chao (2015), Subaebasni et al. (2019), Widowati & Tsabita (2017), and Wantara & Tambrin (2019) also find that customer loyalty is influenced by customer satisfaction. Kotler & Keller (2016) explain that customer satisfaction is a person's feelings of pleasure or disappointment as a result of efforts to compare the performance of a product with one's expectations. This customer satisfaction according to Widowati & Tsabita (2019) is reflected by: (1) the suitability of the service with customer expectations, (2) the quality of restaurant service is better than other restaurants, (3) the customer is satisfied (no complaints) with the service at the restaurant, and (4) customers are happy with restaurant service.

So, there are 4 important factors that influence customer loyalty that must be considered by store management, namely: price, store atmosphere, experiential marketing, and customer satisfaction. While several studies also show that customer satisfaction itself is also influenced by price (Cao et al., 2017; Mahmud & Jusoff, 2013; Subaebasni et al., 2019; Wantara & Tambrin, 2019), store atmosphere (Furoida & Maftukhah, 2018; Jalil et al., 2016; Suryana & Haryadi, 2019), and experiential marketing (Chao, 2015; Ekoputra & Dodikridho Nurrochmat, 2015; Setiawan et al., 2018; Widowati & Tsabita, 2017). Some of them even prove that customer satisfaction is indeed an intervening construct that mediates the effect of price on customer loyalty (Dimiyati & Subagio, 2016; Wantara & Tambrin, 2019), mediates the effect of

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store atmosphere on customer loyalty (Furoida & Maftukhah, 2018; Oztas et al. , 2016), as well as mediating the effect of experiential marketing on customer loyalty (Ekoputra & Dodikridho Nurrochmat, 2015; Setiawan et al., 2018).

On the other hand, there are many empirical gaps in the relationship between these constructs. Among them are the results of research on the relationship between price and customer satisfaction. The results of research Mahmud et al. (2013) show that price does not have a major influence on customer satisfaction. That is, the lower the price, the higher the customer satisfaction, but the increase in customer satisfaction along with the decrease in price is not too large. This is because the object of research is the customer of the commercial aviation service industry where the customer does not have many choices of types of flights, even though the price increase remains the customer's choice because of the need for fast mobility, so that the decrease in customer satisfaction is not too large if the price of flight services is increased.

While the research results of Cao et al. (2017) revealed that price has a big influence on customer satisfaction. That is, the higher the price, the lower the customer satisfaction, while the decrease in customer satisfaction along with the increase in price is quite large. This is because the object of research is BizRate.com customers. Bizrate.com is a customer review site which is a useful tool to build trust from customers. This site allows each customer to review other customers who have made transactions on the site. If the price of BizRate.com services increases, the customer satisfaction of those service users will decrease drastically, because there are many choices of other sites such as shopping.com, pricescan.com mysimon.com, and bottomdollar.com.

Empirical gap also occurs in the results of research by Subaebasni et al. (2019) and Wantara & Tambrin (2019) which state that price has a significant effect on customer satisfaction. The object of this research is the customer of PT. Strait Liner Express in Jakarta and Batik Madura customers. PT. Strait Liner Express is a service company engaged in International Freight Forwarding. The high price actually gives satisfaction to customers, because the average customer here is a company that uses imported raw materials. This is because there is a special trust, where high prices indicate service quality and provide more guarantees for the safety and on time distribution of goods. Likewise with Madura Batik customers, coincidentally, the respondents studied were Madurese batik lovers from the upper middle class class, the higher the price actually made the customers more satisfied because this is also linear with the quality of the fabric and batik motifs so that it looks more classy.

As for the relationship between store atmosphere and customer satisfaction, experiential marketing with customer satisfaction, and the relationship between other constructs, there are many empirical gaps as summarized in Table 1.

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Table 1. Research GAP

Relationship between Constructs	Object of research	Researcher	Research result
The Effect of Price on Customer Satisfaction	Commercial aviation service industry customers	Mahmud et al. (2013)	Not significant
	BizRate.com customers	Cao et al. (2017)	Significant
	PT Strait Liner Express customers in Jakarta	Subaebasni et al. (2019)	
	Madura Batik Customers	Wantara & Tambrin (2019)	
The Effect of Store Atmosphere on Customer Satisfaction	Customers of a restaurant in Malaysia	Jalil et al. (2016)	Not significant
	Platinum Martabak Cafe customers	Furoida & Maftukhah (2018)	Significant
	Ruby Pekalongan Le Delice Café and Bakery customers	Suryana (2019)	
The Effect of Experiential Marketing on Customer Satisfaction	Fitness Club customers in Taiwan	Chao (2015)	Significant
	Customers of The House of Raminten Yogyakarta	Widowati & Tsabita (2017)	
	150 Eatery Bogor restaurant customers	Ekoputra et al. (2015)	
	CGV Cinemas Hartono Mall Yogyakarta	Setiawan et al. (2018)	
The Effect of Price on Customer Loyalty	Commercial aviation service industry customers	Mahmud et al. (2013)	Not significant
	PT Strait Liner Express customers in Jakarta	Subaebasni et al. (2019)	Significant
	Madura Batik Customers	Wantara & Tambrin (2019)	
The Effect of Store Atmosphere on Customer Loyalty	Fitness Center Customers in Turkey	Oztas et al. (2016)	Significant
	Martabak Platinum Ruby Pekalongan Customers Cafe	Furoida & Maftukhah (2018)	
	Le Delice Café and Bakery Pelanggan customers	Suryana (2019)	Not significant
Effect of Experiential Marketing on Customer Loyalty	Fitness Club customers in Taiwan	Chao (2015)	Significant
	Customers of The House of Raminten Yogyakarta	Widowati & Tsabita (2017)	Not significant
	150 Eatery Bogor restaurant customers	Ekoputra et al. (2015)	
The Effect of Customer Satisfaction on Customer Loyalty	Fitness Club customers in Taiwan	Chao (2015)	Not significant
	PT Strait Liner Express customers in Jakarta	Subaebasni et al. (2019)	
	PT Strait Liner Express	Widowati & Tsabita	

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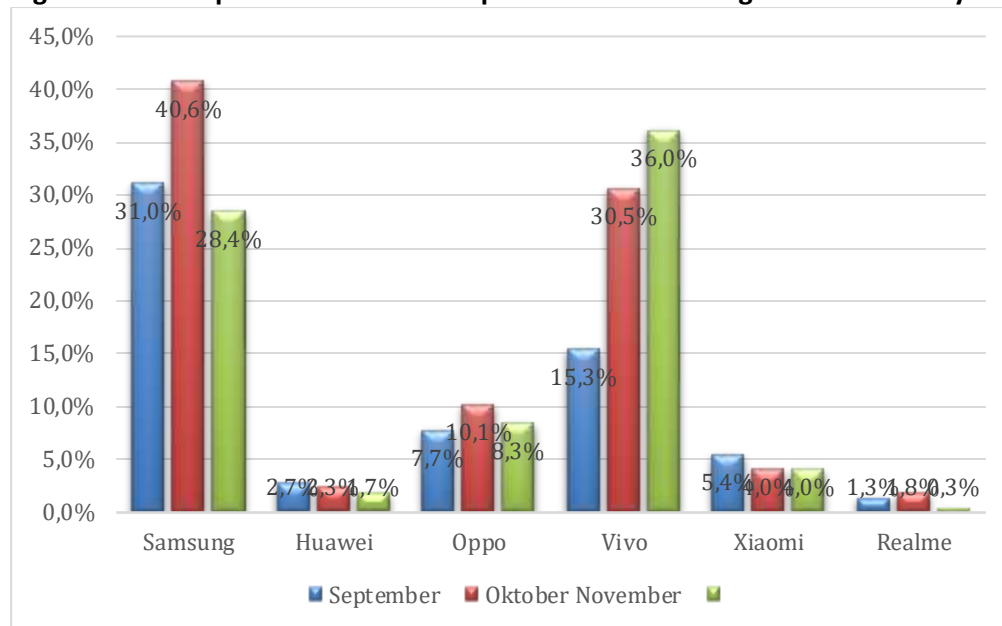
	customers in Jakarta	(2017)	
	Batik Madura Customers	Wantara & Tambrin (2019)	Significant
The Effect of Price on Customer Loyalty through Customer Satisfaction	Express Post Customers in East Java	Dimiyanti & Subagio (2016)	Customer Satisfaction is proven as a Mediator
	Batik Madura Customers	Wantara & Tambrin (2019)	Customer Satisfaction is not a Mediator
	PT Strait Liner Express customers in Jakarta	Subaebasni et al. (2019)	Customer Satisfaction is not a Mediator
	Bali Ratih website customer from Jakarta	Anjani et al. (2018)	Customer Satisfaction is proven as a mediator
The Effect of Store Atmosphere on Customer Loyalty through Customer Satisfaction	Fitness Center Customers in Turkey	Oztas et al. (2016)	Customer Satisfaction is not a Mediator
	Martabak Platinum Ruby Pekalongan Customers	Furoida & Maftukhah (2018)	Customer Satisfaction is not a Mediator
	Le Delice Café and Bakery Customers	Suryana (2019)	Customer Satisfaction is not a Mediator
The Effect of Experiential Marketing on Customer Loyalty through Customer Satisfaction	Fitness Club customers in Taiwan	Chao (2015)	Customer Satisfaction is not a Mediator
	Customers of The House of Raminten Yogyakarta	Widowati & Tsabita (2017)	Customer Satisfaction is not a Mediator
	150 Eatery Bogor restaurant customers	Ekoputra et al. (2015)	Customer Satisfaction is proven as a mediator
	CGV Cinemas Hartono Mall Yogyakarta	Setiawan et al. (2018)	Customer Satisfaction is proven as a mediator

The existence of this empirical gap creates a gap between the influence of price, store atmosphere, and experiential marketing on customer satisfaction and loyalty, as well as the gap between the position of customer satisfaction as an intervening construct that mediates the effect of price, store atmosphere, and experiential marketing on customer loyalty, so research needs to be done. further related to the mediation function of customer satisfaction on the influence of price, store atmosphere and experiential marketing on customer loyalty in a distribution business selling Smartphones.

One of the smartphone shops in this new-normal era that is trying hard to reaffirm customer loyalty is the Samsung Brandshop of BIS WTC Surabaya which is located at WTC 2nd floor Galeria R.813-814 Jalan Pemuda Kaving 27-31 Surabaya. This shop sells several HP brands, the main ones being the Samsung brand, some others are: Vivo, Oppo, Realme, Huawei, and Xiaomi as shown in Figure 1.

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Figure 1. Bar Graph of HP Sales Development at the Samsung BIS WTC Surabaya Brandshop



Source: Primary Data Processed (2021)

Based on the results of the pre-survey interview, the price offered by HP at the Samsung Brandshop of BIS WTC Surabaya is actually a competitive price, in accordance with the quality and benefits of the product. The condition of the shop is also clean and tidy. As for the experiential marketing side, the customer experience is the lack of friendly attitude of the store clerk. Meanwhile, from the act experience, it is also not very obtained because the store does not yet have a strong and differentiated image, it is almost the same as other HP shops. As for relate experience, it is acknowledged that it is enough to get information, especially related to promotions, by several customers who follow @samsung_biswtc's IG. However, customers admit that the quality of service is still not better than in competitor stores. So, in terms of customer satisfaction is still not optimal. In fact, according to several research results, customer satisfaction is able to mediate price, store atmosphere, and experiential marketing on customer loyalty. Based on this background, it is important to conduct research on **"Mediation Functions of Customer Satisfaction on the Effect of Price, Store Atmosphere, and Experiential Marketing on Customer Loyalty at the Samsung BIS WTC Surabaya Brandshop"**.

Formula

The formulation of the problem in this study include:

- 1) Does Price have a significant influence on Customer Satisfaction at the Samsung Brandshop of BIS WTC Surabaya?
- 2) Does Store Atmosphere have a significant influence on Customer Satisfaction at the Samsung Brandshop of BIS WTC Surabaya?
- 3) Does Experiential Marketing have a significant influence on Customer Satisfaction at the

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Samsung Brandshop of BIS WTC Surabaya?

- 4) Does Price have a significant influence on Customer Loyalty at the Samsung Brandshop of BIS WTC Surabaya?
- 5) Does Store Atmosphere have a significant influence on Customer Loyalty at the Samsung Brandshop of BIS WTC Surabaya?
- 6) Does Experiential Marketing have a significant influence on Customer Loyalty at the Samsung Brandshop of BIS WTC Surabaya?
- 7) Does Customer Satisfaction have a significant influence on Customer Loyalty at the Samsung Brandshop of BIS WTC Surabaya?
- 8) Is customer satisfaction an intervening construct that is able to mediate the effect of price on customer loyalty at the Samsung Brandshop of BIS WTC Surabaya?
- 9) Is customer satisfaction an intervening construct that is able to mediate the influence of store atmosphere on customer loyalty at the Samsung Brandshop of BIS WTC Surabaya?
- 10) Is customer satisfaction an intervening construct that is able to mediate the effect of experiential marketing on customer loyalty at the Samsung Brandshop of BIS WTC Surabaya?

Research purposes

The objectives to be achieved in this research include:

1. To determine the effect of price on customer satisfaction at the Samsung Brandshop of BIS WTC Surabaya.
2. To determine the effect of Store Atmosphere on Customer Satisfaction at the Samsung Brandshop of BIS WTC Surabaya.
3. To find out Experiential Marketing on Customer Satisfaction at the Samsung Brandshop of BIS WTC Surabaya.
4. To find out the effect of Price on Customer Loyalty at the Samsung Brandshop of BIS WTC Surabaya.
5. To determine the effect of Store Atmosphere on Customer Loyalty at the Samsung Brandshop of BIS WTC Surabaya.
6. To determine the effect of Experiential Marketing on Customer Loyalty at the Samsung Brandshop of BIS WTC Surabaya.
7. To determine the effect of Customer Satisfaction on Customer Loyalty at the Samsung Brandshop of BIS WTC Surabaya.

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8. To prove that customer satisfaction is an intervening construct that is able to mediate the effect of price on customer loyalty at the Samsung Brandshop of BIS WTC Surabaya.
9. To prove that customer satisfaction is an intervening construct that is able to mediate the influence of store atmosphere on customer loyalty at the Samsung Brandshop of BIS WTC Surabaya.
10. To prove that customer satisfaction is an intervening construct that is able to mediate the effect of experiential marketing on customer loyalty at the Samsung Brandshop of BIS WTC Surabaya.

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The Theory of Reasoned Action (TRA) which explains that a person's intention towards behavior is shaped by two main factors, namely attitude toward the behavior and subjective norms has been expanded into Theory of Planned Behavior (TPB) (Fishbein and Ajzen, 1975), in which the TPB is added one more factor in the form of perceived behavioral control (Ajzen, 1991). So that the Theory of Planned Behavior (TPB) can be said to be a development of The Theory of Reasoned Action (TRA) (Jogiyanto, 2013). These two theories are the basis of the theory of consumer behavior.

Dharmesta & Handoko (2012) define consumer behavior as any activity carried out by individuals involved in the use of goods and services. Meanwhile, (Kotler & Keller, 2016) explains that consumer behavior is a learning about how a person or group or an organization chooses, purchases, and uses goods and services to get satisfaction or fulfill desires. So, consumer behavior is closely related to customer loyalty.

Customer loyalty is an evaluation that exists based on strength and stability to promote repeated favorable responses to a product. Liu-Thomlkins, et al. (2010). Meanwhile, Siagian (2014) describes that good relations between loyal customers and the company can be maintained properly. Meanwhile, Kotler & Keller (2016) assert that there is a cost-efficient way to attract new customers if the company maintains current customer satisfaction. Kotler & Keller (2016) also prove that 20% of customers will be able to create 80% of profits for a company. In contrast to customer loyalty, Kotler and Keller (2016) define customer satisfaction as a feeling of pleasure or disappointment in each individual after comparing product performance.

Kotler and Keller (2016) define price as an element of the marketing mix. Meanwhile, Tjiptono (2015) has his own definition regarding price, which is a monetary exchange so that the exchanger has the right of ownership or use of goods or services. Meanwhile, store atmosphere, as introduced by Kotler & Keller (2016), is an effort to design the environment of a store to create a specific emotional effect on buyers which has an impact on the creation of buying opportunities. Meanwhile Chandra (2012) explains that Experiential marketing is a

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marketing strategy in the form of activities that provide an imprinted experience in the hearts of consumers.

Based on empirical and theoretical studies, the research hypotheses, among others:

H1: It is suspected that price has a significant effect on customer satisfaction in Samsung Brandshop of BIS WTC Surabaya.

H2: It is suspected that store atmosphere has a significant influence on satisfaction customers at the Samsung Brandshop of BIS WTC Surabaya.

H3: It is suspected that experiential marketing has a significant effect on satisfaction customers at the Samsung Brandshop of BIS WTC Surabaya.

H4: It is suspected that price has a significant effect on customer loyalty in Samsung Brandshop of BIS WTC Surabaya.

H5: It is suspected that store atmosphere has a significant influence on loyalty customers at the Samsung Brandshop of BIS WTC Surabaya.

H6: It is suspected that experiential marketing has a significant influence on loyalty customers at the Samsung Brandshop of BIS WTC Surabaya.

H7: It is suspected that customer satisfaction has a significant influence on customer loyalty at the Samsung Brandshop of BIS WTC Surabaya.

H8: It is assumed that customer satisfaction is an intervening construct that is capable of mediate the effect of price on customer loyalty in Samsung Brandshop of BIS WTC Surabaya.

H9: It is assumed that customer satisfaction is an intervening construct that is capable of mediate the influence of store atmosphere on customer loyalty in Samsung Brandshop of BIS WTC Surabaya.

H10: It is assumed that customer satisfaction is an intervening construct that is capable of mediate the effect of experiential marketing on customer loyalty in Samsung Brandshop of BIS WTC Surabaya.

Method

This research is a field research study on customers of the Samsung Brandshop of BIS WTC Surabaya which was carried out using a quantitative approach. A total of 100 customers of the Samsung Brandshop of BIS WTC Surabaya have been selected as research respondents by accidental-purposive sampling. The data collected through a 5-point Likert scale questionnaire were analyzed using Partial Least Square analysis with the help of SmartPLS 3.3.3 software. The operational definition of the construct is presented in Table 2.

Table 2. Definition of Operational Construction

Construct	Definition	Indicator	Item	Scale
Price (X1)	Price is the amount of money that is exchanged to obtain ownership rights or use of products purchased at the Samsung Brandshop of BIS WTC Surabaya	Price Affordability	The price of the product offered is affordable by the purchasing power of the customer (X11)	<i>Likert</i>
		Price Match with Product Quality	The price of the product offered is in accordance with the quality of the product (X12)	
		Responsiveness	The prices of the products offered by the store are competitive	
		Guarantee	there is a guarantee for the product according to the order (X14) Officers have empathy in serving customers	
Store Atmosphere (X2)	Store Atmosphere is an environmental condition to create a specific emotional effect on shoppers which increases purchasing opportunities at the Samsung Brandshop of BIS WTC Surabaya	Kotler & Keller (2016)		<i>Likert</i>
		Cleanliness Store condition is clean (X21)	Cleanliness Store condition is clean (X21)	
		Music Music playing in the Store makes customers comfortable (X22)	Music Music playing in the Store makes customers comfortable (X22)	
		Aroma Aroma Store convenient customer (X23)	Aroma Aroma Store convenient customer (X23)	
		Temperature Room temperature in the Store makes customers comfortable (X24)	Temperature Room temperature in the Store makes customers comfortable (X24)	
		Lighting Lighting in Store is good (X25)	Lighting Lighting in Store is good (X25)	

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<i>Experiential Marketing</i> (X3)	Experiential marketing is a marketing strategy that is wrapped in the form of activities so as to provide an experience that can make an impression on the hearts of customers of the Samsung Brandshop of BIS WTC Surabaya.	<p>Color The colors of buildings, furniture, and equipment in the Shop are attractive (X26)</p> <p>Service Services in the Store make customers happy (X27)</p> <p>Suryana (2019)</p> <p><i>Sense experience</i></p> <p><i>Feel experience</i></p> <p><i>Think experience</i></p> <p><i>Act experience</i></p> <p><i>Relate experience</i></p> <p>Ekoputra et al. (2015)</p>	<p>Color The colors of buildings, furniture, and equipment in the Shop are attractive (X26)</p> <p>Service Services in the Store make customers happy (X27)</p> <p>Products that appeal to consumers' tastes (X31)</p> <p>Restaurant staff are friendly to customers (X32)</p> <p>Restaurants always make product innovations (types of products are always updated) (X33)</p> <p>Restaurant image can increase customer prestige (X34)</p> <p>Use of mass media for promotional tools (X35)</p>	
Customer Satisfaction (Y1)	Customer satisfaction is the hope of the Boncafe Restaurant Surabaya customer after receiving service that exceeds the expectations of the Samsung Brandshop of BIS WTC Surabaya customer	<p>Consumer expectations of the product</p> <p>Repurchase interest</p> <p>Willingness to recommend</p> <p>Tjiptono (2015)</p>	<p>Fulfillment of consumer expectations for the product</p> <p>Customers have an interest in making repeat purchases</p>	<i>Likert</i>
Customer Loyalty (Y2)	Customer loyalty is the habit of repeat buying behavior for Samsung Brandshop of BIS WTC	<p>repeat purchase</p> <p>references to others</p> <p>immune to other products</p>	<p>Customers make repeat purchases more than 2x</p> <p>Customers have referred to other people</p> <p>Customers are immune to similar products of other brands (manufactured by</p>	<i>Likert</i>

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Surabaya
customers
Kotler & Keller (2016)
other restaurants)

Source: SmartPLS 3.3.3 Output Data Processed (2021)

Result

It is known that the coefficient of the price path to customer loyalty is -0.041; while the store atmosphere path coefficient to customer loyalty is 0.325; and the coefficient of the experiential marketing path to the customer loyalty construct is 0.225, and the customer satisfaction path coefficient to the customer loyalty construct is 0.384. So the second structural equation formed is:

$$Y_2 = -0,041X_1 + 0,325X_2 + 0,225X_3 + 0,384Y_1 + \zeta, \dots \dots \dots (1)$$

where Y2 is customer loyalty, X1 is price, X2 is store atmosphere, X3 is experiential marketing, Y1 is customer satisfaction and is error term.

Based on the structural equation formed and the t-statistics value, it is known that the price path coefficient is negative but not significant. So that the fourth research hypothesis (H4) which states that "Price has a significant effect on customer loyalty at the Samsung Brandshop of BIS WTC Surabaya" is **rejected**. The store atmosphere construct path coefficient has a significant positive value. So that the fifth research hypothesis (H5) which states that "store atmosphere has a significant effect on customer loyalty at the Samsung Brandshop of BIS WTC Surabaya" is **accepted**. The coefficient of the experiential marketing construct path is also positive and not significant. So that the sixth research hypothesis (H6) which states that "experiential marketing has a significant effect on customer loyalty at the Samsung Brandshop of BIS WTC Surabaya" is **rejected**.

The path coefficient of the customer satisfaction construct has a significant positive value. So that the seventh hypothesis of the study (H7) which states that "Customer satisfaction has a significant effect on customer loyalty at the Samsung Brandshop of BIS WTC Surabaya" is **accepted**. While the error term in both structural models is the level of inaccuracy in measuring the true path coefficient value due to the fallibility of the measurement instrument (eg, an inappropriate Likert scale), data entry errors or respondent errors.

Discussion

The results of this study indicate that the price has a negative and significant effect on customer satisfaction. The higher the price offered by the Samsung Brandshop of BIS WTC Surabaya, the lower the customer satisfaction. This finding is in line with the research results of Cao et al. (2017) on BizRate.com customers, as well as research by Subaebasni et al. (2019) to PT. Strait Liner Express in Jakarta, and Wantara & Tambrin's (2019) research on Madurese batik customers which have proven that price has a significant effect on customer satisfaction.

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So, if the price is increased just a little, then customer satisfaction will decrease drastically. On the other hand, if the price is lowered a little, it will have an impact on a significant increase in customer satisfaction.

However, the results of this study contradict the research of Mahmud et al. (2013) on customers of the commercial aviation service industry which actually shows that the price has no significant effect, where an increase in price does not significantly reduce customer satisfaction. This is because the object of research is the customer of the commercial aviation service industry where the customer does not have many choices of types of flights, even though the price increase remains the customer's choice because of the need for fast mobility, so that the decrease in customer satisfaction is not too large if the price of flight services is increased. While the object of this research is the Samsung Brandshop of BIS WTC Surabaya customer with a product in the form of a smartphone which is also widely sold in other stores. So, automatically the price competition between stores is very tight in this era, especially since many marketing and selling processes use e-commerce.

The results of this study indicate that the store atmosphere has a positive and significant effect on customer satisfaction. The higher the store atmosphere of the Samsung Brandshop of BIS WTC Surabaya, the higher the customer satisfaction. This finding is in line with the results of research by Furoida & Maftukhah (2018) on customers of Martabak Platinum Ruby Cafe Pekalongan and Suryana's research (2019) on customers of Le Delice Café and Bakery which proves that store atmosphere has a significant influence on customer satisfaction. However, the results of this study contradict the findings of Jalil et al. (2016) on the customers of a restaurant in Malaysia which actually revealed that the influence of store atmosphere on customer satisfaction.

Store Atmosphere that must be considered by the management of the Samsung Brandshop of BIS WTC Surabaya, among others: store cleanliness, music playing in the store, store aroma, temperature, store lighting, even store colors and services provided to customers. However, from these factors, the most urgent factor to be immediately improved is the service provided by the clerks or shop assistants to customers who are judged by customers to be still not optimal or almost the same as the services provided in other stores, so that nothing is such as shop clerks who are very patient and friendly to customers and are very attentive to customer needs. If this store atmosphere is conditioned in accordance with most of the customer's expectations, the customers will be more happy and satisfied to be at the Samsung Brandshop of BIS WTC Surabaya.

The results of this study indicate that experiential marketing has a positive and significant effect on customer satisfaction. The higher the experiential marketing experienced by the Samsung Brandshop of BIS WTC Surabaya customers, the higher the customer satisfaction. This finding is in line with the results of Chao's (2015) research on Fitness Club customers in

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Taiwan, Widowati & Tsabita (2017) research on customers of The House of Raminten Yogyakarta, research by Ekoputra et al. (2015) on 150 Eatery Bogor restaurant customers, and research by Setiawan et al. (2018) on CGV Cinemas Hartono Mall Yogyakarta which proves that there is a significant influence of experiential marketing on customer satisfaction.

Experiential marketing experienced by customers that are important to be considered by the management of the Samsung Brandshop of BIS WTC Surabaya include: the products on display if they can arouse the customer's appetite to visit the store, the products sold, the friendly nature of the officers, the initiative of the clerk or shop assistant to offer other products, product marketing innovation so that it is different from other stores, store image, and media used as a means of promotion. However, the most crucial factor to be improved is the friendly attitude of the clerk or shop assistant which is still considered lacking by customers.

The results of this study indicate that price has a negative but not significant effect on customer loyalty. The higher the price offered by the Samsung Brandshop of BIS WTC Surabaya, the lower the customer loyalty, but the decrease in customer loyalty along with the increase in price is not too large. This finding is in line with the research results of Mahmud et al. (2013) on customers of the commercial aviation service industry which also proves that the effect of price on customer loyalty is not significant. This shows that there are other factors that are more binding on customer loyalty, so that customers do not really consider price fluctuations.

However, the results of this study contradicted the results of research by Subaebasni et al. (2019) on PT Strait Liner Express customers in Jakarta and Wantara & Tambrin (2019) research on Madura batik customers which revealed that price actually had a positive and significant effect on customer loyalty. This happens because the high price offered by PT Strait Liner Express in Jakarta provides that the high price indicates the quality of the service and provides more guarantees for the safety and timeliness of the distribution of goods, because the average customer here is a company that uses imported raw materials. Likewise with Madura Batik customers who are Madurese batik lovers from the upper middle class, so that the higher the price, the more loyal customers are because it is related to the quality of the fabric and batik motifs that look more classy. Meanwhile, smartphones sold by the Samsung Brandshop of BIS WTC Surabaya are also widely sold in other smartphone shops, so the price has a negative effect even though it is not significant.

The results of this study indicate that the store atmosphere has a positive and significant effect on customer loyalty. The more comfortable the store atmosphere, the higher the customer loyalty. This finding is in line with the research results of Oztas et al. (2016) on Fitness Center customers in Turkey and research by Furoida & Maftukhah (2018) on Ruby Pekalongan platinum martabak customers which also proves that there is a significant influence of store atmosphere on customer loyalty. However, the results of this study contradict Suryana's

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(2019) findings on customers of Le Delice Café and Bakery which actually shows that store atmosphere has no significant effect on customer loyalty.

The atmosphere of the store in offline purchases in the new-normal era is indeed a major consideration for store customers to visit because it is closely related to health. In particular, shops in malls in the city of Surabaya that have entered the black zone area with the highest number of people exposed to Covid-19 in East Java Province. Of course people will be very vigilant and protective of themselves if they enter the mall area.

The results showed that experiential marketing had a positive but not significant effect on customer loyalty. The higher the experiential marketing experienced by the customer, the higher the customer loyalty, but the increase in customer loyalty along with the increase in experiential marketing is not too large. This finding is in line with the results of research by Widowati & Tsabita (2017) on customers of The House of Raminten and Ekoputra et al. (2015) on 150 Eatery Bogor restaurant customers who also revealed the insignificant effect of experiential marketing on customer loyalty. However, this study contradicts the results of Chao's (2015) study of fitness club customers in Taiwan which actually shows a significant effect of experiential marketing on customer loyalty.

The results of this study indicate that customer satisfaction has a positive and significant effect on customer loyalty. The higher the customer satisfaction, the higher the customer loyalty. This finding is in line with the results of Wantara & Tambrin's (2019) research on Madura batik customers which also proves the great influence of customer satisfaction on customer loyalty.

The results of this study contradict the findings of Chao (2015) on Fitness Club customers in Taiwan, Subaebasni et al. (2019) to customers of PT Strait Liner Express in Jakarta, and Widowati & Tsabita (2017) to customers of The House of Raminten Yogyakarta which actually shows that the effect of customer satisfaction on customer loyalty is not significant. The insignificant effect of customer satisfaction on customer loyalty also shows that not all satisfied customers will be loyal.

Conclusion

Based on the results of research and discussions that have been carried out, it can be concluded that:

1. Price has a negative and significant effect on customer satisfaction, although not significantly on customer loyalty Samsung Brandshop of BIS WTC Surabaya.
2. Store atmosphere has a positive and significant effect on customer satisfaction and loyalty Samsung Brandshop of BIS WTC Surabaya.
3. Experiential Marketing has a positive and significant effect on customer satisfaction although it is not significant on customer loyalty at Samsung Brandshop of BIS WTC Surabaya.

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4. Customer satisfaction has a positive and significant effect on customer loyalty for Samsung Brandshop of BIS WTC Surabaya.
5. Customer satisfaction is able to mediate the effect of price, store atmosphere, and experiential marketing on customer loyalty.

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