

The Influence of Experiential Marketing and Promotion on Repurchase Intention of Starbucks in Surabaya

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ABSTRACT

This research aims to analyze the influence of Experiential Marketing and Promotion on Repurchase Interest in Starbucks products in Surabaya. The method that applied in this research is a quantitative approach using the accidental sampling technique. The research sample is consisted of 104 respondents who had purchased Starbucks products. The data for this research was collected through filling out questionnaires distributed to visitors. Data analysis uses the Partial Least Square (PLS) model. The findings of this research indicate that Experiential Marketing and Promotion have a significant influence on Repurchase Intention among Starbucks customers in Surabaya.

INTRODUCTION

Competition in the business world is currently increasingly tight. The management within the company is required to be more careful in determining its business strategy, furthermore, the management of the company is also expected to be able to increase sales. Nowadays, competition is getting tougher from time to time, this is a threat and challenge for business people. Any businessman who wants to see their company succeed in the marketplace must possess the ability to generate fresh, imaginative ideas and remain alert to changes in the market. Only then can the company's products draw in customers and fulfill their needs.

One of the business ventures that is currently popular among various groups, from teenagers to the elderly is the coffee shop business, because according to people's opinion, drinking coffee in the morning can increase focus and prevent sleepiness. Apart from that, the coffee shop business is one of the businesses that is currently in demand by many business people in Surabaya. A coffee shop is a nice place to visit for any purpose, such as work, meetings, or just hanging out, because the place is comfortable and has attractive facilities. Indonesia is one of the countries known throughout the world as a producer of the best coffee beans. Apart from that, Indonesia is one of the largest producing coffee in the world, which is in third position in the world.

The culture of drinking coffee has now become a lifestyle in the world, because coffee is a type of drink that is very popular with people today. People believe that coffee can increase stamina and relieve stress, and with the development of people's lifestyles in big cities, drinking coffee has now become a lifestyle in itself. This is also supported by a statement from the ICO (International Coffee Organization) that coffee consumption is predicted to increase from year to year.

In the city of Surabaya itself, there are many coffee shops in various corners of the city. This means that the coffee shop business is quite popular and has quite tight competition. With so many competition, all companies are required to be superior in offering their products. This competition makes it difficult for companies to get and maintain loyal customers, so companies must improve and find new strategies that can help their business develop so they can win over competitors' markets.

Tabel 1 Top Brand Indeks

Top Brand For Teens Index 2020 - 2023				
Cafe / Tempat Nongkrong				
Brand	2020	2021	2022	2023
Starbuck	20.50%	10.10%	16.20%	10.50%
Lawson	17.40%	10.70%	13.10%	14.50%
Upnormal Café	14.10%	23.20%	19.60%	9.00%
Mc Café	9.10%	11.80%	10.70%	10.70%
Indomaret Point	2.50%	1.30%	1.80%	1.30%

Sumber: Top Brand Award (www.topbrand-award.com)

Based on the Top Brand Index table above, Starbucks in 2020 remained in first position in the Top Brand Index, while in 2021 Starbucks experienced a decline from 20.50% in 2020 to 10.10%, in 2022 Starbucks increased again by a fairly large amount, namely to 16.20%, and falls again in 2023 to 10.50%. This is demonstrated by the intense rivalry in the market; as more coffee shops open, consumers of Starbucks are forced to move to other brands, which lowers Starbucks' revenues.

Every customer who visits will have a greater desire to repurchase, so the business needs to be able to develop or enhance the techniques that are put into place to ensure that customer interest is appropriately maintained. Two such strategies are sales promotion and experience marketing.

THEORETICAL REVIEW

Experiential Marketing

Experiential Marketing is an effort to develop marketing concepts for the future in facing changes that will occur in the market. Experiential Marketing is expected to be a bridge between academics and practice that can build good relationships with consumers. Marketing professionals can benefit from having positive relationships with their customers. When customers are satisfied with the products or services they have previously received from the marketer, they are more likely to be interested in repurchasing them.

According to Smilansky (2018) Experiential Marketing is a process of identifying and satisfying consumer needs and aspirations, profitable, involving two-way communication which can bring brand personality to life and add value to targets. This Experiential Marketing concept seeks to bring positive, unique and impressive experiences to the minds of consumers. Experience is an event that occurs and is felt by each individual personally which can give a unique impression to the individual who feels it. This can influence consumers' purchasing intensity through the emotions they evoke, as well as increasing the value attached to the product or brand itself. Therefore, Experiential Marketing can be defined as memory or memories, and experiences that are obtained and embedded in a person's thoughts and feelings.

Promotion

Promotion is a communication activity carried out by the owner of a product or service and given to the public with the aim of making the product or service, company name and brand so that it can be recognized by the public and at the same time can influence people to use the service or product. Promotion, in the words of Laksana (2019), is a communication between sellers and consumers that results from accurate information and tries to alter the attitudes and behaviors of buyers so that they get familiar with the seller and continue to remember the product even though they did not know them before. Promotion, on the other hand, is a strategy employed by a corporation to inform and persuade the market about new products or services through advertising, in-person sales, sales promotions, or publicity, according to Wibowo and Priansa (2017).

Repurchase Intention

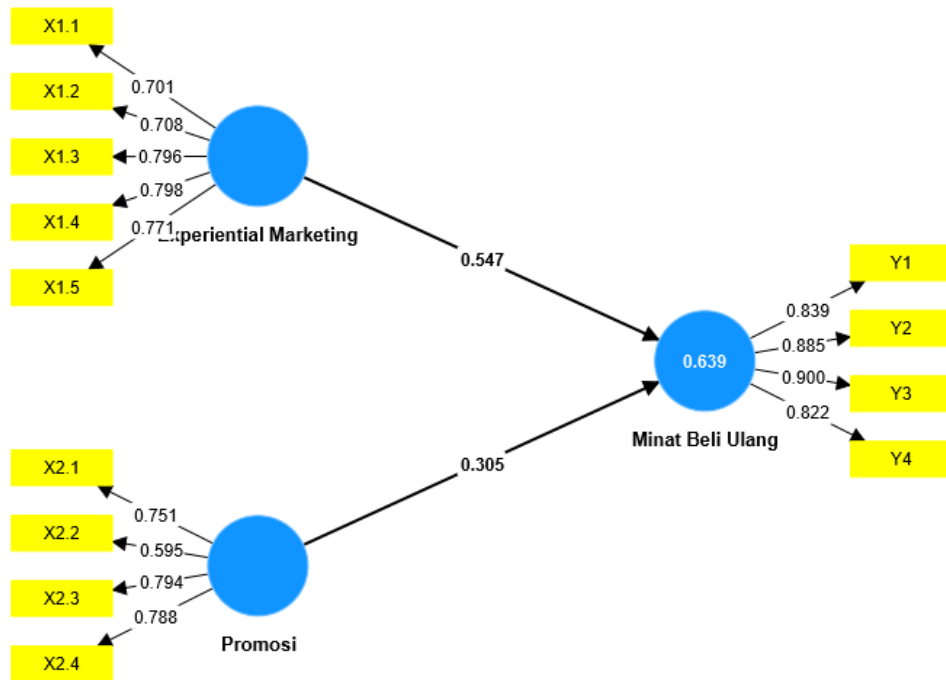
Each company must be able to recognize its respective consumers. Here companies need to study consumer behavior which is the embodiment of the entire human spirit in their daily lives. Repurchase intention, according to Keller (2009:235), is the conduct of a customer in response to an item that suggests the client would like to make a repeat buy. A stage of a consumer's propensity to take action prior to making a purchase decision is called repurchase intention. In contrast, Olson (2013) defines Repurchase Intention as a buying behavior that occurs repeatedly or several times. In order to inform others about his positive experience, a satisfied customer may decide to make additional purchases, develop a bond with the product, or show loyalty to the store where he made the purchase.

METHODOLOGY

The Surabaya city's Starbucks patrons served as the study's population. Accidental sampling was the method of sampling that was applied. Any person who happens to meet the researcher by chance can be used as a sample if it is determined that the person they meet by chance is suitable to be used as a data source. This sampling technique is known as accidental sampling. Since the precise population size is unknown, the sample determination method employed in this study is based on Ghozali's (2016: 43) sample measurement guidelines, which state that the sample size is equal to the number of indicators multiplied by five to ten parameters. As a result, there are 13 (indicators) \times 8 = 104 respondents in the study's samples.

Primary data was obtained directly from Starbucks customers in Surabaya by distributing questionnaires using Google Form. Meanwhile, secondary data is obtained from literature, journals, books, and online sources such as websites or the internet, which are relevant to research needs. Meanwhile, the analysis technique uses Smart PLS.

RESULTS AND DISCUSSION



The loading factor values for each indicator are visible in the attached PLS output, and they are positioned above the arrows that link the variables and indicators. In addition, you can see the path coefficients that are shown above the arrows that link the exogenous and endogenous variables. The R-Square value, which is found inside the endogenous variable's circle (the Impulsive Buying variable), is then visible.

Tabel 2 Outer Loadings (Mean, STDEV, T-Values)

	Factor Loading (O)	Sample mean (M)	Standard deviation (STDEV)	Standart Error (STERR)	T statistics (O/STDEV)
X1.1 <- Experiential Marketing	0,701	0,694	0,077	0,077	9,137
X1.2 <- Experiential Marketing	0,708	0,702	0,065	0,065	10,845
X1.3 <- Experiential Marketing	0,796	0,791	0,044	0,044	18,159
X1.4 <- Experiential Marketing	0,798	0,798	0,042	0,042	18,839
X1.5 <- Experiential Marketing	0,771	0,774	0,034	0,034	22,433
X2.1 <- Promosi	0,751	0,752	0,049	0,049	15,349
X2.2 <- Promosi	0,595	0,591	0,091	0,091	6,527
X2.3 <- Promosi	0,794	0,793	0,042	0,042	18,88
X2.4 <- Promosi	0,788	0,782	0,065	0,065	12,085

Y1 <- Minat Beli Ulang	0,839	0,838	0,027	0,027	31,194
Y2 <- Minat Beli Ulang	0,885	0,884	0,024	0,024	36,372
Y3 <- Minat Beli Ulang	0,9	0,899	0,02	0,02	45,134
Y4 <- Minat Beli Ulang	0,822	0,822	0,047	0,047	17,673

Sumber : Data primer diolah, 2023

The Factor Loading Value of the variable to the indicator is used in this study to assess the validity of the indicators. If it is more than 0.5 and/or the T-Statistic value (Z value at $\alpha = 0.05$) is more than 1.96, it is considered sufficient validity. A correlation between an indicator and a variable is known as factor loading. It is deemed that the validity is met if it is greater than 0.5, and the significance is met if the T-Statistic value is greater than 1.96.

The estimation results for all indicators have met convergent validity or good validity, as indicated by the Outer Loading results above. All reflective indicators in the variables Experiential Marketing (X1), Promotion (X2), and Repurchase Intention (Y) show factor loading (original sample) greater than 0.50 and/or significant (T value - Statistics are more than the Z value $\alpha = 0.05$ (5%) = 1.96).

The Cross Loading table is another tool for measuring the validity of indicators. The factor loading is considered valid when the factor loading value of each indicator on each variable is higher than the factor loading value of each indicator on the other variables. Subsequently, it will be considered invalid if the factor loading value is lower than the indicator from other variables.

Tabel 3 R-Square

	R-square	R-square adjusted
Minat Beli Ulang (Y)	0,639	0,632

Sumber : Data primer diolah, 2023

Based on the test results, the R^2 value = 0.639 was found. This can be interpreted to mean that the model is able to explain the phenomenon of Repurchase Interest which is influenced by independent variables including Experiential Marketing and Promotion with a variance of 63.9%, while the remaining 36.1% is explained by other variables outside this research.

Tabel 4 Path Coefficients (Mean, STDEV, T-Values)

	Path Coefficients (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Experiential Marketing (X1) -> Minat Beli Ulang	0,547	0,548	0,097	5,622	0
Promosi (X2) -> Minat Beli Ulang	0,305	0,31	0,095	3,212	0,001

Sumber : Data primer diolah, 2023

The impact of Experiential Marketing on Repurchase Intention

The data analysis's findings demonstrate that experiential marketing significantly and favorably affects Surabaya residents' inclination to repurchase Starbucks goods. The path coefficient can be used to interpret these results, and the P-Value shows significant results with a positive T-Statistic value.

Experience is an event that one personally feels and experiences, which can leave a lasting impression on the person experiencing it. Through the feelings they arouse, this can affect consumers' inclination to buy and raise the perceived value of the brand or product. The purpose of Act Experience is to provide an impression of lifestyles and behavior patterns, as well as to enhance social interaction patterns via the use of implemented strategies. Establishing positive relationships with customers can benefit marketers. When customers are satisfied with the products or services they have previously received, they are more likely to revisit and repurchase them. has been supplied by the advertiser.

The study findings are consistent with a research project titled "The influence of experiential marketing on consumer satisfaction and repurchase interest at Warung Kopi Klotok, Kaliurang, Yogyakarta" by Febrini, I. Y., Widowati, R., & Anwar, M. (2019). Which implies that Repurchase Intention is positively impacted by experiential marketing. The same is true of the study conducted in 2021 by Maulidya, A., Saroh, S., & Zunaida, D. entitled "The Influence of Experiential Marketing and Marketing Mix on Consumer Repurchase Intentions (Case Study of Seasonal Cafe Consumers, Malang City)". Which has the result that Experiential Marketing has a positive effect on Repurchase Intention.

The impact of Promotion on Repurchase Intention

The results of data analysis indicate that promotions have a positive and significant influence on repurchase interest in Starbucks products in Surabaya. These findings can be interpreted with the path coefficient and the T-Statistic value is positive and the P-Value has significant results.

Promotion Frequency is quantity of sales promotions carried out by a company at one time through sales promotion media, so that it can be seen the intensity or how often sales promotions are carried out. The Promotion Frequency indicator is the most influential in the promotion variable, because the quantity of promotions carried out by Starbucks is not small, such as promotional

activities by providing discounts on food and drink menus and giving bonus points for those who have loyalty cards when making transactions to attract buyers and increase buyer loyalty. Additionally, there is also a promotional price strategy carried out by Starbucks which attracts a lot of buyers' attention, namely the offer to buy drinks "buy one get one free" and many other promotional activities carried out by Starbucks.

The results of this research aligned with the research of Gunari, B. B., & Oktafani, F. (2018), with the research title "The Influence of Servicescape and Promotions on Repurchase Interest at Siete Cafe Bandung". Which has the result that Promotion has a positive effect on Repurchase Intention. Similarly to Putri, R. B. A. E. (2021), with the research title "The Influence of Product Quality and Promotion on Customer Repurchase Interest in Slebew Bananas". Which has the result that Promotion has a positive effect on Repurchase Intention.

CONCLUSIONS AND RECOMMENDATIONS

The following conclusions can be made based on the test results of the PLS analysis used to examine the impact of experiential marketing and promotion on repurchase interest in Starbucks products in Surabaya: (1) Experiential marketing can influence repurchase interest in Starbucks products in Surabaya. This is due to the fact that happy customers are more likely to keep their interest in making repeat purchases from each and every one of them. (2) In Surabaya, promotions influence consumers' inclination to repurchase Starbucks goods. Therefore, offering eye-catching sales promotions can affect consumers' propensity to buy and to make additional purchases in the future.

The study's findings allow for the formulation of a number of recommendations that should be taken into account when making decisions in the future. Among the recommendations are the following: (1) In order to remain competitive, Starbucks must be able to sustain and enhance its experiential marketing. In addition to giving food and drink items top priority, Starbucks needs to keep up its reputation as a haven of comfort for tired patrons in order to create an experience that is memorable for reasons other than just flavor. (2) In order to sustain interest in repeat purchases, it is anticipated that Starbucks will step up its promotions. (3) In order to stay in people's thoughts, promotions should be further optimized across all social media platforms to remind the consumers. Particularly given the competitive market conditions of today. In order to determine the influences of the intention to repurchase coffee drink from Starbucks in Surabaya, it is hoped that future researchers will use this research as a starting point for additional research by adding several variables outside the independent variables of this research, such as Brand Image, Service Quality, or Product Quality.

FURTHER STUDY

In this research, researchers still have limitations, namely the number of research respondents that participated was 104 respondents. This is due to limited time and research personnel in conducting this research, perhaps by increasing the number of respondents in the further research, the results obtained will be better and it is hoped that further research can add variables outside the

independent variables of this research, such as product quality, service quality or store atmosphere to find out other variables that influence interest in repurchasing Starbucks products in Surabaya.

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