Experiential Marketing, Perceived Quality and Advertising to the Decision to Purchase Honey Artana Products

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Abstract

This research aims to see the influence of experiential marketing on the decision to buy Artana honey products in the Tangerang Regency by mediating perceived quality and advertising. This study is a quantitative study that uses a sample of 60 respondents. The data analysis in this study used structural equation modelling analysis PLS 3.0 to confirm the dimensions of the concept and measure how much influence independent variables have on dependent variables. The results showed that: (1) Experiential marketing has a positive and significant effect on Perceived quality, (2) Experiential marketing has a positive and significant effect on Advertising, (3) Experiential marketing has no positive and significant effect on product purchases, (4) Perceived quality has a positive and significant effect on product purchases, (5) Advertising has no positive and significant effect on product purchases, (6) Experiential marketing affects the purchase of products mediated by Perceived quality, (7) Experiential marketing affects the purchase of products mediated by advertising.

Keywords: *Experiential Marketing; Perceived Quality; Advertising; Product*

Introduction

One of the important things that every company needs to do and pay attention to is to attract customers and be able to retain those customers. Success in the competition will be met if the company can create and retain customers (Tjiptono, 2006 in Irawan, 2011). To achieve these goals, the company makes various efforts so that the planned goals are achieved. The requirement that must be met by a company to be successful in competition is to strive to achieve the goal of creating and retaining customers (Levitt, 2001 in Rachmansyah, 2010).

According to Kotler (2005) in general, many things influence purchasing decisions made by consumers. The level of consumer involvement in purchases is strongly influenced by personal interests generated and felt by a stimulus. In other words, a person feels involved or not in decision making. The higher the tendency to buy the higher the emotional reflection of attraction and satisfaction obtained by customers (Hock and Loewnstein, 1991: Thompson et, al., 1990 as quoted in Lin 2005).

Various efforts are made by the company to have a strong appeal stuck in the minds of consumers and ultimately be able to gain a wide market share so that it can compete with other competitors. One of the efforts made by the company is through the concept of Experiential Marketing. Through this concept, companies try to engage consumers through emotions, feelings, encourage them to think, take action, and establish community, successfully executing these five elements will make the brand deeper embedded in the hearts of consumers. According to Schmitt (Lin, 2006:24), experiential marketing can be useful for a company to differentiate their product from a competitor's product, create an identity for a company, increase innovation and persuade customers to try to buy the product and create customers who are loyal to the brand.

In addition to the application of experiential marketing, another important thing is perceived quality to create and maintain a brand. According to Durianto, Sugiarto and Sitinjak (2001), only products that have a perception of strong quality (perceived quality) can compete, seize and dominate the market. Perceived Quality is the customer's perception of the overall quality or excellence of a product or service related to what the customer expects (Darmadi Durianto, Sugiarto and Tony Sitinjak, 2001). Attracting new potential customers so that customers don't switch to other companies requires perceived quality to build brand trust. It is appropriate for new products to compete with market conditions with efforts to increase perceived quality so that consumer needs and desires can be met and satisfied and consumers become loyal.

Another thing that plays an important role in other purchasing decisions is promotional media, namely advertising. Promotion is a means of attracting consumers in carrying out product purchase activities that are expected to drive consumer demand. Kotler (2008:648) one of the main tools is the promotional mix: advertising. Advertising is one of the promotional tools that companies use to direct persuasive communication to potential consumers and the public. Advertising must be well designed to fulfil its main function, which is the delivery of information and influence the nature of the target audience so that it can attract attention, maintain interest, generate desire and move action.

Many brands of honey that have sprung up with different types, flavours and prices make consumers have many choices. With many choices, manufacturers are racing to make products with a good taste image and low prices. This is done to reach the hearts of consumers to buy their products. The increasingly fierce competition of honey business becomes a challenge and a threat for these business people to win the competition, maintain the market owned and seize the existing market. Every honey business is required to have sensitivity to every change that occurs and can meet what customers want. It is proven that honey competition is very tight, this demands creativity from honey business people who are in this business field. The strategy implemented by honey producers is no longer just around the quality, taste, efficacy of honey and price. Another very important factor is the formation of identity, for a honey identity includes many physical aspects such as the name (brand) of honey, the logo design on the honey wrap, and the taste of honey itself.

Research Methods

Research methods can be grouped into experimental, survey and naturalistic research methods (Sugiyono, 2016). In this study, researchers used the survey method that is to get data from certain places that are natural (not artificial), but researchers perform treatment in data collection, for example by circulating questionnaires, tests, structured interviews and so on. The research and samples in this study are the people in Tangerang Regency numbered 60 respondents. This research uses Structural Equation Modeling (SEM) techniques with the help of Smart PLS 2.0 M3 software.

Results and Discussions

Data processing using partial least square (PLS) based structure equation modeling (SEM) methods requires two stages to assess the Fit Model of a research model (Ghozali, 2008). The first stage is to assess the outer model or measurement model by looking at convergent validity, discriminant validity and composite reliability.
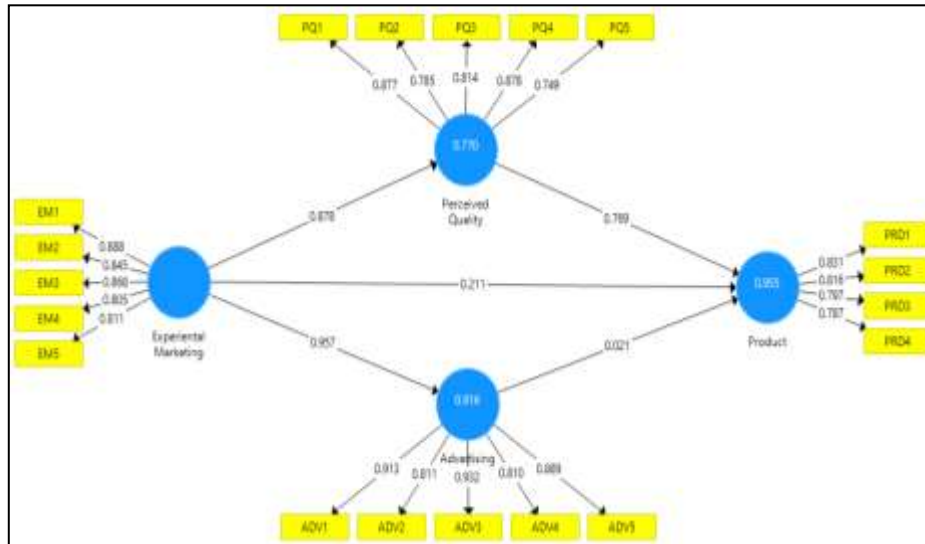

Figure 1. PLS algorithm results

Validity Test

The validity test is carried out in two stages, namely convergent validity testing with validity testing based on factor loading values and stage two through discriminant validity testing with validity testing based on how to compare loading values on the intended construct must be greater than other construct loading values.

Convergent Validity

Table 1. Experiential marketing variable loading factor value

Variable	Indicator Value	Outer Loading Value	Value Standards	Notes
Experiential Marketing	EM1	0,888	>0,6	Valid
	EM2	0,845	>0,6	Valid
	EM3	0,868	>0,6	Valid
	EM4	0,805	>0,6	Valid
	Em5	0,811	>0,6	Valid

Source: Smart PLS 3.0 data results

Table 2. Perceived quality variable loading factor value

Variable	Indicator Value	Outer Loading Value	Value Standards	Notes
Perceived Quality	PQ1	0,877	>0,6	Valid
	PQ2	0,785	>0,6	Valid
	PQ3	0,814	>0,6	Valid
	PQ4	0,878	>0,6	Valid
	PQ5	0,749	>0,6	Valid

Source: Smart PLS 3.0 data results

Table 3. Advertising variable loading factor value

Variable	Indicator Value	Outer Loading Value	Value Standards	Notes
Advertising	ADV1	0,913	>0,6	Valid
	ADV2	0,811	>0,6	Valid
	ADV3	0,932	>0,6	Valid
	ADV4	0,810	>0,6	Valid
	ADV5	0,889	>0,6	Valid

Source: Smart PLS 3.0 data results

Table 4. Product variable loading factor value

Variable	Indicator Value	Outer Loading Value	Value Standards	Notes
Product	PRD1	0,831	>0,6	Valid
	PRD2	0,816	>0,6	Valid
	PRD3	0,797	>0,6	Valid
	PRD4	0,787	>0,6	Valid

Source: Smart PLS 3.0 data results

Based on the tables above, it can be seen that the results of data processing using the SmartPLS 3.0 method, all loading factor values of the indicators used in this study are valid or have met the convergent validity standard values set by the researcher. Each of these indicators is worth more than 0.6 so all indicators are valid indicators for measuring their constructs.

Discriminant Validity

Discriminant validity test is a value of cross loading factor that is useful to find out whether the construct has an adequate discriminant value that is by comparing the loading value on the intended construct must be greater than the loading value with other constructs (Hussein, 2015).

Table 5. Variable cross loading value

	Advertising	Experiential Marketing	Perceived Quality	Product
ADV1	0.913			
ADV2	0.811			
ADV3	0.932			
ADV4	0.810			
ADV5	0.889			
EM1		0.888		
EM2		0.845		
EM3		0.868		
EM4		0.805		
EM5		0.811		
PQ1			0.877	
PQ2			0.785	
PQ3			0.814	
PQ4			0.878	
PQ5			0.749	
PRD1				0.831
PRD2				0.816
PRD3				0.797
PRD4				0.787

Source: Smart PLS 3.0 data results

From Table 5 it is seen that the value of the correlation of the construct with the indicator is greater than the value of the correlation with other constructs. From the results of the data process using smartPLS 3.0, it can be concluded that all latent constructs experiential marketing (X1), Perceived Quality (X2), Advertising (X3), and Product Purchases (Y) show good discriminant validity because they can predict indicators on their blocks better than indicators on other blocks. Furthermore, discriminant validity testing is done by looking at the value of AVE (Average Variance Extracted). AVE value is good if it has a value greater than 0.50 (Gozali & Latan, 2015). Here is the AVE value in Table 6.

Table 6. Average variance extracted (AVE) research model

Variabel	Standar	AVE Value
Experiential Marketing	0.5	0.712
Perceived Quality	0.5	0.676
Advertising	0.5	0.761
Product	0.5	0.653

Source: Smart PLS 3.0 data results

Table 6 shows the AVE value of the research model for all research variables has been valued above 0.5, so the AVE value for discriminant validity testing is already met for subsequent testing. Therefore, from the results of testing through stage one convergent validity and stage two discriminant validity has been fulfilled so that this research model has been valid.

Uji Reliabilitas

A reliability test is a reliability test that aims to find out how far the measuring instrument can be relied on or trusted. The reliability indicators in this study are determined from the composite reliability and Cronbach's alpha values for each indicator.

Composite Reliability

Reliably test with composite reliability that data has a composite reliability value of > 0.7 has a high-reliability value. Here are the results of data processing using SmartPLS 3.0 from composite reliability.

Table 7. Composite reliability value research model

Variable	Composite Reliability	Standard	Note
Experiential Marketing	0,925	>0,7	Reliable
Perceived Quality	0,912	>0,7	Reliable
Advertising	0,941	>0,7	Reliable
Product	0,883	>0,7	Reliable

Source: Smart PLS 3.0 data results

Based on Table 7, the composite reliability value of the research model shows that each variable has a composite reliability value above 0.7 with a low value of 0.883 of the Product Purchase variable (Y) and the highest value of 0.94 of the Advertising variable (X3). From the results of the data process, the research model has met the value of composite reliability and high-reliability tests or reliable.

Cronbach's Alpha

The next stage of testing for reliabilities is testing with Cronbach's alpha value. This reliability test is reinforced by Cronbach's alpha and the expected value is > 0.6 for all constructs (Hussein, 2015). Here are the results of the data for Cronbach's alpha value in the table below.

Table 8. Value Cronbach's Alpha research model

Variable	Chronbach's Alpha	Standard	Note
Experiental Marketing	0.899	>0,6	Reliable
Perceived Quality	0.879	>0,6	Reliable
Advertising	0.920	>0,6	Reliable
Product	0.823	>0,6	Reliable

Source: Smart PLS 3.0 data results

Based on the calculation of the data in Table 8, Cronbach's alpha value of the research model shows that each variable has a > value of 0.6 with the lowest value on the Product Purchase variable (Y) of 0.823 and the highest value on the Advertising variable (X2) of 0.920. From these results, this research model has met the value of Cronbach's alpha. The two stages of reliability testing with composite reliability and Cronbach's alpha show that this research model meets reliability criteria and is a reliable and reliable measuring tool.
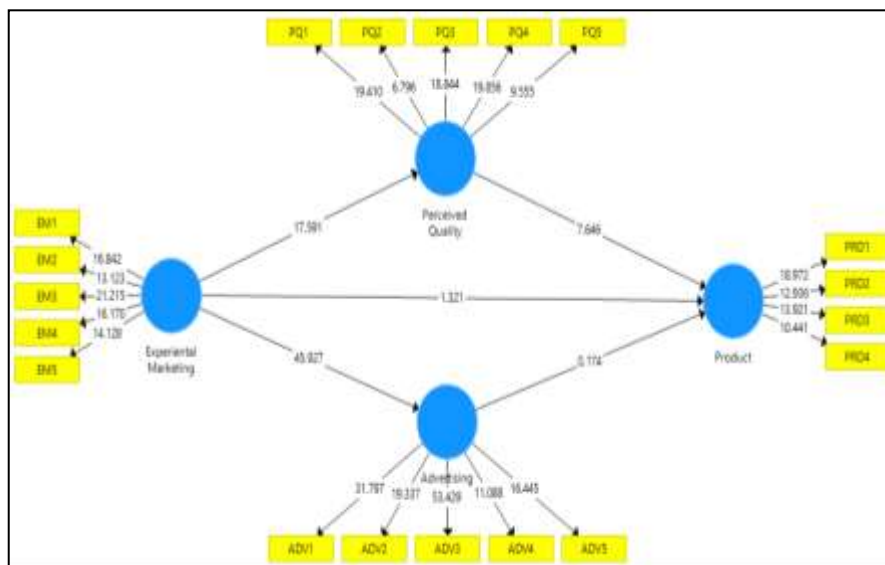
Hypothesis Test

Figure 2. Bootstraping output results

Table 9. Conclusion of research results

Hypo thesis	Variables		Direct Effect	Indirect Effect	Total Effect	t - Values (>1.96)	Notes
	Exogenous	Endogenous					
1	Experiential Marketing	Perceived Quality	0.878	-	0.878	17.591	Significant
2	Experiential Marketing	Advertising	0.957	-	0.957	45.927	Significant
3	Experiential Marketing	Product Purchase	0.211	-	0.211	1.321	Insignificant
4	Perceived Quality	Product Purchase	0.769	-	0.769	7.646	Significant
5	Advertising	Product Purchase	0.021	-	0.021	0.174	Insignificant
6	Experiential Marketing ⟶ Perceived Quality	Product Purchase	0.878	0.769	1,647	25.237	Significant
7	Experiential Marketing ⟶ Advertising	Product Purchase	0.957	0.021	0.978	46.101	Significant

Source: Smart PLS 3.0 data results

Discussion

Based on the results of the hypothesis test in this study is: the first hypothesis, Experiential Marketing has a positive and significant effect on Perceived Quality, seen from the value of t values 17,591 far above the standard of 1.96. The second hypothesis, Experiential Marketing has a positive and significant effect on Advertising with a value of t values of 45,927. This shows that Experiential Marketing plays a big role in advertising Artana honey products.

The third hypothesis, Experiential Marketing has no positive and significant effect on the Purchase of Products with a value of 1,321. The fourth hypothesis, Perceived Quality has a positive and significant effect on the purchase of products with a value of 7,646. This explains that perceived quality variables play a role in increasing sales of Artana honey products in the Tangerang regency. The fifth hypothesis, Advertising has a positive and significant effect on the purchase of products with a value of 0.174 (below 1.96).

The sixth hypothesis, Experiential Marketing affects the Purchase of Products mediated by Perceived Quality with a value of t values of 25,237. It can be explained that Perceived Quality is influential and plays an important role in connecting Experiential Marketing to the Purchase of Artana honey products in Tangerang Regency. The seventh hypothesis, Experiential Marketing affects the Purchase of Products mediated by Advertising with a value of t values of 46,101. This can be explained

that Advertising is influential and plays an important role in connecting Experiential Marketing to the Purchase of Artana honey products in Tangerang Regency.

Conclusion

From the results of this study, it can be concluded that: the first hypothesis, Experiential Marketing has a positive and significant effect on Perceived Quality, seen from the value of t values 17,591 far above the standard of 1.96. The second hypothesis, Experiential Marketing has a positive and significant effect on Advertising with a value of t values of 45,927. This shows that Experiential Marketing plays a big role in advertising Artana honey products. The third hypothesis, Experiential Marketing has no positive and significant effect on the Purchase of Products with a value of 1,321. The fourth hypothesis, Perceived Quality has a positive and significant effect on the purchase of products with a value of 7,646. This explains that perceived quality variables play a role in increasing sales of Artana honey products in the Tangerang regency. The fifth hypothesis, Advertising has a positive and significant effect on the purchase of products with a value of 0.174 (below 1.96).

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