

## **The Influence of Experiential Marketing and E-Service Quality on E-Satisfaction and Repurchase Intention**

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### **ABSTRACT**

This study aims to investigate the impact of experiential marketing and e-service quality on repurchase intention through e-satisfaction. Information assortment was directed utilizing purposive examination by disseminating to 100 respondents. The aftereffect of this examination demonstrates that : (1) experiential showcasing directly effects on e-satisfaction, (2) e-service quality directly effects on e-service quality, ((3) experiential marketing directly effects on repurchase intention, (4) e-service quality directly effects on repurchase intention, (5) e-satisfaction directly effects on repurchase intention, (6) e-satisfaction can mediate variables between experiential marketing with repurchase intention, (7) e-satisfaction can mediate variables between e-service quality with repurchase intention.

**Keywords:** Experiential Marketing, E-Service Quality, E-Satisfaction, Repurchase Intention

### **INTRODUCTION**

Nowadays, e-commerce in Indonesia has grown so rapidly. It is proven by the increasing number of e-commerce in Indonesia in recent years. On the other side, it brings a positive impact, like promoting economic growth and creating more jobs (Liu, 2013). However, it also causes a very competitive competition among e-commerce in Indonesia. As the data released by the iPrice Group reported by KataData Indonesia shows Lazada, which is the top leader in e-commerce in Indonesia, suddenly dropped from the first place to the fourth place. According to YLKI's data in 2017, Lazada topped the list of e-commerce that consumers complained about the most, whereas in that year Lazada also ranked first with an average number of monthly visitors nearly as much as 150 million. Repurchase intention is characterized when customers are keen on buying by utilizing internet shopping, buyer web-based shopping will be returned to later on and purchasers are keen on to suggest web-based shopping since they additionally utilize web-based shopping (Zhou et al., 2009; Kim et al., 2012).

Many factors can affect the repurchase intention. One of them is experiential marketing. Numerous organizations, for example, Mini and Tesla brands in the car business, or Amazon and eBay in retail, just as, among numerous others, LC Waikiki in mass attire, show the experiential showcasing approach in internet selling (Kim et al., 2018; Schmitt and Zarantonello, 2013). Oktriana (2019) finds that experiential promoting has a positive and critical effect on repurchase intention. However, Suhaily and Soelasih (2017) discovered there was no impact of experiential marketing to repurchase intention. Besides experiential marketing, e-service quality is also able to

affect repurchase intention. According to Harahap *et al.* (2020), e-service quality is the extent to which a website facilitates shopping, purchasing, and shipping of products and services that are efficient and effective. In the previous study, Hasman *et al.* (2019) find that e-service quality has a positive and significant impact on repurchase intention. Nonetheless, Dian dan Ruzfian (2015) did not find any significant impact of the e-service quality to repurchase intention.

In considering the research gap, then this is an interesting topic to study further. E-Satisfaction is included as the intermediary variable. E-satisfaction can be defined as the contentment of the customer concerning his or her prior purchasing experience with a given electronic commerce firm and results in favorable responses, such as purchase as well as repurchase (Azam *et al.*, 2012; Vijay *et al.*, 2019). The relationship between e-satisfaction and repurchase intention can be explained by expectation-confirmation theory (ECT). ECT holds that shopper's aim to repurchase an item or proceed with administration use is resolved fundamentally by their fulfillment with earlier utilization of the item or administration (Bhattacharjee, 2001; Lai *et al.*, 2016).

This study targeted Lazada consumers in Bali Province because according to the 2018 BPS national socio-economic survey shows that internet users in Indonesia are still concentrated in Java and Bali, so it can be assumed if Bali has good online shopping popularity because the growth of online shopping is in line with the internet penetration. Based on the business phenomenon and research gap mentioned above, this study aims to analyze the influence of experiential marketing and e-service quality on repurchase intention through e-satisfaction on Lazada. The result of this study is expected to assist in contributing theoretically and strengthening marketing strategies.

## **RESEARCH METHOD**

### **Hypothesis**

As the dependent variable, repurchase intention is influenced by experiential marketing and e-service quality through e-satisfaction. The relationship between these variables is based on a previous study. Isler (2015), Indrawati and Fatharani (2016), and Sujudi and Ramantoko (2017) find that experiential marketing has a positive and significant impact on e-satisfaction. While, Ulum and Muchtar (2018), Putera (2017), Tobagus (2018), and Ashoer (2019) find that e-service quality has a positive and significant impact on e-satisfaction. Oktriana (2019) and Subawa *et al.* (2020) in their research found that experiential marketing has a positive and significant effect on repurchase intention. Hasman *et al.* (2019), Oktaviani (2019), and Samuel (2020) find that e-service quality has a positive and significant impact on repurchase intention. Soelasih and Suhaily (2018), Vijay *et al.* (2016), and Johan *et al.* (2020) find that e-satisfaction influences to repurchase intention. Besides, a previous study shows that e-satisfaction mediates the influence of experiential marketing on repurchase intention (Sebopa, 2016; Almero 2018) and the influence of e-service quality on repurchase intention (Ivasty and Fanani, 2020; Hasman *et al.*, 2019; Lestari and Ellyawati, 2019; Mubarak, 2019). Based on these previous studies, the hypotheses proposed are:

- H<sub>1</sub>: Experiential marketing has a positive impact on e-satisfaction.
- H<sub>2</sub>: E-service quality has a positive impact on e-satisfaction.
- H<sub>3</sub>: Experiential marketing has a positive impact on repurchase intention.
- H<sub>4</sub>: E-service quality has a positive impact on repurchase intention.
- H<sub>5</sub>: E-satisfaction has a positive impact on repurchase intention.

H<sub>6</sub>: E-satisfaction mediates the influence of experiential marketing on repurchase intention.

H<sub>7</sub>: E-satisfaction mediates the influence of e-service quality on repurchase intention.

### **Sample and Data Collection**

This study employed the survey method, using questionnaires to test the research framework and hypotheses developed. The population in this study were all Lazada consumers in Bali Province. Owing to the unknown population size, this study used purposive sampling. Sample who are allowed to be selected as respondents those who aged 17 years and over, educated least in high school, and shopped at least once in the last 3 months on Lazada during this study. In thinking about the circumstance and condition in Indonesia, information was gathered by dispersing surveys to the respondent through a google structure. The number of respondents gathered was 100 respondents.

### **Measurement**

The entirety of the watched factors in this examination was estimated utilizing a five-point Likert scale. The score span is between 1-5, where score 1 for emphatically differ and score 5 for firmly concur. Unmistakable measurement investigation is utilized to depict the respondent profile and way examination is utilized to confirm theory testing (Ghozali, 2018:245). While, Sobel test is used to test the effect of the intermediary variable (Ghozali, 2018:248-249). We used SPSS for Windows version 23 software to process the data. To get a good quality of data, the research instrument is tested with validity and reliability test before distributed to all respondents. This validity and reliability test were carried out to 30 respondents out of the samples as a trial. Validity test refers to coefficient correlation (Pearson Correlation) criteria  $> 0,3$  (Sugiyono, 2018:267). While, the reliability test refers to the Cronbach Alpha coefficient with criteria reliable if the Cronbach Alpha ( $\alpha$ )  $> 0,7$  (Ghozali, 2018:46). From the data processing, we found all of the research instruments have coefficient correlations greater than 0,3. While Cronbach's Alpha coefficient for all constructs shows values more than 0,7. Thus, it can be concluded that all of the research instruments are valid and reliable.

## **RESULTS AND DISCUSSION**

### **Descriptive Statistic**

From 100 selected respondent in line with predefined criteria, most of them were females (66%) and dominated by millennials ages between 17 to 21 years old (46,0%). Regarding occupation, mostly are students (42,0%) with a high school education level (57,0%) and have average monthly income over Rp 1.000.000 - Rp 4.000.000 (40,0%) with a shopping frequency of once in the last 3 months (46,0%).

**Hypothesis Testing**

**Table 1. Hypothesis Test Result**

No	Hypothesis	Sub Structure	Standardized Path Coefficient	T-value	T-table	Results	Conclusion
H <sub>1</sub>	Experiential marketing has a positive impact on e-satisfaction	I	0,252	3,226	1,9845	Significant	Supported
H <sub>2</sub>	E-service quality has a positive impact on e-satisfaction		0,589	7,527	1,9845	Significant	Supported
H <sub>3</sub>	Experiential marketing has a positive impact on repurchase intention	II	0,146	2,296	1,9845	Significant	Supported
H <sub>4</sub>	E-service quality has a positive impact on repurchase intention		0,399	5,255	1,9845	Significant	Supported
H <sub>5</sub>	E-satisfaction has a positive impact on repurchase intention		0,431	5,496	1,9845	Significant	Supported

Source: Processed Data (2020)

Based on Table 1 above, hypotheses 1 has  $t_{\text{value}}$  3,226, which is greater than  $t_{\text{table}}$  (3,226 > 1,9845). It means experiential marketing has a positive and significant. impact on e-satisfaction. Thus, it can be concluded that hypothesis 1 is supported. This finding is also in line with Isler (2015), Indrawati and Fatharani (2016), and Sujudi and Ramantoko (2017). Hypothesis 2 is also supported because the  $t_{\text{value}}$  is greater than  $t_{\text{table}}$  (7,527 > 1,9845). It indicates that the better the e-service quality offered; the more satisfied consumer is. This result matches with those of Ulum and Muchtar (2018), Putera (2017), Tobagus (2018), and Ashoer (2019). While hypothesis 3 predicted that experiential marketing has a positive impact on repurchase intention. The result showed that H<sub>3</sub> is supported because the  $t_{\text{value}}$  is greater than the  $t_{\text{table}}$  (2,296 > 1,9845). This result indicated that Lazada can create attractive experiences on its website so that consumers want to revisited and repurchase on Lazada. This result is also in line with earlier studies by Oktriana (2019) and Subawa *et al.* (2020). Hypothesis 4 also shows the same result which is supported the  $t_{\text{value}}$  is greater than  $t_{\text{table}}$ .

table (5,255 > 1,9845). This result also matches with those of Hasman *et al.* (2019), Oktaviani (2019), and Samuel (2020). Then, Hypothesis 5 is also supported. These results proved that e-satisfaction has a positive and significant impact on repurchase intention. In line with expectation-confirmation theory (ECT) that repurchase intention is formed by satisfaction because when consumers feel satisfied then the consumers will have an intention to consume the product or service again. This finding supports research conducted by Soelasih and Suhaily (2018), Vijay *et al.* (2016), and Johan *et al.* (2020). Overall based on this result, it shows all of the hypothesis in this study is supported. Meanwhile, this result also brings up the equation for each sub-structure by seeing the standardized path coefficient as follows:

1) Sub-Structure I

$$Y_1 = \rho_{y_1x_1}X_1 + \rho_{y_1x_2}X_2 + e_1 = 0,252X_1 + 0,589X_2 + 0,661$$

$$\text{Residual figure for sub-structure I obtained from } e_1 = \sqrt{1 - R^2} = \sqrt{1 - 0,563} = 0,661$$

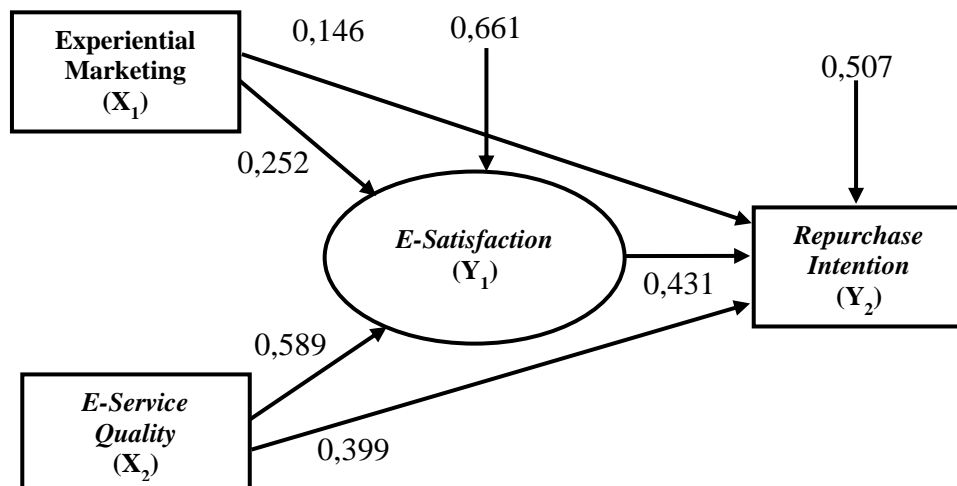
2) Sub-Structure II

$$Y_2 = \rho_{y_2x_1}X_1 + \rho_{y_2x_2}X_2 + \rho_{y_2y_1}Y_1 + e_2 = 0,146X_1 + 0,399X_2 + 0,431Y_1 + 0,507$$

Residual

figure for sub-structure II obtained from  $e_2 = \sqrt{1 - R^2} = \sqrt{1 - 0,742} = 0,507$ . Based on these results, the path analysis model can be formulated as follows

Figure 1. Path Analysis Model



Source: Processed Data (2020)

Total Coefficient of Determination

$$\begin{aligned} R^2m &= 1 - (Pe_1)^2 (Pe_2)^2 \\ &= 1 - (0,661)^2 (0,507)^2 \\ &= 1 - (0,436) (0,257) \\ &= 1 - 0,112 \\ &= 0,888 \end{aligned}$$

Based on the calculation above, it can be known that the total coefficient of determination is 0,888 or 88,8%. It shows that information contained in the data can be

explained by the model is 88%, while the remaining 11,2% (100% - 88,8%) is influenced by other variables not examined in this study.

### Sobel Test

Sobel test is used to examine whether e-satisfaction mediates the influence of experiential marketing on repurchase intention ( $H_6$ ) and e-service quality on repurchase intention ( $H_7$ ). The result of sobel test in this study are as follows:

#### 1) Experiential Marketing on Repurchase Intention through E-Satisfaction

Calculating standard error of the indirect effect coefficient ( $S_{x_1y_1}$ )

$$S_{x_1y_1} = \sqrt{y_1^2 s_{x_1}^2 + x_1^2 s_{y_1}^2 + s_{x_1}^2 s_{y_1}^2}$$

Where :

$$x_1 = 0,176; s_{x_1} = 0,077; y_1 = 0,259; s_{y_1} = 0,047$$

$$S_{x_1y_1} = \sqrt{(0,259)^2 (0,077)^2 + (0,176)^2 (0,047)^2 + (0,077)^2 (0,047)^2} = 0,02$$

The next step is calculating  $t_{\text{value}}$  to determine the effect of mediation with the following formula :  $(x_1y_1) = (0,176) (0,259) = 0,045584$

$$t = \frac{x_1y_1}{S_{x_1y_1}} = \frac{0,045584}{0,02} = 2,2792 \text{ or } 2,27$$

Based on the result of the calculation above, the  $t_{\text{value}}$  is 2,27. It shows that  $t_{\text{value}}$  is greater than  $t_{\text{table}}$ , which is 1,9845 ( $t_{\text{value}} > t_{\text{table}}$ ,  $2,27 > 1,9845$ ). Thus, it can be concluded that e-satisfaction mediates the influence of experiential marketing on repurchase intention. Therefore, hypothesis  $H_6$  is supported. This result also matches with the findings of previous studies by Sebopa (2016) and Almero (2018).

#### 2) E-Service Quality on Repurchase Intention through E-Satisfaction

Calculating standard error of the indirect effect coefficient ( $S_{x_2y_1}$ )

$$S_{x_2y_1} = \sqrt{y_1^2 s_{x_2}^2 + x_2^2 s_{y_1}^2 + s_{x_2}^2 s_{y_1}^2}$$

Where :

$$x_2 = 0,475; s_{x_2} = 0,090; y_1 = 0,259; s_{y_1} = 0,047$$

$$S_{x_2y_1} = \sqrt{(0,259)^2 (0,090)^2 + (0,475)^2 (0,047)^2 + (0,090)^2 (0,047)^2} = 0,03$$

The next step is calculating  $t_{\text{value}}$  to determine the effect of mediation with the following formula :  $(x_2y_1) = (0,475) (0,259) = 0,123025$

$$t = \frac{x_2y_1}{S_{x_2y_1}} = \frac{0,123025}{0,03} = 4,10083 \text{ atau } 4,10$$

Based on the result of the calculation above, the  $t_{\text{value}}$  is 4,10. So, it shows that  $t_{\text{value}}$  is greater than  $t_{\text{table}}$ , which is 1,9845 ( $t_{\text{value}} > t_{\text{table}}$  or  $4,10 > 1,9845$ ). Thus, it can be concluded that e-satisfaction mediates the influence of e-service quality on repurchase intention. Therefore, hypothesis  $H_7$  is supported. This result also matches with those of Ivastya and Fanani (2020), Hasman *et al.* (2019), Lestari and Ellyawati (2019), and Mubarak (2019).

## CONCLUSIONS

This study used path analysis to analyze the influence of experiential marketing and e-service quality on repurchase intention through e-satisfaction. Generally, dependability and legitimacy scores in the estimation stage were worthy, and all connections in the examination were tried all the while. The outcomes show the entirety of the speculations tried were factually critical and upheld. From the result above, we suggest an online shopping platform should optimize its business by creating a good quality of a website. The website has to be attractive, user-friendly, and easy to understand. Another thing is that the website has to always improve its service quality like its efficiency and responsiveness to solve all the problems of each consumer who needs

help. Moreover, that online shopping platform has to always keep its consumers' privacy. Meanwhile, the future study can investigate further by developing research variables through the addition of a larger sample so that the scope of research can be more developed and comprehensive.

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