The Role of Visitor Experience in Determining Visitor Satisfaction and Loyalty in Indonesia Tourism Park

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ABSTRACT

In the high intensity competition in the tourism industry, tourism parks need to revisit the antecedent of visitor loyalty. Nowadays, tourism site visitors are very concern on the experiences they get from the tourism site. Thus, this study aims to investigate if the visitor experience will lead to satisfaction and loyalty. This current research employed purposive sampling technique to recruit the respondents, and one hundred and fifty respondents participated in the survey. The data were analysed by using Structural Equation Modelling method using smartPLS software. Prior the hypothesis testing, inner and outer model evaluation are evaluated and the results show that the measurement variables are valid and reliable and the model is fit. The hypothesis testing results found that visitor experience significantly affects visitor satisfaction. Furthermore, visitor experience is also proven to be significantly influence visitor loyalty in both direct and indirect manner (through visitor satisfaction). Thus, the four proposed hypothesis are accepted. The results imply that in order to enhance customer loyalty, tourism parks' manager should pay attention to the customer experience. The more positive customer experiences will lead to the more satisfied visitors and at the end will lead to the higher visitor loyalty. Future research should address other important marketing constructs in order to enhance the predictive power of the model.
Keywords: experiential marketing, visitor satisfaction, visitor loyalty, Tourism Park.

1. Introduction

Nowadays, the competition in the tourism industry is becoming increasingly tough which requires the managers of the tourism industry to have and create business excellence to be able to excel in the existing competition. Every business manager must be able to implement an optimal strategy to retain their consumers. Furthermore, in this turbulent environment, managers of the tourism industry must also be able to implement strategies to meet the needs and desires of changing consumers in order to be able to provide and maintain customer satisfaction and loyalty.

In terms of determining the level of satisfaction, creating positive experiences for customers considered to be one way to enhance customer satisfaction. According to Schmitt (1999), experiential marketing is a way of combining the five basic elements of feeling related to the senses, feel, think, act, and relate between the customer and the company in order to achieve a

certain level of satisfaction. In the concept of experiential marketing, business organizations must compete by creating experience and leaving the best impression on customers through a combination of those five basic elements. Visitors loyalty is regarding a crucial aspect for tourism park industry. Loyal visitor will enhance parks' profitability and will enhance the number of new visitor, as the loyalist will share positive aspects about the service providers. However, in order to build loyal customers, business organization must ensure that the customers are satisfied with the service provided.

Customer satisfaction arises from the fulfilment of customer expectation of service (Kaura et al., 2015). Satisfaction and loyalty of service users will certainly have a positive influence on service providers. Customers who are satisfied with the service providers will be a voluntary brand ambassador and will not pay attention to products from competition. The application of experiential marketing is considered to be the right way to increase customer satisfaction which can lead to loyalty commitment. This is related to the emotional customer experience that impresses positively and impressively will make customers can always remember and consider the services that have been received by increasing customer satisfaction and loyalty (Ali et al., 2018)

2. Literature Review

2.1. Experiential Marketing

Sheu et al. (2017) reveals that the notion of experiential marketing is the ability of a product to make a memorable emotional experience of a customer that can be remembered, which results in the customer being able to keep in mind the goodness of the product. This is what will encourage the customer to have a positive feeling towards the service or product offered which leads to an increase in customer loyalty to the product or service. In the experiential marketing concept, there are two approaches, namely Strategic Experiential Modules (SEMs) and Experiential Providers (Expros). SEMs are the types of experiences that are presented in experiential marketing which include sensory, feeling, mind, act, and relate. Expros include communication, visual identity, product presence, cooperation, environment, website, and sellers.

According to Schmitt (1999), there are several benefits of applying experiential marketing, namely reviving a declining brand, differentiating a product from a competitor's product, creating an image and identity of a company, promoting innovation and including experiments, purchases and most importantly, consumers loyal to the brand. Based on the results of research conducted by Wu and Ai (2016) proving that experiential marketing can affect customer loyalty. In addition to these studies, there is also a study from Wu and Li (2017) which proves the influence of experiential marketing on customer satisfaction. The influence of customer satisfaction and customer loyalty has also been proven by research conducted by (Hapsari, 2018). The influence of experiential marketing with customer satisfaction and customer satisfaction with customer loyalty, the researchers formulated several hypotheses, namely:

H1: Experiential Marketing is significantly affect visitor loyalty.

H2: Experiential Marketing is significantly affect visitor satisfaction.

2.2.Customer Satisfaction

One of the objectives of marketing activities expected by the company is customer satisfaction. Customer satisfaction is a self-perception of the performance of a product or service in relation to or customer's expectations.

Creating and maintaining customer satisfaction will provide great benefits for the company. Satisfied customers will spread positive word of mouth. Satisfied customers will repurchase, say good things about the company and recommends the company to other people pay less attention to brands and advertise competing products, and buy other products from the same company (Kotler & Keller, 2012). Thus, the next hypothesis is formulated:

H3: Visitor satisfaction is significantly affect visitor loyalty

2.3.Customer Loyalty

Loyalty is the commitment of customers to stores, brands or suppliers based on a positive attitude that is reflected in the form of consistent repeat purchases. Customer loyalty is more associated with behaviour than with attitude (Griffin & Herres, 2002). Kotler and Keller (2012) suggest that loyalty is a habitual repetition buying behaviour, which where there has been a connection and high involvement in the choice of a particular object, and is characterized by the absence of external information and alternative evaluation. There are some characteristics of loyal customers, including: (1) Make a repeat purchase to the same business entity; (2) Buying a line of products and services offered by the same business entity; (3) Notifying others about the satisfaction obtained from the business entity and (4) Showing immunity to the offer from the competing business entity (Griffin & Herres, 2002).

The next hypothesis is formulated:

H4: Visitor satisfaction is significantly mediate the effect of experiential marketing on visitor loyalty.

3. Research Method

This current research is categorized as explanatory research which aims to explore the proposed interrelationships among the selected variables in Indonesia tourism park. This research employed non-probability sampling, by using purposive sampling technique with several criteria as follows:

1. The respondents should be over 16 years old
2. The respondents should have visited the tourism park at least twice in the last 2 years.

Prior testing the hypothesis, Inner and outer model evaluation were conducted in order to ensure the validity, reliability of measures and the model fit.

Outer model analysis is evaluated to ensure that the measures are valid and reliable. Outer model consists of several indicators, namely convergent validity, discriminant validity and unidimensionality. The inner model analysis of the model is also carried out to ensure that the structural models are robust and accurate. Evaluation of inner model can be seen from several indicators which include determination coefficient (R2), predictive relevance (Q2) and goodness of fit index (GoF) (Hussein, 2015).

The hypothesis test was conducted by using smartPLS 3.0 software, and the decision in accepting or rejecting the hypothesis are based on the p value with the cut off value of 0.05.

4. Results

Based on the results of the SmartPLS 3.0 software calculation. The coefficient of determination of the visitor satisfaction variable is 0.621 which means that visitor satisfaction is influenced by experiential marketing variables consisting of feel, sense, think, act and relate of 62.1%, while the rest influenced by other variables not in this study. Likewise with customer loyalty variables that have a coefficient of determination that is equal to 0.568 which means that visitor loyalty is influenced by experiential marketing variables which consisting of feel, sense, think, act and relate and visitor satisfaction of 56.8%, while the rest is influenced by variables others not in this study.

The predictive relevance (Q2) score is equal to 0.836 or 83.6%. This score shows that the diversity of variables of satisfaction and visitor loyalty can be explained by the indicators in this study as much as 83.6% as a whole in the designed structural model. The rest is explained by other factors that are not included in the model. Based on the Q2, it can be concluded that the proposed structural model in this study is good because the resulting value approaches the value of 1. The path model is displayed in Figure 1.
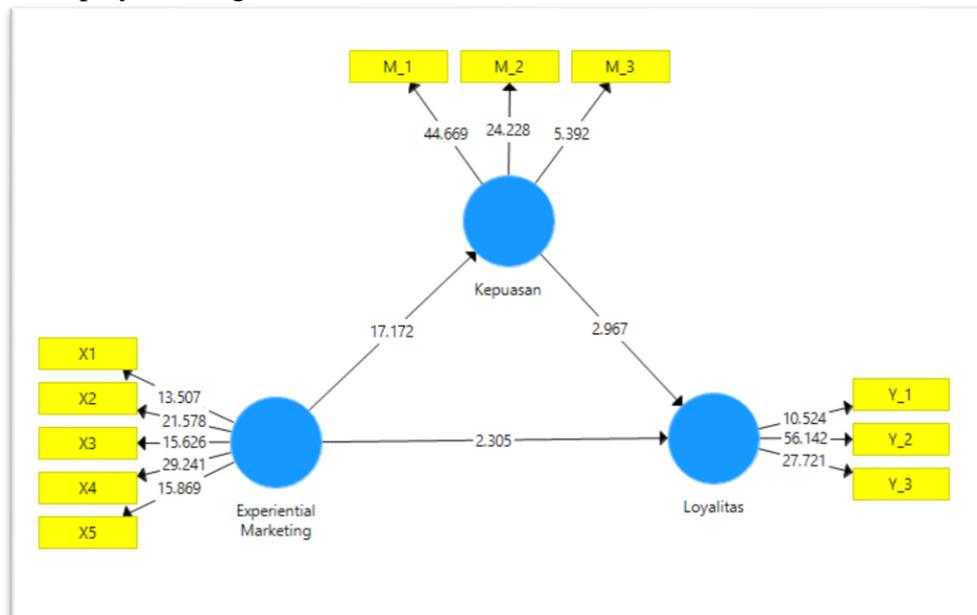
Figure 1. Path Model

The results of the GoF calculation are 0.6329 or 63.29%, this indicates that the diversity of data capable of being explained by the model is 63.29% and the remaining 36.71% is explained by other variables that are not included in the model.

From the results of testing the hypotheses that have been done, it can be seen that experiential marketing variables have a significant influence on visitor loyalty. This indicates that the higher the dimensions of the experiential marketing or the more positive and memorable customer emotional experience obtained after visiting the Tourism park, the higher the loyalty of the visitors will be. Visitors will have the desire to revisit and recommend to the tourism park to other people if they felt happy, comfortable and safe while visiting the tourism park. Thus, the tourism park manager should provide attractive park design, maintain the fresh air, provide music that can be enjoyed by visitors, and also ensure the responsiveness and friendliness of employees in serving the visitors. These things can make enhance visitors positive experience when traveling to the tourism park so that visitors want to revisit the park and are willing to recommend it to others.

The existence of a significant influence between experiential marketing and visitor satisfaction also indicates that the higher the experiential marketing dimension or the memorable emotional experience of the customers obtained after visiting the tourism park, the higher the satisfaction of the visitors. Visitors feel satisfied when their needs, desires and expectations of visiting the tourism park are fulfilled. Based on the data in this study, visitors will be satisfied when they experienced enjoyable feeling that can be supported by the comfortable and safe feeling when visiting the tourism park. Furthermore, related to the sense aspect of experience, the visitor will perceive more enjoyable experience when the tourism park provides good layout and good atmosphere. For the mind aspect, visitor will evaluate the facilities provided by the tourism park, whether it fits with their personal preferences such as hobbies. For the relation aspect, visitor will evaluate the interaction between the visitors and the tourism park employee related to employee friendliness, empathy and responsiveness.

The hypothesis testing also found that visitor satisfaction significantly influences visitor loyalty. This finding indicates that the higher visitor satisfaction, the higher the visitor's loyalty. Creating and maintaining customer satisfaction will provide great benefits for the company. Satisfied customers will spread positive word of mouth. Furthermore, satisfied customers will repurchase, say good things and recommend about the company to others (Kotler & Keller, 2012).

Table 1. Summary of Hypothesis Testing Results

The significant interrelationship among experiential marketing, visitor loyalty and visitor satisfaction indicate that the higher visitor satisfaction is formed by experiential marketing or the emotional experience of the memorable customer obtained after visiting tourism park will lead to the higher visitor loyalty. The mediation effect of customer satisfaction on the relationship between experiential marketing and visitor loyalty is partial mediating, meaning that in affecting visitor

loyalty, experiential marketing construct is not only having indirect effect (through visitor satisfaction), but also has direct effect. The summary of hypothesis testing is displayed in Table 1.

5. Limitation and Direction for Future Research

Despite the contribution to the practical and theoretical knowledge, this current research also has some limitation. the sampling technique used is purposive sampling and the respondents were recruited in the East Java Province, Indonesia. Tus, the results obtained from this research cannot

	T-Statistics	P-Values	Remark
H1. Experiential Marketing → Visitor Loyalty	2.305	0.022	Accepted
H2. Experiential Marketing → Visitor satisfaction	17.172	0.000	Accepted
H3. Visitor satisfaction → Visitor Loyalty	2.967	0.003	Accepted
H4. Experiential Marketing → Visitor satisfaction → Visitor loyalty	3.001	0.003	Accepted

be generalized to the other setting with different characteristics. In order to overcome this problem, future research is encouraged to do a replication in other setting. Regarding the variables used in this current research, there are only three variables involved. In order to enhance the predictive power of the model, future research is encouraged to integrate other variables such as authenticity and park image.

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