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How Does Consumer Experience with Cosmetics Products Create EWOM, Satisfaction, and Loyalty?

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Abstract

Research aims: This study investigates how consumer experience with local beauty products influences Electronic Word of Mouth (EWOM), satisfaction, and loyalty.

Design/Methodology/Approach: The researchers employed a quantitative approach with an explanatory survey design. The setting was a local medium, low-end beauty product in Indonesia that competes with many global brands. The respondents were 160 women who recently purchased, used the brand, and performed EWOM. The researchers used online questionnaires to collect data distributed via Google forms. The proposed hypotheses were then tested using Structural Equation Modeling (SEM) with the AMOS version 22.0 application.

Research findings: This study found that (1) experiential marketing had a positive impact on customer satisfaction, EWOM, and customer loyalty; (2) customer satisfaction and EWOM also positively impacted customer loyalty; (3) while customer satisfaction mediated the effect of experiential marketing on customer loyalty, (4) EWOM mediated the experiential marketing effect on customer loyalty.

Theoretical contribution/Originality: This study improved people's understanding of the importance of creating customers experience, which contributed to their satisfaction and willingness to perform EWOM, despite its direct influence on customer loyalty. This study also gives insight into customer satisfaction and willingness to perform EWOM, which will shape their loyalty to the product. The researchers further highlight the existence of customer satisfaction and EWOM in forming customer loyalty since those two constructs significantly mediate the relationship between experiential marketing and customer loyalty.

Practitioner/Policy implication: The marketer needs to create a good customer experience, shaping customers' satisfaction and influencing them to perform Electronic Word of Mouth. Furthermore, satisfied customers and those who already make an EWOM will create customer loyalty.

Research limitation/Implication: The researchers identified three limitations and proposed suggestions for future study. First, the researchers used limited respondents, which may influence the generalization of this research's findings. Increasing the sample size may improve the research findings' generalizability. Second, most respondents' backgrounds were also limited to university students, while getting more varied respondents may give different results. Finally, since the researchers only considered four variables in this research model, the researchers proposed that future research should consider additional variables to explain this phenomenon better.

Keywords: Experiential Marketing; Customer Satisfaction; Electronic Word of Mouth; Customer Loyalty

Introduction

Technological advancements have changed people's lives, including the beauty industry. Despite the various definitions of beauty, most women worldwide believe appearance is essential. They use skincare and makeup products and visit beauty clinics regularly to maintain their skin healthiness and enhance their appearance. The emergence of many local beauty products that use social media to promote in the last decades has motivated women, and they have become more aware of it. According to BPS - Statistics Indonesia (2022), the chemical, pharmaceutical, and traditional medicine industries (including the cosmetic sector) experienced relatively rapid growth of 9.71%. During the COVID-19 pandemic, the chemical, pharmaceutical, and conventional medicine industries accelerated. The demand for medicines, especially vaccines and traditional medicines to maintain a healthy body during the pandemic, has made this industry reach its highest level in the last nine years. BPS - Statistics Indonesia also reported that the domestic product (GDP) of the chemical, pharmaceutical, and traditional medicine sub-sectors at current prices (ADHB) reached IDR 339.18 trillion in 2021.

The Indonesian cosmetic market is brimming with both imported and domestic cosmetic products. At least 45 countries, including Paris, America, Japan, Malaysia, Thailand, China, and South Korea, sell imported cosmetic products in Indonesia. Products from Europe, America, and Japan were the first to enter the Indonesian cosmetic market, targeting the premium market with relatively high selling prices. L'Oreal Paris, Nyx, Maybelline, Mac, Estee Lauder, Saint Yves, Shiseido, SK-II, The Body Shop, Clinique, Victoria Secret, L'Occitane, La Prairie, Elizabeth Arden, and other high-end brands are available. While the Ministry of Industry noted that the cosmetics industry in the country increased by 153 companies in 2017, in 2018, the number reached more than 760 companies. In comparison, in 2017, the value of national cosmetic exports reached US\$ 516.99 million, an increase compared to 2016 of US\$ 470.30 million.

On the other side, ease of accessing information is a vital factor that guides the women consumer in choosing and using beauty products. According to the ZAP Clinic Index & Markplus's (2021) annual publication survey, 6,000 female respondents considered safety in choosing a beauty product. In 2021, Indonesia's concern about protecting its products increased thrice from the previous year. In 2020, only 22.3% of Indonesian women considered safety in choosing beauty products; in 2021, that number increased to 63.0%. ZAP Clinic Index & MarkpPlus (2020) also stated that generation Z spends time on social media, influencing their search for role models in the beauty world. The resulting survey revealed that more than half of the women of Generation Z (54.0) chose beauty influencers as role models in beauty and uncovered that beauty product reviews (64.7%) also encouraged women to buy beauty products.

Furthermore, the higher business competition has challenged marketers to be more creative by creating a consumer experience with the product/services. A memorable consumer experience of a product/service is expected to provide satisfaction and willingness to make positive comments about the product and create loyalty. From a consumer behavior view, the consumer experience has been investigated in experiential

marketing. Moreover, word-of-mouth (WOM) has long been acknowledged as one of the most powerful means of information dissemination. Advances in information technology and the rise of online social networking sites have also altered how information is disseminated (Jalilvand & Samiei, 2012). Besides, word-of-mouth (WOM) is the most important information source when consumers make a purchase decision (Litvin et al., 2008). Through word-of-mouth communication, the efficacy of interpersonal impact has been extensively acknowledged (Arndt 1967; Herr et al., 1991; King & Summers, 1970). Previous research has revealed that consumers regard WOM as more trustworthy and convincing than traditional media, such as print advertisements, personal selling, and radio and television advertising. With the introduction of the internet, which extended EWOM communication to different new virtual settings, the impact on purchasing decisions is further developed through WOM communication. Customers may publish their thoughts, comments, and product evaluations on weblogs, discussion forums, review websites, e-bulletin board systems, newsgroups, and social networking sites (Cheung & Lee 2012). This consumer willingness to provide positive comments about the product/services online is called electronic word of mouth (EWOM).

Experiential marketing is a form of effort companies or marketers make to package products to offer emotional experiences that touch consumers' hearts and feelings (Schmitt, 1999). It consists of five essential elements: sense (five senses), feel (feeling), think (mind), act (action), and relate (relationship). Schmitt (1999) argues that marketers can deliver customer experiences through experience with the product/services, such as communication, visual/verbal identity, product presence, co-branding, environment, website, electronic media, and related people. Yang et al. (2013) have proved that an experiential marketing approach would strengthen customer engagement in constructing a sustainable marketing model. According to Wu and Lee (2016), experiential marketing is essential for the cosmetics industry since it produces a practical, sensory, intellectual, and behavioral experience that the company can manage. Many studies have also been conducted to investigate the effect of experiential marketing. Dhillon et al. (2021) researched the Indian luxury cosmetic industry. They stated that experiential marketing is related to the cosmetic industry because it can create an experience, brand experience, and brand engagement for appealing to the affective, sensory, and intellectual aspects of the consumers behaviorally. In addition, Schmitt (1999) mentioned that creating a pleasant experience is critical to customer loyalty. Customers who agree with the experiential marketing they have experienced are more likely to exhibit higher loyalty. Besides, Öztürk (2015) researched consumers of cosmetic products in Konya, stating that experiential marketing is one of the marketing methods that provide a unique framework for incorporating aspects of experience and entertainment into a product or service. However, research in the local medium-low-end product setting has not been conducted.

As stated above, the development of digital technology, including websites and electronic media, has given rise to electronic word of mouth (EWOM). EWOM is consumers' positive information or negative statements about a product or company that many people can access online (Hennig-Thurau et al., 2004). The breadth of EWOM coverage and ease of accessing opinions will affect the company. Hence, companies need to understand the factors that can affect EWOM and its impact of EWOM. Since consumers use the internet

to collect information about a company or product, EWOM has become an important tool. EWOM communication has also become essential for customer feedback (Bickart & Schindler, 2001; Godes & Mayzlin, 2004; Hennig-Thurau et al. 2004; Mayzlin 2006). Particularly, consumers' online product reviews are among the most relevant forms of online WOM or EWOM communication (Sen & Lerman, 2007). It is increasingly being done by consumers while searching for pre-purchase information (Adjei et al., 2009; Zhu & Zhang, 2010), and these are shaping purchase decisions (Zhang & Tran, 2009). For this reason, it is interesting to investigate consumer willingness to give EWOM, considering their experience with local cosmetic products.

This research also considers consumer satisfaction as the consequence of consumer experience. The purchase experience, recommendations of friends or colleagues (word of mouth), and the information obtained can provide customer expectations for a product. A fulfilled expectation is the antecedent of satisfaction. This idea aligns with Kotler and Keller (2015), who explained that satisfaction is a person's feelings caused by comparing the product's perceived performance (results) to their expectations. The customer will feel satisfied if the resulting performance follows and exceeds expectations. Conversely, customers will be dissatisfied if the product's performance is unsuitable.

Customer satisfaction is one of the keys to retaining customers. Satisfied and delighted customers will commit to buying or re-endorsing products used in the future, referred to as loyalty (Kotler & Keller, 2015). In business, loyalty is used to describe the willingness of customers to use the company's products in the long term, especially if using them exclusively, and provide recommendations for such products to friends and colleagues (Lovelock & Wirtz, 2010). Therefore, it is interesting to consider experiential marketing, EWOM, and customer satisfaction in shaping customer loyalty. The researchers are also interested in setting up a local cosmetics brand currently becoming viral in Indonesia.

Therefore, this study examines the impact of consumer experience on customer satisfaction, EWOM, and customer loyalty. The researchers referred to consumer experience as experiential marketing (Schmitt, 1999). Thus, the researchers used the term experiential marketing to replace the consumer experience. This research setting was Emina, one of Indonesia's viral teen cosmetic brands. Awarding Guardian Top Stars 2019, this brand has become a favorite cosmetic brand that prioritizes innovation to produce best-selling products. Adapting their teenagers' targeted market segment, Emina has various marketing strategies, such as social media content and an attractive website. Its Instagram uses a pastel-colored base design to make it suitable for teenagers with a gentle impression. In addition, the content uploaded on Instagram is simple and describes the product. Instagram media is also suitable for teenagers' Emina's target market. Moreover, Emina also often held beauty classes by using their products to get closer to the audience and introduce Emina products.

Literature Review and Hypotheses Development

Schmitt (1999) defines experience as a personal event that occurs in response to some stimulation (such as information provided by the company in marketing efforts before and after purchase). Meanwhile, the American Marketing Association Kotler and Keller (2015) describes marketing as an organizational function that creates, communicates, and provides value to customers while managing relationships to benefit stakeholders.

Experiential marketing is also a form of effort by companies or marketers to package products (goods or services) to offer an emotional experience to feel the stimulation (Schmitt, 1999). Lee et al. (2010) and Chang (2020) revealed that experiential marketing refers to memorable memories or experiences that can deeply feel and enter the customer's mind. Thus, two people will never have the same experience (Chang 2020; Johnston & Kong 2011). MacKenzie and Lutz (1989) and Williams (2006) also define experiential marketing as marketing initiatives that provide consumers with sufficient information to purchase by providing them with in-depth tangible experiences. Schmitt (1999) further explained that experiential marketing consists of five essential elements, i.e., 1) Sense: the primary objective of sensory experience is to create sensory experiences through vision, sound, touch, taste, and smell; 2) Feel: it aims to create an affective experience related to mood and emotions towards a particular brand; 3) Think: it is designated to encourage consumers to act cognitively in solving problems so that consumers will think creatively; 4) Act: one of the marketing techniques used to provide experiences to consumers is physical experiences, lifestyle, and interactions; 5) Relate: it combines the four elements of experiential marketing: sense, feel, think, and act.

Experiential marketing focuses not only on product form but also on service and the entire process of creating customer experiences, including the pre-purchase, the moment of truth, and post-purchase activities. Customer satisfaction is also one of the evaluations related to the customer experience when purchasing and consuming products, services, brands, or companies (Al-Msallam, 2015). Kotler and Keller (2015) said that satisfaction is a person's feelings (happy or disappointed) caused by the comparison between the performances perceived by the product (results) to their expectations.

Previous studies have confirmed the above ideas (Koetz, 2019; Öztürk, 2015; Smilansky, 2018; Widowati & Tsabita, 2017; Wu & Tseng, 2014; and Zena & Hadisumarto, 2013), which showed that experiential marketing positively affected customer satisfaction. According to the theory and previous research findings, the researchers developed the first hypothesis:

H₁: Experiential marketing positively and significantly affects customer satisfaction.

Satisfied customers will be loyal for a longer period, buying the company's products when the company introduces and launches new products or renews an old product, which is called loyalty (Kotler & Keller, 2015). Here, experiential marketing aims to create a loyal customer base by focusing on customer satisfaction and providing positive feelings about

services and products (Alkilani et al., 2012; Kartajaya & Darwin, 2010; Muhammad & Artanti 2016). In addition, customers will tell others about the company and its good products, known as word of mouth. Several previous research has shown that experiential marketing positively affected customer loyalty (Koetz, 2019; Öztürk, 2015; Smilansky, 2018; Widowati & Tsabita, 2017; Wu & Tseng, 2014; and Zena & Hadisumarto, 2013); hence, the researchers developed the following second hypothesis:

H₂: Experiential marketing positively and significantly affects customer loyalty.

Some companies, including marketers, strive to create unique and unforgettable experiences to improve customers' positive word of mouth. In line with technological development, word of mouth has traditionally evolved into the electronic word of mouth (EWOM). Litvin et al., (2008) define the electronic word of mouth (EWOM) as informal communication directed to consumers through internet-based technology related to the use and characteristics of certain goods or services and their sellers. Electronic word of mouth has a broader impact than word of mouth due to several factors, including speed, comfort, range, and the absence of pressure from others directly (Sun et al., 2006). Several previous research has shown that experiential marketing positively affected electronic word of mouth (EWOM), such as Serra-Cantalops et al. (2018), Almohaimmeed (2020), Araci et al. (2017), and Muhammad and Artanti (2016). These ideas inspired the researchers to develop the following hypothesis.

H₃: Experiential marketing positively and significantly affects electronic word of mouth (EWOM).

Customer Satisfaction

Satisfaction is a Latin word that consists of "satis" (suitable or adequate) and "factio" (to do or make). Hence, satisfaction refers to fulfilling something or making something acceptable. Kotler and Keller (2015) stated that satisfaction is a person's feelings (happy or disappointed) caused by the comparison between the performances perceived by the product (results) to their expectations. Kotler and Keller (2015) also integrate a good attitude perspective and consistently purchase certain brands as a brand loyalty concept.

Kotler and Keller (2015) further defined loyalty as a deeply held commitment to purchase or support a preferred product in the future, even though the impact of the situation and marketing efforts can cause customers to switch. According to Noble (1999), there are four possible relationships between customer satisfaction and loyalty, i.e., 1) failures (dissatisfied and disloyal), 2) forced loyalty (unhappy but 'tied' to the company loyalty promotion program), 3) defectors (satisfied and disloyal), and 4) successes (satisfied, loyal, and most likely give a positive word of mouth or electronic word of mouth). Therefore, customer satisfaction will result in customer loyalty.

Previous research conducted by Wu and Tseng (2014), Widowati and Tsabita (2017), and Zena and Hadisumarto (2013) obtained the results that customer satisfaction positively affected customer loyalty. Therefore, based on the theory and previous research findings, the researchers developed the following fourth hypothesis:

H₄: Customer satisfaction positively and significantly affects customer loyalty.

Electronic word of mouth (EWOM)

Transaction activities in e-commerce or online communication on social media allow consumers to interact with each other and form purchasing decisions. Online communication refers to electronic word of mouth, a positive or negative statement delivered over the internet by a former customer about a product or company (Hennig-Thurau et al., 2004; Lin, 2012). Because of the increase in electronic communication via the internet, the impact of word-of-mouth marketing will continue to grow significantly in today's era (Pujiastuti & Rusfian, 2019). According to Lewis and Chambers (2000) and Jeong and Jang (2011), electronic word of mouth is essential in the service industry. Customers relied more on interpersonal communication in service, which is intangible, and on their experience with the service. Thanks to the internet's growth, customers can now share their thoughts, opinions, and feelings about a product or service by sending an e-mail to the company or writing on their platform (Schindler and Bickart 2005).

Kotler and Keller (2015) also suggested that loyal customers are potential customers who will be word-of-mouth advertisers and are most likely dedicated to the company's products for many years. According to Cheung and Lee (2012), EWOM can be communicated through various platforms. The EWOM platform in an online virtual community with a limited membership can increase customer loyalty and retention. Previous research revealed that EWOM positively and significantly affected customer loyalty, including Wijaya and Yulita (2020) and Serra-Cantallops et al. (2018). Previous research findings directed the researchers to develop the fifth hypothesis as follows:

H₅: Electronic word of mouth (EWOM) positively and significantly affects customer loyalty.

Mediation

Experiential marketing creates a unique customer experience and encourages them to purchase by involving five experiences: sense, feel, act, think, and relate (Schmitt, 1999). According to Kotler and Keller (2015), one of the keys to maintaining customers is customer satisfaction, so companies should act wisely by taking regular customer satisfaction measurements. Satisfied customers will be loyal for extended periods, purchasing the company's products when a company introduces and launches new products or renews existing ones. In addition, customers will tell others about the company and its good products, ignore competitors' products, are not sensitive to the prices offered, and provide product offerings or service ideas.

Öztürk (2015) and Widowati and Tsabita (2017) stated that customer satisfaction positively influenced experiential marketing on customer loyalty. According to those previous findings, the researchers proposed the sixth hypothesis:

H₆: Customer satisfaction positively and significantly mediates the influences of experiential marketing on customer loyalty.

Electronic word of mouth

Electronic word of mouth can provide consumers with information in opinions and reviews that many people can access through the internet as a critical aspect of social networks. Its marketing objectives are to raise brand awareness, promote new product ideas, and encourage a sense of enthusiasm that stimulates sales. Unique and unforgettable experiential marketing is one of the factors that influence the formation of the electronic word of mouth (EWOM) of customers (Ebbert & Griffin, 2015) (Serra-Cantalops et al., 2018). Serra-Cantalops and Salvi (2014) asserted that customers would consider EWOM based on their perspective of post-purchase experience. In another study, Serra-Cantalops et al. (2018) explained that positive online reviews could affect loyalty. The findings of previous research motivated the researchers to put forward the fourth hypothesis:

H₇: Electronic word of mouth positively and significantly mediates the influence of experiential marketing on customer loyalty.

Based on the review of previous research findings, the researchers developed a model depicting the influences of experiential marketing on customer loyalty by considering electronic word-of-mouth customer satisfaction, as illustrated in Figure 1.

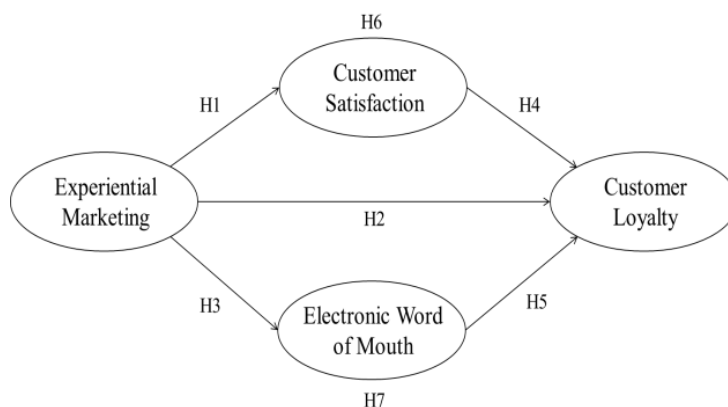


Figure 1 The conceptual research framework

Research Methods

This study employed a quantitative approach in the form of explanatory survey studies. The research setting was Emina, a local cosmetic brand produced by PT. Paragon Technology and Innovation. This brand is designated to become one of the favorite local brands of Indonesian women, especially teenagers. Then, the respondents were Emina's consumers. Sample selection used non-probability sampling, specifically purposive sampling. The criteria to be respondents were female users of Emina's cosmetic products, with a minimum age of 17 years old, who purchased and used Emina products in the past three months, and who have already performed EWOM about Emina.

The researchers conducted an online survey to obtain the primary data to be analyzed. Primary data means data received directly (firsthand) by researchers related to variables of interest for specific purposes of the study (Sekaran & Bougie, 2016). Data collection employed a questionnaire distributed via a Google form, and the final sample size was 160 respondents. The researchers then analyzed the data and tested the hypotheses using the Structural Equation Modeling (SEM) approach with the AMOS version 22.0 program.

The measurement of variables was adopted and adapted from several previous research. Experiential marketing was measured by seventeen indicators adapted from Schmitt (1999), and customer satisfaction was determined by six indicators adapted from Hutama and Dharmayanti (2013). Furthermore, four indicators adapted from Hennig-Thurau et al. (2004) measured electronic word of mouth. Finally, the researchers adopted and adapted measurements from Hadiwidjaja and Dharmayanti (2014) using five indicators for customer loyalty.

Results and Discussion

The researchers distributed the questionnaire using a Google form in January 2021. The link to the questionnaire was disseminated via Whatsapp group and private message to those eligible to be the research samples. The total number of respondents was 160, and all were usable. The demographic characteristics of the respondents are shown in Table 1.

Based on Table 1, the researchers reported the respondents' demographic data based on age, occupation, province of origin, monthly expenses, and monthly expenses for cosmetics. Most respondents in this study were 21-23 years old (67%). The number was in line with the respondents' backgrounds, dominated by students (86%). The respondents came from diverse provinces, most from the Special Region of Yogyakarta, Indonesia (59%). Besides, 30% of respondents came from other provinces of the Special Region of Yogyakarta and Central Java, Indonesia. In addition, most respondents' monthly expenses were below IDR 2,000,000 (68%), followed by those whose monthly expenses were between IDR 2,000,000-IDR 4,000,000 (31%). The researchers also investigated the respondents' monthly expenses for cosmetics who reported their monthly cosmetics

expenses below IDR 500,000 (86%), followed by those whose monthly cosmetics expenses were between IDR 500,000-IDR 1,000,000 (14%).

Table 1 Characteristics of respondents

No	Characteristics of Respondents	Total of Respondents	
		Frequency	Percentage
Age			
1	15 – 17 Years	8	5%
2	18 – 20 Years	39	24%
3	21 – 23 Years	107	67%
4	24 – 26 Years	6	4%
Total		160	100%
Occupation			
1	Teacher or Lecturer	1	1%
2	Housewife	1	1%
3	Entrepreneur	7	4%
4	Private Employees	13	8%
5	Students	138	86%
Total		160	100%
Province of Origin			
1	Special Region of Yogyakarta	94	59%
2	Central Java	18	11%
3	Others	48	30%
Total		160	100%
Monthly Expenses			
1	≤ IDR 2,000,000	109	68%
2	IDR 2,000,000 – IDR 4,000,000	49	31%
3	IDR 4,000,000 – IDR 6,000,000	0	0%
4	≥ IDR 6,000,000	2	1%
Total		160	100%
Monthly Expenses for Cosmetics			
1	≤ IDR 500,000	138	86%
2	IDR 500,000 – IDR 1,000,000	22	14%
3	IDR 1,000,000 – IDR 1,500,000	0	0%
4	≥ IDR 1,500,000	0	0%
Total		160	100%

Validity Test

The researchers used Confirmatory Factor Analysis (CFA) to test valid indicators as latent constructors utilizing AMOS version 22 based on 160 respondent responses and 32 lists of statements representing each variable. The results are presented in Table 2.

Based on Table 2 and referring to Ghozali (2017), the data are valid if the loading factor value is equal to or greater than 0.5. The above validity test results confirm that all indicators, customer satisfaction, electronic word of mouth, customer loyalty, and experiential marketing, were valid because they had a standardized loading value greater than 0.50.

Table 2 Validity test

Variable	Indicator	Loading Factor	Note
Experiential	Attractive packaging	0.814	Valid
Marketing	A wide selection of shades	0.810	Valid
	Characteristics of pigmented products	0.818	Valid
	The characteristics or texture of the product are good.	0.853	Valid
	Consumers are happy.	0.710	Valid
	Consumers feel comfortable.	0.847	Valid
	Consumers feel confident.	0.851	Valid
	I am creating imagination.	0.831	Valid
	Enthusiastic in experimenting with makeup	0.870	Valid
	Desire to try unique makeup	0.853	Valid
	Exploring makeup	0.823	Valid
	Makeup experiments with different colors	0.834	Valid
	Trying the latest makeup trends	0.846	Valid
	Easily accessible information	0.836	Valid
	Information about the product on websites and social media is complete.	0.838	Valid
	Product consulting services are available.	0.854	Valid
	Establishing good relationships with customers	0.860	Valid
Customer Satisfaction	Product variants according to needs	0.854	Valid
	Color choices (shades) according to your wishes	0.870	Valid
EWOM	Good product quality	0.881	Valid
	Conformity between price and product	0.904	Valid
	Enjoying using the product	0.866	Valid
	Making the right decisions	0.875	Valid
	Interesting in giving reviews on social media	0.807	Valid
	Willing to upload photos or videos on social media	0.729	Valid
	Providing the highest rating	0.774	Valid
Customer Loyalty	Leaving a review on the review platform	0.817	Valid
	Giving a positive review	0.762	Valid
	Recommending to friends or relationships	0.812	Valid
	Using the product continuously	0.812	Valid
	Making a purchase even though other products are cheaper	0.824	Valid
	Making the first choice when choosing a product	0.854	Valid

Reliability Test

A reliability test demonstrates the extent of unbiased (error-free) measurements and ensures the consistency of such instruments’ measurements. A construct reliability value of 0.70 or higher indicates good reliability, while a value of 0.60 – 0.70 signifies acceptable reliability, provided that the indicators in good models are valid (Ghozali, 2017). The reliability test results are displayed in Table 3.

Table 3 Reliability test

Variable	C.R.	Note
Experiential Marketing	0.9746	Reliable
Customer Satisfaction	0.9515	Reliable
Electronic Word of Mouth	0.8631	Reliable
Customer Loyalty	0.9070	Reliable

Ghozali (2017) reveals that the reliability test results can be reliable if the construct reliability value exceeds 0.70. The results in Table 3 verify that the construct reliability values of the four research variables were greater than 0.70. Hence, the entire research instrument was reliable and could be used in this study.

After the validity and reliability tests, the next step was to analyze the model developed in this study using the Structural Equation Modelling (SEM) tool with seven modeling and analysis stages. In SEM analysis, the primary purpose is to know how much the hypothesized model meets the fit criteria using several conformity indexes to measure the proposed model, such as in Table 4.

Table 4 Goodness of fit

Goodness Of Fit Index	Cut Off Value	Research Model	Model
Chi-Square	Small Expected	632.842	Not Fit
Significant Probability	≥ 0.05	0.000	Not Fit
RMSEA	≤ 0.08	0.049	Fit
GFI	≥ 0.90	0.809	Marginal
AGFI	≥ 0.90	0.781	Marginal
CMIN/DF	≤ 2.0	1.379	Fit
TLI	≥ 0.90	0.962	Fit
CFI	≥ 0.90	0.965	Fit

Based on the results in Table 4, the research models mostly had conformity that met the criteria (good fit). Of the seven standards, four criteria categorized as a good fit were RMSEA, CMIN/DF, TLI, and CFI. While GFI and AGFI belonged to a marginal fit category, Chi-Square and significant probability were categorized as unfit. Thus, this study’s results indicated that the overall model was a fit, meaning that the proposed model could be used for further data analysis.

After testing the SEM model, the next step was testing hypotheses. The researchers performed regression weight testing to determine the direct effect of exogenous on endogenous variables in this study. The hypotheses will be supported if probability values are equal or smaller than 0.05 and C.R. is equal or greater than 1.96 (Ghozali, 2017). The direct effect test results in this study using AMOS version 22.0 are revealed in Table 5.

Table 5 Hypotheses test results

			Estimate	S.E.	C.R.	P	Hypothesis
Experiential Marketing	→	Customer Satisfaction	.698	.083	8.358	0.000	H1 Supported
Experiential Marketing	→	Customer Loyalty	.165	.078	2.121	0.034	H2 Supported
Experiential Marketing	→	Electronic Word of Mouth	.772	.084	9.240	0.000	H3 Supported
Customer Satisfaction	→	Customer Loyalty	.390	.062	6.314	0.000	H4 Supported
Electronic Word of Mouth	→	Customer Loyalty	.385	.089	4.351	0.000	H5 Supported

Based on Table 5, the five hypotheses were proven to have a positive and significant influence. Hypothesis 1 states that experiential marketing positively impacts customer satisfaction in using

cosmetic products. This hypothesis was supported because, based on the test results obtained, a C.R. value of 8.358 (C.R. value greater than 1.96) indicates that experiential marketing positively impacted customer satisfaction and was considered significant since it had a p-value of 0.000 (p-value smaller than 0.05).

Hypothesis 2 states that experiential marketing positively influences customer loyalty. Based on the test results obtained, this hypothesis was supported because a C.R. value of 2.121 (C.R. value greater than 1.96) denotes that experiential marketing positively affected customer loyalty. Also, it was deemed significant as it had a p-value of 0.034 (p-value smaller than 0.05).

Hypothesis 3 states that experiential marketing significantly and positively impacts electronic word-of-mouth. Based on the test results, this hypothesis was supported because the C.R. value of 9.240 (C.R. value greater than 1.96) signifies that experiential marketing positively affected electronic word of mouth. In addition, it was significant due to its p-value of 0.000 (p-value smaller than 0.05).

Hypothesis 4 states that customer satisfaction positively influences customer loyalty. This hypothesis was supported because, based on the test results, the researchers obtained a C.R. value of 6.314 (C.R. value greater than 1.96), confirming that customer satisfaction positively affected customer loyalty. This relationship was considered significant since it had a p-value of 0.000 (p-value smaller than 0.05).

Hypothesis 5 states that electronic word of mouth delivered by customers positively influences customer loyalty. This hypothesis was supported according to the obtained results of the C.R. value of 4.351 (C.R. value greater than 1.96), showing that electronic word of mouth delivered by customers positively affected loyalty. This relationship was deemed significant because it had a p-value of 0.000 (p-value smaller than 0.05).

The next stage tested the mediation effect to see if customer satisfaction and electronic word of mouth mediated the relationship between experiential marketing and customer loyalty by comparing the value of direct standardized results with standardized indirect effects. Assume that the standardized value of direct effects is less than that of indirect impact. In such a case, the mediation variable can indirectly influence the relationship between the two variables.

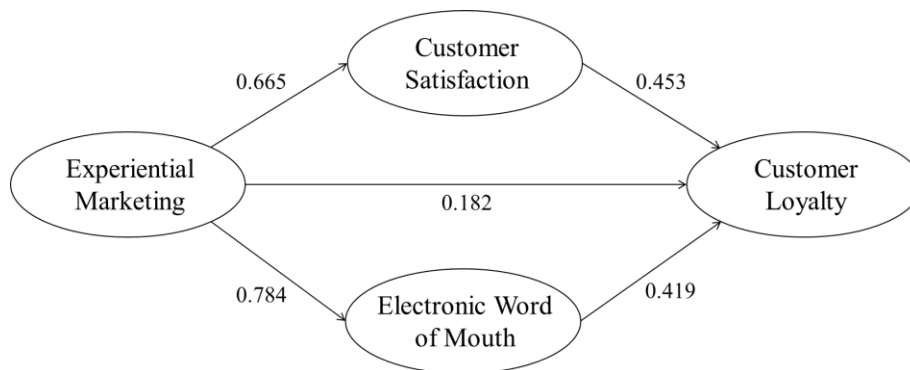


Figure 1 Standardized Direct Effect

Hypothesis 6 tested the impact of experiential marketing on customer loyalty as mediated by customer satisfaction. The test result of the relationship of both variables obtained a direct effect value smaller than the indirect effect value (0.182, smaller than 0.301). It means that customer satisfaction mediated experiential marketing to loyalty. Hence, hypothesis 6, stating that experiential marketing indirectly influences customer loyalty through customer satisfaction, was supported.

Hypothesis 7 tested the influence of experiential marketing on customer loyalty mediated by electronic word of mouth delivered by customers. The test result of the relationship between the two variables yielded a direct effect value smaller than the indirect effect value (0.182, smaller than 0.328). It indicates that electronic word of mouth mediated experiential marketing to loyalty. Thus, hypothesis 7 supported the indirect influence between experiential marketing and customer loyalty through electronic word of mouth.

Discussion

This section discusses the results of the data analysis. The results showed that experiential marketing significantly affected customer satisfaction. The results of this study follow the results of previous studies conducted by Öztürk (2015), Wu and Tseng (2014), Hadiwidjaja and Dharmayanti (2014), Widowati and Tsabita (2017), and Zena and Hadisumarto (2013). Customer satisfaction increased substantially as a result of experiential marketing. Experiential marketing, with its five elements: sense, feel, think, act, and relate, influences customer satisfaction. This finding indicates that creating an impressive customer experience with the product is critical in marketing cosmetics products in the market segment of this investigation. Experiential marketing also affected customer loyalty. This result was supported by the customer's willingness to continue buying and using the products despite other cheaper products. This study reinforces previous research done by Öztürk (2015), Wu and Tseng (2014), Hadiwidjaja and Dharmayanti (2014), and Zena and Hadisumarto (2013). In addition, customers were also willing to give positive reviews and recommend the product to their colleagues or family. The finding also revealed that the five elements of experiential marketing affected the customer's willingness to do electronic word of mouth. While using the products, they were willing to upload photos or videos on social media. Besides, they also gave the highest rating and reviews about the product on the beauty review platform in an online shopping site. The result is consistent with the finding of Serra-Cantalops et al. (2018), Almohaimmeed (2020), and Muhammad and Artanti (2016).

Regarding customer satisfaction, the researchers found that customer satisfaction significantly affected customer loyalty. The results of this study follow the results of previous studies conducted by Wu and Tseng (2014), Hadiwidjaja and Dharmayanti (2014), Widowati and Tsabita (2017), and Zena and Hadisumarto (2013). When the performance falls short of expectations, the consumer is disappointed; when it meets expectations, the consumer is pleased; when it exceeds expectations, the consumer is delighted. That feeling determines whether a customer will repurchase the product and talk about positive or negative things to others. Transaction activities in e-commerce or online communication on social media also allow consumers to interact with each other and form purchasing decisions. Online communication here refers to EWOM. In this research, electronic word of mouth proved to affect customer loyalty. Emina products customers who were members of the EWOM platform in online virtual communities with limited membership could

increase customer loyalty and retention. The result of this study is consistent with the survey conducted by Wijaya and Yulita (2020). However, it is different from the research by Serra-Cantalops et al. (2018) that there was no significant relationship between customer satisfaction and electronic word of mouth.

The mediating analysis also implies that customer satisfaction mediated the relationship between experiential marketing and customer loyalty. It indicates that Emina's five elements of experiential marketing (sense, feel, think, act, and relate) could create customer satisfaction and increase customer loyalty. The result supports the previous research conducted by Öztürk (2015) and Widowati and Tsabita (2017). In comparison, electronic word of mouth indicated a mediation in the relationship between experiential marketing and customer loyalty. Experiential marketing presented by Emina products could create a positive electronic word of mouth and increase customer loyalty with the willingness of customers to continue buying and using Emina products despite the cheaper cosmetic products. This study follows the results of previous research by Serra-Cantalops and Salvi (2014) that customers will consider EWOM from a consumer perspective based on post-purchase experience. In other studies, Serra-Cantalops et al. (2018) explained that positive online reviews could significantly affect loyalty.

Conclusion

The results of the data analysis of this research guided the researchers to draw the following conclusions. Experiential marketing significantly affected customer satisfaction and significantly and positively impacted the electronic word of mouth delivered by the customers. Experiential marketing also substantially impacted customers' loyalty. The data also showed that customer satisfaction significantly influenced customer loyalty. Moreover, for the first mediating variable, customer satisfaction positively affected customer loyalty and significantly mediated the relationship between experiential marketing and customer loyalty. Meanwhile, in the second mediating variable, EWOM confirmed that it significantly mediated the relationship between customer experience and customer loyalty.

The researchers identified three limitations and made some recommendations for further research. First, the number of people who participated in this study was relatively low, which might make it difficult to generalize the results. The generalizability of the research findings could be improved by increasing the sample size. Second, most respondents came from the same demographic: all enrolled in higher education. Having a more diverse pool of respondents would produce different findings. In conclusion, given that the research model only considered four variables, the researchers advise that additional variables be considered in future research to explain this occurrence thoroughly.

The researchers further suggest the following ideas based on this study's limitations in conducting this study. Further research can use more significant sample numbers and expand the scope of the population to get more varied samples based on age, occupation, income, expenses, and other criteria. Further research also may add some exogenous variables that can affect customer loyalty, such as brand reputation and quality of service.

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