

**INCREASING CUSTOMER SATISFACTION IN COFFEE INDUSTRY THROUGH
EXPERIENTIAL MARKETING AND INTERIOR DESIGN
(Case Study at Reach Cafe Bandung)**

Cucu Hodijah¹, Sri Yulianti², Asep Jamaludin³, Neneng Delis Fatonah⁴, Fakhri Munziar⁵

Student of Doctoral Study Program in Management, Widyatama University^{1,2,3,4,5}

Hodijah.cucu@widyatama.ac.id

sri.yulianti@widyatama.ac.id

asep.jamaludin@widyatama.ac.id

neneng.delis@widyatama.ac.id

fakhri.munziar@widyatama.ac.id

Abstrack

The purpose of this study is to examine the effect of experiential marketing and Interior Design on consumer satisfaction Reach Coffe. Descriptive explanatory research will be conducted to meet the research objectives. Data will be obtained by distributing questionnaires to Reach Coffee consumers through self-managed surveys. Samples are selected by accidental sampling method. The data will be analyzed using SPSS Multiple Linear Regression. This study Found that experiential marketing and Interior Design have an effect on Reach Coffee customer satisfaction. This research provides insight to Reach Coffee managers that in an effort to win the competition, developing experiential marketing programs and paying attention to Interior Design can provide solutions to increase customer satisfaction.

Keyword: *Customer Satisfaction, Experiential Marketing, Interior Design*

Introduction

Indonesia's coffee production has increased in the last five years, this can be seen from the Statistics Indonesia 2023 report that Indonesia's coffee production reached 794.8 thousand tons in 2022, an increase of around 1.1% from the previous year. (Igid Admin, 2023). In terms of consumption, with a consumption of around 5 million bags, Indonesia is the second largest coffee consumer in Asia Pacific. (MediaPerkebunan, 2023). With the above data, it is reasonable to say that the interest and success of coffee shops will continue.

According to the Indonesian Coffee and Chocolate Entrepreneurs

Association (APKCI), the number of coffee shops in Indonesia will reach 10 thousand by 2023, and revenue from coffee shops is estimated to reach IDR 80 trillion. (Mone, Regina, 2023). With a fairly large number, this will make the level of competition between coffee shops increase.

The coffee shop business in Indonesia itself continues to experience changing trends in recent years, one of which is the concept of a coffee shop that is designed to be more attractive, this makes visitors more comfortable to linger in the coffee shop so that it has a pleasant and unforgettable experience. For example, in the city of Bandung, there are many coffee shops that add wifi, live music and television to make coffee connoisseurs comfortable. According to data from opendatajabar, the number of cafes in the city of Bandung, including coffee cafes, is shown in table 1 below:

Table 1. Number of Cafes in Bandung City

No.	Year	Sum
1	2016	14
2	2017	14
3	2018	41
4	2019	41
5	2020	50
6	2021	99

Source : opendatajabar processed

Table 1 above shows that the growth rate of cafes in the city of Bandung continues to increase from year to year from 2016 to 2021, this of course shows strong competitiveness. Experiential marketing and interior design are things that can affect consumer satisfaction with a product. External marketing and interior design will be an important instrument for companies in order to anticipate high competitiveness today.

One of the coffee shops in northern Bandung is Reach Coffe. To survive in the business world, Reach coffee must be able to provide the best service in accordance with consumer expectations to increase customer satisfaction and loyalty. Judging from sales during 2023, sales are fluctuating and tend to decline as shown in figure 1 below:

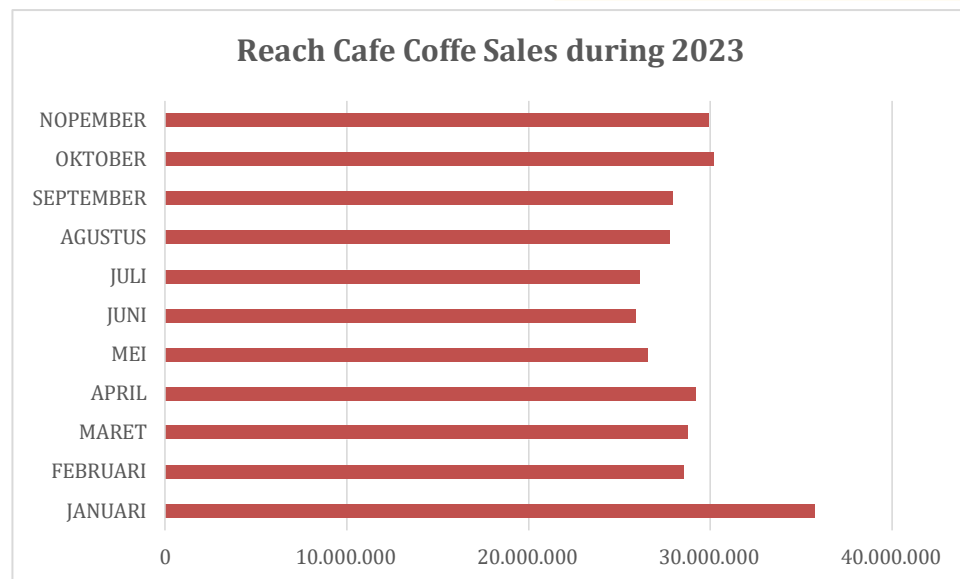


Figure 1. Reach Café Sales During 2023

From figure 1 above, it can be seen that sales during 2023 have fluctuated and have not experienced a significant increase as in January 2023. Today, the survival of a business is closely related to the direction of the company's marketing policies and strategies. Intense competition also requires café managers to continuously pay attention to existing customer preferences, followed by various strategies to reach their target market through marketing strategy activities known as experiential marketing and improving the interior design of the café.

Marketing strategies known as experiential marketing aim to influence the emotions of customers by generating experiences that they can experience while using a good or service, which in turn results in satisfaction. (Arismunandar, Hartoyo, and Krisnatuti, 2019). Schmitt (1999) establishes types of experience or strategic experimental modules in experimental marketing. Experiences can be the direct or virtual result of direct observation or even participation in an event. A study (2018) by Pratminingsih, Astuty, and Widyatami found that ethnic restaurant customer satisfaction and loyalty are influenced by experiential marketing and service quality. The goal of experience-based marketing is to build a good relationship with customers through five aspects: feelings, sensations, thoughts, actions, and relationships (Widowati & Tsabita, 2017).

In addition, currently the purpose of customers coming to coffee shops is not only to enjoy a cup of coffee, now coffee cafes can be used as a shared workplace,

a

place to find content on social media, or just relax and enjoy the atmosphere without caring too much about the quality of goods or services sold. The way a room is arranged that is able to do two things: fulfill its main function and remain aesthetically appealing to inspire the people who live in it is known as interior design. The type of café, the food sold, and the intended market segment determine the style of interior design. Interior design is arranged based on the following elements: 1) Space, 2) Texture, 3) Line, 4) Form, and 5) Lighting (Kugler, 2011). According to Cohen (1994) what affects the interior design of a building or building is space, color, lighting, air circulation, sound system, and other factors.

The results of the study by Nofiyanti, Setiawan, Fanica (2020) stated that there is a very strong relationship between the dimensions of customer satisfaction and interior design in a hotel. Adnan's (2020) research related to café atmosphere or interior design states that there is a strong relationship between the atmosphere or café interior design and customer satisfaction. However, research conducted by Sriwahyuni, Nirvana, Mursalini (2023) partially interior design has no effect on increasing the number of visitors at a café coffe.

According to Churchill & Surprenant (1982), consumer satisfaction is the result of purchase and use resulting from the buyer's comparison of the rewards and costs of the purchase compared to the anticipated consequences. According to the theory underlying the disconfirmation paradigm, customer satisfaction is a function of customer expectations. This paradigm assumes that each service has prior performance expectations from its customers. Customers assess satisfaction by comparing actual performance with expectations. When expectations are met or exceeded, people will feel satisfied. If performance does not meet expectations, people will feel dissatisfied (Bitner, 1990).

Contentment is generally defined as a person's feelings of pleasure or disappointment resulting from a comparison between the results they get and the expectations they have. In other words, satisfaction is obtained from the comparison between the performance of the product or service expected by the customer and the actual results (Kotler & Keller, 2012). If the results do not meet expectations, customers are not satisfied. If the results meet expectations, the customer is happy. If the results meet expectations, customer satisfaction can be measured directly. Ergo, Soebandi, Dharmani (2020) stated that experiential marketing has a positive effect

on customer satisfaction. The results of the study by Nofiyanti, Setiawan, Fanica (2020) stated that there is a very strong relationship between the dimensions of customer satisfaction and interior design in a hotel. Adnan's (2020) research related to café atmosphere or interior design states that there is a strong relationship between the atmosphere or café interior design and customer satisfaction. It is also important for café coffee because people come to café coffee not only to drink coffee because experiential marketing produces emotional value such as socialization, entertainment, and prestige. In addition, comfortable design, lighting, layout also make consumers feel at home for a long time in the café so that it causes its own satisfaction. For this reason, the author is interested in examining whether experiential marketing and interior design affect consumer satisfaction of Café Coffee (case study at Reach Coffee Bandung). Based on the previous explanation, this study aims to find out;

1. The relationship of experiential marketing to customer satisfaction;
2. The relationship of interior design to customer satisfaction;

Literature Review

The Relationship of Experiential Marketing with Customer Satisfaction

Experiential Marketing is a personal experience or event that occurs due to a certain stimulus (Widowati & Tsabita, 2017), Schmitt (1999) defines that experiential marketing is the recognition and purchase of customers of goods or services from a company or brand after they experience the activity and feel stimulation. Companies use experiential marketing to make customers satisfied (Lionora & Santosa, 2015). By using experiential marketing practices, it is expected that customers will have an unforgettable experience and feel satisfied. Subandi and Dharmani (2020) found that customer satisfaction and experiential marketing are positively correlated. Similarly, the findings of research conducted by Arismunandar, Hartoyo, and Krisnatuti (2019) The results showed that experiential marketing had a significant effect on customer satisfaction. Companies strive to meet customer needs and desires through a variety of extraordinary and excellent experiences through experiential marketing (Schmitt, 2003).

Based on this explanation, the first hypothesis (H1) of the study is formulated as follows:

H1: The Relationship of Experiential Marketing to Customer Satisfaction

The Relationship of Interior Design to Customer Satisfaction

According to Ching (1996) states that interior design is the process of planning, arranging, and designing spaces within a building to meet one's basic needs for shelter and protection, define and organize activities, maintain aspirations, and express ideas, actions, and appearances, feelings, and personalities. Meanwhile, according to Suptandar (1999), interior design is a system or way of arranging inner space that can meet the needs of comfort, security, and satisfaction of the physical and spiritual needs of its users without neglecting aesthetic aspects. According to Cohen (1994) what affects the interior design of a building or building is space, color, lighting, air circulation, sound system, and other factors. Based on some of the definitions of experts above, it can be concluded that interior design is a way of arranging a room to fulfill its main function while considering aesthetic aspects so that it can provide inspiration to the people who live there.

The results of the study by Nofiyanti, Setiawan, Fanica (2020) stated that there is a very strong relationship between the dimensions of customer satisfaction and interior design in a hotel. Adnan's (2020) research related to café atmosphere or interior design states that there is a strong relationship between the atmosphere or café interior design and customer satisfaction. However, research conducted by Sriwahyuni, Nirvana, Mursalini (2023) partially interior design has no effect on increasing the number of visitors at a café coffe.

Based on this explanation, the third hypothesis (H2) of the study is formulated as follows:

H2: Interior Design Relationship to Customer Satisfaction.

Research Methods

This study used two types of descriptive research and explanatory research. Sekaran and Bougie (2016) state that the purpose of descriptive studies is to obtain data that describe topics of interest. Descriptive studies are often designed to collect data that describes the characteristics of objects (such as people, organizations,

products, or brands), events, or situations. While explanatory research is research that explains the causal relationship between research variables through hypothesis testing (Singarimbun & Effendi, 2011).

Questionnaires are created and distributed through self-organized surveys. The survey sample included 85 individual customers. To determine the number of respondents in this study, the accidental sampling method—random selection of customers who happened to come to the object of study—was used.

In addition to demographic questions, responses to each item were measured using a five-point Likert scale that ranged from "strongly agree" (5) to "strongly disagree" (1). This survey is based on Schmitt's (1988) research on experiential marketing. On the other hand, Cohen's (1994) paradigm is used to measure interior design. Customer satisfaction is measured using questions created based on previous research.

Results and Discussion

From the results of descriptive statistical calculations, consumer satisfaction obtained a fairly high value with the lowest value of 4 and the highest 5 and an average value of 4.46 as shown in table 1 below:

Tabel 1 Descriptive Statistics					
Variabel	N	Min	Max	Average	Std. Deviation
Experintal Marketing	85	3,80	4,90	4,4212	,40151
Interior Design	85	4,00	5,00	4,4118	,37967
Kepuasan Konsumen	85	4,00	5,00	4,4659	,45684

This research shows that café managers must improve their interior design and experiential marketing programs to keep customers happy.

The study found that respondents' interior design variables received the highest score of 5.00 and the lowest score of 4.00. For the experiential marketing variable, the highest value was 4.09 and the lowest value was 3.80.

Partial Test Results of the Effect of Experiential Marketing on Customer Satisfaction

To answer hypothesis 1, namely the Experiential Marketing Relationship to

Customer Satisfaction, and after processing the data obtained, the testing of this hypothesis can look like table 3 below:

Table 3 Statistical Test Results of Experiential Marketing Regression Coefficient and Customer Satisfaction

Variabel	R Square	Beta	t	Sig.
Experintal Marketing	0,908	0,953	28,608	0

Based on the test results or structural equations found, partially, the Experiential Marketing factor to Customer Satisfaction is 0.953. A positive coefficient value means that Experiential Marketing factors partially have a positive effect on customer satisfaction at Reach Café Coffe.

To determine the significance or insignificance of the influence of Experiential Marketing on customer satisfaction, from the output obtained t count of 28.608 and significance 0.000. Next, we find the table t value for the significance level $\alpha = 5\%$ and with free degrees (n-2) or dk = 83, the results obtained for the table t are 1.988 (seen from the table t list). Thus, because t counts > t table ($28.608 > 1.988$) and significance < 0.05 ($0.000 < 0.05$), H_0 was rejected and concluded that partially, Experiential Marketing factors have a significant effect on customer satisfaction at Reach Café Coffe at an error level of 5%.

The amount of direct influence of Experiential Marketing factors on customer satisfaction at Reach Café Coffe is obtained from the R² (R Square) value of 0.908, meaning that the percentage of contribution of the influence of Experiential Marketing variables on customer satisfaction is 90.8%, while the remaining 9.2% is influenced by other factors. This shows that Experiential Marketing which consists of dimensions of feelings, sensations, thoughts, actions, and relationships has contributed very meaningfully, namely directly to customer satisfaction at Reach Café Coffe by 90.8%.

Partial Test Results of the Effect of Interior Design on Customer Satisfaction

To answer hypothesis 2, namely the Relationship of Interior Design to Customer Satisfaction, and after processing the data obtained, the testing of this hypothesis can look like table 4 below:

Table 4 Statistical Test Results of Interior Design Regression Coefficient and Customer Satisfaction

Variabel	R Square	Beta	t	Sig.
Desain Interior	0,762	0,873	16,280	0

Based on the test results or structural equations found, partially, the Interior Design factor to Customer Satisfaction is 0.873. A positive coefficient value means that Interior Design factors partially have a positive effect on customer satisfaction at Reach Café Coffe.

To determine the significance or insignificance of the influence of Interior Design on customer satisfaction, from the output obtained t count of 16,280 and significance 0,000. Next, we find the table t value for the significance level $\alpha = 5\%$ and with free degrees (n-2) or dk = 83, the results obtained for the table t are 1.988 (seen from the table t list). Thus, because t counts > t table ($16.280 > 1.988$) and significance < 0.05 ($0.000 < 0.05$), H_0 was rejected and concluded that partially, Interior Design factors have a significant effect on customer satisfaction at Reach Café Coffe at an error level of 5%.

The amount of direct influence of Interior Design factors on customer satisfaction at Reach Café Coffe is obtained from the R² (R Square) value of 0.762, meaning that the percentage of contribution of Interior Design variables on customer satisfaction is 76.2%, while the remaining 23.8% is influenced by other factors. This shows that Interior Design, which consists of space dimensions, colors, lighting, air circulation, sound, and other factors, has contributed very significantly, namely directly to customer satisfaction at Reach Café Coffe by 76.2%.

Discussion

This study aims to determine the relationship between experiential marketing and interior design to customer satisfaction of Reach Café Coffe. The results show that experiential marketing really affects customer satisfaction. A study conducted by Ergo, Soebandi, and Dharmani (2020) found that experiential marketing has a

positive impact on customer satisfaction. According to Yuan and Wu (2008), experiential marketing is a strategy used by entrepreneurs to provide customers with an understanding of the various phases that exist in the service delivery process as well as the existing physical environment.

Similarly, the findings of research conducted by Arismunandar, Hartoyo, and Krisnatuti (2019) The results showed that experiential marketing had a significant effect on customer satisfaction.

Related to the relationship between Interior Design and Customer Satisfaction, the results of this study are in line with a study conducted by Nofiyanti, Setiawan, Fanica (2020) stating that there is a very strong relationship between the dimensions of customer satisfaction and interior design. Adnan's (2020) research related to café atmosphere or interior design states that there is a strong relationship between the atmosphere or café interior design and customer satisfaction.

The results of this study support the idea that emotions are an influential component in decision making. In contrast, most people believe that rational calculations of available options influence their decision-making. This research shows that people not only come to café coffee to relieve thirst, but also because of the emotional value offered from drinking there, such as getting unique experiences or entertainment, feeling a certain atmosphere, socializing, prestige, and so on. This research provides useful insights for café coffee businesses because in order to win the increasingly fierce competition, they must make better decisions.

Conclusion

In this study, there are two important things that can be utilized by coffee café managers. First, the study shows empirical evidence that experiential marketing experience influences customer satisfaction, which will hopefully foster customer loyalty and, ultimately, lead to good recommendations. Secondly, the study explains that interior design affects customer satisfaction, which in turn will drive increased sales. Cafe managers can enhance their experiential marketing programs to increase customer satisfaction by improving the performance of each element of experiential marketing and interior design. This will increase customer satisfaction from their experience in the café. The satisfaction of customers who visit the café gives people the experience of a coffee café.

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