

THE INFLUENCE OF SHOPPING EXPERIENCE, BRAND PRESTIGE, AND PERCEIVED VALUE TOWARD THE LOYALTY OF TRANSMART'S VISITORS

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Abstract

The purpose of this research is to explore the effectiveness of education experience, entertainment experience, esthetics experience, escapist experience, brand prestige, and perceived value on Transmart visitors' loyalty in Indonesia. The population of this study was comprised of customers who visited Transmart. Several Transmart branches located in big cities in Indonesia were chosen for the survey, including Yogyakarta, Semarang, Surabaya, Bandung, and Jakarta. The survey was carried out over a nine-week period from January to March 2022. The information was obtained through the use of an online survey constructed with Google Forms which was filled out by 250 respondents. The data used in this study were statistically analyzed using SmartPLS and AMOS 22. According to the study's findings, the education experience, entertainment experience, esthetics experience, and escapist experience have a positive effect on brand prestige for Transmart visitors in Indonesia. Secondly, brand prestige even has a positive effect on Transmart visitors' perceived value, and perceived value has a positive effect on Transmart visitor loyalty.

Keywords: education experience, entertainment experience, esthetics experience, escapist experience, brand prestige, perceived value, loyalty

Introduction

Fundamentally, one of the most essential parts of the economy is the existence of intermediaries in the marketing channels, in another word they can be called retailers, which act as the final distributor (Hameli, 2018). Retailing is defined by Kotler and Armstrong as "all activities for selling goods or services directly to ultimate buyers for their personal, non-business use" (2012: 374). The rapid development of modern retail has unconsciously formed a major force in the retail industry in Indonesia. The modern retail business is starting to develop with the modern concept, the touch of technology, and the ability to meet the development of consumer lifestyle. Some people would argue that shopping malls remain the most important destinations for in-store shopping, these modern-style market agglomerations have become part of our global culture over the last decades, dominating the social lives of many consumers (Calvo-Porrall & Lévy-Mangín, 2018); (Warnaby & Medway, 2013). However, the reason for visiting malls

has shifted from just shopping to shopping and other potentially interesting experiences (Sadachar & Fiore, 2018).

The evolution of shopping malls has resulted in the addition of facilities such as food courts, education, leisure, and entertainment to the tenant mix (Wong and Yu, 2003). Therefore, Transmart is present in Indonesia as a pioneer of modern retail that offers a variety of shopping experiences, so that visitors are also educated and entertained by the offered facilities. This is supported by a comfortable shopping environment with the best service to achieve customer satisfaction. The brand prestige that visitors get comes from the various experiences they get since brand prestige is one of the reasons for someone to make a purchase. According to (Musso, 2014), creating a valuable experience for consumers is one of the goals in building a business and has a positive impact on customer loyalty.

Overall, this study aims to determine the effect of education experience, entertainment experience, esthetics experience, escapism experience, brand prestige, and perceived value on Transmart visitor loyalty. Previously, there was no research that discussed the education experience, entertainment, hedonic value, and social value of the visitor loyalty in the context of the retail business by inserting the mediating variable of brand prestige. Previous research conducted by (Sulaiman & Pratama, 2020) in the context of retail business only looked at the effect of store atmosphere and store image and store location on customer loyalty. Another research conducted by (Seoyoung Kim, Ham, Moon, Chua, & Han, 2019) took place in South Korea with the target of grocery customers, whereas this research targeted Transmart's customers in Indonesia. Confirmatory factor analysis and structural equation modeling were used to determine the validity and internal consistency of the construct used in the research and to validate the research hypothesis.

Research Methodology

A. Population and Sample

1. Population

A population is a group or collection of objects or objects that will be generalized from the results of the study (Widiyanto, 2010). The population in this study are all Transmart visitors located in big cities in Indonesia, such as Yogyakarta, Semarang, Jakarta, Bandung, and Surabaya.

2. Sample

In terms of sampling techniques, this research used non-probability sampling with convenience sampling as the technique. The sample in this research was 250 respondents. The determination of the number of samples was based on the provisions of Structural Equation Modeling (SEM). According to (Ferdinand, 2005), SEM required sample size of 5-10 times the number of observations for each of the estimated parameters or indicators used.

B. Data Collection Method

This research used primary data because the data were collected directly from first-hand experience. According to (Zikmund, 2009), primary data is data that is directly collected from the research object. In this study, the data were obtained by spreading online questionnaires distributed to 250 respondents. The data were distributed directly to respondents by using online questionnaires via a Google Form.

The variables in this study consisted of seven variables, education experience, entertainment experience, esthetics experience, and escapist experience of Transmart visitors as an independent variable; brand prestige and perceived value as mediating variables; and Transmart visitor loyalty as the dependent variable. In order to measure those variables, this study used Seven-Point Likert Scale ranging from (1) strongly disagree and (7) strongly agree.

C. Validity and Reliability Test

The validity test is used in this study to assess the accuracy of the variables. If the value of a corrected item of total correlation is greater than 0.5 (≥ 0.5), the data is considered valid. The reliability test, on the other hand, is used in this research to determine the consistency of the measurement. In this case, the value of Cronbach's Alpha is used to assess its acceptability. If the Cronbach Alpha is greater than 0.6 (≥ 0.6), the data is considered reliable.

As a result, before distributing the questionnaire to collect data, the researcher conducted a pilot test to test the validity and reliability of the variables and indicators used in this study. The questionnaire was distributed to 50 people for the pilot test. The data collected from respondents was then analyzed for validity and reliability in relation to the limitations described above.

Result and Discussion

A. Data Analysis

This study's data analysis is summarized as follows. 59.6 percent of respondents were female. Male respondents, on the other hand, made up 40.4 percent. People between the ages of 20 and 29 made up the vast majority of respondents, accounting for 55.2 percent of the total sample. Meanwhile, respondents under the age of 21 comprised only 8.4 percent of the total, placing them in the minority, while those over the age of 40 comprised 28.8 percent. According to the respondent's educational background, undergraduate education dominated with 58.8 percent and high school education with 20.1 percent. Postgraduate respondents accounted for 16.8 percent of the total. Based on the classification based on the monthly expenses, the majority of respondents who contributed to this study were those who spent IDR2,000,000 – 5,000,000 each month, which is 41.2% of the total respondents. Secondly, 77 people or 30.8% of the respondents spent less than IDR2,000,000 monthly.

B. Reliability and Validity Analysis

This analysis was conducted to determine whether the research data had met the valid and reliable criteria. In this study, there are 25 lists of statements that represent each variable with a total of 250 respondents using the AMOS version 22 application. According to (Ghozali, 2017), the data is said to be valid if the factor loading value is > 0.5 . The results of the validity test showed that all question indicators representing 7 variables were declared valid with a value > 0.5 . Secondly, test results are considered reliable if they have a construct reliability value greater than 0.7. This test's results show that the C.R value in each variable is greater than 0.7. Based on these findings, it is reasonable to conclude that the entire research instrument is reliable enough to be used in this study.

C. Normality Test

In AMOS output, the normality test is performed by comparing the C.R (critical ratio) value in the assessment of normality with a critical value of ± 2.58 at the 0.01 level. The test shows that the majority of univariate normality tests are normally distributed because of the critical ratio (C.R) values for kurtosis (curlness) and skewness (skew), are in the range of ± 2.58 . Meanwhile, multivariate the data met the normal assumption because the value of -2.106 was in the range of ± 2.58 .

D. Goodness of Fit Measurements

Assessing goodness of fit is the main goal in SEM to find out how far the hypothesized model is "Fit" or fits the sample data. The results of goodness of fit are shown in the following data.

Table 1
Goodness of Fit Index Result

<i>Goodness of fit index</i>	<i>Cut-off value</i>	Research Model	Model
Chi-Square		455,703	
Probability	≥ 0.05	0,000	Marginal Fit
CMIN/DF	≤ 2.0	1,733	Good Fit
GFI	≥ 0.90	0,854	Marginal Fit
RMSEA	≤ 0.08	0,058	Good Fit
AGFI	≥ 0.90	0,820	Marginal Fit
TLI	≥ 0.90	0,975	Good Fit
NFI	≥ 0.90	0,949	Good Fit

Source: Data Processed, 2022

Regarding to the results in table 4.12 above, it can be seen that in the measurement of goodness of fit above, there is a criterion index indicating the marginal fit research model. Nevertheless, the model proposed in this study is still acceptable because the values of CMIN/DF, RMSEA, TLI, and NFI have met the fit criteria.

E. Hypothesis Testing

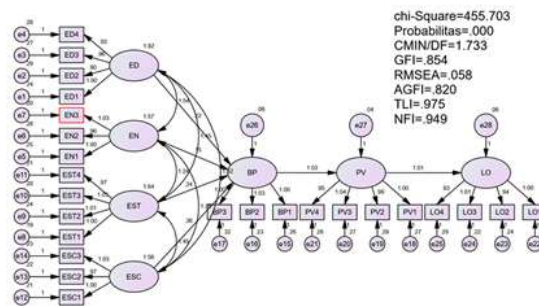


Figure 1
Full Result Model

Source: Data Processed, 2022

The process of statistical testing can be seen in the table below. From data processing, it can be seen that there is a positive relationship between variables if C.R shows a value above 1.96 and below 0.05 for p-value (Ghozali, 2016), thus it can be said that:

Table 2
Hypothesis Testing

No	Hypothesis	Estimate	C.R.	P	Limit	Description
1	<i>Education experience has a positive influence on brand prestige among Transmart customers</i>	0,222	3.361	0,000	0,05	Significant
2	<i>Entertainment experience has a positive influence on brand prestige among Transmart customers</i>	0,153	2.580	0,010	0,05	Significant
3	<i>Esthetics experience has a positive influence on brand prestige among Transmart customers</i>	0,245	4.433	0,000	0,05	Significant
4	<i>Escapist experience has a positive influence on brand prestige among Transmart customers</i>	0,359	4.555	0,000	0,05	Significant
5	<i>Brand prestige has a positive influence on consumer perceived value among Transmart customers</i>	1,034	23.887	0,000	0,05	Significant
6	<i>Consumer perceived value has a positive influence on loyalty among Transmart customers</i>	1,009	24.401	0,000	0,05	Significant

Source: Data Processed, 2022

Result Discussion

The purpose of this study in general is to determine the effect education experience, entertainment experience, esthetics experience, escapist experience on Transmart customers loyalty with Transmart brand prestige and perceived value as moderating variables. From the results of this study, it is known that the experience of mall visitors as a whole has a positive and significant effect on the prestige of Transmart's brand. This is in line with previous research by (Seongseop (Sam) Kim, Choe, & Petrick, 2018), which stated that the educational, entertainment, aesthetic and escapist experiences that visitors get when they are in a mall can create the luxury of the mall. When consumers are able to learn something new, or feel quite entertained by the mall's fun entertainment facilities, or feel comfortable with the environment and atmosphere of the mall or even feel like they are out for a moment from their routine, unforgettable memories and a prestigious impression can be created for consumers. In the context of the mall business, the management needs to continue to create other interesting experiences for visitors, for example by holding a concert starring famous guest star in order to attract visitors to return to the mall and create loyalty.

The prestige of the Transmart's brand also has a positive and significant effect on the perceived value of the Transmart's customer. This is in line with previous research by Joe (2019) and Kim (2018) which stated that consumers prefer brands that have meaning so that it will increase the perceived value of the brand through harmonization of brand personality. Brand personality is generally done to attract consumers because there is a high match between brand personality and consumer personality. In Alden's research (2002), it is concluded that customers will tend to buy or consume an item with a prestigious brand as a symbol to show social status, wealth, or power. This tendency occurs because goods are rarely owned and are very strongly attached to a person's personal concept and social image. They are willing to pay the cost at a fairly high price or choose to use a prestigious brand for example for increasing social status and expressing themselves respectively. In the context of the mall business, the more mall managers are able to create brand prestige for their visitors, both in terms of the prestigious tenant/outlet value presented at the mall and the premium services provided by employees to visitors; the higher the perception of mall visitor value that will be created, both functional, hedonic, social and financial values.

The overall value perception of mall visitors also has a positive and significant effect on mall visitor loyalty. This is in line with previous research by According to Chevalier and Mazzalovo in So et al. (2008) in the context of the luxury fashion industry, the company's branding strategy has long been used and implemented to improve the company's reputation, make customers more loyal, and set high prices for products from the company's brand. In order for luxury fashion customers to be loyal, they must receive high quality service at a reasonable price, feel comfortable and relaxed while in the store, and away from the stresses of life and everyday problems, and feel happy to be able to get special prices for the service. This means that the higher the perceived value obtained, the higher the level of customer satisfaction and make

them loyal to buy luxury products. In the context of the retail business, the mall manager must pay attention to the perception of value; both functional, hedonic, social and financial values, which visitors can get when they are at the mall by involving interesting experiences and brand prestige owned by the mall so as to increase loyalty, interest in returning to the mall and recommending the mall to people other.

Conclusion

The following conclusions and recommendations were drawn based on the results of the analysis obtained in the research entitled "The Influence of Shopping Experience, Brand Prestige, and Perceived Value toward The Loyalty of Transmart's Visitors" by using SEM (Structural Equation Modeling) analysis through the distribution of questionnaires to 250 respondents in Indonesia: 1). The education experience of Transmart's visitors has a positive and significant impact on the prestige of the Transmart's brand. This is evidenced by the estimated parameter value of 0.000. These results indicate that the P value is below 0.05. This means that the more education experiences visitors feel when visiting Transmart, the higher the brand prestige that Transmart has. 2). The entertainment experience of Transmart's visitors has a positive and significant impact on the prestige of the Transmart's brand. This is evidenced by the estimated parameter value of 0.010. These results indicate that the P value is below 0.05. This means that the more entertainment experiences visitors feel when visiting Transmart, the higher the brand prestige that Transmart has. 3). The esthetics experience of Transmart's visitors has a positive and significant impact on the prestige of the Transmart's brand. This is evidenced by the estimated parameter value of 0.000. These results indicate that the P value is below 0.05. This means that the more education experiences visitors feel when visiting Transmart, the higher the brand prestige that Transmart has. 4). The escapist experience of Transmart's visitors has a positive and significant impact on the prestige of the Transmart's brand. This is evidenced by the estimated parameter value of 0.000. These results indicate that the P value is below 0.05. This means that the more escapist experiences visitors feel when visiting Transmart, the higher the brand prestige that Transmart has. 5). The prestige of the Transmart's brand has a positive and significant effect on the overall value perception of Transmart's visitors. This is evidenced by the estimated parameter value of 0.000. These results indicate that the P value is below 0.05. This means that the higher the brand prestige owned by Transmart, the higher the perceived value of the Transmart's visitors. 6). The perception of the value of Transmart visitors as a whole has a positive and significant effect on the loyalty of Transmart visitors. This is evidenced by the parameter value of 0.000. These results indicate that the P value is below 0.05. This means that the higher the perceived value of Transmart visitors, the higher the loyalty of Transmart visitors.

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