Guerrilla Marketing Approach on Consumer’s Purchase Intention with Presence of Mediator Variable of Satisfaction

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Abstract. Knowing consumer attitudes in the field of consumer behavior is a strategic capability. Therefore, the purpose of this study was to investigate the effect of non-traditional promotional tools with guerrilla marketing approach on consumer purchase intention with the mediator variable of customer satisfaction in Hooshmand Khorshid Bahrevar Company in Bushehr Province. For this purpose, a questionnaire was distributed among 175 individuals from the statistical population of the study which included all the users (owner, electrician, observer, etc.) of smart TIS buildings in Bushehr province from October 2013 to July 2016. The research method was descriptive correlational. In order to answer the questions and to investigate the research hypotheses with Smart-PLS software, structural equation analysis and path analysis using partial least squares (PLS) were used. The results showed that experiential marketing, service guarantee, and company reputation have positive and significant effects on customer satisfaction. The results showed that word of mouth
marketing has no significant effect on customer satisfaction. The results also confirm the positive and significant effect of experiential marketing on word of mouth marketing. Finally, the results of the research showed that customer satisfaction increases customer’s purchase intention.

**Key Words:** Guerilla Marketing, Experiential Marketing, Word of Mouth Marketing, Customer Satisfaction, Customer Purchase Intention.

1. **Introduction**

In today's dynamic business environment, marketers must, as far as they can, learn about consumers, their desires, their thoughts, perceptions, attitudes, how they spend their leisure time, their values, and their satisfaction (Schiffman & Kanuk, 2007). Researchers and scholars have found, despite extensive research, that traditional media channels and unilateral communications are losing their effectiveness. This may have happened for a variety of reasons, such as the division of the media and the emergence of interactive technologies (Smilansy, 2009). The current development of experiential marketing represents the emergence of a new era in marketing, an era in which human senses are at the heart of corporate marketing strategies. For this reason, influencing customers in new ways is becoming increasingly important. The difference between experiential and traditional marketing is that traditional marketing tends to stimulate customer sentiment to increase their willingness to buy a service or product, and it only addresses five senses, but experiential marketing, in addition to this, is interactive and practical (You-Ming, 2010). Smilansy(2009) defined experiential marketing as: the process of identifying and satisfying customer's needs and interests in a profitable way to engage them in bilateral communication. For the development and implementation of experiential marketing, a paradigm shift from traditional marketing is needed because the traditional approach to customer relationship is one-sided. Another important factor in experiential marketing is the creation of customers and word of mouth advertisements, which is one of the most effective advertising channels and is useful for customer loyalty by stimulating the senses. It often seems that the increase in sales of a product or service is only due to the
company successful advertising, but in fact, the main reason behind it is the experience people share about the company and its products (Silverman, 2001). People tend to talk to each other about their experiences, and by exchanging positive or negative recommendations about a particular product or service, they minimize the risk of having bad purchases and choose the best and most suitable option (Cakim, 2010). This can lead to increased customer satisfaction and incentive to buy again in the future. In addition to motivating customers to buy the product, it makes them more interested in transferring their experience to others. In this case, companies do not need to pay much for increasing their brand credibility and reputation (Eaton, 2006). Therefore, considering the importance and value of customer satisfaction and purchase intention with regard to new marketing approaches, in this research, the effect of non-traditional promotional tools with guerilla marketing approach on consumer purchase intention with the presence of mediating variable of customer satisfaction has been investigated. Therefore, this research as a scientific, applied, and experiential work can partly remove some of the deficiencies in this field. For this purpose, the hypotheses of this research can be summarized as follows:

1. Experiential marketing has a positive and significant impact on customer satisfaction.
2. Service guarantee has a positive and significant impact on customer satisfaction.
3. Company reputation has a positive and significant impact on customer satisfaction.
4. Word of mouth marketing has a positive and significant impact on customer satisfaction.
5. Experiential marketing has a positive and significant impact on word of mouth marketing.
6. Customer satisfaction has a positive and significant impact on customer’s purchase intention.

To examine the above assumptions, the conceptual model used in Fig. 1 is used. In this model, experiential marketing, service guarantee, company reputation, and word of mouth marketing are referred to as
non-traditional promotion tools with guerrilla marketing approach.

2. Literature Review
Experiential marketing is a new approach to marketing, and it creates competitive advantage for companies, because it empowers companies to create a memorable experience, gain a high return on long-term capital, increase customer loyalty, gain credit towards target customers, create Prolonged word of mouth advertising, and increase the sales. Therefore, attention to experiential marketing is necessary in the strategies of companies (Smilansy, 2009). For the first time in 1999, Brand Schmit defined experiential marketing as a process of consumption, purchase intention, and a service provided by the company after the experience of using the product.

![Figure 1: Conceptual Model of Research](image)

Experiential marketing is divided into five concepts:(Abedi and Ghelich Khani, 1395): 1. Sense refers to how customers perceive the messages received through eyes, ears, nose, tongue, and tactile sense (five senses). 2. Sensation refers to customer's emotional perception and information about the company or brand name, through the experience gained. 3. Thought is intellectual perception and may lead to a re-evaluation of the company and its products. 4. practice (action) means creating shared experiences with customers and long-term behavioral patterns (lifestyle).
5. Communication (interactive aspect) refers to the relationship of the individual with others, groups, and society (Yuan and Wu, 2008). Gotsy and Wilson (2001) presented one of the most comprehensive definitions of the reputation of company in scientific works. As Gotsy and Wilson (2001) stated, company reputation is the overall assessment of a stakeholder from a company over time. This assessment is based on the direct experience of the beneficiaries with the company and any other form of communication that provides information about the company actions or compares it with the actions of major competitors (Rastegar et al., 1394). Despite increasing interest in service guarantee issues among researchers, few articles have been written on "Service guarantee" (Lee & Khan, 2012, pp: 133-146). Lee & Khan's (2012) research results show that service guarantee helps identifying the weakness of the service and facilitates consumer complaints. Their research results also indicate that service guarantee is a kind of marketing tool that reflects the high quality of services in the eyes of consumers. Appropriate service guarantee can increase consumer satisfaction, loyalty, and word of mouth marketing (Lee & Khan, 2012). In information age, where people face a huge amount of information and advertising and do not have enough time to examine them all, they prefer to get their information filtered and summarized form from their friends and relatives (Silverman, 2001). Word of mouth marketing is a kind of communication about goods and services between people who do not appear to be affiliated with a company that manufactures those goods or services. Individuals have more confidence in information that they get from mouth-to-mouth communications to make decisions about purchasing goods or using services compared to the information received through radio, television, and publications (Cakim, 2010). One of the factors that makes word of mouth marketing powerful is its independence from the company. Another factor that appears to be more important than the first factor is that word of mouth marketing conveys the experiences of individuals and provides an indirect experience of the product or service to individuals (Silverman, 2001). Word of mouth communication may be positive (complimenting a brand name and product) or negative (talking badly about a brand name and product). Both types of communication play a major role in the customer's attitude to a new product (Eaton,
2006). Philip Kotler defines customer satisfaction as follows: Customer satisfaction is a pleasant and unpleasant emotions of an individual that results from comparing his mental performance with his expectations. The definition of customer satisfaction accepted by many experts is as follows: Customer satisfaction is a result obtained from the comparison between the customer's expectation about the performance of company prior to purchasing and the perceived performance after the purchase (Beerli, 2004, pp:253-275). Jamal and Nasser defined customer satisfaction as the feelings or attitude of a customer towards a product or service after using it. The two researchers state that customer satisfaction is the main result of the marketer's activity, which acts as a link between the various stages of consumer purchasing behavior. (Jamal and Nasser, 2002, pp:146-160). Lambert believes behavioral intention is defined as a mental state that reflects the person's decision to behave. Therefore, having a better understanding of consumers' behavioral goals can help marketers to better communicate with the target group (Abdul Qader, 2008). Often, purchase intention scale is used to identify the probabilities of purchasing goods over a given period of time. Dea states that voluntary measures can be more effective than customer behavioral measures, because customers may be forced to buy (Hu, 2010, pp:304-307). In his model of behavior, Agzen believes that behavioral goals have motivational effects on behavior (Abdul Qader, 2008). Therefore, behavioral intentions are seen as the closest predictor of behavior (Arvola et al., 2008, pp:443-454).

3. Method
Methodologically, this research is a correlation research. In terms of data collection and data classification, it is a descriptive research. This research is applied and uses descriptive-survey method. In this research, library resources including references, books and scientific articles were used to formulate the bases, definitions, and theoretical concepts. In addition, some valid questionnaires were used to collect the data needed to test the hypotheses of the research. In order to measure company reputation, Loureiro & Kastenholz questionnaire (2015) was used. For testing experiential marketing, Shobeiri et al. questionnaire (2014) and Ali et.al questionnaire (2015) were used. For service guarantee, Zhang et
al. questionnaire (2015), for word of mouth, Wu et al. questionnaire (2013), for Customer Satisfaction, Chahal & Dutta questionnaire (2015) as well as Ha & Swinder questionnaire (2014, pp: 496-519), and for consumer’s purchase intention, Ha et al. questionnaire (2014, pp: 595-606) were used. The content of the questionnaire was subjected to the judgment of several experts and professors of business and marketing management at universities. After making some corrections and obtaining the confirmation of those professors, for higher reliability and acceptability of face validity, About 30 questionnaires were distributed among the population. After several times editions, the questionnaire benefitted from face validity and it was finally used as data collection tool. The statistical population of this study consists of all users (owner, electrician, observer, etc.) of smart TIS buildings in Bushehr province from October 2013 to July 2016. the research population is limited to 230 people. Sampling method in this study is non-random sampling. Among the characteristics of this method are partial least squares (PLS) to test the hypotheses and analyze the path of its insensitivity to the sample number. According to some researchers, the minimum sample size required to perform the PLS analysis (partial least squares method) is the highest value obtained from the following two equations (Barclays et al., 1995, pp: 285-309): By comparing the two existent rules and selecting the highest number, the minimum required sample size can be estimated to be 170. Considering the researcher’s access to more samples and in order to prevent the risk of decreasing the number of samples, 200 questionnaires were distributed. Then, 175 questionnaires were selected for statistical analysis.

4. Findings
In this research, modeling of structural equations using partial least squares method and PLS software have been used to test the hypotheses and validity of the model. It is a powerful method in situations where the number of samples and items of measurement is limited and the distribution of variables can be uncertain (Hair et al., 2010). The measurement of the model is related to the validity and reliability of measuring instruments. To evaluate the convergent validity, the AVE
(Average variance extracted) and CR (composite reliability) were used. The results for the dimensions of the six variables of research are shown in Table (1). Composite reliability of over 0.7 and average variance of over 0.5 are two prerequisites for convergent validity and structural correlation. As shown in Table 1, all composite reliability values are over 0.7 and the average values of the variance is over 0.5. this confirms that the convergent validity of the questionnaire is at the acceptable level.

<table>
<thead>
<tr>
<th>Variable Benchmark</th>
<th>CS</th>
<th>EM</th>
<th>PI</th>
<th>CR</th>
<th>SG</th>
<th>WoM</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVE</td>
<td>0.534</td>
<td>0.601</td>
<td>0.600</td>
<td>0.592</td>
<td>0.535</td>
<td>0.634</td>
</tr>
<tr>
<td>CR</td>
<td>0.851</td>
<td>0.857</td>
<td>0.857</td>
<td>0.812</td>
<td>0.821</td>
<td>0.839</td>
</tr>
</tbody>
</table>

EM (Experiential Marketing) - WoM (Word of Mouth Marketing) - CR (Company Reputation) - SG (Services Guarantee) - CS (Customer Satisfaction) - PI (Purchase Intention)

In the divergent narrative, the difference between the indices of a structure and the indexes of other structures is compared in the model. This is calculated by comparing the root AVE of each structure with the values of the correlation coefficients between the structures. To do this, a matrix must be constructed. The values of the main diameter are the root matrix of the AVE coefficients of each structure, and the lower values of the main diameter are the coefficients of correlation between each structure with other structures. This matrix is shown in Table (2). As can be seen in table (2), the root of AVE of each structure is greater than its structural correlation coefficients with other structures, which proves the acceptability of the divergent validity of the structures.

<table>
<thead>
<tr>
<th></th>
<th>CS</th>
<th>EM</th>
<th>PI</th>
<th>CR</th>
<th>SG</th>
<th>WoM</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS</td>
<td>0.730</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EM</td>
<td>0.713</td>
<td>0.775</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PI</td>
<td>0.688</td>
<td>0.599</td>
<td>0.775</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CR</td>
<td>0.705</td>
<td>0.715</td>
<td>0.517</td>
<td>0.770</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SG</td>
<td>0.696</td>
<td>0.672</td>
<td>0.627</td>
<td>0.469</td>
<td>0.732</td>
<td></td>
</tr>
<tr>
<td>WoM</td>
<td>0.509</td>
<td>0.534</td>
<td>0.563</td>
<td>0.371</td>
<td>0.599</td>
<td>0.796</td>
</tr>
</tbody>
</table>
To test the reliability of the questionnaire, in addition to the Cronbach's alpha coefficient presented in Table 3, which confirms the reliability of the questionnaire, the PLS method has also been used. In the PLS method, the index reliability is used (Rivard and Huff, 1988, pp. 552-561). Indicator reliability is also calculated by measuring the factor loads by calculating the correlation between the indices of a structure with that structure. If this value is equal to or greater than 0.6 (Houland, 1999), this confirms that the reliability in that model of measurement is acceptable. However, if the factor load between a question and an associated dimension is less than 0.6, then that question can be excluded from the model and subsequent analysis. As shown in figure (2), except for questions 6 and 9 which were excluded from the questionnaire due to the fact that their factor load was less than 6, all values of factor loads among the structures and questions are greater than 0.6, which shows a high correlation. The number 0.613 inside the circle related to customer's confidence variable indicates the value of R2 and confirms that 62% of the changes in the customer's confidence variable are predictable by two independent variables of credibility and reputation of the brand on the one hand and the attractiveness on the other. Also, number 0.775 in the circle related to the customer loyalty variable indicates the value of R2 and confirms that 75 percent of the variation in customer loyalty variables is predictable by the two variables of customer confidence and sentiment.

<table>
<thead>
<tr>
<th>Research structures</th>
<th>CS</th>
<th>EM</th>
<th>PI</th>
<th>CR</th>
<th>SG</th>
<th>WoM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach's alpha coefficients</td>
<td>0.783</td>
<td>0.822</td>
<td>0.780</td>
<td>0.791</td>
<td>0.713</td>
<td>0.712</td>
</tr>
</tbody>
</table>
Figure 2: Software output - tested model of the research (path coefficients and factor load)

structural pattern test examines the hypotheses of research and the effect of hidden variables on each other. To confirm the research hypotheses, the Bootstrapping command of Smart PLS software was used to show the output of the coefficients t (Fig. 3). When the value of t is out of the range of -1/96 to +1/96, the parameter is significant and subsequently the research hypothesis is confirmed.

One of the ways of evaluating the modeling models is the determination coefficient ($R^2$). The determination coefficient ($R^2$) examines what percent of the variance of a dependent variable is explained and explained by the independent variable (s). So it is natural that if this value is equal to zero for an independent variable, it is greater than zero for a dependent variable. The higher this value, the greater the impact factor of the independent variables on the dependent variable.
According to the model's coefficient of determination, it can be said that the experiential marketing dimension has been able to explain 0.11 of the variance of word of mouth marketing variable. In addition, customer satisfaction dimension has been able to explain 0.42 of the variance of the customer's purchase intention. What is more, dimensions of experiential marketing, reputation of the company, service guarantee, and word of mouth marketing have been able to explain 0.51 of the variance of the customer satisfaction variable. Researchers have suggested three values of 0.19, 0.33 and 0.67 as the criterion value for the weak, medium, and strong $R^2$. Based on this, it can be concluded that the model has proper predictive value. The remainder is related to prediction error and can include other factors affecting word of mouth marketing, customer satisfaction, and customer purchase intention. First hypothesis: Experiential marketing has a positive and significant impact
on customer satisfaction. The experiential marketing dimension has a significant effect on customer satisfaction variable (t statistic is outside the range of -1.96 to +1.96). Regarding the path coefficient, we can say that the effect of experiential marketing on customer satisfaction is positive and significant, since the path coefficient is positive.

![Figure 4: Evaluation of Modeling measurement Models](image)

Second hypothesis: Service guarantee has a positive and significant effect on customer satisfaction. Service guarantee has a significant effect on customer satisfaction variable (t statistic is outside the range of -1.96 to +1.96). Regarding the path coefficient, it can be said that the effect of service guarantee on customer satisfaction is positive and significant, since the path coefficient is positive. Thirth hypothesis: Company
reputation has a positive and significant impact on customer satisfaction. Based on the results obtained from the path coefficient and t, the reputation of the company has a significant effect on customer satisfaction variable (t statistic is outside the range of -1.96 to +1.96). Regarding the path coefficient, it can be said that the effect of the company reputation on customer satisfaction is positive and significant. Fourth hypothesis: word of mouth marketing has a positive and significant effect on customer satisfaction. Based on the results obtained from the path coefficient and the t-statistic, word of mouth marketing variable has no significant effect on the customer satisfaction variable (t statistic is within the range of -1.96 to +1.96). Fifth hypothesis: Experiential marketing has a positive and significant effect on word of mouth marketing. Experiential marketing has a significant effect on word of mouth marketing variable (t statistics outside the range of -1.96 to +1.96). Regarding the path coefficient, it can be concluded that the effect of experiential marketing on word of mouth marketing is positive and significant because the path coefficient is positive. Sixth hypothesis: customer satisfaction has a positive and significant effect on customer’s purchase intention. Based on the results obtained from the path coefficient and the t-statistic, the customer satisfaction dimension has a significant effect on customer's purchase intention (t statistic is outside the range of -1.96 to +1.96). Regarding the path coefficient, it can be concluded that the effect of customer satisfaction on the customer's purchase intention is positive and significant because the path coefficient is positive.

Table 4: Direct effects, t statistic and result of research hypotheses

<table>
<thead>
<tr>
<th>Confirming or rejecting the hypothesis</th>
<th>Significance</th>
<th>Statistics t</th>
<th>Standardized path coefficient $\beta$</th>
<th>Theories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirmed</td>
<td>Sig&lt;0.05</td>
<td>3.952</td>
<td>0.622</td>
<td>Experiential Marketing $\rightarrow$ Customer Satisfaction</td>
</tr>
<tr>
<td>Confirmed</td>
<td>Sig&lt;0.05</td>
<td>2.659</td>
<td>0.307</td>
<td>Service guarantee $\rightarrow$ Customer Satisfaction</td>
</tr>
<tr>
<td>Confirmed</td>
<td>Sig&lt;0.05</td>
<td>3.794</td>
<td>0.106</td>
<td>Company Reputation $\rightarrow$ Customer Satisfaction</td>
</tr>
</tbody>
</table>
### Table

<table>
<thead>
<tr>
<th>Confirming or rejecting the hypothesis</th>
<th>Significance</th>
<th>Statistics t</th>
<th>Standardized path coefficient $\beta$</th>
<th>Theories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rejected</td>
<td>Sig &gt; 0.05</td>
<td>0.735</td>
<td>0.089</td>
<td>Word of mouth marketing $\rightarrow$ customer satisfaction</td>
</tr>
<tr>
<td>Confirmed</td>
<td>Sig &lt; 0.05</td>
<td>2.451</td>
<td>0.395</td>
<td>experiential Marketing $\rightarrow$ word of mouth Marketing</td>
</tr>
<tr>
<td>Confirmed</td>
<td>Sig &lt; 0.05</td>
<td>3.682</td>
<td>0.644</td>
<td>Customer satisfaction $\rightarrow$ purchase intention</td>
</tr>
</tbody>
</table>

### 5. Conclusion

Knowing consumer attitudes in the field of consumer behavior is a strategic capability. Therefore, the first thing that affects the attitudes of individuals towards goods and services is a direct consumer experience. As the results of this study showed experiential marketing has a positive and significant effect on customer satisfaction (first hypothesis of the research). In addition, experiential marketing has a positive and significant effect on customer’s purchase intention with mediator role of customer satisfaction (the seventh research hypothesis). The current development of experiential marketing represents the emergence of a new era in marketing, an era in which human senses are at the heart of corporate marketing strategies and techniques. For this reason, the impact and influence on customers in new ways is becoming increasingly important. Therefore, by creating the right environment for TIS smart company in a way that customers can directly experience the services provided by the company and also by improving the quality of providing this service by company executives, it is possible for customers to create pleasant memories about the service of the company in their minds and never forget the experience of the services they receive. A suitable ground for improving the marketing experience can be created in the TIS Smart Company, thereby providing customer satisfaction and ultimately a customer re-purchase intention. The results of the research show that experiential marketing has a positive and significant effect on word of mouth marketing (sixth hypothesis of the research). It is because when customers experience product and are satisfied with their
experience, they do word of mouth marketing for the company. In a world where numerous types of one-way advertising are prevalent, it is a kind of competitive advantage for the company to compete with its competitors; therefore, it is suggested that the TIS Smart Company should use the Internet to create this type of interaction. They are recommended to get people's voices to send out new brochures and new facilities, and ask people to share their ideas and interests so that they can improve their services to their customers. As shown earlier, the results of this study showed that service guarantee has a positive and significant effect on customer satisfaction (second hypothesis of research). The results also showed service guarantee has positive and significant effect on purchase intention with mediator role of customer satisfaction (eighth research hypothesis). Therefore, it is suggested that TIS brand executives should create credible commitments in providing services to their customers. these obligations create a greater sense of confidence in the company and in the company services. One of the important tools that has always been rewarded by others from long ago is reputation of company. The results of this research showed that company reputation has a positive and significant effect on customer satisfaction (third hypothesis of research). In addition, company reputation with mediating role of Customer satisfaction has a positive and significant effect on customer purchase intention (9th hypothesis of research). Company reputation is a mental issue that can be presented in the form of a customer's mental imagery. When customers are more familiar with a brand, they are more interested in using their products and services. In this situation, if we can make the best use of brand credibility, we can capture customer satisfaction, which determines profits in the long run. Hence, the image and reputation of the brand are among the important assets of each company. In addition, for decades, researchers have discovered that good reputation increases the willingness of people to buy company products. Therefore, the TIS smart company can pay special attention to branding to promote the company brand and create an appropriate mindset in the minds of customers.
6. References


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