

The Effect of Experiential Marketing on Perceived Service Value and Implications on Customer Loyalty

*Experiential Marketing
on Perceived Service
Value*

Tita Setiawati
Universitas Pasundan; Bandung, Indonesia
E-Mail: tita.setiawati@unpas.ac.id

3765

ABSTRACT

Experiential marketing has emerged as a powerful strategy to foster emotional and sensory engagement between consumers and brands. This study investigates the direct impact of experiential marketing on customer loyalty and examines the mediating role of perceived service value in the context of restaurants and cafés in Bandung, Indonesia, a city known for its rapidly growing food and beverage industry. Drawing on data collected from 200 valid questionnaires, this research employs a quantitative explanatory design and utilizes Structural Equation Modeling (SEM) with AMOS software to analyze the relationships among variables. The results indicate that experiential marketing significantly enhances both perceived service value and customer loyalty. Moreover, perceived service value is found to mediate the relationship between experiential marketing and customer loyalty partially. These findings highlight the importance of designing immersive and emotionally engaging experiences not only to satisfy but also to retain customers in the competitive hospitality sector. By integrating experiential marketing strategies that elevate perceived value, restaurant and café businesses can strengthen long-term customer relationships. This study contributes to both academic literature and managerial practice by offering empirical evidence on the mechanisms through which experiential marketing influences loyalty in an emerging market setting.

**Submitted:
JULY 2025**

**Accepted:
SEPTEMBER 2025**

Keywords: Customer Loyalty, Experiential Marketing, Hospitality Industry, Perceived Service Value.

ABSTRAK

Experiential marketing telah muncul sebagai strategi yang efektif untuk membangun keterlibatan emosional dan sensorik antara konsumen dan merek. Penelitian ini meneliti pengaruh langsung experiential marketing terhadap loyalitas pelanggan serta menguji peran mediasi perceived service value dalam konteks restoran dan kafe di Bandung, Indonesia sebuah kota yang dikenal dengan pertumbuhan pesat industri makanan dan minumannya. Berdasarkan data yang dikumpulkan dari 200 kuesioner yang valid, penelitian ini menggunakan desain eksplanatori kuantitatif dan memanfaatkan Structural Equation Modeling (SEM) dengan perangkat lunak AMOS untuk menganalisis hubungan antarvariabel. Hasil penelitian menunjukkan bahwa experiential marketing secara signifikan meningkatkan baik nilai layanan yang dirasakan maupun loyalitas pelanggan. Selain itu, nilai layanan yang dirasakan terbukti memediasi sebagian hubungan antara experiential marketing dan loyalitas pelanggan. Temuan ini menyoroti pentingnya merancang pengalaman yang mendalam dan melibatkan secara emosional guna tidak hanya memuaskan tetapi juga mempertahankan pelanggan di sektor perhotelan yang kompetitif. Dengan mengintegrasikan strategi experiential marketing yang mampu meningkatkan nilai yang dirasakan, bisnis restoran dan kafe dapat memperkuat hubungan jangka panjang dengan pelanggannya. Penelitian ini memberikan kontribusi baik bagi literatur akademis maupun praktik manajerial dengan menyajikan bukti empiris mengenai mekanisme di balik bagaimana experiential marketing memengaruhi loyalitas pelanggan dalam konteks pasar berkembang.

Kata kunci: Loyalitas Pelanggan, Pemasaran Eksperiensial, Industri Perhotelan, Nilai Layanan yang Dirasakan.

JIMKES

Jurnal Ilmiah Manajemen
Kesatuan
Vol. 13 No. 5, 2025
pp. 3765-3776
IBI Kesatuan
ISSN 2337 – 7860
E-ISSN 2721 – 169X
DOI: 10.37641/jimkes.v13i5.3887

INTRODUCTION

In the face of increasingly fierce business competition, customers have become a critical asset that significantly influences a company's long-term sustainability (Nurdin & Par, 2017; Malešević-Perović & Ćorić, 2024). As a result, businesses are compelled to strengthen customer loyalty in order to retain their clientele and prevent them from switching to competitors. According to Singh et al. (2019), loyalty is defined as a behavioral tendency wherein consumers repeatedly choose to purchase products or services from the same company, thereby enhancing overall customer retention and contributing to business growth.

Experiential marketing has increasingly played a crucial role in building customer loyalty (Vildayanti, 2020; Carmo et al., 2022). This marketing approach focuses on creating memorable and meaningful experiences by engaging consumers emotionally, sensorially, and cognitively (Wiedmann et al., 2018; Hermanto & Ngatimun, 2023). Unlike traditional marketing strategies that emphasize product features or price, experiential marketing seeks to establish deep, favorable emotional connections between consumers and the brand. These emotional bonds contribute to greater customer satisfaction and, in turn, foster repeat purchases and long-term loyalty (Öztürk, 2015; Yeh et al., 2019; Sujana & Yusni, 2024). Companies that implement experiential marketing often design their products, services, and overall brand experiences to be immersive and personally relevant, ensuring that they leave a lasting impression on consumers. By aligning brand interactions with customers' emotional and psychological needs, businesses can cultivate stronger brand attachment and sustained engagement (Puspitasari et al., 2019). Thus, experiential marketing not only enhances the perceived value of the offering but also positions the brand as part of the consumer's lifestyle and identity, encouraging continued patronage in competitive markets (Amin & Tarun, 2019; Yeh et al., 2019; Carmo et al., 2022). Given the cultural and regional variations that may affect the relationships among these variables, conducting this research in Indonesia provides a unique and valuable perspective (Paramitha & Pranoto, 2023; Singh et al., 2023). This study thus enhances our understanding of how experiential marketing strategies can be effectively utilized to build customer loyalty within the hospitality industry.

Bandung, known for its rich and diverse tourism offerings, presents a thriving environment for new business ventures. The hospitality sector in the city comprises three main segments: travel and tourism, food and beverage services, and accommodation operations (Ihtiyar et al., 2019; Hidayati & Faiz, 2020; Vilkaite-Vaitone & Skackauskiene, 2020; Nurrizky et al., 2023). Among these, the food and beverage industry, particularly restaurants and cafés, has experienced rapid growth. Unlike many other sectors, the food business has proven relatively resilient during economic downturns due to the universal necessity of food consumption (Curzi et al., 2023). In Bandung, cafés and restaurants are found across various locations, including hilltops with scenic views, suburban areas, and the city center. These establishments offer a wide array of cuisines, ranging from local Sundanese and Padang dishes to international flavors such as Oriental, Western, Korean, Thai, and Japanese. The diversity and accessibility of dining options make the food and beverage sector in Bandung an attractive area for both entrepreneurs and researchers.

Wiedmann et al. (2018), Mehta et al. (2020), and Paulose and Shakeel (2021) have shown that multisensory marketing and brand experiences enhance perceived value and loyalty in the hotel industry, with customer satisfaction mediating brand image and service quality effects on loyalty. However, research in Indonesia's café and restaurant sector is limited, and the mediating role of perceived service value remains underexplored. This study addresses this gap by examining how experiential marketing influences customer loyalty through perceived service value in cafés and restaurants in Bandung, providing a comprehensive framework to better understand consumer behavior in this context. This study aims to examine the direct impact of experiential marketing on customer loyalty and examines the mediating role of perceived service value in the context of restaurants and cafés in Bandung, Indonesia. This study enhances the current literature

by formulating a comprehensive conceptual model that integrates experiential marketing as a catalyst for perceived service value and customer loyalty, with the former acting as a mediating variable. This framework allows for a deeper understanding of how consumer experiences in café and restaurant settings shape their perceptions of service value and ultimately influence loyalty.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Experiential Marketing and Perceived Service Value

Experiential marketing is a strategic approach that focuses on creating enjoyable, memorable, and emotional experiences to build strong relationships between consumers and brands (Coelho et al., 2020; Shahid et al., 2022). This strategy involves sensory, emotional, and cognitive elements in customer interactions, both online and offline (Urdea & Constantin, 2021; Davey et al., 2024). By engaging all five senses, experiential marketing can create lasting impressions in consumers' memories (Zha et al., 2024). The goal is to build emotional connections and intangible added value for the product or service (Wiedmann et al., 2018; Urdea et al., 2021).

Perceived service value is the customer's perception of the benefits received compared to the costs incurred (Rasoolimanesh et al., 2020). This value consists of functional, emotional, and social dimensions (Rintamäki & Kirves, 2017; Saadah et al., 2021). This study adopts a four-dimensional model that combines utilitarian value and emotional experience. High service value drives customer loyalty, strengthening long-term relationships (Rather, 2020; Kim et al., 2021; Manosuthi et al., 2021; Shahid et al., 2022; Pang, 2024).

Experiential marketing has been shown to positively influence perceived service value by fostering emotionally resonant and memorable consumer-brand interactions. This marketing strategy emphasizes the creation of immersive experiences that go beyond product attributes and pricing, appealing instead to the emotions, senses, and cognitive responses of consumers (Wiedmann et al., 2018). By stimulating these aspects, experiential marketing helps shape favorable customer perceptions, which in turn enhance the perceived value of the services offered (Yeh et al., 2019; Carmo et al., 2022).

Perceived service value itself reflects a customer's overall evaluation of a service's utility, encompassing both rational and emotional components. Through meaningful engagement, experiential marketing not only increases satisfaction but also strengthens brand attachment and identity integration (Manosuthi et al., 2021). Studies by Wiedmann et al. (2018) and Cankül et al. (2024) support this view, indicating that experiential strategies significantly, though sometimes partially, influence loyalty by first shaping perceived value. These emotional and sensory experiences contribute to the creation of lasting impressions that form the foundation for sustained consumer loyalty.

In the hospitality sector, particularly cafés and restaurants in Bandung, Indonesia, the relevance of experiential marketing becomes more pronounced due to the competitive and experience-driven nature of the market (Hidayati & Faiz, 2020; Curzi et al., 2023). Despite its importance, research on experiential marketing in this context remains limited (Puspitasari et al., 2019). This study, therefore, proposes a conceptual framework where experiential marketing enhances perceived service value, which subsequently drives customer loyalty, providing a valuable contribution to marketing literature in emerging markets.

H1: Experiential marketing has a positive effect on perceived service value.

Experiential Marketing on Customer Loyalty

Experiential marketing has been found to significantly influence customer loyalty by creating emotionally engaging and sensory-rich brand interactions. Defined as a strategic method that fosters meaningful and memorable experiences, experiential marketing goes beyond traditional promotional approaches by stimulating the senses, emotions, and cognitive responses of consumers (Shahid et al., 2022; Davey et al., 2024). Through the

orchestration of touchpoints and immersive environments, brands offer interactions that not only fulfill consumer aspirations but also strengthen emotional bonds and brand attachment (Coelho et al., 2020; Urdea & Constantin, 2021; Cankül et al., 2024). These emotionally charged experiences enhance perceived service value and contribute to lasting customer satisfaction and trust, two core drivers of loyalty.

Customer loyalty is a critical outcome in marketing, marked by both behavioral tendencies and emotional attachment to a brand. It reflects a consumer's commitment to repeatedly use a product or service, even in the face of competing alternatives (Abu-Alhaija et al., 2019). This loyalty often manifests in repeat purchases, referrals, and exclusive brand preference (Singh et al., 2019; Ahmad & Akbar, 2023). Experiential marketing, by creating vivid emotional memories and strong brand resonance, contributes directly to this behavioral and attitudinal loyalty (Zha et al., 2024; Wiedmann et al., 2018). Aligns with the findings of Shahid et al. (2022) and Davey et al. (2024), which underline perceived service value as a key mediator in the relationship between experiential marketing and loyalty. Although previous studies have presented mixed results on the correlation between customer perceived value and loyalty, there is consistent evidence that emotionally rich and sensorial experiences positively influence loyalty, particularly in the hospitality context of cafés and restaurants in Bandung (El-Adly, 2019; Kusumawati & Rahayu, 2020).

H2: Experiential marketing has a positive effect on customer loyalty.

Perceived Service Value on Customer Loyalty

Perceived service value plays a vital role in shaping customer loyalty and is widely recognized as a multidimensional construct that encompasses functional, emotional, and social components (Rasoolimanesh et al., 2020). It refers to a customer's overall evaluation of the worth or utility of a product or service by comparing the benefits received to the sacrifices made, such as time, money, or effort (El-Adly, 2019; Urdea & Constantin, 2021). This assessment goes beyond rational calculation, as emotional and experiential aspects are also pivotal in how customers perceive value (Kim et al., 2021). Building upon previous models, Rintamäki and Kirves (2017) developed a more detailed classification, identifying eight subcomponents of value grouped into three categories: functional value (installation, service quality, cost, and professionalism), emotional value (enjoyment, novelty, control), and social value. This extended framework provides a comprehensive lens through which consumers' evaluations of service experiences can be analyzed.

Scholars such as Rather (2020) and Shahid et al. (2022) have shown that experiential marketing significantly enhances perceived value by creating enjoyable and memorable service encounters. Pang (2024) supports this view by asserting that impactful customer experiences foster lasting impressions and brand loyalty, often leading to word-of-mouth promotion.

Customer loyalty is a key outcome in marketing research, reflecting a customer's commitment to repeatedly use a favorite product or service, regardless of situational influences or competitors' marketing strategies (Abu-Alhaija et al., 2019; Khairawati et al., 2020). Loyalty encompasses behavioral and attitudinal aspects, such as repeat purchases, likelihood to recommend, and emotional attachment to the brand (Singh et al., 2019; Ahmad & Akbar, 2023). Wiedmann et al. (2018) and Cankül et al. (2024) identify customer loyalty as a key outcome of experiential marketing and perceived value, consistent with previous research.

Customer loyalty itself is defined as a deep, sustained commitment to repurchase or revisit a preferred service, unaffected by external influences (Abu-Alhaija et al., 2019). It includes behavioral intentions, such as repeat patronage, and attitudinal loyalty, like emotional attachment and exclusive preference (Singh et al., 2019; Ahmad & Akbar, 2023). Thus, when customers perceive high value both rationally and emotionally, they are more likely to develop stronger loyalty. Despite some studies reporting

inconsistencies, the overall empirical evidence supports the hypothesis that perceived service value positively affects customer loyalty.

H3: Perceived service value has a positive effect on customer loyalty.

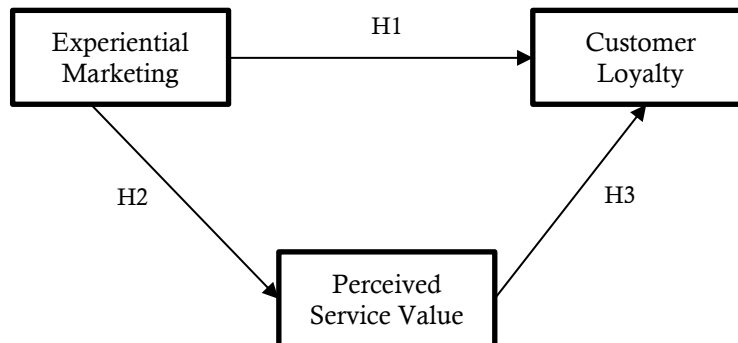


Figure 1. Conceptual Framework

Figure 1 shows the conceptual framework of the study, which illustrates the relationship between three main variables: experiential marketing, perceived service value, and customer loyalty. In this model, experiential marketing acts as an independent variable with two pathways of influence. First, experiential marketing directly influences perceived service value, indicating that the experience provided by the company can increase the perception of service value in the eyes of consumers (H1). Second, experiential marketing also has a direct influence on customer loyalty, indicating that positive experiences from interactions with the brand can encourage customer loyalty (H2). Furthermore, perceived service value acts as a mediating variable that also directly influences customer loyalty (H3), indicating that a high perception of the value of the service received also encourages consumer loyalty to the brand or company. This model as a whole explains the direct and indirect pathways of influence in shaping customer loyalty through an experiential marketing approach and perceived service value.

RESEARCH METHODS

This study adopted a quantitative research approach using a survey-based design to systematically investigate the relationships between experiential marketing, perceived service value, and customer loyalty. The research was conducted by distributing a structured questionnaire to a sample drawn from the target population, specifically café and restaurant patrons in Bandung City. Data collection involved directly administering the questionnaire to individuals present at various cafés and restaurants, making use of convenience sampling. This non-probability sampling method was chosen due to the absence of a comprehensive sampling frame and the impracticality of random selection in the targeted field environment. A total of 200 respondents participated in the survey. A sample size of 200 is considered sufficient to meet the minimum requirements for conducting Structural Equation Modeling (SEM), ensuring that the statistical analysis yields reliable and valid results. SEM was chosen as the analytical tool due to its ability to assess complex relationships between observed and latent variables simultaneously.

The variables examined in this study included experiential marketing, perceived service value, and customer loyalty. These variables were measured using a modified questionnaire, ensuring that the items were adapted to fit the study's context while maintaining conceptual clarity. Specifically, experiential marketing was measured using five items, perceived service value was assessed through four items, and customer loyalty was also measured using four items. All items were designed to capture the constructs as perceived by the respondents in the context of their experiences at cafés and restaurants. To gauge the responses, a 7-point Likert scale was employed, ranging from 1 ("strongly

disagree”) to 7 (“strongly agree”). This scale allowed for the collection of nuanced perceptions and attitudes, which are crucial for accurately assessing customer experiences and behavioral intentions. Once the data were collected, they were analyzed using Structural Equation Modeling (SEM) facilitated by Amos Software Version 23. This software enabled the researchers to examine the proposed model’s fit and to test the hypothesized relationships among the variables. SEM was particularly suitable for this study because of its capability to validate measurement models and analyze multiple relationships simultaneously in a single comprehensive model.

RESULTS

This study explores the influence of experiential marketing on perceived service value and customer loyalty, and assesses the mediating role of perceived service value in the context of the restaurant and cafe industry in Bandung. Using a quantitative approach and Structural Equation Modeling (SEM) analysis using AMOS software version 23, data collected from 200 respondents were analyzed to test the proposed model (Hair et al., 2017). The structural model demonstrated excellent goodness-of-fit. Indices such as a CMIN/DF of 1.060, a GFI of 0.915, an AGFI of 0.875, a CFI of 1.000, a TLI of 0.994, and an RMSEA of 0.000 indicate that the model is suitable and feasible for use in hypothesis testing. This indicates that the theoretical model structure is empirically acceptable.

The test results indicate that experiential marketing has a positive and significant influence on perceived service value. A coefficient of 0.302, a Critical Ratio (CR) of 3.341, and a significance level of $p < 0.001$ confirm that the emotional, sensory, and cognitive experiences provided by restaurants or cafes can increase customers’ perceptions of the value of the service they receive. Furthermore, experiential marketing was also found to have a direct positive effect on customer loyalty, with a coefficient of 0.305, a CR of 2.794, and a p-value of 0.005. These findings indicate that customers who experience meaningful and memorable interactions with a brand are more likely to remain loyal, revisit, and recommend it to others. Perceived service value was also shown to have a positive and significant effect on customer loyalty, with a coefficient of 0.397, a CR of 2.947, and a p-value of 0.003. This indicates that the higher the value customers perceive of the service they receive, whether functional, emotional, social, or symbolic, the greater their likelihood of remaining loyal to the business.

The indirect path analysis shows that experiential marketing influences customer loyalty through perceived service value, with an effect value of 0.118. This value is smaller than the direct effect of experiential marketing on customer loyalty, thus concluding that perceived service value only partially mediates the relationship. This means that experiential marketing has a strong direct effect on customer loyalty, and this effect is reinforced but not fully explained by perceived service value. The results of this study confirm that an effective experiential marketing strategy can not only increase perceived service value but also contribute significantly to building customer loyalty. In the context of the competitive food and beverage industry in Bandung, creating a pleasant and high-value customer experience is key to long-term customer retention. These findings align with previous research that emphasizes the importance of emotional experiences and perceived value in shaping consumer loyalty behavior.

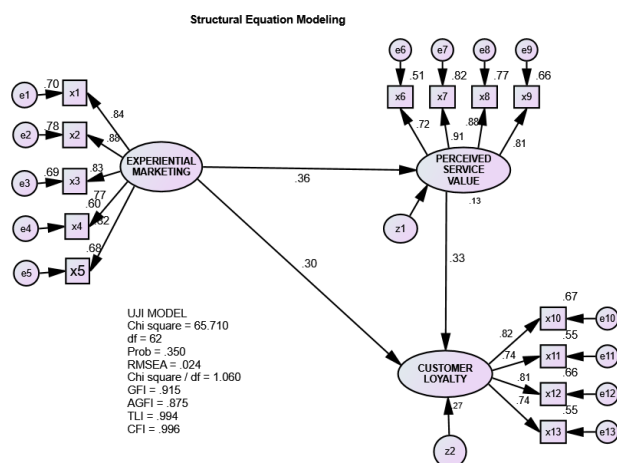


Figure 2. Standard Resolution of the Revised Model

Figure 2 illustrates a structural equation model (SEM) used to examine the relationship between experiential marketing, perceived service value, and customer loyalty. This model shows that experiential marketing is measured through five indicators (X1–X5), each of which has a high factor loading, with the highest value at X5 of 0.93. Experiential marketing has a direct influence on perceived service value of 0.36 and on customer loyalty of 0.30. Perceived service value, measured through four indicators (X6–X9), shows a positive influence on customer loyalty of 0.33. The customer loyalty variable itself is measured using four indicators (X10–X13), with consistent factor loadings, indicating good construct validity. All influences between latent variables are displayed as arrows reflecting the direction of the causal relationship, with standardized estimated values indicated along the arrows.

Table 1. Goodness-of-Fit Test

Goodness-of-Fit Index	Model Result	Cut-off Value (Criteria)	Confirmation
Chi-Square (χ^2 / df)	65.710 (df=62, p=0.350)	$p \geq 0.05$ (not significant)	Good / Fit
RMSEA (Root Mean Square Error of Approximation)	0.024	≤ 0.08 (good), ≤ 0.05 (excellent)	Excellent
GFI (Goodness of Fit Index)	0.915	≥ 0.90	Good
AGFI (Adjusted GFI)	0.875	≥ 0.80 (acceptable), ≥ 0.90 (good)	Acceptable
TLI (Tucker-Lewis Index)	0.994	≥ 0.90	Excellent
CFI (Comparative Fit Index)	0.996	≥ 0.90	Excellent

Table 1 indicates that all the goodness-of-fit indices meet the criteria for a well-fitting model. The CMIN/DF value is 1.060, which is below the threshold of 2. The GFI is 0.915, exceeding the minimum acceptable value of 0.90. Similarly, the AGFI stands at 0.875, approaching the desired level. The CFI is reported at 1.000, surpassing 0.996, while the TLI is 0.994, which is above the 0.95 benchmark. Additionally, the RMSEA is 0.000, well under the maximum threshold of 0.24.

Table 2. Hypothesis Test Result

Hypothesis	Estimate	S.E.	C.R.	P
Experiential Marketing → Perceived Service Value	0.302	0.090	3.341	***
Experiential Marketing → Customer Loyalty	0.305	0.109	2.794	0.005
Perceived Service Value → Customer Loyalty	0.397	0.135	2.947	0.003

Table 2 shows The influence of Experimental Marketing on Perceived Service Value shows a Critical Ratio (CR) of 3.341 and a p-value of less than 0.000, demonstrating that experiential marketing significantly and favorably affects perceived service value,

supporting Hypothesis 1 acceptance. Among the variables examined, experiential marketing exerted the most significant influence on perceived service value, as evidenced by the standardized path coefficient of 0.30. This implies that customers perceive a higher service value as a result of the company's improved experiential marketing initiatives. On the other hand, a lower perceived value is the outcome of poorer experiential marketing.

Experiential marketing also demonstrates a positive and significant effect on customer loyalty, with a Critical Ratio (CR) of 2.794 and a p-value below 0.005, supporting the acceptance of Hypothesis 2. Once more, the standardized coefficient is 0.30, indicating that, when compared to other factors, experiential marketing has the least effect on consumer loyalty. According to this relationship, clients are more loyal to a business when they believe that its experience in marketing is of a higher caliber. Conversely, a decrease in the perception of experience marketing results in a decrease in customer loyalty.

Perceived service value significantly and positively impacts customer loyalty, with a Critical Ratio (CR) value of 2.947 and a p-value under 0.003, providing statistical validation. The path coefficient is 0.30, indicating that perceived service value has a relatively modest impact on loyalty. The findings reveal that as customers perceive greater value in the services received, their loyalty tends to strengthen. Conversely, when perceived value decreases, customer loyalty also diminishes. The calculation results show that the effect of experiential marketing on customer loyalty through perceived service value is 0.118. This shows that the indirect effect of experiential marketing on customer loyalty through perceived service value is lower than the direct effect.

DISCUSSION

The findings indicate that consumer loyalty is significantly impacted by experiential marketing. This implies that shifts in experiential marketing initiatives can provide a significant explanation for variations in customer loyalty. Previous studies have demonstrated how important experiential marketing is for building client loyalty. These findings are in line with research like that of Wiedmann et al. (2018), which found a variety of conclusions about how perceived value affects loyalty. Similarly, research by Carmo et al. (2022) and Cankül et al. (2024) supports the idea that consumer loyalty is positively impacted by experiential marketing, albeit in a small but meaningful way.

The findings also demonstrate that Perceived Service Value significantly impacts customer loyalty. This indicates that fluctuations in perceived value are closely linked to changes in customer loyalty. Wiedmann et al. (2018) and Cankül et al. (2024) have underlined the significance of perceived value in developing strong customer loyalty, and the current research reinforces these perspectives. Although previous literature has shown mixed evidence on this topic, such as the work of Smith and Bolton (1998) and Paulose and Shakeel (2022), the present findings fully support the view that perceived value plays a crucial role.

Experiential Marketing, which aims to deliver immersive and engaging brand interactions, is particularly effective in enhancing customer loyalty (Wiedmann et al., 2018). Creating emotional and sensory experiences can foster a deep emotional connection between consumers and a brand. When customers have enjoyable experiences, their bond with cafés and restaurants is strengthened. Therefore, by integrating compelling experiential marketing strategies with high customer-perceived value, cafés and restaurants can build stronger customer loyalty, which ultimately contributes to business growth and long-term competitiveness.

Moreover, experiential marketing, which emphasizes creating an immersive and meaningful experience for customers, also contributes significantly to customer loyalty (Chawkradian & Lalaeng, 2023). An engaging experience can increase customers' positive perception of the café and restaurant (Kusumawati & Sri Rahayu, 2020). This positive experience makes customers feel more emotionally connected to the café and resto, strengthening their loyalty. Thus, experiential marketing not only serves to increase perceived service value directly but also strengthens customer loyalty through this

perceived value path. Combining perceived service value and practical experience through experiential marketing synergistically increases sustainable customer loyalty.

There are several areas that Café and Resto management in Bandung needs to focus on for improvement. First, the necessity of aggressive advertising is a key component of the experiential module approach. Café and resto can use a free promotion on social media sites like Facebook, Twitter, and other networks to increase cost-effectiveness. This approach will help increase visibility among potential customers, particularly those unfamiliar with the brand (Rather, 2020).

Perceived service value must be enhanced, particularly in the performance of wait staff, which has been reported as unsatisfactory. Maintaining high customer value is crucial to ensuring continuous customer satisfaction. To improve service, management should conduct comprehensive training for employees, focusing on delivering prompt, accurate, and exceptional customer service (Rane et al., 2023). Furthermore, to differentiate from other cafés and restaurants, employees could be provided with unique uniforms that set them apart from the competition.

Moreover, augmenting the menu diversity by providing an expanded array of food and beverages with superior flavor is vital. This can be achieved by hiring experienced chefs and providing them with regular training to create delicious and innovative dishes. Offering varied entertainment, such as live music performances that combine different instruments like *gamelan* and modern band instruments, would also enhance the customer experience. Involving customers in entertainment activities, such as inviting them to dance or sing, can make the experience more memorable.

CONCLUSION

This study empirically examined the relationships between experiential marketing, perceived service value, and customer loyalty in the context of cafés and restaurants in Bandung. The findings confirmed that all three proposed hypotheses were positively and significantly supported. Experiential marketing demonstrated both direct and indirect influences on customer loyalty, with perceived service value emerging as the most influential driver. Although experiential marketing directly impacted loyalty more strongly than through the mediating role of perceived value, the partial mediation highlights the importance of both experiential and value-based approaches in fostering long-term customer relationships. From a practical perspective, the results suggest that café and restaurant operators should invest in strategic experiential marketing initiatives that create emotionally engaging and sensory-rich customer experiences. Enhancements to the sensory environment, such as improving ambient scent, visual design, and atmosphere, can also elevate perceived value. Furthermore, staff performance, particularly that of waiters, must be improved through service training that emphasizes speed, accuracy, and attentiveness. Unique staff uniforms may further support brand identity and differentiation. In addition, expanding the food and beverage menu, hiring skilled chefs, and providing regular training can enhance product quality.

Theoretically, this research contributes to the literature by providing empirical evidence of the mediating role of perceived service value in the relationship between experiential marketing and customer loyalty, particularly in emerging market hospitality settings. However, the study is limited by its focus on a single geographic location, which may affect the generalizability of the results. Cultural factors may influence consumer perceptions and behavior differently in other regions. Future studies are encouraged to replicate this research in diverse urban settings to broaden the applicability and deepen the understanding of these relational dynamics across various cultural and market contexts.

REFERENCES

- [1] Abu-Alhaija, A. S., Hussein, H. S., & Allan, A. J. A. (2019). Relationship between customer satisfaction and customer loyalty: a review and future directions of its nature and approaches. *Eurasian Journal of Social Sciences*, 7(4), 28–39.
- [2] Ahmad, B., & Akbar, M. I. ud D. (2023). Validating a multidimensional perspective of relationship marketing on brand attachment, customer loyalty and purchase intentions: A serial mediation model. *Journal of Strategic Marketing*, 31(3), 669–692.
- [3] Amin, S., & Tarun, M. T. (2019). Experiential marketing and customer satisfaction: A study on the restaurant industry of Bangladesh. *Asian Business Review*, 9(1), 43–48.
- [4] Cankül, D., Kaya, S., & Kızıltaş, M. Ç. (2024). The effect of gastronomic experience on restaurant image, customer perceived value, customer satisfaction and customer loyalty. *International Journal of Gastronomy and Food Science*, 36(1), 100908.
- [5] Carmo, I. S. do, Marques, S., & Dias, Á. (2022). The influence of experiential marketing on customer satisfaction and loyalty. *Journal of Promotion Management*, 28(7), 994–1018.
- [6] Chawkradian, S., & Lalaeng, C. (2023). Experiential marketing and business innovation affecting customer loyalty in cafe business. *Asian Administration & Management Review*, 6(2), 37–47.
- [7] Coelho, F. J. F., Bairrada, C. M., & de Matos Coelho, A. F. (2020). Functional brand qualities and perceived value: The mediating role of brand experience and brand personality. *Psychology & Marketing*, 37(1), 41–55.
- [8] Curzi, D., Materia, V. C., & Vaquero-Piñeiro, C. (2023). Innovation as a resilience strategy to economic crises for international food and drink firms. *Agribusiness*, 39(2), 303–321.
- [9] Davey, A., Sung, B., & Butcher, L. (2024). Revisiting experiential marketing: a Delphi study. *Journal of Brand Management*, 31(1), 16–37.
- [10] El-Adly, M. I. (2019). Modelling the relationship between hotel perceived value, customer satisfaction, and customer loyalty. *Journal of Retailing and Consumer Services*, 50, 322–332.
- [11] Hair, J. F., Matthews, L. M., Matthews, R. L., & Sarstedt, M. (2017). PLS-SEM or CB-SEM: updated guidelines on which method to use. *International Journal of Multivariate Data Analysis*, 1(2), 107–123.
- [12] Hermanto, H., & Ngatimun, N. (2023). Does customer satisfaction mediate experiential marketing and promotion against customer loyalty at Kentucky Fried Chicken (KFC) Restaurants in City P” East Java?. *International Journal of Social Science and Business*, 7(4), 1083–1095.
- [13] Hidayati, W., & Faiz, I. A. (2020). The role of accommodation and food service industry to the development of tourism in Jawa-Bali. *Eko-Regional Jurnal Pengembangan Ekonomi Wilayah*, 15(1), 747–762.
- [14] Ihtiyar, A., Barut, M., & Ihtiyar, H. G. (2019). Experiential marketing, social judgements, and customer shopping experience in emerging markets. *Asia Pacific Journal of Marketing and Logistics*, 31(2), 499–515.
- [15] Khairawati, S. (2020). Effect of customer loyalty program on customer satisfaction and its impact on customer loyalty. *International journal of research in business and social science*, 9(1), 15–23.
- [16] Kim, J. H., Kim, M., Yoo, J., & Park, M. (2021). Consumer decision-making in a retail store: the role of mental imagery and gender difference. *International Journal of Retail and Distribution Management*, 49(3), 421–445.
- [17] Kusumawati, A., & Sri Rahayu, K. (2020). The effect of experience quality on customer perceived value and customer satisfaction and its impact on customer loyalty. *Human Systems Management*, 39(2), 219–232.
- [18] Malešević-Perović, L., & Ćorić, B. (2024). Sustainable development and economic disasters. *Journal of Cleaner Production*, 434 (1), 1–12.
- [19] Manosuthi, N., Lee, J. S., & Han, H. (2021). Causal-predictive model of customer lifetime/influence value: mediating roles of memorable experiences and customer engagement in hotels and airlines. *Journal of Travel & Tourism Marketing*, 38(5), 461–477.
- [20] Mehta, A. M., & Tariq, M. (2020). How brand image and perceived service quality affect customer loyalty through customer satisfaction. *Academy of Marketing Studies Journal*, 24(1), 1–10.
- [21] Nurdin, H., & Par, S. S. (2017). How does strong experiential marketing affect the customer value?. *International Journal of Marketing Studies*, 9(4), 89–96.
- [22] Nurrizky, M., Harisudin, M., & Barokah, U. (2023). Influence of experiential marketing to consumer satisfaction and repurchase intentions: “Goreng” Taichan restaurants as a case study. *Int J Sustain Dev Plan*, 18(7), 247–253.
- [23] Öztürk, R. (2015). Exploring the relationships between experiential marketing, customer satisfaction and customer loyalty: An empirical examination in Konya. *International Journal of Social, Behavioral, Educational, Economic, Business and Industrial Engineering*, 9(8), 2817–2820.
- [24] Pang, H. (2024). How multi-dimensional mobile social media characteristics promote user loyalty and positive word-of-mouth: the moderating role of functional value and experiential value. *Current Psychology*, 43(48), 36629–36642.
- [25] Paramitha, T. M., & Pranoto, H. S. (2023). Mediating effect of video-on-demand on xxi’s customer perceived value and loyalty. *Riset: Jurnal Aplikasi Ekonomi Akuntansi dan Bisnis*, 5(2), 029–042.

- [26] Paulose, D., & Shakeel, A. (2022). Perceived experience, perceived value and customer satisfaction as antecedents to loyalty among hotel guests. *Journal of Quality Assurance in Hospitality & Tourism*, 23(2), 447–481.
- [27] Puspitasari, A. T., Epriliyana, N. N., & Saputra, H. T. (2025). Pengaruh experiential marketing terhadap kepuasan konsumen dan loyalitas konsumen pada Kafe Kopi Kampus Jember. *Jurnal Manajemen DayaSaing*, 27(1), 90-101.
- [28] Rane, N. L., Achari, A., & Choudhary, S. P. (2023). Enhancing customer loyalty through quality of service: Effective strategies to improve customer satisfaction, experience, relationship, and engagement. *International Research Journal of Modernization in Engineering Technology and Science*, 5(5), 427–452.
- [29] Rasoolimanesh, S. M., Iranmanesh, M., Amin, M., Hussain, K., Jaafar, M., & Ataishad, H. (2020). Are functional, emotional and social values interrelated? A study of traditional guesthouses in Iran. *International Journal of Contemporary Hospitality Management*, 32(9), 2857–2880.
- [30] Rather, R. A. (2020). Customer experience and engagement in tourism destinations: The experiential marketing perspective. *Journal of Travel & Tourism Marketing*, 37(1), 15–32.
- [31] Rintamäki, T., & Kirves, K. (2017). From perceptions to propositions: Profiling customer value across retail contexts. *Journal of Retailing and Consumer Services*, 37(1), 159–167.
- [32] Saadah, A., Hertanty, A., Maulina, F. G., Kusumah, I. T., Agustine, M. F., & Yuliasari, R. (2021). Jurnal Pengabdian Masyarakat PGSD. *Jurnal Pengabdian Masyarakat PGSD*, 1(1), 70–81.
- [33] Shahid, S., Paul, J., Gilal, F. G., & Ansari, S. (2022). The role of sensory marketing and brand experience in building emotional attachment and brand loyalty in luxury retail stores. *Psychology and Marketing*, 39(7), 1398–1412.
- [34] Singh, I., Nayyar, A., & Das, S. (2019). A study of antecedents of customer loyalty in banking & insurance sector and their impact on business performance. *Revista ESPACIOS*, 40(06), 746-758.
- [35] Singh, V., Sharma, M. P., Jayapriya, K., Kumar, B. K., Chander, M. A. R. N., & Kumar, B. R. (2023). Service quality, customer satisfaction and customer loyalty: A comprehensive literature review. *Journal of Survey in Fisheries Sciences*, 10(4S), 3457-3464.
- [36] Smith, A. K., & Bolton, R. N. (1998). An experimental investigation of customer reactions to service failure and recovery encounters. *Journal of Service Research*, 1(1), 65–81.
- [37] Sujana, S., & Yusni, Y. (2024). The influence of service quality and price perceptions on customer loyalty and customer satisfaction as intervening variables. *Jurnal Ilmiah Manajemen Kesatuan*, 12(4), 1165–1178.
- [38] Urdea, A. M., & Constantin, C. P. (2021). Experts' perspective on the development of experiential marketing strategy: Implementation steps, benefits, and challenges. *Journal of Risk and Financial Management*, 14(10), 737-749.
- [39] Vildayanti, R. A. (2020). The effect of experiential marketing on cafe Excelso customer loyalty in Central Jakarta 2019. *JABE (Journal of Applied Business and Economic)*, 6(4), 413-428.
- [40] Vilkaite-Vaitone, N., & Skackauskiene, I. (2020). Service customer loyalty: An evaluation based on loyalty factors. *Sustainability*, 12(6), 2260.
- [41] Wiedmann, K. P., Labenz, F., Haase, J., & Hennigs, N. (2018). The power of experiential marketing: Exploring the causal relationships among multisensory marketing, brand experience, customer perceived value and brand strength. *Journal of Brand Management*, 25(2), 101–118.
- [42] Yeh, T. M., Chen, S. H., & Chen, T. F. (2019). The relationships among experiential marketing, service innovation, and customer satisfaction: A case study of tourism factories in Taiwan. *Sustainability 2019*, 11(4), 1041.
- [43] Zha, D., Foroudi, P., Melewar, T. C., & Jin, Z. (2024). Examining the impact of sensory brand experience on brand loyalty. *Corporate Reputation Review*, 28(1), 14–42.

*Experiential Marketing
on Perceived Service
Value*

3776