

Exploring the Role of Experiential and Emotional Marketing in Building Customer Satisfaction and Loyalty in Coffee Shop

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ABSTRACT

The research explored the role of experiential and emotional marketing in enhancing customer satisfaction and loyalty within Bali's competitive coffee shop industry. With the rapid growth of coffee shops in Bali, particularly Gen Z consumers who prioritized experiences and emotional connections, the research investigated how these marketing strategies influenced consumer behavior. Drawing on data from 183 customers of a prominent coffee shop in Denpasar, the researchers employed multilayer Partial Least Squares Structural Equation Modeling (PLS-SEM) to analyze the relationships between experiential marketing, emotional marketing, customer satisfaction, and customer loyalty. The findings reveal that both experiential and emotional marketing have a significant positive impact on customer satisfaction. Furthermore, both experiential and emotional marketing also directly influence customer loyalty. Importantly, customer satisfaction ensures that consumers feel fulfilled with the value they receive, which in turn strengthens long-term loyalty toward the brand. These insights underscore the importance of creating immersive, emotionally resonant experiences that align with the values and lifestyles of modern consumers. For practitioners, the research recommends designing sensory-rich environments, fostering emotional brand connections, and leveraging storytelling to enhance customer retention. From an academic perspective, the research contributes to a deeper understanding of consumer behavior in experiential service industries, particularly in a tourism-driven market like Bali. Future studies should consider broader demographic samples and longitudinal designs further to explore the evolving dynamics of customer satisfaction and loyalty.

Keywords: experiential marketing, emotional marketing, customer satisfaction, customer loyalty, coffee shop

INTRODUCTION

In the rapidly evolving digital era, consumer behavior has undergone a significant shift, particularly among Gen Z customer. As a demographic group with unique characteristics, they tend to value experiences over products or services. They seek added value and instant experiences that can influence their preferences toward brands and specific products. Therefore, marketing strategies that prioritize experience

(experiential marketing) and emotions (emotional marketing) become increasingly relevant in attracting and retaining customers in the service industry, including coffee shops (Lee et al., 2024; Gunawan & Chandra, 2024; Rashid et al., 2021).

Bali, one of the leading tourist destinations in Indonesia, has experienced rapid growth in the coffee shop industry. Coffee shops not only serve as places to enjoy food and beverages but also as social spaces and lifestyle hubs for Gen Z (Junaidi et al., 2022).

Consumers in this segment are more influenced by the experiences a brand provides than by the product's functional aspects. In this context, experiential marketing plays a crucial role in creating deeper engagement through elements such as aesthetics, entertainment, and interactions that foster positive customer experiences (Basmantra & Putra, 2024).

Moreover, emotional marketing, which focuses on creating an emotional bond between brands and consumers, plays a crucial role in enhancing customer satisfaction (Bayır, 2022). When customers feel valued and have a positive emotional experience, their satisfaction levels will increase, ultimately impacting customer loyalty. Customer loyalty is a critical factor in the sustainability of coffee shop businesses in Bali, given the high level of competition and the ever-changing customer preferences (Rashid et al., 2021).

The rapid expansion of coffee shop businesses has introduced new influences on modern lifestyles (Arcana, 2021). In its development, the coffee business has its unique appeal. Even the massive coffee-drinking culture has organically created a coffee trend (Oey et al., 2025). The number of people who enjoy drinking coffee continues to grow, whether drinking coffee in cafes while enjoying social spaces or brewing it at home. Hence, it is no wonder that coffee has huge business potential. With its popularity, coffee shops and cafes have been growing rapidly, like mushrooms after the rain. Not only in large cities, but cafes and coffee shops have also spread to small cities in Indonesia (Azzahra & Sudirman, 2025).

Statista records that the market value of instant and roasted coffee, both for home and out-of-home consumption, increased significantly from 7 billion USD in 2018 to 10 billion USD in 2023 (Statista, 2025). This coffee market value is expected to continue to rise from 2024 to 2028. The market value of coffee in Indonesia is projected to reach 11.1 billion USD in 2024 and 15.2 billion USD by 2028. Meanwhile, the market value of instant coffee in Indonesia in 2018 was 1.5 billion USD. By 2024 and 2028, its market value is projected to rise to 2.8 billion USD and 4 billion USD,

respectively. Then, the growth of coffee shops in Bali is notable Table 1. This significant increase reflects the burgeoning interest in coffee culture among the younger population and highlights the competitive landscape that coffee shop businesses must navigate.

The research aims to enrich academic literature on consumer behavior in service-based industries by examining the combined influence of experiential marketing and emotional marketing in the coffee shop sector. While previous research has explored these two approaches independently, limited attention has been given to their integration in a single empirical framework (Bayır, 2022; Rashid et al., 2021). Moreover, few studies have examined how customer satisfaction plays role in this relationship, particularly in tourism-driven markets with distinct cultural characteristics, such as Bali (Riswara et al., 2021). By addressing this gap, the research not only advances theoretical understanding of how sensory, cognitive, and emotional drivers jointly shape loyalty but also situates these insights within the unique lifestyle preferences of Gen Z consumers in a competitive and experience-oriented environment.

Experiential marketing is a technique through which companies enhance their promotional marketing with extensive sensory and imagery appeal to intensify consumers' experience (Levy & Gendel Guterman, 2021). Unlike traditional marketing, which primarily aims to inform or persuade through advertisements, experiential marketing seeks to immerse consumers, engaging their senses, emotions, and cognitive responses (Irgui et al., 2024). This type of marketing encourages consumers to interact directly with the brand, allowing them to form deeper, more personal connections.

According to Urdea and Constantin (2021), experiential marketing comprises several key elements that collectively create a memorable brand experience. The first element, sense, involves stimulating the consumer's senses, such as sight, smell, taste, touch, and hearing, to engage them more deeply with the brand (Arora, 2025). This sensory

Table 1 Number of Coffee Shops in Bali

Regency/City	Number of Coffee Shops in Bali		
	2021	2022	2023
Jembrana Regency	158	136	317
Tabanan Regency	119	92	-
Badung Regency	728	823	869
Gianyar Regency	1.053	952	1.223
Klungkung Regency	375	245	423
Bangli Regency	14	47	67
Karangasem Regency	269	146	43
Buleleng Regency	548	200	535
Denpasar City	604	604	952
Total	3.868	3.245	4.429

engagement enhances the vividness and immersion of the experience. The second element, feel, refers to the emotional responses evoked by the brand experience, including feelings of pleasure, comfort, excitement, or happiness that arise during consumer interactions (Chiengkul & Junla, 2024). The third element, think, emphasizes intellectual engagement, encouraging consumers to reflect and think critically about the brand through unique and thought-provoking experiences (Khan et al., 2021). The fourth element, act, relates to inspiring consumers to take action, whether by making a purchase, sharing the experience with others, or continuing engagement with the brand in meaningful ways (Madathil & Murugan, 2024). Lastly, relate focuses on fostering a sense of connection between the brand and consumers, helping them to feel part of a larger community or identity that aligns with their values. Together, these elements form the foundation of experiential marketing by enhancing emotional, cognitive, and behavioral connections between consumers and brands.

Emotional marketing is a strategy brands use to create emotional connections with consumers. The core idea behind emotional marketing is that emotions play a significant role in consumer decision-making and brand loyalty (Patwa et al., 2022). Instead of just focusing on the functional benefits of a product or service, emotional marketing aims to tap into the feelings, desires, and aspirations of the target audience to form a deeper, more personal bond with the brand. Several key elements define emotional marketing, each highlighting how brands can foster deeper emotional bonds with consumers (Choi et al., 2024). The first element, money, reflects the emotional investment consumers make in a brand, influencing how much they are willing to spend based on the strength of their emotional connection (Fakhreddin, 2021). The second element, product, emphasizes the emotional attachment consumers develop toward products that elicit feelings, such as pride, satisfaction, or joy, leading to stronger brand loyalty (Aboulnasr & Tran, 2020). The third element, equity, refers to the emotional value or strength a brand holds in the perception of its customers (Choi et al., 2024). Building this emotional equity enhances both customer loyalty and brand advocacy over time. The fourth element, experience, as noted by Barrientos-Báez et al. (2025), captures the emotional experience consumers undergo during brand interactions, whether through customer service, purchasing processes, or using the product itself. Finally, energy focuses on the emotional excitement or passion a brand can inspire (Le & Nguyen, 2024). Brands that generate high levels of enthusiasm and emotional stimulation are more likely to drive consumer action and engagement. Together, these elements illustrate how emotional marketing strategies can build lasting emotional ties between consumers and brands.

Next, customer satisfaction refers to the degree to which customers feel that their expectations, needs, and desires have been met by a product, service,

or overall experience with a brand (Ferrentino & Boniello, 2020). It is a key metric in business that helps to determine whether a company is fulfilling its promise to customers and whether its products or services are meeting market demand. Customer satisfaction is shaped by several key elements that reflect how well a brand fulfills consumer needs and expectations. The first element, expectation fulfillment, refers to the extent to which a product or service meets or surpasses customer expectations, serving as a fundamental indicator of satisfaction (Ferrentino & Boniello, 2020). When expectations are fulfilled, customers are more likely to have a positive perception of the brand. The second element, intention to revisit, highlights the customer's willingness to return or repurchase based on their previous experience. As noted by Nazarian et al. (2024), satisfied customers are more inclined to become repeat buyers, reinforcing the connection between satisfaction and long-term business success. The third element, willingness to recommend, captures how likely customers are to recommend the product, service, or brand to others. According to Verbeke et al. (2020), high levels of satisfaction increase the chances that customers will share their positive experiences, thereby amplifying brand reputation through word-of-mouth advocacy. Together, these elements provide a comprehensive view of customer satisfaction and its implications for customer behavior and brand growth.

Customer loyalty refers to the emotional attachment, trust, and commitment a customer has toward a brand, product, or service, leading them to choose that brand or business over competitors repeatedly (Krishnan, 2020). It is a key factor in business success because loyal customers tend to make repeat purchases, recommend the brand to others, and contribute to stable revenue growth. Customer loyalty is driven by several key elements that reflect a consumer's ongoing commitment to a brand. The first element, positive review, involves customers speaking favorably about the brand, product, or service they use, often sharing their satisfaction through reviews or personal communication (Wu et al., 2020). This positive word of mouth contributes to the brand's reputation and can influence potential customers. The second element, recommend, refers to the customer's willingness to endorse the product or service to others, indicating a high level of trust and confidence in the brand (Ravula et al., 2022). Finally, repurchase reflects the customer's continued preference for the same brand, even when other alternatives are available in the market. Loyal customers are more likely to make repeat purchases, demonstrating brand commitment and contributing to long-term business sustainability (Wang et al., 2023). Together, these elements highlight how positive experiences and emotional connections foster lasting loyalty.

Experiential marketing has emerged as a powerful approach to enhancing customer satisfaction by delivering memorable and engaging experiences beyond functional product value. Research conducted in a retail company in Peru demonstrated a moderate

positive relationship between experiential elements and customer satisfaction, suggesting that integrating experiential features can elevate customer perceptions (Bayır, 2022). Another research in fast-food restaurants has revealed that experiential marketing practices lead to immediate customer satisfaction and positive post-purchase behavior (Salomão & Santos, 2022). Hence, the first hypothesis is as follows:

H1: Experiential marketing has a significant effect on customer satisfaction.

Further extending this line of inquiry, experiential marketing has been found not only to improve satisfaction but also to enhance customer loyalty indirectly. This relationship is evident across various sectors such as cafes and supermarkets, where customer satisfaction serves as a mediating factor between experiential marketing and loyalty (Soliha et al., 2021). Moreover, integrating experiential marketing with other approaches, such as relationship marketing or green marketing, can amplify its effectiveness. These synergistic strategies help businesses foster deeper emotional and behavioral connections with their customers (Alaoui & Ouhna, 2024; Lee & Peng, 2021). Therefore, the second hypothesis is as follows:

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

Complementing experiential efforts, emotional marketing plays a crucial role in building psychological bonds between customers and brands. Unlike traditional marketing tactics focusing solely on features or price, emotional marketing aims to tap into customers' feelings, aspirations, and values. This emotional engagement encourages stronger brand loyalty and deeper customer involvement (Choi et al., 2024). Positive emotional experiences, generated through branding, storytelling, service, or design, contribute significantly to higher satisfaction, trust, and commitment (Owusu & Kankam, 2025). These outcomes are essential for cultivating long-term loyalty, especially in experience-driven industries. Hence, the third hypothesis is as follows:

H3: Emotional marketing has a significant effect on customer satisfaction.

The impact of emotional marketing on loyalty is supported across multiple industries, including hospitality, fashion, retail, and technology. In competitive markets, such as luxury fashion, emotional branding helps firms to differentiate themselves by appealing to consumers' personal experiences and emotional needs. Research shows that such positive emotional engagement enhances the quality of customer-brand relationships, which directly influences loyalty (Handique & Sarkar, 2024). In the mobile phone industry, emotional marketing has been

linked to increased brand identity and trust, further reinforcing consumer loyalty (Jiang et al., 2023). So, the fourth hypothesis is as follows:

H4: Emotional marketing has a significant effect on customer loyalty

Lastly, customer satisfaction itself remains a critical determinant of customer loyalty. A strong positive correlation exists between satisfaction and loyalty across industries, indicating that satisfied customers are more inclined to return, recommend, and advocate for the brand. For instance, in the telecommunications sector, factors such as reliability, responsiveness, and empathy are found to significantly influence loyalty through satisfaction (Ding & Jiang, 2025). In capital-intensive industries like petrochemicals, elements such as product quality and corporate image are pivotal in fostering satisfaction that translates into lasting loyalty (Kosasih et al., 2024). Hence, the fifth hypothesis is as follows:

H5: Customer satisfaction has a significant effect on customer loyalty

The research also has practical implications for supporting the creative industry and sustainable tourism. By enhancing customer loyalty through experience-based and emotion-based marketing approaches, coffee shop businesses in Bali can build stronger competitiveness and support local economic sustainability. Furthermore, the research findings can serve as a foundation for recommendations to stakeholders, including local governments and business operators, in designing policies that promote a more innovative and responsive business ecosystem tailored to the needs of young consumers. Considering the urgency and relevance of this research, it is expected to make a significant contribution to the development of experience- and emotion-based marketing strategies to enhance customer satisfaction and loyalty in Bali's coffee shop industry. The findings can also serve as a reference for business owners in understanding Gen Z consumer preferences, enabling them to create more memorable experiences and positively impact their business sustainability

METHODS

The online questionnaire is distributed via two channels: QR codes displayed at XYZ Coffee Shop and direct Google Form links shared through the coffee shop's official Instagram account. A total of 250 invitations are disseminated, yielding 183 usable responses, representing a 73.2% response rate. Participation is voluntary, and respondents provide informed consent before beginning the survey. The research adheres to ethical research guidelines set by the Politeknik Negeri Bali Research Ethics Committee, ensuring anonymity, confidentiality, and

the right to withdraw at any time without consequence. The survey uses closed-ended questions on a 5-point Likert scale, where 1 indicates strong disagreement and 5 indicates strong agreement with the statements corresponding to each research indicator. Table 2 presents the operational definitions of the variables utilized in the research.

The research employs a quantitative research design using Multilayer Partial Least Squares Structural Equation Modeling (PLS-SEM) with a focus on Higher-Order Construct (HOC) to capture the multidimensional nature of constructs such as experiential marketing and customer loyalty (see Figure 1). The multilayer model approach allows

Table 2 Operational Definitions and Indicators in the Research

Variables	Operational Definition	Indicator	Item
Experiential Marketing (Nayak & Satpathy, 2024) (X1)	A marketing strategy that enhances customer experience by engaging their senses, emotions, thoughts, behaviors, and social connections. It aims to create memorable interactions beyond the core product (coffee) to foster strong emotional bonds and customer loyalty.	Sense (X1.1)	<ul style="list-style-type: none"> This service provides a pleasant sensory experience. (X1.1.1) I enjoy its visual, texture, or scent quality. (X1.1.2)
		Feel (X1.2)	<ul style="list-style-type: none"> This service evokes positive emotions. (X1.2.1) I feel emotionally connected when visiting. (X1.2.2)
		Think (X1.3)	<ul style="list-style-type: none"> This service stimulates my curiosity. (X1.3.1) It offers innovative and unique concepts. (X1.3.2)
		Act (X1.4)	<ul style="list-style-type: none"> This product/service influences my lifestyle. (X1.4.1) It encourages changes in my daily habits. (X1.4.2)
		Relate (X1.5)	<ul style="list-style-type: none"> This service makes me feel part of a community. (X1.5.1) It aligns with my values and identity. (X1.5.1)
Emotional Marketing (Jindal et al., 2023) (X2)	A strategic approach that leverages customers' emotions to create deep, lasting connections with the brand. It focuses on evoking positive feelings, enhancing brand attachment, and influencing purchasing behavior through meaningful experiences.	Product (X2.1)	<ul style="list-style-type: none"> I feel emotionally attached to this product/service. (X2.1.1) This product/service creates a memorable experience. (X2.1.2)
		Money (X2.2)	<ul style="list-style-type: none"> I feel this product/service is worth the price. (X2.2.1) I am willing to pay more for this product/service due to its emotional value. (X2.2.2)
		Equity (X2.3)	<ul style="list-style-type: none"> This product/service has a strong and positive brand image. (X2.3.1) I trust this product/service more than its competitors. (X2.3.2)
		Experience (X2.4)	<ul style="list-style-type: none"> Using this product/service gives me a satisfying emotional experience. (X2.4.1) I enjoy every moment when using this product/service. (X2.4.2)
		Energy (X2.5)	<ul style="list-style-type: none"> This product/service makes me feel excited and enthusiastic. (X2.5.1) I feel more energized and motivated after using this product/service. (X2.5.2)
Customer Satisfaction (Ferrentino & Boniello, 2020) (Y1)	The overall contentment of customers with the products, services, and experiences provided by the coffee shop. It is the degree to which customer expectations are met or exceeded during their visit, encompassing various aspects.	Expectation Fulfillment (Y1.1)	<ul style="list-style-type: none"> This product/service meets my expectations. (Y1.1.1) I am satisfied with the quality of this product/service. (Y1.1.2)
		Intention to Revisit (Y1.2)	<ul style="list-style-type: none"> I intend to use this product/service again in the future. (Y1.2.1) I prefer this product/service over similar alternatives. (Y1.2.2)
		Willingness to Recommend (Y1.3)	<ul style="list-style-type: none"> I will recommend this product/service to others. (Y1.3.1) I am confident in sharing positive experiences about this product/service. (Y1.3.2)
Customer Loyalty (Ravula et al., 2022) (Y2)	The ongoing commitment of customers to consistently choose the same coffee shop over competitors, driven by their positive experiences, satisfaction, and emotional attachment. Loyal customers are not only repeat visitors but also active advocates for the brand.	Positive Review (Y2.1)	<ul style="list-style-type: none"> I share positive experiences about this product/service with others. (Y2.1.1) I express satisfaction with this product/service through reviews or conversations. (Y2.1.2)
		Recommend (Y2.2)	<ul style="list-style-type: none"> I recommend this product/service to friends or family. (Y2.2.1) I believe this product/service is worth recommending to others. (Y2.2.2)
		Repurchase (Y2.3)	<ul style="list-style-type: none"> I intend to buy/use this product/service again. (Y2.3.1) I prefer this product/service over competitors for future purchases. (Y2.3.2)

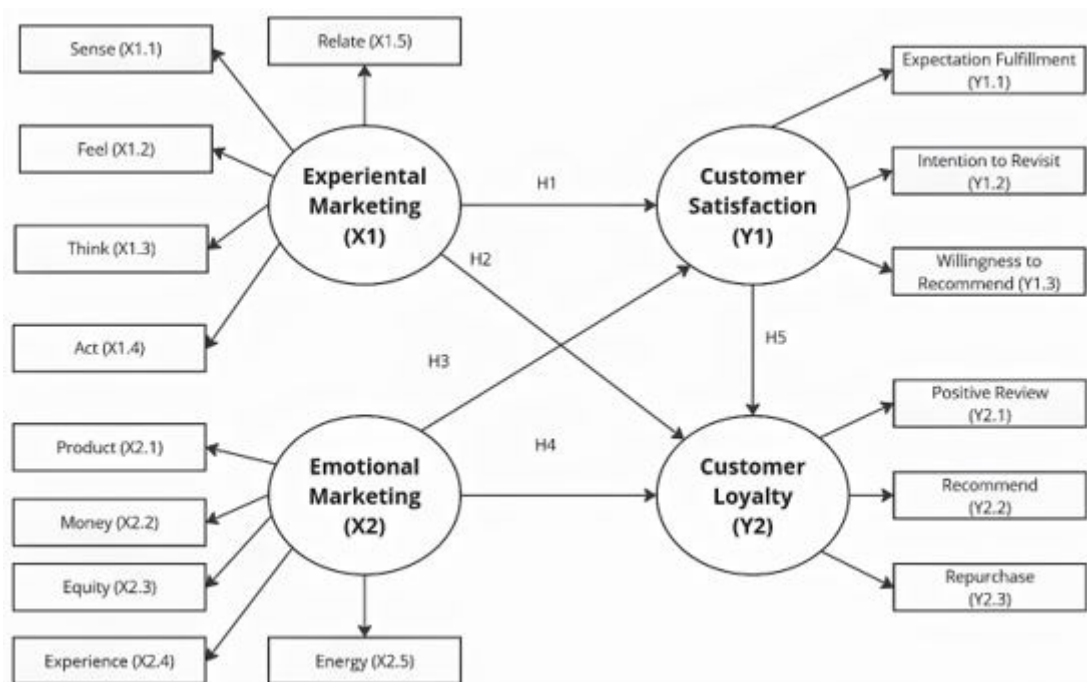


Figure 1 Conceptual Framework

researchers to conceptualize complex constructs as being composed of multiple dimensions (first-order constructs), thereby providing a more holistic representation (Cataldo et al., 2023). Constructs such as experiential marketing are modeled as reflective-reflective second-order constructs encompassing subdimensions like sense, feel, think, act, and relate. The repeated indicators approach is used to estimate these HOCs, as it is suitable for reflective models and helps preserve the full information of measurement indicators (Wei et al., 2022). The SmartPLS software is employed for model estimation due to its robustness in handling complex hierarchical models and small to medium sample sizes.

The research follows the two-stage procedure proposed by Hair et al. (2023), which involves evaluating the measurement and structural models. The measurement model is assessed for reliability and validity using composite reliability, Cronbach's alpha, Average Variance Extracted (AVE), and discriminant validity (via Fornell-Larcker and Heterotrait-Monotrait Ratio of Correlations criteria). The structural model is then analyzed using path coefficients, t-values, R^2 values, and predictive relevance (Q^2) via bootstrapping with 5,000 subsamples.

RESULTS AND DISCUSSION

The research primarily targets Gen Z as the main research population. A small number of Millennial respondents are also included in the sample. Their participation occurs naturally during data collection, particularly because of overlapping digital behavior and platform use between the two cohorts. However, the analysis remains focused on Gen Z, as they

constitute the dominant portion of the sample and represent the core demographic of interest in the research. The presence of Millennial respondents is acknowledged, but their proportion is not substantial enough to influence the overall findings or shift the study's primary emphasis from Gen Z consumer behavior.

According to 183 clients who participate in the survey and provide responses, 31.15% are male and 68.85% are female. The largest age group is 17 to 25 years old, accounting for 81.42% of the respondents. Clients, who are studying while working (students), represent the largest occupational characteristic at 66.12%. Reports on customer visits to XYZ Coffee Shop within a month indicate that most have visited 1–5 times, with 52.46%. Table 3 (see Appendices) presents the respondents' characteristics.

To evaluate the robustness of the measurement and structural models, both the outer model and inner model are tested. The outer model is assessed to ensure the constructs' reliability and validity, focusing on convergent validity, discriminant validity, and composite reliability (see Figure 2 in Appendices). Convergent validity is evaluated by examining the loading factors of each indicator on its respective construct. Indicators with loading values greater than 0.70 are deemed valid, indicating they adequately represent the latent variables they measure (Dos Santos & Cirillo, 2023). In the research, all indicator loadings exceed this threshold, confirming the validity of the measurement model.

In addition to loading values, convergent validity is further examined using AVE. Table 4 (see Appendices) displays the AVE values for each construct. According to Akinsolu and Zribi

(2023), constructs with AVE values greater than 0.50 capture a sufficient proportion of variance relative to measurement error. All constructs in the research report AVE values above this benchmark, indicating satisfactory convergent validity. The model's constructs meet the requirement, further supporting convergent validity and allowing the assessment to proceed to the discriminant validity stage. Discriminant validity is assessed through a cross-loadings matrix, which compares an indicator's loadings on its own construct with those on other constructs. Valid discriminant validity exists when an indicator loads more strongly on its own construct than on others. This condition is satisfied, indicating that all constructs were empirically distinct. Table 5 (see Appendices) presents the cross-loading score.

After confirming validity, the reliability of the constructs is evaluated using Cronbach's alpha and composite reliability. Cronbach's alpha assesses internal consistency under the assumption of equal factor loadings, while composite reliability provides a more accurate estimate based on actual outer loadings. Both values exceed the minimum threshold of 0.70 (see Table 6 in Appendices), indicating that the constructs demonstrated strong internal reliability (Hair et al., 2023).

To assess the explanatory power of the structural model, the R^2 values of the endogenous variables are analyzed. R^2 values of 0.75, 0.50, and 0.25 indicate substantial, moderate, and weak levels of explanation, respectively (Cronin et al., 2025). In the research, the R^2 values for customer satisfaction and customer loyalty are 0.950 and 0.957, respectively, demonstrating substantial explanatory power. Furthermore, the model's predictive relevance is evaluated using the Q^2 statistics, obtained via blindfolding. A Q^2 value greater than zero indicates that the model has predictive relevance, with thresholds of 0.02, 0.15, and 0.35 representing small, medium, and large relevance (Le & Nguyen, 2024). The research yields a Q^2 value of 0.998 in Equation (1), suggesting exceptional predictive relevance.

$$Q^2 = 1 - (1 - R^2) \times (1 - R^2)$$

$$Q^2 = 1 - (1 - 0.950) \times (1 - 0.957) = 0.998 \quad (1)$$

Additionally, the Goodness of Fit (GoF) index is calculated to assess the model's global performance. GoF values of 0.10, 0.25, and 0.36 are interpreted as small, medium, and large model fit, respectively (Maydeu-Olivares et al., 2023). The high AVE and R^2 scores in the research contribute to a large GoF value, confirming the model's overall adequacy. The research yields a GoF value of 0.89.

$$GoF = \sqrt{\text{mean AVE} \times \text{mean } R^2}$$

$$GoF = \sqrt{\frac{0.823 + 0.823 + 0.833 + 0.826}{4} \times \frac{0.950 + 0.957}{4}} = 0.89 \quad (2)$$

The inner model is then tested by analyzing path coefficients via bootstrapping with 5,000 resamples. A path is considered statistically significant if the t-statistic is greater than 1.96 and the p-value is less than 0.05. All five hypotheses proposed meet these criteria, confirming the hypothesized relationships. Specifically, H1 shows that experiential marketing significantly affects customer satisfaction ($\beta = 0.312$, $t = 2.757$, $p = 0.006$), while H2 reveals a significant effect of experiential marketing on customer loyalty ($\beta = 0.425$, $t = 3.601$, $p = 0.000$). For emotional marketing, H3 shows a strong influence on customer satisfaction ($\beta = 0.668$, $t = 6.017$, $p = 0.000$), and H4 confirms a significant effect on customer loyalty ($\beta = 0.337$, $t = 2.619$, $p = 0.009$). Finally, H5 validates that customer satisfaction significantly affects customer loyalty ($\beta = 0.225$, $t = 2.459$, $p = 0.014$). Table 7 (see Appendices) presents the path coefficient score.

In-depth interpretation of the results reveals that experiential marketing has a meaningful and positive impact on customer satisfaction. Through sensory appeal, emotional engagement, cognitive stimulation, behavioral interaction, and social identity, experiential marketing creates immersive and memorable interactions. These findings are supported by Miranda-Guerra et al. (2022) and Bayır (2022). They have emphasized that experiential strategies enrich both the functional and symbolic value of services, enhancing satisfaction.

In lifestyle-driven markets like Bali, customer satisfaction is not merely about coffee quality but also about the overall experience. It includes interior design, customer service, and ambiance. This holistic experience fosters emotional bonds and aligns with Prentice et al. (2022), who have argued that customers are active participants in experiential value creation. Therefore, enhancing experiential elements becomes a strategic imperative for exceeding customer expectations.

Beyond satisfaction, experiential marketing also significantly boosts customer loyalty. A strong path coefficient ($\beta = 0.425$) suggests that immersive brand experiences lead to deeper customer attachment and repeat patronage. Examples from the travel and fashion sectors (e.g., Chanel's pop-up stores) support this result, where experiential design enhances consumer loyalty (Wang, 2025). This result also aligns with Rashid et al. (2021), who have found that sensory and emotional experiences solidify brand attachment.

In a competitive tourism context like Bali, experiential marketing becomes a differentiator. Coffee shops that offer social engagement, events, and visual appeal can strengthen affective and behavioral loyalty. According to Coico et al. (2024), the mediating role of experiences is highlighted in building brand equity. Thus, enhancing experiential dimensions can serve both as a value-add and as a loyalty-driving mechanism.

Parallel to that, emotional marketing has the strongest effect on customer satisfaction ($\beta = 0.668$), indicating that emotional connection is crucial in

shaping how customers perceive service value. Trust, affection, excitement, and belonging are emotional drivers that elevate satisfaction beyond transactional benefits (Choi et al., 2024). This strategy helps brands to create lasting impressions through meaningful interactions.

Practically, emotional marketing in coffee shops may include storytelling, nostalgic design, community involvement, or personalization. Such strategies can significantly enhance customer engagement and satisfaction (Bui & Nguyen, 2022). In Bali's coffee scene, emotionally compelling environments cater to lifestyle-seeking consumers and help businesses to stand out in saturated markets.

Moreover, emotional marketing also influences loyalty ($\beta = 0.337$). This result confirms that emotional branding deepens psychological attachment and commitment. When customers feel aligned with a brand's values or mission, such as sustainability or community, they are more likely to remain loyal. Findings from the luxury, tech, and hospitality industries reinforce this result (Bishnoi & Singh, 2022; Jiang et al., 2023). Even in service recovery contexts, emotional responses influence loyalty (Lee & Jun, 2025).

For Bali's coffee shops, emotionally resonant narratives (e.g., barista stories or local sourcing) can differentiate the brand. These narratives build emotional capital and stimulate word of mouth. Previous research by Pérez Mendoza et al. (2024) affirms that emotional engagement fosters relational quality and loyalty, underscoring the strategic value of emotional marketing.

Lastly, customer satisfaction plays a crucial role in assuring that consumers perceive high value from the product or service, which supports sustained loyalty over time ($\beta = 0.225$). This result confirms traditional marketing theory, that satisfaction is a precursor to loyalty (Bhatti et al., 2020). Satisfied customers are more likely to return, recommend, and resist switching even when alternatives exist. The magnitude may be moderate, but the linkage is critical.

The research is especially relevant for service-based businesses like coffee shops, where consistency and experience play a pivotal role. As demonstrated by Gunawan and Chandra (2024), satisfaction depends on both product and service quality. The mediating role of satisfaction between experiential/emotional factors and loyalty is consistent with the findings of Miranda-Guerra et al. (2022), confirming its importance in loyalty formation and business sustainability.

CONCLUSIONS

The research uniquely integrates experiential and emotional marketing into a single PLS-SEM model, specifically within a tourism-driven coffee shop context in Bali. This dual-focus approach offers fresh insights into how sensory, cognitive, and emotional

drivers jointly influence loyalty in a lifestyle-oriented market. Beyond theoretical integration, the research novelty lies in applying a reflective–reflective HOC approach to model experiential and emotional marketing dimensions in a single framework. This methodological choice allows a richer capture of construct complexity, offering both measurement and strategic insights for practitioners.

The findings from the PLS-SEM analysis indicate that both experiential and emotional marketing have a significant and positive impact on customer satisfaction and loyalty. Furthermore, customer satisfaction is found to have direct effects on customer loyalty, thereby validating its role as a critical determinant of sustaining long-term customer relationships. These results confirm that contemporary consumers, especially those within the Gen Z segments, value more than just product functionality. They seek immersive and emotionally resonant experiences that align with their lifestyle and values. The findings underscore the theoretical propositions that service experience and emotional connection are pivotal in building lasting customer bonds. In sum, the research contributes empirical evidence supporting the integration of affective and experiential elements in marketing strategies, particularly in lifestyle-centric service industries.

Despite the valuable insights provided, several limitations must be acknowledged. First, the research uses a cross-sectional design, collecting data at a single point in time. This method limits the ability to determine cause-and-effect relationships or observe changes in customer perceptions over time. Second, the research relies solely on self-reported data collected through online questionnaires. Such methods may be affected by biases, including social desirability and memory recall errors, which can affect response accuracy. Third, the research applies a non-probability purposive sampling method and focuses on customers from a single coffee shop in Denpasar, Bali. This narrow and localized sample limits the generalizability of the findings to broader or more diverse consumer populations in different regions or cultural settings.

Future studies should explore broader and more diverse samples across different geographic and cultural contexts to increase the external validity of findings. Longitudinal designs are also recommended to understand better the dynamics of customer satisfaction and loyalty over time. Moreover, incorporating moderating variables, such as customer personality, brand image, or digital engagement, may provide deeper insights into the mechanisms by which experiential and emotional marketing drive consumer behavior. As digital platforms increasingly mediate customer experiences, future research may also investigate the role of virtual experiential marketing and emotional engagement via social media and mobile commerce channels.

AUTHOR CONTRIBUTIONS

Conceived and designed the analysis, R. N. F.; Collected the data, P. A. P. and I. A. P. W. R.; Contributed data or analysis tools, N. I. K. D.; Performed the analysis, R. N. F.; and Wrote the paper, R. N. F., N. I. K. D., P. A. P., and I. A. P. W. R.

DATA AVAILABILITY

The data that support the findings of the research are available from the corresponding author, Rifqi Nur Fakhrurozi, upon reasonable request. There is a confidentiality agreement with the café stating that the authors are not permitted to disclose the identity of the café or the consumers who participated as respondents.

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APPENDICES

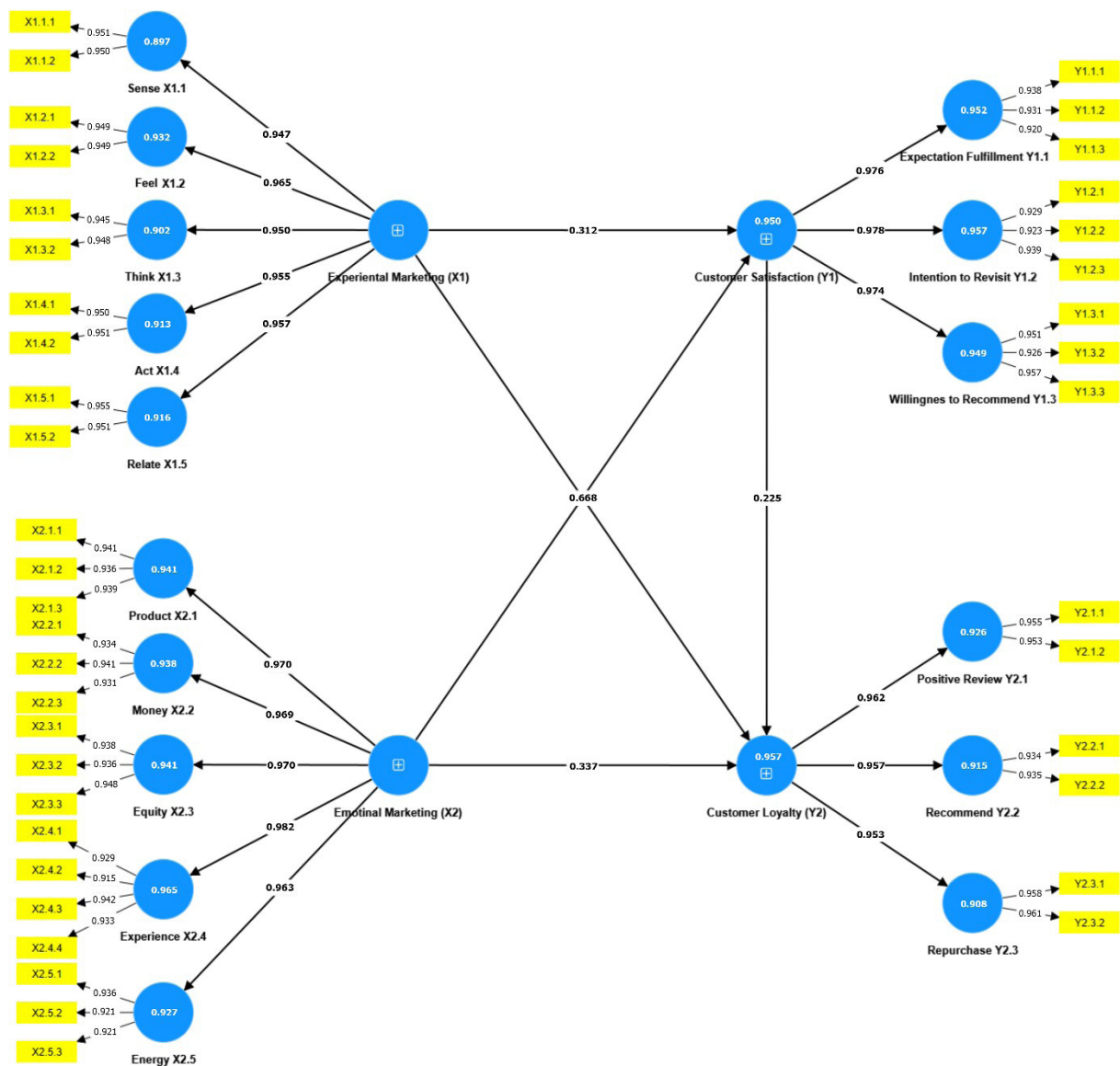


Figure 2 Outer Model Results

Table 3 Respondents' Characteristics

Respondent Demographics	Frequency	Percentage
Gender		
Male	57	31.15%
Female	126	68.85%
Total	183	100%
Age		
17–25	149	81.42%
26–34	34	18.58%
Total	183	100%
Occupation		
Private Sector	43	23.50%
Entrepreneurs	15	8.20%
Students	121	66.12%
Others	4	2.18%
Total	183	100%
Intensity		
1–5	96	52.46%
6–10	64	34.97%
> 10	23	12.57%
Total	183	100%

Table 4 Results of Average Variance Extracted (AVE) Score

Variable		Average Variance Extracted (AVE)
X1	Experiential Marketing	0.823
X2	Emotional Marketing	0.823
Y1	Customer Satisfaction	0.833
Y2	Customer Loyalty	0.826

Table 5 Results of Cross Loading

Indicator	X1	X2	Y1	Y2
X1.1.1	0.893	0.8745	0.875	0.880
X1.1.2	0.910	0.888	0.876	0.907
X1.2.1	0.918	0.893	0.868	0.868
X1.2.2	0.916	0.906	0.886	0.899
X1.3.1	0.888	0.867	0.866	0.865
X1.3.2	0.912	0.893	0.878	0.896
X1.4.1	0.903	0.878	0.867	0.871
X1.4.2	0.915	0.883	0.878	0.870
X1.5.1	0.928	0.888	0.887	0.887
X1.5.2	0.898	0.882	0.869	0.876
X2.1.1	0.875	0.899	0.863	0.850
X2.1.2	0.896	0.919	0.882	0.904
X2.1.3	0.900	0.917	0.895	0.888
X2.2.1	0.884	0.902	0.881	0.878
X2.2.2	0.903	0.928	0.915	0.913
X2.2.3	0.848	0.891	0.859	0.844
X2.3.1	0.894	0.913	0.913	0.886
X2.3.2	0.893	0.908	0.872	0.899
X2.3.3	0.892	0.920	0.889	0.882
X2.4.1	0.892	0.917	0.898	0.884
X2.4.2	0.879	0.904	0.858	0.869
X2.4.3	0.907	0.921	0.895	0.891
X2.4.4	0.900	0.916	0.903	0.892
X2.5.1	0.892	0.912	0.900	0.899
X2.5.2	0.853	0.868	0.864	0.867
X2.5.3	0.861	0.887	0.845	0.860
Y1.1.1	0.871	0.877	0.910	0.870
Y1.1.2	0.880	0.892	0.915	0.909
Y1.1.3	0.883	0.889	0.890	0.871
Y1.2.1	0.880	0.896	0.913	0.873
Y1.2.2	0.881	0.866	0.903	0.854
Y1.2.3	0.888	0.898	0.918	0.875
Y1.3.1	0.880	0.908	0.920	0.889
Y1.3.2	0.884	0.878	0.911	0.882
Y1.3.3	0.878	0.892	0.933	0.894
Y2.1.1	0.901	0.901	0.910	0.928
Y2.1.2	0.892	0.889	0.886	0.910
Y2.2.1	0.876	0.870	0.865	0.891
Y2.2.2	0.865	0.849	0.850	0.897
Y2.3.1	0.861	0.868	0.856	0.899
Y2.3.2	0.904	0.920	0.888	0.930

Table 6 Reliability Test Results

Variable	Cronbach's Alpha	Composite Reliability
Experiential Marketing	0.976	0.979
Emotional Marketing	0.986	0.987
Customer Satisfaction	0.975	0.978
Customer Loyalty	0.958	0.966

Table 7 Results of Path Coefficient

Hypothesis	Original Sample (O)	Standard Deviation (STDEV)	T-Statistics (O/STERR)	P-Value	Hypothesis Conclusion
H1	0.312	0.113	2.757	0.006*	Accepted
H2	0.425	0.118	3.601	0.000**	Accepted
H3	0.668	0.111	6.017	0.000**	Accepted
H4	0.337	0.129	2.619	0.009*	Accepted
H5	0.225	0.092	2.459	0.014*	Accepted