

**THE EFFECT OF EXPERIENTIAL MARKETING ON WORD OF MOUTH  
WITH CUSTOMER SATISFACTION AS A MEDIATION VARIABLE (CASE  
STUDY AT SRIVIJAVA COFFEE)**

**Aditya Liliyan**

**Management Study Program, Sekolah Tinggi Ilmu Ekonomi Surakarta**

[adityaliliyan@gmail.com](mailto:adityaliliyan@gmail.com)\*

**Fahmi Rizka Luqmana**

**Management Study Program, Sekolah Tinggi Ilmu Ekonomi Surakarta**

***Abstract***

*This study aims to analyze the effect of experiential marketing on word of mouth, with customer satisfaction as a mediating variable, in the context of Srivijava Coffee consumers. The research is based on the importance of customer experience in shaping satisfaction and encouraging positive communication behavior among consumers. A quantitative research method was employed using Structural Equation Modeling (SEM), with primary data collected through questionnaires distributed to 100 respondents. Data analysis was conducted using R software with the Maximum Likelihood estimation method. The results show that experiential marketing has a positive and significant effect on customer satisfaction, with a standardized estimated value of 0.738. Furthermore, customer satisfaction significantly influences word of mouth (0.349), and experiential marketing also has a direct impact on word of mouth (0.464). These findings indicate that customer satisfaction partially mediates the relationship between experiential marketing and word of mouth. The R-squared values of 0.544 for customer satisfaction and 0.576 for word of mouth demonstrate that the model has a strong explanatory power for the dependent variables. The model fit indices also indicate a good fit, with CFI = 0.973, TLI = 0.969, RMSEA = 0.046, and SRMR = 0.044. The study concludes that enhancing customer experience significantly increases satisfaction, which in turn encourages customers to recommend Srivijava Coffee to others. Therefore, it is recommended that management continues to strengthen high-impact aspects of experiential marketing, such as service quality, store atmosphere, and emotional interaction with customers.*

***Keywords: Customer Satisfaction, Experiential Marketing, SEM, Word of Mouth***

## **INTRODUCTION**

Indonesia, as one of the largest coffee producers in the world, has a very potential market for the coffee shop business. According to data from the Indonesian Coffee Exporters and Industry Association (AEKI), coffee consumption in Indonesia continues to increase, with an average annual growth of 8%. In 2023, coffee consumption in Indonesia will reach more than 300,000 tons, and this figure is predicted to continue to increase along with the increasing interest of the younger generation in specialty coffee. Another report from the United States Department of Agriculture (USDA), coffee consumption in Indonesia in the 2024/2025 period is expected to increase by 10,000 bags, from 4.45 million bags in the 2020/2021 period to 4.8 million bags by the end of 2025. The instant and roasted coffee market, both for home and away-from-home consumption, is expected to continue to increase in 2024 to 2028, with a market value reaching 11.58 billion US dollars by the end of 2025.

The coffee shop market in Indonesia is dominated by two types of players: international coffee shops such as Starbucks, Coffee Bean & Tea Leaf, and local coffee shops such as Kopi Kenangan, Janji Jiwa, Kopi Kulo, Kopi Lain Hati, Point Coffee, Fore Coffee, Kopi Soe, Djournal Coffee, Tanamera Coffee, Kopi Tuku, and others. Local coffee shops have shown rapid growth, especially with franchise business models and effective digital marketing strategies. According to a report from Nielsen, 65% of Indonesian consumers prefer local coffee shops because of competitive prices and more familiar flavors. In addition, the younger generation of Indonesia, especially Gen Z and millennials, now tend to be more interested in new experiences and more authentic products. This makes local coffee shops, especially those offering specialty coffee and unique concepts, more in demand.

Local coffee shop businesses in Indonesia have great potential to grow. The increasing trend of coffee consumption and the deep-rooted coffee culture in this country create great opportunities for local coffee shop businesses. According to a report from the International Coffee Organization (ICO), the specialty coffee market in Indonesia is predicted to grow by 12% per year until 2025. This shows great potential for local coffee shops that focus on product quality and uniqueness. Data also notes that in 2023, the number of coffee shop outlets in Indonesia has reached more than 20,000 outlets,

a very significant increase from local coffee shops. Business concepts can also be very varied and adapted to market interests. For example, coffee shops with an environmentally friendly concept, coffee shops with a certain theme, or even virtual coffee shops that only serve online delivery. This room for innovation opens up opportunities for business actors to highlight the unique character of their products and services, which can attract consumers' attention amidst market competition.

In an era of increasingly tight business competition, especially in the culinary industry such as coffee shops, creating a memorable customer experience is an important strategy in attracting and retaining consumers. Today's consumers are not only looking for quality products, but also a comprehensive experience that includes the atmosphere of the place, interaction with staff, and the emotional value felt while in the place. The concept of experiential marketing emerged as an approach that emphasizes the creation of experiences that touch the emotions and senses of customers, so as to foster a stronger attachment to the brand.

In the context of coffee shops, experiential marketing is realized through various elements such as attractive interior design, friendly service, unique menus, and a comfortable atmosphere for relaxing or working. When the experience succeeds in forming a positive impression, customers tend to feel satisfied and have a tendency to share their experiences with others voluntarily through word of mouth (WOM). Positive word of mouth is very influential in influencing the purchasing decisions of other potential consumers and becomes an effective promotional tool without large costs.

However, the direct effect between experiential marketing and word of mouth does not always occur linearly. Customer satisfaction plays an important role as a mediating variable, where a pleasant experience must first create satisfaction before encouraging customers to recommend the coffee shop to others. Therefore, a deep understanding of the relationship between experiential marketing, customer satisfaction, and word of mouth is important for coffee shop business actors to be able to design effective marketing strategies that are oriented towards customer experience.

Based on this background, this study aims to analyze the influence of experiential marketing on word of mouth, as well as the mediating role of customer satisfaction in this relationship, with a case study of coffee shop consumers at Srivijaya Coffee.

## **LITERATURE REVIEW AND HYPOTHESIS**

### **1. Experiential Marketing Theory**

Experiential Marketing is a marketing strategy that emphasizes creating direct and meaningful experiences between brands and consumers. The goal is not only to convey marketing messages, but to engage consumers' emotions, senses, and active interactions with products or services, thereby creating deep emotional attachments. The goal of Experiential Marketing (Kotler and Keller, 2010) is to create memorable and emotional experiences for consumers through direct interaction with products or services.

- a. Building emotional engagement between consumers and brands. Experiential marketing focuses on creating moments that touch consumers' feelings. When consumers feel emotionally connected to a brand, for example because of a pleasant or surprising experience, they will feel a stronger and more personal bond with the brand.
- b. Increasing customer loyalty through positive experiences that are difficult to forget. Unique and enjoyable experiences create a deep impression that will continue to be remembered by customers. This can make them return to using the product or service in the future because of the satisfaction and good impression they have experienced.
- c. Encourages word of mouth as consumers feel compelled to share their experiences. Consumers who experience extraordinary things tend to want to tell others. Through personal stories, testimonials, or social media posts, they voluntarily spread positive information about the brand, which is very effective and credible in the eyes of other potential customers.
- d. Differentiate the brand from competitors by offering more value through experiences, not just products. In a competitive marketplace, experiential marketing provides a competitive advantage. Brands that provide memorable

experiences, such as interactive events, unique packaging, or personalized service, will be more easily recognized and remembered than brands that only offer standard products.

- e. Improve brand perception and image in the eyes of consumers. Positive experiences have a direct effect on consumer perceptions of the quality and value of a brand. If the experience is pleasant, consumers will tend to consider the brand premium, trustworthy, or caring about customers, which strengthens its positive image.
- f. Increase purchase intention and conversion, because consumers directly feel the benefits of the product/service. When consumers can try, touch, or feel a product/service themselves, they will be more confident and motivated to buy. This direct experience reduces doubt and speeds up purchasing decisions.

Experiential Marketing measurement indicators are based on Schmitt's five dimensions (1999):

- a. **The Sense dimension** is measured by linking how the brand stimulates the consumer's five senses (sight, hearing, smell, touch, and taste) to create a pleasant experience. Thus, it appears:
  - 1) The visual appearance of the product/service is aesthetically attractive, that is, by presenting well-designed visuals (color, design, layout) it will attract attention and increase the perception of product quality.
  - 2) The atmosphere of a place or physical environment is pleasant and comfortable, namely by creating a clean, tidy and comfortable shop or service environment, it can increase comfort when interacting with the brand.
  - 3) Sound, aroma, or other sensory elements enhance the customer experience, such as background music, a distinctive aroma, or certain lighting can create a positive atmosphere and enhance brand impressions.
- b. **The Feel dimension** is measured by linking the target emotional aspect, namely how the brand evokes certain positive feelings or moods. So that it appears:

- 1) Interaction with the brand creates a feeling of joy and appreciation, that is, providing warm and attentive service creates a feeling of appreciation that strengthens the bond with the brand.
  - 2) Experience with the brand evokes positive emotions (joy, satisfaction, impression), namely by eliciting memories that are more easily remembered by consumers and brands that are able to provide pleasant or touching moments.
  - 3) The brand provides an emotionally touching experience, by eliciting deeper emotions such as pride, inspiration, or touch can strengthen emotional loyalty to the brand.
- c. **The Think dimension** is measured by encouraging consumers to think creatively, logically, or reflectively, by providing mentally challenging experiences. Thus, it appears:
- 1) The brand presents a concept that is creative and different from others, namely by fostering innovation or a unique approach it will attract attention and create differentiation in the minds of consumers.
  - 2) Experience with brands encourages innovative or critical thinking, namely by raising the idea that brands can make consumers think outside the box, thereby strengthening the impression of being intellectual and intelligent.
  - 3) Brand activities stimulate my thinking on a topic or value, by providing a social campaign approach or educational theme from the brand can create a deeper mental and social impact.
- d. **The Act dimension** is by measuring the focus on how brands can influence consumer behavior, lifestyle, and real actions. So that it appears:
- 1) Experiences with a brand encourage positive lifestyle or habit changes, by suggesting that the brand can influence consumers to be healthier, more environmentally friendly, or more productive.
  - 2) The urge to try new things after interacting with a brand, by showing that an inspiring brand can encourage exploration and courage to try new products, services or activities.

- e. The Relate Dimension (Social Relationships) is measuring consumers' relationships with other people and creating a sense of belonging to a group or community. So that it appears:

- 1) The feeling of being connected to other people or a community through the brand, by creating a sense that the brand can build a customer community, for example, loyal users, forums, events can strengthen social ties and shared loyalty.

## **2. Customer Satisfaction Theory**

Customer Satisfaction (Richard L. Oliver, 1997) is a measure of how satisfied customers are with a product, service, or experience provided by a company. This measurement reflects the extent to which customer expectations are met or even exceeded. Customer satisfaction depends not only on product quality, but also on the overall experience felt by customers when interacting with the company, from the purchasing process, after-sales service, to how the company handles complaints.

Customer satisfaction is very important because satisfied customers tend to show loyalty to the brand or company. Because customers are more likely to make repeat purchases, provide positive reviews, and recommend the product or service to others. Conversely, dissatisfied customers have the potential to leave the company and switch to competitors, and spread negative experiences that can damage the business image. The objectives of measuring Customer Satisfaction (Kotler & Keller, 2009) are as follows:

- a. Increase Customer Loyalty, satisfied customers tend to continue using the product or service and become loyal customers.
- b. Encourage Repeat Purchases, customer satisfaction increases the likelihood of customers making repeat purchases.
- c. Increase Word of Mouth Promotion, satisfied customers will recommend the product/service to others.
- d. Reduce Complaints and Complaints, high satisfaction usually means fewer problems and complaints from customers.
- e. Improve Company Reputation and Image, satisfied customers will form a positive perception of the company in the eyes of the public.

- f. Increase Competitive Advantage, companies with high levels of customer satisfaction are better able to compete in the market.
- g. Provide Input for Product/Service Improvement, satisfaction evaluation helps companies identify areas that need improvement.
- h. Increase Revenue and Profitability, satisfied customers tend to make more transactions and spend less money to attract new customers.

The customer satisfaction measurement indicators according to Oliver (1997) used in this study are as follows:

**a. Expectancy Confirmation**

- 1) Customers are satisfied when what they expect from a product or service matches, or even exceeds, the reality they experience.
- 2) If performance is below expectations, customers tend to be dissatisfied.

**b. Perceived Quality**

- 1) The level of customer perception of the quality of the product or service received.
- 2) Includes aspects of reliability, durability, clarity, and ease of use.

**c. Perceived Value**

- 1) Comparison between the benefits received by customers and the sacrifices made (price, time, effort).
- 2) The higher the perceived value, the higher the level of satisfaction.

**d. Product/Service Performance**

- 1) Customers' assessment of how well the product or service works to meet their needs.
- 2) This is the basis for evaluating whether they are satisfied or dissatisfied.

**e. Overall Satisfaction**

- 1) It is the customer's final assessment of the entire experience of using a product or service.
- 2) This is the result of a combination of all previous factors.

**3. Word of Mouth**

Word of Mouth (WOM) is a form of marketing communication that occurs informally when someone shares experiences, opinions, or recommendations about a product,



service, or brand to others, either directly or through digital media. WOM is very influential because it comes from sources that are considered reliable, namely fellow consumers, so it is often more convincing than traditional advertising. In a business context, WOM can be a very effective promotional tool, especially if the experiences shared are positive and widespread. The purpose of measuring Word of Mouth (WOM) is to understand how much influence and involvement consumers have in spreading information, opinions, and their experiences of a product or service. In more detail, here are some of the main objectives:

a. Assessing the effectiveness of marketing strategies

Measuring WOM helps companies know whether a marketing campaign or program is successful in encouraging consumers to talk about the product positively.

b. Detecting customer loyalty and satisfaction

Satisfied consumers tend to speak positively and recommend products. WOM can be an indirect indicator of their loyalty.

c. Identifying natural brand advocates

Companies can identify consumers who actively spread positive experiences and have the potential to become promotional partners.

d. Predicting other consumers' purchasing behavior

Because WOM influences the decisions of others, this measurement helps estimate its impact on sales and brand image.

e. Managing reputation risk

By measuring WOM, companies can identify negative opinions that could potentially damage the brand's reputation and take corrective action more quickly.

So, WOM is not just a communication phenomenon, but also a strategic tool in business decision making. The four indicators of Word of Mouth (WOM) according to Arndt (1967) and Silverman (2011) generally include the following: intention to recommend, positive talking, experience sharing, and frequency of talking about a product or brand.

Mediation becomes a tool in Word of Mouth because it helps explain the mechanism or process of how and why an independent variable affects a dependent variable. In the marketing context, mediation is often used to identify psychological or behavioral factors that mediate the relationship between a company's strategy (such as experiential marketing or price) and an end result such as WOM.

#### **4. Previous Research**

The literature review on the influence of experiential marketing on word of mouth with customer satisfaction as a mediating variable reveals various yet complementary findings. Marisa and Elmi (2023), in their study at ProFIT Gym Malang, found that experiential marketing does not have a direct effect on word of mouth, but it does exert an indirect influence through customer satisfaction. In contrast, price has both direct and indirect effects on word of mouth, while customer satisfaction shows a significant positive effect on word of mouth. These results were obtained using Partial Least Square (PLS) analysis with a 5% significance level. Meanwhile, Rohima (2022), found that experiential marketing has a significant positive effect on customer satisfaction, customer loyalty, and word of mouth. Furthermore, customer satisfaction also significantly affects customer loyalty and word of mouth. Although customer loyalty shows a positive relationship with word of mouth, the effect is not significant. However, the mediating roles of customer satisfaction and customer loyalty in the relationship between experiential marketing and word of mouth were found to be significant. Similarly, Wijaya and Suparna (2017), in their study at Mangsi Coffee in Denpasar, revealed that experiential marketing has a significant positive impact on customer satisfaction, which in turn influences repeat purchase. Experiential marketing also has a direct and significant effect on repeat purchase, and customer satisfaction was proven to significantly mediate this relationship. Lastly, Suparno and Aksari (2023) showed that both experiential marketing and electronic word of mouth (eWOM) have a significant positive influence on brand image and revisit intention. Brand image plays an important role as a partial mediator between experiential marketing and eWOM on revisit intention. Overall, these studies highlight that customer satisfaction often serves as a strong mediating variable in the relationship

between experiential marketing and various customer behavioral outcomes, such as word of mouth, loyalty, and revisit intention.

#### **Variabel 1**

Experiential Marketing, measured based on five dimensions according to Schmitt (1999): sense, feel, think, act, and relate.

#### **Variabel 2**

Customer Satisfaction, measured based on indicators from Oliver (1997), such as conformity to expectations, service quality, and overall satisfaction.

#### **Variabel 3**

Word of Mouth, measured using indicators from Arndt (1967) and Silverman (2001), including the intention to recommend, talk positively, and spread experiences.

#### **Hypothesis**

Based on the research title "The Effect of Experiential Marketing on Word of Mouth with Customer Satisfaction as a Mediating Variable (Case Study at Srivijaya Coffee)", the following is a hypothesis formulation that can be put forward:

**H<sub>01</sub>:** Experiential Marketing does not have a significant effect on Customer Satisfaction.

**H<sub>02</sub>:** Customer Satisfaction does not have a significant effect on Word of Mouth.

**H<sub>03</sub>:** Experiential Marketing does not have a significant effect on Word of Mouth.

**H<sub>04</sub>:** Customer Satisfaction does not mediate the influence of Experiential Marketing on Word of Mouth.

**H<sub>1</sub>:** Experiential Marketing has a positive and significant effect on Customer Satisfaction.

**H<sub>2</sub>:** Customer Satisfaction has a positive and significant effect on Word of Mouth.

**H<sub>3</sub>:** Experiential Marketing has a positive and significant effect on Word of Mouth.

**H<sub>4</sub>:** Customer Satisfaction mediates the influence of Experiential Marketing on Word of Mouth.

#### **METHODOLOGY**

This research is a quantitative research through a causality approach. The purpose of this approach is to determine the effect of experiential marketing on word of mouth with customer satisfaction as a mediating variable. The population in this study were all Srivijava Coffee customers who had come and enjoyed the service at the shop at least twice. The sampling technique used purposive sampling, with respondents who had the following criteria: (1) In the last 6 months, have visited Srivijava Coffee. The visit occurred at least 2 times. (2) At least 18 years old. (3) Willing to fill out the questionnaire voluntarily. The number of samples is determined with at least 5–10 respondents for each indicator, using the formula of Hair et al. (2010). The minimum number of samples used is 100 respondents and there are 20 indicators in the questionnaire.

#### Data collection technique

Primary data were collected through direct distribution of questionnaires. The questionnaire was also distributed online using a Likert scale of 1–5. This scale is used to measure word of mouth, customer satisfaction, and the level of respondent perception of experiential marketing.

#### Data Analysis Techniques

The collected data were analyzed using Partial Least Square – Structural Equation Modeling (PLS-SEM) with the help of R software. PLS is used for its ability to handle non-normally distributed data and test complex models with mediating variables. The analysis steps include: (1) Test the validity and reliability of the instrument (outer model), (2) Test the quality of the structural model (inner model), and (3) Test the direct, indirect, and total influence between variables using the bootstrapping test.

## RESULTS AND DISCUSSION

### 1. Analysis with SEM Model

This research model consists of one exogenous variable, namely experiential Marketing (EM) and two endogenous variables, namely Customer Satisfaction (CS) and Word of Mouth (WOM). Furthermore, compiling causal relationships with path diagrams and compiling structural equations. It is necessary to compile a structural

model, namely connecting endogenous and exogenous latent constructs with indicator variables as in the picture.

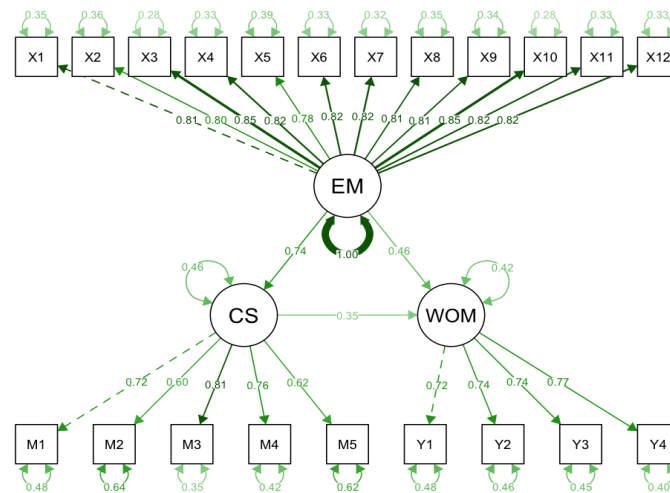


Figure 1. SEM Path Diagram (Sources : Output Software R)

### SEM Path Diagram Interpretation

#### a. Relationship Between Latent Variables (Constructs)

- Experiential Marketing (EM) → Customer Satisfaction (CS):

Coefficient value = **0.74**

This means that experiential marketing has a positive and strong influence on customer satisfaction. The better the experience felt by customers, the higher their level of satisfaction.

- Customer Satisfaction (CS) → Word of Mouth (WOM):

Coefficient value = **0.35**

This means that customer satisfaction also has a positive influence on word of mouth behavior. Although its influence is not as large as the EM and CS variables, it is still significant in encouraging customers to spread positive information.

- Experiential Marketing (EM) → Word of Mouth (WOM):

Coefficient value = **0.42**

This shows the direct influence of experiential marketing on word of mouth. Customers are encouraged to recommend Srivijaya Coffee

directly from the experience they have had, without having to go through satisfaction first.

Thus, in the SEM path diagram above, there are direct and indirect effects of EM on WOM, with CS as a partial mediator. This supports the mediation model in this study.

b. Loading of Indicator Factors on Constructs

Based on the results of the SEM path diagram analysis, all indicators forming the construct in this study showed a fairly high factor loading value and were within an acceptable range, which was above 0.6. In the Experiential Marketing (EM) construct, twelve indicators (X1–X12) had loading values between 0.60 and 0.85, with the highest values shown by indicators X3 (0.85), X6 (0.81), and X12 (0.82), which means that the three indicators most strongly represent the EM construct. This shows that customer experience related to these elements is an important aspect in forming experiential marketing perceptions. The Customer Satisfaction (CS) construct is formed by five indicators (M1–M5), with loading values ranging from 0.52 to 0.72. Indicators M1 and M2 show the greatest contribution to this construct, indicating that the dimensions of satisfaction related to service expectations and perceived quality have a dominant influence. Meanwhile, the Word of Mouth (WOM) construct has four indicators (Y1–Y4) with loading values between 0.64 and 0.77. Indicators Y3 (0.77) and Y2 (0.74) have the highest values, indicating that customer behavior in recommending or talking about Srivijaya Coffee to others is greatly influenced by these aspects. Overall, this high loading value indicates that the indicators used in the model have good construct validity and can be relied on to represent each of the latent variables studied.

c. Error Variance

In the Structural Equation Modeling (SEM) model, residual or error variance describes the magnitude of the indicator variance that cannot be explained by the latent construct that measures it. Based on the path diagram produced, all indicators in this model show residual error, which is indicated by a circular arrow from the indicator to itself. Although not displayed numerically in the

diagram, visually it appears that the magnitude of the residual is within a reasonable range and is not extreme, which means that most indicators are able to explain the latent construct quite well. This is reinforced by the high factor loading value on each indicator, which automatically reduces the proportion of error in measurement. This means that the proportion of variance explained by the latent construct is quite dominant compared to the unexplained variance (error). Thus, this model has good measurement accuracy, and shows that the questionnaire instrument used in this study is quite valid and reliable in capturing the phenomena of experiential marketing, customer satisfaction, and word of mouth.

## 2. Model Fit Indices

Table 1. Model Fit Indices

Lavaan 0.6-19 ended normally after 67 iterations	
Estimator	ML
Optimization method	NLMINB
Number of model parameters	45
Number of observations	100
Model Test User Model:	
Test statistic	225.569
Degrees of freedom	186
P-value (Chi-square)	0.025
Model Test Baseline Model:	
Test statistic	1667.074

Degrees of freedom	210
P-value	0.000

User Model versus Baseline Model:

Comparative Fit Index (CFI)	0.973
Tucker-Lewis Index (TLI)	0.969

Root Mean Square Error of Approximation:

RMSEA	0.046
90 Percent confidence interval - lower	0.018
90 Percent confidence interval - upper	0.066
P-value $H_0$ : RMSEA $\leq$ 0.050	0.604
P-value $H_0$ : RMSEA $\geq$ 0.080	0.002

Standardized Root Mean Square Residual:

SRMR	0.044
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The evaluation of the model's suitability was carried out by referring to several goodness-of-fit indicators to determine how well the constructed structural model reflects the empirical data. Based on the results of the SEM analysis, the Chi-square value of 225.569 with degrees of freedom (df) 186 and a significance value of  $p = 0.025$  indicates that there is a small difference between the model and the data, but it is still within the tolerance limit because SEM is sensitive to large sample sizes. Furthermore, this model shows a very good level of fit, indicated by the Comparative Fit Index (CFI) value of 0.973 and the Tucker-Lewis Index (TLI) of 0.969, both of which are far above the minimum threshold of 0.90, so it can be concluded that the model has a very good fit to the data. The Root Mean Square Error of Approximation (RMSEA) value was recorded at 0.046 with a 90% confidence interval between 0.018



and 0.066, indicating that the approximation error in the population is very small and the model is acceptable. In addition, the Standardized Root Mean Square Residual (SRMR) value of 0.044, which is also below the threshold of 0.08, confirms that the difference between the model-predicted covariance and the actual covariance is relatively low. Based on all of these indicators, it can be concluded that the structural model built in this study has a very good level of fit and can be relied on to explain the relationship between experiential marketing, customer satisfaction, and word of mouth in Srivijaya Coffee consumers.

### 3. Standardized Estimates

Table 2. *Standardized Estimates*

Regressions:						
	Estimate	Std.Err	z-value	P(> z )	Std.lv	Std.all
CS ~ EM	0.560	0.092	6.117	0.000	0.738	0.738
WOM ~ CS	0.358	0.156	2.295	0.022	0.349	0.349
EM	0.361	0.115	3.140	0.002	0.464	0.464

Standard estimation results show that all paths between latent variables in the model have a significant and statistically relevant influence. The Experiential Marketing (EM) variable has a positive and significant effect on Customer Satisfaction (CS) with a standard coefficient of 0.738 and a p-value <0.001. This indicates that increasing positive customer experiences with Srivijaya Coffee will substantially increase their satisfaction. Furthermore, Customer Satisfaction has a positive effect on Word of Mouth (WOM) with a coefficient of 0.349 and a p-value of 0.022, indicating that satisfied customers tend to recommend or talk about Srivijaya Coffee more to others. In addition, Experiential Marketing also has a direct effect on Word of Mouth, with a coefficient of 0.464 and a p-value of 0.002. This indicates that a pleasant customer experience can encourage them to immediately share the experience, without having to go through satisfaction first. Thus, it can be concluded that experiential marketing not only has an indirect impact on word of mouth through customer satisfaction, but

also has a significant direct influence, indicating a partial mediation role of customer satisfaction in this model.

#### 4. R-Squared

Table 3. *R-Squared*

R-Square:	
Estimate	
X1	0.653
X2	0.642
X3	0.724
X4	0.674
X5	0.608
X6	0.670
X7	0.675
X8	0.652
X9	0.656
X10	0.723
X11	0.667
X12	0.675
M1	0.522
M2	0.362
M3	0.653
M4	0.582
M5	0.383
Y1	0.523
Y2	0.545

R-Square:	
Estimate	
Y3	0.552
Y4	0.595
CS	0.544
WOM	0.576

The R-squared ( $R^2$ ) value results indicate the extent to which the latent variables are able to explain the variance of each manifest indicator and endogenous construct in the SEM model. In the Experiential Marketing (EM) construct, indicators such as X3 (0.724), X10 (0.723), and X4 (0.674) have high  $R^2$  values, indicating that the EM construct is able to explain more than 65% of the variance in most of its indicators, which means that these indicators are very representative in measuring customer experience. The relatively high and even  $R^2$  value (ranging from 0.608 to 0.724) indicates the consistency and strength of the construct in explaining its constituent indicators. Meanwhile, the Customer Satisfaction (CS) construct has an  $R^2$  value of 0.544, meaning that as much as 54.4% of the variation in customer satisfaction can be explained by Experiential Marketing as a predictor variable. In the CS indicators, the highest  $R^2$  value is owned by M3 (0.653), while the lowest is M2 (0.362), which indicates that there are indicators that are less strong and can be re-evaluated in further research. Furthermore, the Word of Mouth (WOM) construct has an  $R^2$  value of 0.576, meaning that 57.6% of the WOM variance can be explained simultaneously by EM and CS. Among the WOM indicators, Y4 (0.595) and Y3 (0.552) show the highest proportion of variance explained by their constructs. Overall, these  $R^2$  values indicate that the structural model has quite strong explanatory power, especially in the WOM and CS constructs as endogenous variables, and in the EM indicators as exogenous variables.

## 5. Discussion

The Effect of Experiential Marketing on Customer Satisfaction

Based on the results of SEM analysis using R software, it is known that experiential marketing (EM) has a positive and significant effect on customer satisfaction (CS) with a regression coefficient value of 0.56 and a significance value of  $p < 0.001$ . This shows that the higher the quality of experience provided by Srivijava Coffee to its customers through aspects such as atmosphere (sense), emotion (feel), thinking power (think), action (act), and social connectedness (relate), the level of customer satisfaction will also increase. This finding is in line with Schmitt's theory (1999) which states that experiential marketing is able to create emotional and psychological values that have a direct impact on customer evaluation of a brand or place. In other words, a well-managed customer experience can encourage increased satisfaction because customers feel that their needs and expectations are met or even exceeded.

#### [The Effect of Customer Satisfaction on Word of Mouth](#)

Furthermore, the results of the analysis show that customer satisfaction has a positive and significant effect on word of mouth (WOM) with a coefficient of 0.358 ( $p < 0.05$ ). This means that the higher the level of customer satisfaction with Srivijava Coffee, the more likely they are to recommend the place to others, either through direct conversation or social media. These results support previous findings by Anderson (1998) which stated that satisfied customers are more likely to communicate positively about the brand to others. In the context of Srivijava Coffee, customer satisfaction is the main trigger for the emergence of voluntary promotional behavior or word of mouth which can strengthen the image and attract new customers.

#### [The Effect of Experiential Marketing on Word of Mouth](#)

The analysis also shows that experiential marketing has a direct effect on word of mouth with a coefficient value of 0.361 and a significance value of  $p < 0.01$ . This means that in addition to customer satisfaction, experiential marketing also has a direct effect on customer behavior in spreading positive information about Srivijava Coffee. This shows that a pleasant and memorable customer experience can directly encourage customers to tell others about the experience. Customers who feel emotionally and socially involved will tend to share their stories, even if they have not explicitly evaluated their satisfaction.

#### [The Role of Customer Satisfaction Mediating](#)

These findings also show that customer satisfaction acts as a partial mediating variable in the relationship between experiential marketing and word of mouth. This is indicated by the direct and indirect influence of experiential marketing on word of mouth through customer satisfaction. Thus, experiential marketing not only increases word of mouth directly, but also indirectly through increasing customer satisfaction. This finding is consistent with the mediation model proposed in this study, where customer satisfaction is an important bridge in creating customer loyalty and advocacy. The experiential marketing strategy implemented by Srivijava Coffee turns out to not only create a pleasant experience, but also contribute to satisfaction and, ultimately, to voluntary promotion from the customers themselves.

## **CONCLUSION**

Based on the analysis of the influence of experiential marketing on word of mouth with customer satisfaction as a mediating variable among Srivijava Coffee customers, it can be concluded that experiential marketing plays a crucial role in shaping customer satisfaction. The comprehensive experiences perceived by customers—ranging from sensory, emotional, cognitive, to social aspects—enhance their positive evaluation of the services provided. This directly impacts the increase in customer satisfaction levels, which in turn significantly drives word-of-mouth behavior. Additionally, experiential marketing also shows a direct effect on word of mouth, encouraging customers to share their positive experiences even without being strongly driven by high levels of satisfaction. In this study, customer satisfaction is proven to partially mediate the relationship between experiential marketing and word of mouth, indicating that customer satisfaction serves as an important pathway in linking experiences to consumer behavioral loyalty, particularly in the form of recommendations and stories shared with others.

Based on these findings, it is recommended that Srivijava Coffee continue to enhance the quality of its experiential marketing by optimizing various elements such as the café atmosphere, personalized service, and interactive events that can strengthen customers' emotional attachment. Customer satisfaction should also be treated as a strategic indicator in business development through staff training, prompt responses to

complaints, and innovation in products and services. Furthermore, the company can more actively encourage word-of-mouth behavior through strategies such as loyalty programs, referral systems, or digital campaigns involving customer testimonials. For future research, it is suggested to expand the scope to other industries and consider additional variables such as brand trust or customer loyalty to enrich the understanding of consumer behavior dynamics more comprehensively.

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