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EXPERIENTIAL MARKETING AND SERVICE QUALITY ON CUSTOMER LOYALTY AT KOPI KENANGAN SUBANG, INDONESIA

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Abstract:

Background: Indonesia's coffee shop industry has grown rapidly due to shifting lifestyles, transforming coffee consumption into a social and cultural practice. Kopi Kenangan, a leading national chain, faces intense competition in sustaining customer loyalty in the suburban market of Subang, West Java.
Purpose: This research examines the partial and simultaneous influence of experiential marketing and service quality on customer loyalty at Kopi Kenangan Subang. The study is scoped to a single suburban quick-service outlet.
Design/methodology/approach: An explanatory survey was conducted with 50 purposively selected respondents who had purchased at least twice, meeting parametric regression requirements. Experiential marketing was measured through five experiential dimensions; service quality through five SERVQUAL dimensions. Multiple linear regression alongside validity, reliability, and classical assumption tests was applied using SPSS v25.
Findings/Result: Both variables simultaneously and significantly affect loyalty, explaining 41.8% of its variance. Service quality significantly influences loyalty, while experiential marketing shows no significant effect. Service quality (73.1%) and experiential marketing (71.6%) are perceived positively, whereas loyalty remains moderate (66.3%).
Conclusion: Service quality dominates loyalty formation in this quick-service context. Management should prioritize operational consistency and staff responsiveness over atmospheric investments to strengthen long-term customer retention.
Originality/value (State of the art): This study reveals a service-quality paradox in suburban quick-service coffee shops, challenging the universal applicability of experiential marketing theory. While existing frameworks assume atmospheric differentiation drives loyalty, empirical evidence demonstrates that functional service delivery carries greater predictive weight. The findings contribute context-specific boundary conditions to loyalty theory and provide actionable guidance for resource allocation strategies.

Keywords: coffee shop, customer loyalty, experiential marketing, Kopi Kenangan, service quality

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INTRODUCTION

Modern lifestyle transformations have fundamentally shifted coffee consumption from a functional necessity to a symbolic social practice. Coffee shops now serve as multipurpose spaces for work, study, and socialization, where atmospheric design and brand identity significantly shape consumer engagement (Rizal & Alam, 2025; Syilfa et al. 2023). This evolution has triggered rapid expansion of modern coffee chains across Indonesian suburban markets, intensifying competition for customer retention. In Subang, West Java, the proliferation of local and national coffee brands has created a saturated environment where attracting first-time buyers is increasingly easier than securing repeat patronage. Understanding which operational and marketing dimensions genuinely drive habitual loyalty in this suburban quick-service context has become a critical managerial challenge. Without clear empirical guidance, coffee shop managers risk misallocating resources toward atmospheric enhancements that may not yield proportional loyalty returns. Identifying the precise determinants of customer loyalty is therefore essential for developing evidence-based retention strategies that ensure sustainable growth in emerging market coffee industries.

Extant literature firmly establishes experiential marketing and service quality as foundational antecedents of customer loyalty in service contexts. Schmitt (1999) and Brakus et al. (2009) demonstrate that multi-dimensional brand experiences (sense, feel, think, act, relate) foster emotional attachment and differentiation. Concurrently, Parasuraman et al. (1988) prove that functional service excellence across tangibles, reliability, responsiveness, assurance, and empathy consistently predicts repeat patronage and advocacy. Recent Indonesian studies confirm these relationships in metropolitan settings (Dhisasmito & Kumar, 2020; Risal et al. 2025), meta-analytic review of fifteen years of loyalty research confirms that service quality and brand experience represent the two dominant loyalty antecedents across hospitality contexts, yet their relative predictive weights vary considerably by service format, market maturity, and customer demographics. Despite this evidence, systematic integration of both constructs within suburban quick-service coffee chains remains notably absent. Theoretical frameworks often assume experiential primacy (Pine & Gilmore, 1999; Schmitt, 1999), presuming that atmospheric and emotional engagement naturally translates into loyalty across all service formats. However, preliminary observations in emerging suburban markets suggest that utilitarian motivations, visit frequency constraints, and competitive parity may elevate functional service reliability above experiential differentiation. This study addresses the gap by testing an integrated experiential-service framework specifically within Kopi Kenangan Subang, a representative suburban quick-service outlet. The novelty lies in empirically examining whether the theoretical dominance of experiential marketing holds in practice, or whether service quality fundamentals carry greater explanatory power for loyalty formation in contexts characterized by moderate dwell times and high operational standardization. By isolating this paradox, the research contributes context-specific boundary conditions to loyalty theory and provides actionable clarity for resource allocation in Indonesia's rapidly expanding suburban coffee sector.

This study employs a quantitative explanatory survey design utilizing multiple linear regression analysis to examine direct causal relationships between two independent constructs and one dependent outcome. Unlike structural equation modeling, which requires larger samples for complex latent variable estimation and indirect path testing, multiple linear regression is statistically robust and methodologically appropriate for a sample of 50 respondents when evaluating direct predictor-outcome relationships (Hair et al. 2019). The analytical approach aligns with the research objectives by enabling clear isolation of partial (individual) and simultaneous (combined) effects while maintaining interpretability for managerial decision-making. Data collection follows purposive sampling criteria to ensure respondents possess adequate brand exposure, while instrument validation through Pearson correlation and Cronbach's Alpha guarantees measurement precision. Classical assumption testing (normality, multicollinearity, homoscedasticity) precedes hypothesis evaluation to ensure parametric validity. This streamlined methodological pathway provides a transparent, replicable, and statistically sound procedure for testing loyalty determinants without unnecessary model complexity.

This research aims to achieve four specific objectives. First, to measure the implementation intensity of experiential marketing across sensory, affective, cognitive, behavioral, and relational dimensions at Kopi Kenangan Subang. Second, to assess perceived service quality levels across the five SERVQUAL

dimensions as evaluated by regular customers. Third, to evaluate the current state of customer loyalty through behavioral indicators including repeat purchase intention, switching resistance, and advocacy willingness. Fourth, to determine the partial and simultaneous influence of experiential marketing and service quality on customer loyalty, thereby identifying which construct exerts dominant predictive power in this suburban quick-service context. These objectives directly address the identified theoretical gap and provide a structured empirical pathway for generating actionable managerial insights.

METHODS

This research utilizes both primary and secondary data to ensure comprehensive empirical analysis. Primary data were collected directly from customers of Kopi Kenangan Subang through structured questionnaires measuring experiential marketing, service quality, and customer loyalty. Secondary data were obtained from peer-reviewed journals, industry reports, and institutional publications to support contextual analysis and theoretical grounding. Primary data capture direct consumer perceptions and behavioral intentions at the specific research location. Secondary data provide market context, including coffee consumption trends, competitive landscape analysis, and demographic benchmarks. This dual-data approach ensures both measurement precision and theoretical relevance for hypothesis testing.

Data collection was conducted from August to December 2024 at the Kopi Kenangan outlet located on Jl. Otto Iskandardinata No. 25, Subang. Purposive sampling was employed to select respondents based on three specific criteria: (1) having purchased Kopi Kenangan products at least twice, (2) being 17 years of age or older, and (3) voluntarily consenting to participate. This sampling strategy ensures that respondents possess sufficient brand experience to provide valid and reliable assessments of service and experiential dimensions. A total of 50 respondents were recruited, which aligns with statistical guidelines recommending a minimum of 10–15 observations per predictor variable for multiple regression analysis (Hair et al. 2019). The questionnaire was pre-tested with ten customers to verify item clarity, comprehensibility, and contextual relevance before full-scale deployment. Responses were measured using a 7-point Likert scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree) to maximize response variance and measurement sensitivity. The operationalization of the research variables, including their dimensions, indicators, and example questionnaire items, is presented in Table 1.

Data analysis followed a systematic five-step procedure using SPSS version 25 software. First, descriptive statistics were computed to summarize respondent characteristics and variable distributions. Second, instrument quality was assessed through validity testing (Pearson correlation, $r > 0.2787$ at $\alpha = 0.05$) and reliability testing (Cronbach's Alpha > 0.60). Third, classical assumption tests were conducted to verify normality, multicollinearity (tolerance > 0.10, VIF < 10), and homoscedasticity. Fourth, multiple linear regression analysis was performed to estimate the predictive equation: $Y = a + b_1X_1 + b_2X_2 + e$. Fifth, hypothesis testing was executed using the F-test for simultaneous effects and the t-test for partial effects at a 5% significance level. Additionally, the coefficient of determination (R^2) was computed to measure the proportion of loyalty variance explained by the model. This analytical sequence ensures statistical robustness, methodological transparency, and direct alignment with the research objectives.

Based on theoretical foundations and prior empirical evidence, three hypotheses were formulated for empirical testing. H1 posits that experiential marketing has a significant positive effect on customer loyalty, grounded in Schmitt's (1999) experiential marketing theory and supported by Brakus et al. (2009). H2 states that service quality significantly influences customer loyalty, based on Parasuraman et al.'s (1988) SERVQUAL framework and corroborated by Dhisasmito and Kumar (2020). H3 proposes that experiential marketing and service quality simultaneously affect customer loyalty, drawing on integrated service-experience literature that emphasizes multidimensional loyalty drivers in coffee shop contexts (Dhisasmito & Kumar, 2020). These hypotheses provide a clear directional framework for isolating partial and combined effects.

The conceptual framework is illustrated in Figure 1, depicting the hypothesized relationships between independent and dependent variables. Experiential marketing (X1) and service quality (X2) function as independent predictors of customer loyalty (Y). X1 encompasses five dimensions: sense, feel, think, act, and relate. X2 comprises five SERVQUAL

dimensions: tangibles, reliability, responsiveness, assurance, and empathy. Y is measured through repeat purchase intention, switching resistance, word-of-mouth advocacy, and brand preference. The arrows indicate directional causal pathways, with regression coefficients determining the strength and significance of each relationship. This framework guides the empirical examination of whether functional service delivery or atmospheric differentiation carries greater weight in suburban loyalty formation.

RESULTS

Respondent Characteristics

The demographic profile of respondents (n=50) provides context for interpreting the findings. As shown in Table 2, the majority of respondents were female (78%), reflecting the gender demographic often associated with social coffee consumption. Regarding age distribution (Table 3), the dominant group was 20–25 years old (54%), followed by those under 20 (34%), indicating that the primary customer base consists of Gen Z and young Millennials. Behavioral patterns reveal that 54% of respondents visited the outlet only 1–2 times in the past three months (Table 4). This visit frequency suggests that while customers perceive the brand positively, most have not yet developed habitual patronage, which underscores the importance of identifying the precise drivers required to convert occasional visitors into loyal regulars.

Table 1. Operationalization of research variables showing dimensions, indicators, and example questionnaire items

Variable	Dimension	Indicator	Example Questionnaire Item	Scale
Experiential Marketing (X1)	Sense	Visual appeal & ambiance	"The interior design and lighting of Kopi Kenangan create a pleasant atmosphere."	7-point Likert
	Feel	Emotional response	"I feel relaxed and comfortable when visiting this outlet."	7-point Likert
	Think	Cognitive engagement	"Kopi Kenangan stimulates my curiosity about coffee culture and new products."	7-point Likert
	Act	Behavioral participation	"I am motivated to try new menu items or participate in promotional activities."	7-point Likert
	Relate	Social connection	"Visiting Kopi Kenangan helps me connect and socialize with friends."	7-point Likert
Service Quality (X2)	Tangibles	Physical facilities	"The equipment, furniture, and overall cleanliness of the outlet are well-maintained."	7-point Likert
	Reliability	Service consistency	"Kopi Kenangan delivers orders accurately and consistently across visits."	7-point Likert
	Responsiveness	Staff promptness	"Staff respond quickly and willingly to customer requests or complaints."	7-point Likert
	Assurance	Staff competence	"Baristas demonstrate professional knowledge and inspire confidence in service delivery."	7-point Likert
	Empathy	Personalized attention	"Staff recognize regular customers and provide individualized care."	7-point Likert
Customer Loyalty (Y)	Repeat Purchase	Behavioral intention	"I intend to continue purchasing from Kopi Kenangan in the future."	7-point Likert
	Switching Resistance	Competitive resistance	"I would not easily switch to other coffee shops even if they offer promotions."	7-point Likert
	Word-of-Mouth	Advocacy behavior	"I actively recommend Kopi Kenangan to friends, family, or colleagues."	7-point Likert
	Preference	Brand priority	"Kopi Kenangan remains my first choice when I want to buy coffee."	7-point Likert

Source: Adapted from Schmitt (1999), Parasuraman et al. (1988), Dick & Basu (1994), and Oliver (1999)

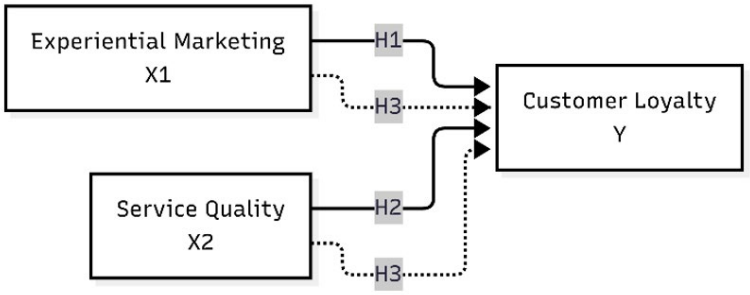


Figure 1. Conceptual framework showing the partial and simultaneous influence of experiential marketing and service quality on customer loyalty at Kopi Kenangan Subang

Validity and Reliability Tests

Instrument quality was assessed to ensure measurement accuracy and consistency. Validity testing using Pearson correlation (Table 5) confirmed that all items for Experiential Marketing ($r_{(calc)}$ 0.325–0.394), Service Quality ($r_{(calc)}$ 0.283–0.393), and Customer Loyalty ($r_{(calc)}$ 0.295–0.365) exceeded the critical threshold ($r_{(table)}$ = 0.2787 at α = 0.05, n=50). This confirms that the questionnaire accurately captures the intended dimensions of each construct. Furthermore, reliability testing (Table 6) demonstrated satisfactory internal consistency, with Cronbach's Alpha values for Experiential Marketing (0.621), Service Quality (0.699), and Customer Loyalty (0.650) all surpassing the minimum requirement of 0.60. These results establish that the data is reliable and suitable for subsequent inferential analysis.

Descriptive Statistics Analysis

Descriptive statistics provide an overview of respondents' perceptions regarding the research variables. As presented in Table 7, Service Quality received the highest mean score (25.68), corresponding to a 73.1% achievement level. This indicates that respondents perceive Kopi Kenangan's operational delivery as strong. Experiential Marketing followed closely with a 71.6% achievement level, suggesting that the outlet's atmosphere and engagement are moderately appreciated. However, Customer Loyalty recorded the lowest score (23.22; 66.3%). This gap suggests that while customers evaluate service and experience positively, these perceptions have not fully translated into strong behavioral retention, highlighting the necessity of understanding which specific dimensions drive loyalty in this context.

Classical Assumption Tests

Prior to hypothesis testing, classical assumption tests were conducted to verify the suitability of the regression model. Normality tests indicated that residuals were normally distributed based on histogram and P-P plot analysis. Multicollinearity tests (Table 8) showed Tolerance values of 0.594 (>0.10) and VIF values of 1.684 (<10.00), confirming the absence of high correlation between independent variables. Additionally, heteroscedasticity analysis revealed a random scatter of residuals around the zero axis, satisfying the homoscedasticity assumption. These diagnostics confirm that the regression model meets the necessary statistical requirements for unbiased estimation.

Multiple Linear Regression Analysis

The regression coefficients (Table 9) yield the predictive equation: $Y = 3.190 + 0.101X_1 + 0.681X_2$. The coefficient for Service Quality (0.681) is substantially larger than that of Experiential Marketing (0.101), indicating a marked disparity in predictive magnitude. The standard error for Experiential Marketing (0.172) relative to its coefficient (0.101) suggests that this relationship is weak and unstable, while Service Quality's coefficient (0.681) substantially exceeds its standard error (0.167), indicating a robust and reliable relationship. The coefficient of determination (Table 10) reveals R^2=0.418, meaning both predictors jointly explain 41.8% of loyalty variance. The remaining 58.2% is attributable to factors outside the model's scope, such as price fairness, brand image, and digital convenience.

Table 2. Gender distribution of respondents

Gender	Frequency	Percentage (%)
Male	11	22
Female	39	78
Total	50	100

Table 3. Age distribution of respondents

Age Range	Frequency	Percentage (%)
< 20 years	17	34
20–25 years	27	54
26–40 years	6	12
Total	50	100

Table 4. Visit frequency to Kopi Kenangan Subang (last 3 months)

Visit Frequency	Frequency	Percentage (%)
1–2 times	27	54
3–5 times	14	28
6–10 times	5	10
> 10 times	4	8
Total	50	100

Table 5. Summary of validity test results (r calculated > r table = 0.2787)

Variable	Range of r Calculated	Status
Experiential Marketing	0.325–0.394	Valid
Service Quality	0.283–0.393	Valid
Customer Loyalty	0.295–0.365	Valid

Table 6. Reliability test results (Cronbach's Alpha)

Variable	Cronbach's Alpha	Status
Experiential Marketing	0.621	Reliable
Service Quality	0.699	Reliable
Customer Loyalty	0.650	Reliable

Table 7. Descriptive statistics of research variables

Variable	Mean	Std. Deviation	Achievement (%)
Experiential Marketing (X1)	25.06	4.078	71.6
Service Quality (X2)	25.68	4.216	73.1
Customer Loyalty (Y)	23.22	4.871	66.3

Table 8. Multicollinearity test results

Variable	Tolerance	VIF
Experiential Marketing (X1)	0.594	1.684
Service Quality (X2)	0.594	1.684

Table 9. Multiple linear regression coefficients

Variable	B	Std. Error
(Constant)	3.190	4.561
Experiential Marketing (X1)	0.101	0.172
Service Quality (X2)	0.681	0.167

Table 10. Coefficient of determination (R^2)

R	R Square	Adjusted R Square
0.647	0.418	0.394

Hypothesis testing was conducted to determine the significance of partial and simultaneous effects. The F-test (Table 11) yielded F=16.906 (p=0.000 < 0.05), confirming that Experiential Marketing and Service Quality simultaneously influence Customer Loyalty, supporting Hypothesis 3.

Partial testing (Table 12) reveals a divergence in individual effects. Experiential Marketing shows t=0.589 (p=0.559 > 0.05), indicating no statistically significant partial effect on loyalty — Hypothesis 1 is rejected. Conversely, Service Quality demonstrates a strong positive effect with t=4.082 (p=0.000 < 0.05), fully supporting Hypothesis 2. These results indicate that while both variables contribute collectively, Service Quality is the primary driver of loyalty, whereas Experiential Marketing does not independently predict retention in this specific context.

The Simultaneous Effect of Experiential Marketing and Service Quality on Customer Loyalty

The research findings demonstrate that experiential marketing and service quality simultaneously exert a significant positive influence on customer loyalty at Kopi Kenangan Subang ($F = 16.906$, $p < 0.05$, $R^2 = 0.418$). This joint significance confirms that loyalty in suburban coffee shop contexts does not emerge from a single dimension but rather from the cumulative impact of multiple marketing and operational cues. The result aligns with Dhisasmito and Kumar (2020) and Risal et al. (2025), who found that integrated service and atmospheric elements collectively shape patronage decisions in Indonesian F&B markets. However, the moderate coefficient of determination (41.8%) reveals that 58.2% of loyalty variance remains unexplained, indicating the presence of additional drivers such as

price fairness, brand reputation, convenience, and digital engagement. The simultaneous significance also masks an important empirical divergence revealed through partial testing: the joint effect is disproportionately carried by service quality rather than experiential marketing. This pattern suggests that while atmospheric elements contribute to the overall brand ecosystem, they function as complementary rather than independent loyalty catalysts in this specific market context. The finding validates multidimensional loyalty frameworks but simultaneously challenges the assumption that experiential and functional factors carry equal weight across all service formats.

The Effect of Experiential Marketing on Customer Loyalty

Contrary to theoretical expectations, experiential marketing does not demonstrate a statistically significant partial effect on customer loyalty ($t = 0.589$, $p = 0.559$). This non-significance contradicts foundational experiential marketing frameworks (Schmitt, 1999; Pine & Gilmore, 1999) that position sensory and emotional engagement as primary loyalty drivers. The divergence requires careful contextual and theoretical interpretation rather than dismissal.

First, experiential parity across competitors likely neutralizes differentiation. In Subang's saturated coffee shop market, most establishments offer comparable interior design, ambient music, comfortable seating, and visually appealing menus. When atmospheric elements become standardized across the competitive set, they transition from differentiators to table stakes — necessary for market entry but insufficient for driving habitual retention. Customers may appreciate pleasant ambiance but do not use it as a discriminating factor when selecting a primary coffee destination. This pattern mirrors Hwang and Ok's (2013) comparative finding that in food service contexts with high competitive density, functional brand attributes — rather than aesthetic or atmospheric elements — constitute the primary basis for repeat patronage decisions.

Second, the quick-service operational model prioritizes functional efficiency over prolonged experiential immersion. Unlike full-service cafés where customers spend extended time engaging with brand narratives, Kopi Kenangan's grab-and-go format emphasizes speed, accuracy, and convenience. Suburban customers, predominantly students and young professionals, often exhibit utilitarian motivations focused on obtaining quality beverages quickly. For this demographic, service reliability directly satisfies core needs, while experiential atmospherics represent peripheral benefits that enhance but do not determine loyalty decisions. This aligns with Dhisasmito and Kumar's (2020) finding that functional service attributes outweigh store atmosphere in Indonesian quick-service contexts. Similarly, Trivedi et al. (2025) note that millennial loyalty in emerging markets is predominantly shaped by price sensitivity and functional convenience rather than experiential differentiation, suggesting that Gen Z and young Millennial demographics — who constitute 88% of this study's sample — may be structurally less responsive to atmospheric loyalty cues.

Third, moderate visit frequency limits experiential accumulation. The data reveal that 54% of respondents visited only 1–2 times in the past three months, indicating occasional rather than habitual patronage. Experiential marketing theory presumes repeated exposures that allow sensory and emotional engagements to deepen into meaningful brand attachments over time. When visit frequency remains low, each encounter may not provide sufficient intensity or consistency to build strong emotional bonds. The experiences remain positive but superficial, failing to evolve into the durable loyalty relationships that experiential frameworks envision.

Table 11. F-test results (simultaneous effect)

Model	F	Sig.
Regression	16.906	0.000

Table 12. T-test results (partial effects)

Variable	T	Sig.	Conclusion
Experiential Marketing (X1)	0.589	0.559	Not Significant
Service Quality (X2)	4.082	0.000	Significant

Fourth, the measurement approach may have captured static atmospheric perceptions rather than dynamic experiential co-creation. Experiential marketing encompasses interactive engagement, surprise moments, and emotional narrative arcs that unfold across multiple touchpoints. If the instrument emphasized environmental cues over participatory or relational experiences, it may have underestimated deeper experiential dimensions that genuinely influence retention. These contextual factors collectively explain why theoretical expectations did not materialize empirically. The finding aligns with Harris et al.'s (2023) reassessment, demonstrating that experiential marketing's influence is highly contingent on service format, visit frequency, competitive parity, and customer motivation. Theoretically, this suggests the need for contingency models that specify boundary conditions under which experiential versus functional factors dominate loyalty formation. Practically, it implies that Kopi Kenangan should view experiential elements as competitive parity requirements rather than primary loyalty investments in suburban quick-service markets.

The Effect of Service Quality on Customer Loyalty

Service quality demonstrates a highly significant and substantial positive effect on customer loyalty ($t = 4.082$, $p = 0.000$, $B = 0.681$), confirming its foundational role in retention dynamics. This result strongly aligns with SERVQUAL theory (Parasuraman et al. 1988) and cross-industry empirical evidence (Rusydi et al. 2024; Nunkoo et al. 2020; Caruana, 2002; Abror et al. 2019), establishing that reliability, responsiveness, assurance, empathy, and tangibles consistently predict behavioral loyalty. In coffee shop contexts specifically, functional consistency — accurate orders, prompt delivery, clean facilities, and courteous staff — reduces perceived risk and builds transactional trust during each service encounter. Unlike atmospherics that create ambient impressions, service quality manifests in specific, memorable moments of truth that directly shape repeat intentions. The descriptive data support this interpretation: respondents rated service quality highest (73.1%), particularly valuing barista friendliness, speed, cleanliness, and product consistency. These attributes directly impact satisfaction during transactions and become the primary criteria customers use when deciding whether to return or switch to competitors. Drawing on need hierarchy logic, functional requirements appear to be prerequisite conditions before higher-order experiential preferences can meaningfully influence loyalty — suggesting that operational excellence must be secured before experiential investments yield proportional retention returns.

However, a notable gap exists between high service quality perceptions (73.1%) and moderate loyalty levels (66.3%). This discrepancy indicates that positive evaluations do not automatically translate into strong behavioral retention. Several mechanisms may explain this gap. First, service quality variability across visits may undermine consistency. Customers may experience excellent service on some occasions but encounter lapses during peak hours or staff transitions, preventing the reliability needed for strong loyalty consolidation. Second, competitive parity in service standards may elevate the threshold for differentiation. When multiple coffee shops deliver comparable reliability and responsiveness, high service quality becomes necessary but insufficient for exclusive patronage. Third, unmeasured factors such as price sensitivity, location convenience, or promotional activities by competitors may counteract service quality's positive influence. These dynamics suggest that while service excellence is the primary loyalty driver, its impact is moderated by consistency, competitive context, and complementary value propositions. Managerially, this confirms that Kopi Kenangan must institutionalize service standards through rigorous training, real-time monitoring, and rapid recovery protocols. Operational reliability builds trust, and trust forms the psychological foundation upon which long-term loyalty is constructed. The discussion underscores that in emerging suburban markets, service quality remains the non-negotiable core of customer retention strategies, while experiential enhancements should be deployed strategically to support, rather than substitute, functional excellence.

Theoretical Implications

Theoretically, this study contributes to the literature by revealing a service-quality paradox in suburban quick-service contexts: while experiential marketing theory emphasizes atmospheric differentiation, empirical evidence demonstrates that functional service delivery remains the non-negotiable core of loyalty formation. This finding suggests the need for contingency theories that specify boundary conditions — such as market maturity and customer motivation — under which functional factors dominate experiential factors. It

challenges the universal applicability of the experience economy framework (Pine & Gilmore, 1999) in price-sensitive, high-efficiency markets.

Managerial Implications

Based on the dominance of service quality, management should prioritize operational excellence over atmospheric enhancements. Practical recommendations include: (1) implementing standardized operational procedures (SOPs) to ensure consistency in product quality and service speed; (2) investing in barista training programs that emphasize responsiveness and empathy; (3) establishing real-time feedback monitoring systems to address service lapses immediately; and (4) viewing experiential elements (e.g., interior design) as competitive parity requirements rather than primary loyalty drivers. Resources should be allocated to maintain functional reliability first, with experiential investments deployed only when service standards are consistently met.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

This study aimed to analyze the influence of experiential marketing and service quality on customer loyalty at Kopi Kenangan Subang. The conclusions drawn are a direct response to the research purposes and are supported by empirical evidence.

First, regarding implementation levels, experiential marketing receives a moderately positive evaluation (71.6%), while service quality receives the highest evaluation (73.1%). Customer loyalty remains at a moderate level (66.3%). This hierarchy of perception indicates that while Kopi Kenangan Subang has successfully delivered functional service reliability, the gap between high service perception and moderate loyalty suggests that positive evaluations alone have not fully translated into habitual patronage.

Second, regarding the partial influence, experiential marketing does not demonstrate a statistically significant effect on customer loyalty ($t = 0.589$, $p = 0.559$). This finding contradicts the foundational experiential marketing theory proposed by Schmitt (1999) and Pine & Gilmore (1999), which posits that sensory and emotional engagement are primary loyalty drivers. However, this non-significance aligns with Dhisasmito and Kumar (2020), who found that in Indonesian coffee shop contexts, functional attributes often outweigh atmospheric elements. The divergence from Riyanto et al. (2024), who found significant experiential effects, suggests that experiential marketing's influence is likely moderated by service format (quick-service vs. full-service) and visit frequency.

Third, service quality exerts a significant positive effect on customer loyalty ($t = 4.082$, $p = 0.000$), establishing it as the dominant driver. This result strongly supports the SERVQUAL framework (Parasuraman et al. 1988) and reinforces the theoretical proposition that functional reliability is the prerequisite for loyalty in emerging markets.

Fourth, simultaneously, both variables influence customer loyalty ($F = 16.906$, $p < 0.05$; $R^2 = 0.418$), explaining 41.8% of the variance. The remaining 58.2% unexplained variance highlights the need for multi-dimensional loyalty models in suburban contexts.

Recommendations

To address the limitations and unexplained variance in this study, future research should focus on the following areas: Variable Expansion: Incorporate additional predictors such as perceived value, brand image, and digital engagement to explain the remaining 58.2% variance in customer loyalty. Mediating and Moderating Mechanisms: Examine customer satisfaction as a mediator to understand the psychological pathway from service quality to loyalty. Additionally, investigate visit frequency as a moderator to test whether experiential marketing becomes significant among frequent patrons. Generalizability: Extend the research to multi-city, multi-outlet designs to determine whether the service-quality dominance observed in Subang represents a general pattern or a context-specific phenomenon. Employ larger samples (200–300) for structural equation modeling to test full mediation and moderation models. Longitudinal Design: Employ longitudinal data collection to track loyalty evolution over time and establish stronger causal inferences regarding the impact of service consistency on retention.

This study has several limitations that should be considered when interpreting the findings. First, the single-outlet sample (n=50) in Subang limits generalizability to other Kopi Kenangan branches and

Indonesian cities with different competitive intensities and demographic profiles. Second, the cross-sectional design captures perceptions at a single point in time and cannot establish causal directionality or track loyalty evolution. Third, the 5-item measurement scales per variable may not fully capture the multidimensional and dynamic nature of experiential marketing. Fourth, the unexplained R^2 variance (58.2%) indicates that important loyalty drivers — including price fairness, brand image, and digital convenience — remain unmeasured in the current model.

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