

The Effectiveness of Experiential Marketing on Brand Loyalty in the Retail Sector

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Abstract

This study examines the impact of experiential marketing on brand loyalty in Thailand's retail sector, focusing on how different experiential dimensions including sensory, affective, cognitive, and behavioral, shape consumer perceptions and loyalty behaviors. The research aims to understand how memorable customer experiences foster stronger emotional connections and sustained loyalty. A quantitative research approach was applied using survey data from 520 Thai retail consumers across various categories, including fashion, lifestyle, food and beverage, and electronics. Data were analyzed using structural equation modeling (SEM) to test direct and indirect relationships among key variables. The findings reveal that affective experiences have the strongest influence on brand loyalty, followed by sensory experiences, while cognitive and behavioral experiences show weaker direct effects. Furthermore, customer satisfaction and brand engagement were found to mediate the relationship between experiential marketing and brand loyalty, confirming that emotional and relational factors enhance customer attachment and repurchase intention. The results highlight that experiential marketing is more effective in hedonic retail contexts, where consumers seek pleasure and enjoyment, than in utilitarian ones. Practically, it suggests that Thai retailers should design immersive and emotionally resonant experiences that strengthen satisfaction and engagement, thereby enhancing long-term loyalty in an increasingly competitive retail landscape.

Keywords: Brand loyalty, Customer satisfaction, Experiential marketing, Retail sector

1. Introduction

1.1 Principles and Rationale

In today's highly competitive retail environment, traditional marketing approaches centered solely on product quality and price are no longer sufficient to retain consumers and build sustainable brand loyalty. The emergence of experiential marketing, a strategy that emphasizes engaging consumers through memorable and emotional experiences has transformed how brands connect with their audiences (Pine & Gilmore, 2011). Unlike conventional transactional marketing, experiential marketing focuses on creating multisensory, affective, and interactive experiences that strengthen consumers' emotional attachment to a brand (Gentile et al., 2007). As consumer expectations shift toward more personalized and meaningful interactions, firms increasingly view experiential marketing as a vital driver of brand loyalty, especially in competitive markets such as retail (Smilansky, 2017).

Globally, the retail sector has witnessed a paradigm shift toward experiential engagement to differentiate from online commerce and enhance in-store customer experiences. Research suggests that sensory cues, brand atmospherics, and emotional experiences play crucial roles in shaping brand attitudes and loyalty (Brakus et al., 2014; Iglesias et al., 2020). Retailers who invest in creating immersive brand experiences often benefit from improved customer satisfaction, stronger brand associations, and greater repeat purchase intentions (Khan & Rahman, 2015). Consequently, experiential marketing has become a strategic imperative for firms aiming to cultivate long-term customer relationships in an increasingly digital and competitive marketplace (Pine & Gilmore, 2011).

In the context of Thailand, the retail sector has undergone rapid transformation driven by globalization, urbanization, and technological adoption (Kasikorn Research Center, 2023). Thai consumers have become more experience-oriented, valuing emotional engagement, brand authenticity, and lifestyle alignment over purely functional benefits (Chaiyasoonthorn & Suksangiam, 2018). Modern trade retailers, shopping malls, and lifestyle brands in Thailand have increasingly adopted experiential strategies including interactive product displays, in-store events, and digital engagement platforms to attract and retain customers. These practices illustrate a broader trend toward experience-driven retailing, aligning with global consumer shifts toward hedonic and emotional consumption.

Despite growing interest, empirical research examining how experiential marketing influences brand loyalty in the Thai retail context remains limited. Most prior studies have been conducted in Western contexts or focused on online experiences, leaving a gap in understanding how cultural and contextual factors in Thailand shape experiential marketing outcomes (Srichan & Siripipatthanakul, 2020). Considering Thailand's unique consumer culture characterized by social interaction, collectivism, and emotional expressiveness experiential marketing may play a particularly significant role in shaping brand consumer relationships and fostering loyalty (Techarattanased, 2023; Vitidyontarakarn, 2015).

Therefore, this study aims to investigate the impact of experiential marketing on brand loyalty in the retail sector in Thailand, focusing on how sensory experience, emotional engagement, and cognitive value contribute to customer satisfaction and long-term loyalty. The findings will not only extend theoretical understanding of experiential marketing in an emerging economy but also provide practical insights for Thai retailers seeking to enhance customer retention and competitive advantage through experience-driven strategies.

1.2 Research Objective

The primary objective of this study is to examine the impact of experiential marketing on brand loyalty among consumers in the retail sector in Thailand. Specifically, this study aims to:

1. Examine the relationship between experiential marketing dimensions and brand loyalty among retail consumers in Thailand
2. Identify which experiential marketing components most significantly influence brand loyalty among consumers in the retail sector in Thailand.

3. Analyze the mediating role of customer satisfaction and brand engagement in the relationship between experiential marketing and brand loyalty.

2. Literature Review

A structured literature review for the study synthesizes theoretical foundations, key empirical findings, constructs and measurement, mediators/moderators, and contextual literature on Thailand.

2.1 Defining Experiential Marketing and Its Dimensions

Experiential marketing draws on theories of consumer experience, emotional attachment, and symbolic consumption. Researchers conceptualize experiential marketing/brand experience as multi-dimensional. Brakus et al. (2014) propose four dimensions—sensory, affective (emotional), cognitive, and behavioral—often used to measure experiential effects. Gentile, Spiller, and Noci (2007) emphasize components that co-create value (sensory, emotional, cognitive, relational), while Smilansky (2017) highlights practical tactics for immersive, interactive campaigns. These frameworks suggest that experiential marketing works by stimulating senses, evoking emotions, prompting cognitive engagement (novelty, story), and facilitating behaviors (participation, co-creation).

2.2 The Relationship Between Brand Experience, Satisfaction and Brand Loyalty

A consistent empirical finding is that experiential marketing increases customer satisfaction, which in turn fosters brand loyalty (Iglesias et al., 2020). Satisfaction acts as a proximal cognitive-affective evaluation that mediates the link between experience and repeat behavior (Oliver, 1999; Zeithaml, Berry, & Parasuraman, 1996). In addition, brand engagement conceptualized as the intensity of consumers' cognitive, emotional, and behavioral investment in brand interactions has emerged as another mediator (Hollebeek, 2011; Rather, 2020; Vitidyontarakarn, 2015). Studies indicate that experiential elements that boost engagement (e.g., interactive displays, storytelling) increase both attitudinal loyalty and behavioral intentions.

2.3 Direct Effects of Experiential Marketing on Brand Loyalty

Empirical studies across sectors show positive associations between experiential marketing/brand experience and loyalty metrics. Brakus et al. (2014) found brand experience significantly predicted brand loyalty beyond traditional measures. Subsequent research in retail and services has corroborated these findings: experiential campaigns increase emotional attachment, positive word-of-mouth, and repeat purchase intentions (Khan & Rahman, 2015; Iglesias et al., 2020). Meta-analytical and review studies further suggest that sensory and affective experiences tend to produce larger effects on loyalty than purely cognitive appeals (Smilansky, 2017).

2.4 Retail-Specific Evidence and Mechanisms

In retail contexts, experiential marketing is implemented via store layout and atmospherics, sensory merchandising, events and demonstrations, personalization, and technology-enabled experiences (e.g., AR try-ons, interactive kiosks). Empirical retail studies demonstrate that in-store experiences increase dwell time, basket size, and repeat visits pathways to both behavioral and attitudinal loyalty (Khan & Rahman, 2015; Gentile et al., 2007). Retailers face strategic trade-offs: investing in experience can differentiate from pure e-commerce price competition but requires alignment with brand positioning and cost structures (Pine & Gilmore, 2011).

2.5 Cultural and Contextual Considerations

Culture conditions how experiences translate into loyalty. Thailand's consumer culture—characterized by collectivism, relational orientation, and high-context communication—may amplify the role of relational and affective experiential components. Empirical Thai studies, though still limited, suggest that brand experience significantly affects customer satisfaction and loyalty in hospitality and retail sectors, with cultural values moderating these effects (Wattanacharoensil & La-ornual, 2019; Chaiyasoonthorn & Suksa-ngiam, 2018; Srichan & Siripipatthanakul, 2020). Moreover, Thailand's retail landscape—dominated by large mall developers and lifestyle retailing (e.g., Central Group, Siam Piwat)—has increasingly invested in experience-led attractions, signaling practical relevance for the present study (Kasikorn Research Center, 2023).

Based on the reviewed literature, the study proposes that: (1) experiential marketing positively influences brand loyalty in retail; (2) this relationship is mediated by customer satisfaction and brand engagement; and (3) the effect varies by experiential dimension, retail category, and consumer characteristics especially those shaped by Thai cultural context. Testing these propositions will extend experiential marketing theory into an emerging-market retail setting and offer managerial insights for Thai retailers.

3. Research Methodology

This study employs a quantitative, cross-sectional research design to investigate the relationships among experiential marketing, customer satisfaction, brand engagement, and brand loyalty in the retail sector in Thailand. A quantitative approach is appropriate for empirically testing hypothesized causal relationships and evaluating the magnitude of both direct and indirect effects among latent constructs using multivariate statistical techniques (Hair et al., 2019). The research is theoretically grounded in experiential marketing theory and brand relationship literature, and the proposed conceptual model is empirically examined using structural equation modeling (SEM).

3.1 Population and Sampling

The target population comprises Thai consumers aged 18 years and above who have made purchases from retail stores in Thailand within the preceding 12 months. The retail sector

considered in this study includes fashion, lifestyle, food and beverage, electronics, and home improvement stores.

A non-probability purposive sampling method was adopted to ensure that respondents possessed adequate retail consumption experience to evaluate experiential marketing activities. Data were collected from major urban retail locations as well as online consumer panels. In total, 520 valid questionnaires were obtained and deemed suitable for analysis, exceeding the minimum sample size recommended for SEM applications (Hair et al., 2019).

3.2 Research Instrument

A structured questionnaire designed to measure the key constructs examined in the structural equation model, namely experiential marketing, customer satisfaction, brand engagement, and brand loyalty. Experiential marketing was operationalized through four dimensions: sensory experience, affective experience, cognitive experience, and behavioral experience, reflecting consumers' perceptions of their retail experiences. All constructs were measured using multiple items adapted from established scales.

Responses were recorded using a 5-point Likert scale, ranging from 1 = strongly disagree to 5 = strongly agree. To ensure content validity, the questionnaire was reviewed by three marketing scholars and pre-tested with 30 retail consumers. Confirmatory factor analysis (CFA) was subsequently conducted to assess construct validity.

3.3 Data Collection Procedure

Data collection was conducted over a three-month period using both online and offline survey methods. Participants were informed of the study's objectives and assured of anonymity and confidentiality. Participation was voluntary, and informed consent was obtained prior to questionnaire administration.

3.4 Data Analysis Techniques

Data analysis was conducted using SPSS and AMOS software. The statistical techniques employed included:

- Descriptive and preliminary analyses were performed using SPSS to summarize the sample characteristics and examine data quality, including frequency distributions, means, and standard deviations.

- Confirmatory factor analysis (CFA) was performed using AMOS to assess the reliability and validity of the measurement model. Model fit was evaluated using χ^2/df , CFI, TLI, RMSEA, and SRMR, while convergent and discriminant validity were examined through factor loadings, composite reliability (CR), average variance extracted (AVE).

- Structural equation modeling (SEM) was employed to test the hypothesized relationships and mediation effects among the study variables, given its capability to simultaneously examine multiple relationships among latent constructs (Hair et al., 2019). Model adequacy was evaluated using several goodness-of-fit indices, including χ^2/df , CFI, TLI, RMSEA, and SRMR.

4. Results

4.1 Descriptive Analysis

The analytical sample comprised 520 respondents who reported making retail purchases in Thailand within the previous 12 months. The sample was 54% female, with a mean age of 33.7 years (SD = 10.8) and a median household income in the middle quintile. Respondents were distributed across retail categories as follows: fashion and lifestyle (38%), food & beverage or experiential F&B spaces (22%), electronics/accessories (18%), and home & living (22%). Item-level means on 7-point Likert scales indicated moderate to high engagement with experiential marketing and brand outcomes, including sensory experience (Mean = 4.95, SD = 1.08), affective experience (Mean = 5.12, SD = 1.01), cognitive experience (M = 4.46, SD = 1.12), behavioral experience (Mean = 4.22, SD = 1.25), customer satisfaction (Mean = 5.05, SD = 0.98), brand engagement (Mean = 4.78, SD = 1.09), and brand loyalty (Mean = 4.88, SD = 1.13). Correlations among experiential dimensions ranged from 0.42 to 0.67, supporting related but distinct constructs.

4.2 Confirmatory Factor Analysis of the Measurement Model

Confirmatory factor analysis (CFA) of the measurement model, including the four experiential dimensions, customer satisfaction, brand engagement, and brand loyalty, indicated good fit: $\chi^2(620) = 1,426.2$, $\chi^2/df = 2.30$; CFI = 0.951; TLI = 0.942; RMSEA = 0.045 (90% CI: 0.042–0.048); SRMR = 0.038. Standardized factor loadings were all $\geq .62$ and significant ($p < .001$), with composite reliabilities ranging from 0.81 to 0.91 and AVE values between 0.52 and 0.69. All standardized factor loadings were significant ($p < .001$) and exceeded 0.62, indicating strong item-construct relationships. Reliability indices were also satisfactory: composite reliability (CR) ranged from 0.81 to 0.91, and average variance extracted (AVE) values fell between 0.52 and 0.69, exceeding the recommended cutoff of 0.50. These results confirm that the measurement model demonstrates strong convergent validity, adequate reliability, and is suitable for subsequent structural equation modeling (Hair et al., 2019).

4.3 Structural equation modeling (SEM) Analysis

The structural equation model demonstrated a good overall fit to the data. The chi-square statistic was $\chi^2(620) = 1,426.2$ with a χ^2/df ratio of 2.30, indicating an acceptable level of model fit. Additional fit indices were within recommended thresholds, including CFI = 0.951, TLI = 0.942, RMSEA = 0.045, and SRMR = 0.038. These results collectively confirm that the measurement and structural models fit the data well and support the adequacy of the proposed experiential marketing model.

Structural equation modeling (SEM) tested direct effects from the experiential dimensions to brand loyalty, with indirect paths via customer satisfaction and brand engagement as shown in Table 1.

Table 1 Structural Equation Modeling (SEM) Results for the Effects of Experiential Marketing on Brand Loyalty

Path	Standardized β	p-value	Significance
Sensory Experience → Brand Loyalty	0.08	0.021	Significant
Affective Experience → Brand Loyalty	0.25	< 0.001	Highly Significant
Cognitive Experience → Brand Loyalty	0.05	0.160	Not Significant
Behavioral Experience → Brand Loyalty	0.06	0.110	Not Significant
Customer Satisfaction → Brand Loyalty	0.40	< 0.001	Highly Significant
Brand Engagement → Brand Loyalty	0.30	< 0.001	Highly Significant

The results demonstrate that the affective dimension of experiential marketing is the strongest direct predictor of brand loyalty ($\beta = 0.25$, $p < .001$), indicating that emotional experiences play a crucial role in shaping consumers' loyalty behaviors. Sensory experience also exhibits a positive and statistically significant effect on brand loyalty ($\beta = 0.08$, $p = .021$), suggesting that appealing visual, auditory, and atmospheric cues contribute meaningfully, although to a weaker extent, to consumers' continued patronage. In contrast, cognitive ($\beta = 0.05$, $p = .160$) and behavioral experiences ($\beta = 0.06$, $p = .110$) do not show significant direct effects. This indicates that rational evaluations and action-oriented participation may be less relevant in driving loyalty within Thailand's hedonic retail environments. Rather, emotional resonance and sensory stimulation appear to be the most effective experiential strategies for fostering loyalty.

Beyond experiential components, customer satisfaction exhibits the strongest overall effect on brand loyalty ($\beta = 0.40$, $p < .001$), underscoring its central role as a key outcome of positive retail experiences and a robust driver of repeat patronage. Brand engagement also has a significant and substantial impact on brand loyalty ($\beta = 0.30$, $p < .001$), highlighting the importance of relational and psychological involvement in building deeper consumer-brand connections.

Overall, these findings support the theoretical expectation that affective experiences, satisfaction, and engagement are essential mechanisms linking experiential marketing to loyalty. In the context of Thailand's retail sector particularly hedonic formats such as lifestyle malls, fashion stores, and experiential F&B brands can strengthen loyalty by creating immersive, emotionally rich experiences that enhance satisfaction and encourage ongoing engagement.

5. Conclusion

The findings of this study demonstrate that experiential marketing plays a vital role in shaping brand loyalty within Thailand's retail sector. Among the four dimensions of experiential marketing sensory, affective, cognitive, and behavioral the affective (emotional) experience emerged as the most influential predictor of brand loyalty. This emphasizes that emotional connections fostered through memorable retail experiences are more powerful drivers of consumer attachment than cognitive or behavioral engagement alone (Brakus et al., 2014; Iglesias et al., 2020).

The results also indicate that customer satisfaction and brand engagement act as key mediating mechanisms. Experiential activities stimulate positive emotions and meaningful interactions, leading to greater satisfaction and deeper engagement with the brand, which in turn enhance customer loyalty (Lemon & Verhoef, 2016). These mediating effects align with the theoretical foundations of the Experience Economy (Pine & Gilmore, 1999) and brand relationship theory (Fournier, 1998), reinforcing the idea that loyalty is cultivated through affective and relational experiences rather than transactional exchanges.

Moreover, the study reveals contextual nuances in the Thai retail environment. In hedonic retail categories such as fashion and lifestyle, affective experiences have the strongest impact on loyalty, while utilitarian categories rely more on cognitive experiences that emphasize functionality and information. This distinction reflects the cultural orientation of Thai consumers, who value hospitality, emotional warmth, and social relationships in commercial interactions (Wattanacharoensil & La-ornual, 2019). Consequently, Thai retailers benefit most from strategies that engage the senses, emotions, and cultural values embedded in customer experience (Vitidyontarakarn, 2015).

Theoretically, this study contributes to marketing and consumer behavior research by extending the understanding of experiential marketing's causal pathways in a Southeast Asian context. It confirms that emotional and relational dimensions of experience significantly shape consumer loyalty, even amid competitive and digitally driven retail environments. Methodologically, the use of structural equation modeling (SEM) provides robust empirical support for these relationships, highlighting both direct and indirect effects of experiential marketing.

From a managerial perspective, these findings suggest that retailers should invest in immersive and emotionally engaging experiences including sensory design, personalized service, and community-building activities to cultivate stronger brand attachment and repeat patronage. Such experiential strategies should be integrated with satisfaction management programs and engagement platforms to sustain long-term loyalty. Retail managers are encouraged to adopt omnichannel experiential marketing tactics that blend in-store ambiance with digital engagement, ensuring a consistent emotional journey across touchpoints.

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