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The Role of Brand Experience in Building Customer Loyalty: Evidence from Kopi Kenangan Consumers Through Brand Satisfaction

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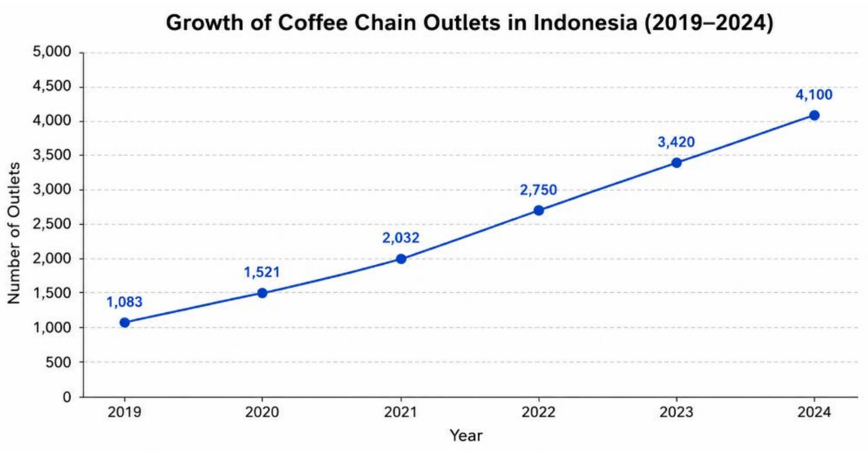
ABSTRACT
The rapid growth of Indonesia's coffee chain industry has intensified competition, requiring companies to strengthen customer loyalty through superior brand experiences. However, maintaining customer loyalty remains challenging as consumers are increasingly exposed to various competing alternatives. This study aims to examine the effect of Brand Experience on Brand Loyalty and investigate the mediating role of Brand Satisfaction among Kopi Kenangan consumers in Malang, Indonesia. A quantitative research design was employed using a survey of 100 consumers selected through purposive sampling. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4. The findings reveal that Brand Experience positively and significantly affects Brand Satisfaction and Brand Loyalty, while Brand Satisfaction also positively influences Brand Loyalty. Furthermore, Brand Satisfaction partially mediates the relationship between Brand Experience and Brand Loyalty. This study contributes to the experiential marketing and SOR literature by providing evidence from Malang Indonesia's coffee chain industry. Nevertheless, the study is limited to a single brand and cross-sectional data. Future research should incorporate additional constructs and multiple coffee chain brands to enhance model generalizability.

Keywords: : Brand Experience, Brand Satisfaction, Brand Loyalty, Coffee Chain Industry, PLS-SEM

INTRODUCTION

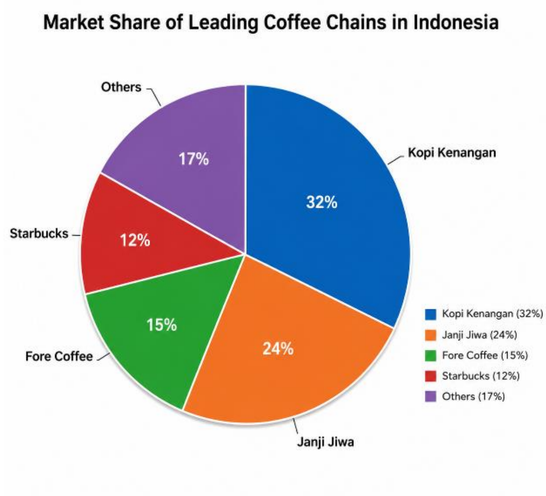
The growing emphasis on experiential consumption reflects a broader shift in marketing from product-centered strategies toward customer-centered value creation, where memorable experiences become key drivers of competitive advantage (Hollebeek & Rather, 2019; Khan & Rahman, 2015; Nysveen et al., 2013). The coffee shop industry has become one of the fastest-growing sectors within the food and beverage market, driven by changing consumer lifestyles, urbanization, and increasing demand for experiential consumption. Modern consumers no longer purchase coffee solely for its functional benefits but also seek emotional, sensory, and social experiences associated with the brand (Dwivedi et al., 2022; Hosany et al., 2022). In Malang, coffee chains such as Kopi Kenangan, Fore Coffee, Janji Jiwa, and Starbucks have intensified competition by emphasizing customer experience, digital convenience, and brand differentiation. The emergence of experience-driven consumption has shifted managerial attention from product quality toward creating memorable brand interactions that foster long-term customer relationships (Flavián et al., 2020; Soltani et al., 2020). Consequently, understanding how brand experience influences customer outcomes has become increasingly important in the contemporary coffee shop industry. Indonesia has experienced remarkable growth in its coffee chain industry over the past few years, driven by increasing coffee consumption, urban lifestyle changes, and the expansion of modern retail concepts. This trend reflects the growing importance of coffee shops as experiential consumption spaces, where consumers seek not only beverages but also social, emotional, and lifestyle-related benefits.



Source: Author's illustration based on Indonesia coffee chain industry trends (2024)

Figure 1. Growth of Coffee Chain Outlets in Indonesia (2019–2024)

Figure 1 illustrates the substantial growth of coffee chain outlets in Indonesia between 2019 and 2024. The number of outlets increased from 1,083 in 2019 to 4,100 in 2024, representing a nearly fourfold expansion over a six-year period. This trend reflects the increasing popularity of coffee consumption, changing consumer lifestyles, rapid urbanization, and the growing demand for experiential consumption among younger generations (Lemon & Verhoef, 2016; Hosany et al., 2022). The expansion of major coffee chains such as Kopi Kenangan, Fore Coffee, Janji Jiwa, and Starbucks has intensified market competition, encouraging firms to differentiate themselves through superior customer experiences and stronger brand relationships (Ibrahim et al., 2021; Rather et al., 2022). Consequently, the rapid growth of the coffee chain industry highlights the strategic importance of understanding the factors that drive customer satisfaction and loyalty, particularly the role of brand experience in sustaining long-term competitive advantage (Brakus et al., 2009; Hollebeek & Rather, 2019). The Indonesian coffee chain market has become increasingly competitive as both local and international brands continue to expand their presence across major cities. Understanding the market position of leading coffee chain brands is important because market dominance often reflects consumers' preferences, brand strength, and competitive advantages within the industry (Lemon & Verhoef, 2016; Verhoef et al., 2009).



Source: Compiled by the authors based on industry reports and market analyses of Indonesia's coffee chain industry (2024).

Figure 2. Market Share of Leading Coffee Chains in Indonesia (2024)

Figure 2 illustrates the market share distribution of leading coffee chain brands in Indonesia. Kopi Kenangan holds the largest market share at 32%, followed by Janji Jiwa (24%), Fore Coffee (15%), Starbucks (12%), and other brands collectively accounting for 17% of the market. The dominance of Kopi Kenangan indicates its strong brand positioning, extensive outlet network, and ability to deliver value propositions that resonate with Indonesian consumers. Furthermore, the relatively large market shares of local coffee chains compared with international competitors suggest that consumers increasingly favor brands that offer affordable pricing, localized products, digital convenience, and memorable customer experiences (Ibrahim et al., 2021; Rather et al., 2022). This market structure highlights the importance of investigating factors such as brand experience, satisfaction, and loyalty, as maintaining customer retention has become a critical success factor in an increasingly competitive coffee chain industry (Brakus et al., 2009; Hollebeek & Rather, 2019).

Despite the rapid growth of coffee chains, maintaining customer loyalty remains a significant challenge because consumers are frequently exposed to numerous competing alternatives. Previous studies suggest that customer loyalty is influenced by various psychological and behavioral factors, including brand experience, satisfaction, trust, and emotional attachment (Ghorbanzadeh & Rahehagh, 2021; Ibrahim et al., 2021). However, positive experiences do not always guarantee repeat purchases because customers may still switch brands due to changing preferences or attractive competing offers. This issue is particularly relevant in the coffee shop industry, where product differentiation is relatively limited and experiential factors often determine consumer choice. Therefore, identifying the mechanisms through which brand experience contributes to customer loyalty remains a critical research problem for both academics and practitioners. Recent studies suggest that experiential interactions influence customers' cognitive, affective, and behavioral responses, ultimately shaping their perceptions of value and future purchase intentions (Lemon & Verhoef, 2016; Rather et al., 2019).

Customer loyalty has become increasingly difficult to sustain because modern consumers possess greater access to information, alternatives, and social influence through digital platforms (Hollebeek et al., 2022; Rather, 2021). Although extensive research has investigated the relationship between brand experience and customer loyalty, the empirical findings remain inconclusive regarding the mediating role of customer satisfaction. Some studies report that brand experience directly enhances loyalty, whereas others argue that satisfaction functions as a crucial intermediary variable linking experience and loyalty (Chi et al., 2020; Jian et al., 2020). Furthermore, much of the existing literature has focused on hospitality, tourism, luxury brands, retailing, and e-commerce contexts rather than coffee chain businesses (Hosany et al., 2022; Hollebeek et al., 2024). Research specifically examining Indonesian coffee chains remains limited despite their substantial contribution to the country's consumer market. This contextual and theoretical gap highlights the need to investigate the role of brand satisfaction in explaining how brand experience translates into customer loyalty within coffee shop settings. Prior studies indicate that emotional attachment, trust, and satisfaction often determine whether positive experiences translate into long-term loyalty (Chaudhuri & Holbrook, 2001; Iglesias et al., 2019).

This study responds to recent calls for further investigation into experience-driven loyalty formation in service-intensive industries (Hollebeek & Macky, 2019; Verhoef et al., 2009). This study aims to examine the relationship between brand experience, brand satisfaction, and brand loyalty among Kopi Kenangan consumers. Specifically, the study investigates whether brand experience positively influences brand satisfaction and brand loyalty. The study further evaluates the effect of brand satisfaction on brand loyalty and assesses its mediating role in the relationship between brand experience and brand loyalty. By focusing on Kopi Kenangan, one of Malang largest coffee chain brands, the study provides evidence from a rapidly growing emerging market. The findings are expected to enrich the literature on consumer behavior and relationship marketing in experience-driven service industries. The findings are expected to extend experiential marketing literature by providing empirical evidence from Indonesia's rapidly growing coffee chain industry (Iglesias et al., 2019; Rather, 2021).

Theoretically, this study extends the application of the Stimulus-Organism-Response (SOR) framework by positioning brand experience as a stimulus, brand satisfaction as an organism, and brand loyalty as a behavioral response. The study contributes to the growing literature on experiential marketing by clarifying the mediating mechanism through which brand experience influences customer loyalty (Dhir et al., 2021; Hollebeek et al., 2024). Practically, the findings provide strategic insights for coffee shop managers seeking to strengthen customer retention through enhanced customer experiences and satisfaction management. The results may assist Kopi Kenangan in designing more effective branding and customer engagement strategies to maintain a competitive advantage in a highly competitive market. Ultimately, understanding the pathways leading to customer loyalty can support sustainable business growth and long-term customer relationship development.

The Stimulus-Organism-Response (SOR) theory, originally developed by Mehrabian and Russell (1974), provides a robust framework for explaining how external stimuli influence consumers' internal evaluations and subsequent behavioral responses. In marketing research, the SOR framework has been widely adopted to explain customer behavior in various service and retail contexts, including hospitality, tourism, e-commerce, and experiential consumption settings (Dhir et al., 2021; Hollebeek et al., 2024). According to this theory, environmental and brand-related stimuli shape consumers' cognitive and emotional states, which subsequently affect their behavioral intentions and actual behaviors (Lemon & Verhoef, 2016; Verhoef et al., 2009). Recent studies have increasingly employed the SOR perspective to explain customer engagement, satisfaction, trust, and loyalty formation within highly competitive markets (Rather et al., 2019; Dwivedi et al., 2022). Therefore, the SOR framework serves as an appropriate theoretical foundation for understanding how brand experience influences customer loyalty through the mediating role of brand satisfaction.

Brand experience refers to the subjective internal responses that consumers develop when interacting with brand-related stimuli, including sensory, emotional, intellectual, and behavioral dimensions (Brakus et al., 2009). Unlike traditional product evaluations that focus primarily on functional attributes, brand experience emphasizes the holistic interactions consumers encounter throughout their customer journey (Khan & Rahman, 2015; Nysveen et al., 2013). Research suggests that positive brand experiences generate stronger emotional connections, enhance brand perceptions, and create memorable encounters that differentiate a brand from its competitors (Flavián et al., 2020; Hosany et al., 2022). In service industries, experiential elements such as atmosphere, product quality, convenience, and social interactions significantly influence consumers' perceptions and future purchasing decisions (Soltani et al., 2020; Hollebeek & Macky, 2019). Consequently, brand experience has emerged as a critical strategic resource for organizations seeking to establish sustainable competitive advantages and long-term customer relationships (Iglesias et al., 2019; Hollebeek & Rather, 2019).

Brand satisfaction represents consumers' overall evaluation of whether a brand successfully fulfills or exceeds their expectations following product or service consumption (Oliver, 1999). Satisfaction is widely recognized as a central construct in relationship marketing because it reflects customers' cumulative assessment of their experiences with a brand over time (Chaudhuri & Holbrook, 2001; Ghorbanzadeh & Rahehagh, 2021). Previous studies indicate that favorable brand experiences positively influence customer satisfaction by creating enjoyable, meaningful, and value-enhancing interactions (Chi et al., 2020; Jian et al., 2020). Furthermore, satisfaction serves as an important psychological mechanism that transforms positive experiences into stronger emotional bonds and favorable behavioral intentions (Rather, 2021; Rather et al., 2022). As a result, satisfied customers are more likely to develop positive attitudes toward a brand and exhibit stronger commitment in future consumption decisions (Ramaseshan & Stein, 2014; Ibrahim et al., 2021).

Brand loyalty refers to a deeply held commitment to repurchase and continuously support a preferred brand despite situational influences and competitive marketing efforts (Oliver, 1999). Loyalty is generally manifested through repeat purchasing behavior, positive word-of-mouth communication, advocacy, and resistance to competing alternatives (Chaudhuri & Holbrook, 2001; Hollebeek et al., 2020). Contemporary research highlights that loyalty is not solely driven by product quality but also by emotional, experiential, and relational factors developed throughout the customer-brand relationship (Hollebeek et al., 2022; Hosany et al., 2022). In highly competitive service industries such as coffee chains, loyal customers contribute significantly to business sustainability by generating recurring revenue and promoting the brand within their social networks (Rather et al., 2019; Ibrahim et al., 2021). Therefore, understanding the antecedents of brand loyalty, particularly the roles of brand experience and brand satisfaction, remains essential for both marketing theory and managerial practice.

RESEARCH METHODS

This study employed a quantitative research design using a cross-sectional survey approach to examine the relationships among brand experience, brand satisfaction, and brand loyalty among Kopi Kenangan consumers. Quantitative methods are particularly suitable for testing causal relationships among latent variables and validating theoretical models in consumer behavior research (Hair et al., 2022; Sarstedt & Cheah, 2019). The population consisted of Kopi Kenangan consumers in Malang, while the sample was selected using purposive sampling to ensure that respondents possessed relevant consumption experiences. Respondents were required to be at least 17 years old, have purchased Kopi Kenangan at least twice within the last three months, and be familiar with the brand and its products. Such criteria were established to ensure that participants could provide reliable evaluations of their brand experiences, satisfaction levels, and loyalty intentions (Lemon & Verhoef, 2016; Brakus et al., 2009).

Measurement items were adapted from established scales in the branding and consumer behavior literature and assessed using a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5). Brand Experience was measured using four indicators, Brand Satisfaction using four indicators, and Brand Loyalty using three indicators. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS because this technique is suitable for predictive research models, mediation analysis, and studies involving latent constructs measured by multiple indicators (Hair et al., 2022; Ringle et al., 2024). The analysis followed a two-stage procedure consisting of measurement model assessment and structural model assessment, including tests of convergent validity, discriminant validity, reliability, path coefficients, coefficient of determination (R^2), effect size (f^2), predictive relevance (Q^2), and bootstrapping procedures. PLS-SEM has become one of the most widely accepted analytical approaches in marketing, hospitality, and consumer behavior studies due to its robustness in handling complex research models and predictive objectives.

RESULTS AND DISCUSSION

Results

Table 1 presents the demographic profile and purchasing behavior of the respondents involved in this study. Understanding respondent characteristics is important because it provides contextual information regarding the consumers who evaluate the relationships among brand experience, brand satisfaction, and brand loyalty.

Table 1. Respondent Characteristics

Characteristic	Category	Frequency	Percentage (%)
Gender	Male	42	42.0
	Female	58	58.0
Age	17–25 years	49	49.0
	26–35 years	31	31.0
	36–45 years	14	14.0
	>45 years	6	6.0
Occupation	Student	38	38.0
	Private Employee	34	34.0
	Entrepreneur	16	16.0
	Others	12	12.0
Purchase Frequency	2–3 times/month	44	44.0
	4–5 times/month	35	35.0
	>5 times/month	21	21.0

Source: Primary data processed using SmartPLS 4 (2026).

The results indicate that the majority of respondents were female (58%), while male respondents accounted for 42% of the sample. In terms of age, most respondents were between 17 and 25 years old (49%), followed by those aged 26–35 years (31%), suggesting that Kopi Kenangan is particularly popular among younger consumers. Regarding occupation, students represented the largest group (38%), followed by private employees (34%), indicating that the brand attracts both academic and working populations. Furthermore, most respondents purchased Kopi Kenangan between two and three times per month (44%), while 35% purchased four to five times per month and 21% purchased more than five times per month. These findings demonstrate that the sample predominantly consists of young and active consumers with relatively frequent purchasing behavior, making them appropriate respondents for assessing brand experience, satisfaction, and loyalty toward Kopi Kenangan.

Table 2 presents the results of the measurement model assessment, including convergent validity and reliability tests for all constructs used in the study. Evaluating the measurement model is essential to ensure that the indicators accurately and consistently measure their respective latent constructs before proceeding to structural model analysis.

Table 2. Measurement Model Assessment

Construct	Item	Loading	Cronbach's Alpha	Composite Reliability	AVE
Brand Experience	BE1	0.842	0.876	0.915	0.729
	BE2	0.871			
	BE3	0.852			
	BE4	0.856			
Brand Satisfaction	BS1	0.843	0.862	0.907	0.709
	BS2	0.838			
	BS3	0.855			
	BS4	0.839			
Brand Loyalty	BL1	0.875	0.821	0.893	0.737
	BL2	0.854			
	BL3	0.844			

Source: SmartPLS 4 output.

The results indicate that all indicator loadings exceed the recommended threshold of 0.70, demonstrating adequate indicator reliability. Furthermore, Cronbach's Alpha values range from 0.821 to 0.876, while Composite Reliability values range from 0.893 to 0.915, exceeding the minimum requirement of 0.70 and confirming internal consistency reliability. The Average Variance Extracted (AVE) values vary between 0.709 and 0.737, surpassing the recommended threshold of 0.50 and indicating satisfactory convergent validity. These findings suggest that the measurement items adequately represent their respective constructs and capture a substantial proportion of the variance of the underlying latent variables. Therefore, the measurement model demonstrates acceptable levels of validity and reliability and is suitable for further structural model evaluation.

Table 3 reports the results of the discriminant validity assessment using the Heterotrait-Monotrait Ratio (HTMT) criterion. This analysis aims to verify whether each construct is empirically distinct from other constructs within the proposed research model.

Table 3. Discriminant Validity (HTMT)

Construct	BE	BS	BL
Brand Experience	-		
Brand Satisfaction	0.742	-	
Brand Loyalty	0.698	0.771	-

Source: SmartPLS 4 output.

The HTMT values range from 0.698 to 0.771, which are below the recommended threshold of 0.85. These results indicate that Brand Experience, Brand Satisfaction, and Brand Loyalty are conceptually and statistically distinct constructs. The absence of HTMT values exceeding the critical limit suggests that the indicators measure their intended constructs without substantial overlap. Consequently, discriminant validity is established, confirming that each construct captures unique dimensions of consumer perceptions and behaviors. This finding supports the robustness of the measurement model and reduces concerns regarding construct redundancy.

Table 4 presents the results of hypothesis testing based on the structural model assessment. The significance of each proposed relationship was evaluated using the bootstrapping procedure in SmartPLS.

Table 4. Structural Model Assessment

Hypothesis	Relationship	B	T-value	P-value	Decision
H1	BE → BS	0.668	15.154	0.000	Supported
H2	BE → BL	0.392	5.346	0.000	Supported
H3	BS → BL	0.444	4.874	0.000	Supported

Source: SmartPLS Bootstrapping Results.

The results reveal that all proposed hypotheses are supported. Brand Experience significantly influences Brand Satisfaction ($\beta = 0.668$, $t = 15.154$, $p < 0.001$), indicating that positive experiences strongly enhance consumers' satisfaction levels. Brand Experience also has a significant direct effect on Brand Loyalty ($\beta = 0.392$, $t = 5.346$, $p < 0.001$), suggesting that memorable brand interactions directly encourage customer loyalty. Moreover, Brand Satisfaction significantly affects Brand Loyalty ($\beta = 0.444$, $t = 4.874$, $p < 0.001$), demonstrating that satisfied customers are more likely to remain loyal to the brand. Overall, the findings confirm the importance of both experiential and satisfaction-related factors in building customer loyalty toward Kopi Kenangan.

Table 5 presents the mediation analysis examining the indirect effect of Brand Experience on Brand Loyalty through Brand Satisfaction. The mediation effect was assessed using the specific indirect effect generated through the bootstrapping procedure.

Table 5. Mediation Analysis

Relationship	Direct Effect	Indirect Effect	Total Effect	Mediation Type
BE → BS → BL	0.392	0.296	0.688	Partial Mediation

Source: SmartPLS Specific Indirect Effects Output.

The findings show that the indirect effect of Brand Experience on Brand Loyalty through Brand Satisfaction is 0.296, while the direct effect remains significant at 0.392. The simultaneous significance of both direct and indirect effects indicates the presence of partial mediation. This result suggests that Brand Experience influences customer loyalty both directly and indirectly through enhanced customer satisfaction. In practical terms, consumers who have positive experiences with Kopi Kenangan tend to become more satisfied, and this satisfaction subsequently strengthens their loyalty toward the brand. Therefore, Brand Satisfaction serves as an important explanatory mechanism linking customer experiences to loyalty outcomes.

Table 6 presents the coefficient of determination (R^2) values for the endogenous constructs included in the model. The R^2 statistic measures the proportion of variance in an endogenous variable explained by its predictor variables.

Table 6. Coefficient of Determination (R^2)

Endogenous Variable	R^2	Interpretation
Brand Satisfaction	0.446	Moderate
Brand Loyalty	0.589	Moderate-High

Source: SmartPLS R-Square Output.

The results indicate that Brand Experience explains 44.6% of the variance in Brand Satisfaction (R^2 = 0.446). Furthermore, Brand Experience and Brand Satisfaction jointly explain 58.9% of the variance in Brand Loyalty (R^2 = 0.589). According to established PLS-SEM guidelines, these values indicate moderate explanatory power. The relatively higher R^2 value for Brand Loyalty suggests that the model is particularly effective in explaining customer loyalty behavior. These findings demonstrate that the proposed model provides a substantial explanation of consumers' satisfaction and loyalty toward Kopi Kenangan.

Table 7 reports the effect size (f^2) values, which evaluate the contribution of each exogenous construct to the explanatory power of the endogenous constructs. This analysis helps determine the relative importance of each structural relationship within the model.

Table 7. Effect Size (f^2)

Relationship	f^2	**Effect Size**
BE → BS	0.803	Large
BE → BL	0.201	Medium
BS → BL	0.258	Medium

Source: SmartPLS f-Square Output.

The results show that the relationship between Brand Experience and Brand Satisfaction has a large effect size (f^2 = 0.803), indicating that Brand Experience is the dominant factor influencing customer satisfaction. Meanwhile, the effects of Brand Experience on Brand Loyalty (f^2 = 0.201) and Brand Satisfaction on Brand Loyalty (f^2 = 0.258) are categorized as medium effects. These findings suggest that although both predictors contribute significantly to customer loyalty, Brand Experience exerts the strongest influence through its impact on satisfaction. The results highlight the strategic importance of creating positive customer experiences to strengthen both satisfaction and loyalty. Therefore, enhancing customer experience should be a primary managerial priority for Kopi Kenangan.

Table 8 presents the predictive relevance (Q^2) values obtained from the blindfolding procedure. The Q^2 statistic evaluates the model's predictive capability by assessing how well observed values can be reconstructed by the model and its parameter estimates.

Table 8. Predictive Relevance (Q^2)

Endogenous Variable	**Q^2**	**Interpretation**
Brand Satisfaction	0.265	Medium Predictive Relevance
Brand Loyalty	0.353	Strong Predictive Relevance

Source: SmartPLS Blindfolding Output.

The Q^2 values for Brand Satisfaction (0.265) and Brand Loyalty (0.353) are both greater than zero, indicating that the model possesses predictive relevance. The Q^2 value of Brand Loyalty is higher than that of Brand Satisfaction, suggesting that the model demonstrates stronger predictive capability for loyalty-related outcomes. According to PLS-SEM guidelines, these values indicate moderate to strong predictive accuracy. The findings confirm that the model is capable of predicting future observations beyond the sample used in this study. Consequently, the proposed model can be considered useful not only for explanatory purposes but also for predictive applications.

Table 9 summarizes the overall quality assessment of the measurement and structural models. This summary provides a comprehensive evaluation of whether the model meets the recommended criteria established in the PLS-SEM literature.

Table 9. Summary of Model Quality

Criteria	Threshold	Result	Status
Outer Loading	>0.70	0.838–0.875	Accepted
Cronbach Alpha	>0.70	0.821–0.876	Accepted
Composite Reliability	>0.70	0.893–0.915	Accepted
AVE	>0.50	0.709–0.737	Accepted
HTMT	<0.85	0.698–0.771	Accepted
R^2	>0.25	0.446–0.589	Accepted
Q^2	>0	0.265–0.353	Accepted

Source: Adapted from Hair et al. (2022), Sarstedt et al. (2022), and SmartPLS 4 output.

The results demonstrate that all evaluation criteria satisfy the recommended thresholds. Indicator reliability, internal consistency reliability, convergent validity, discriminant validity, explanatory power, and predictive relevance are all within acceptable ranges. Specifically, outer loadings exceed 0.70, AVE values are above 0.50, HTMT values remain below 0.85, and R^2 and Q^2 values indicate satisfactory explanatory and predictive capabilities. These findings confirm that the proposed model is statistically robust and empirically supported. Therefore, the model provides a reliable framework for explaining how Brand Experience and Brand Satisfaction contribute to the development of Brand Loyalty among Kopi Kenangan consumers.

Hypothesis Development

H1: Brand Experience → Brand Satisfaction

Brand experience is widely recognized as a critical antecedent of customer satisfaction because it reflects consumers' sensory, affective, intellectual, and behavioral responses during interactions with a brand (Brakus et al., 2009). Positive experiences enable consumers to develop favorable evaluations of products and services, thereby increasing their overall satisfaction levels (Khan & Rahman, 2015). In service-intensive industries, memorable experiences can create emotional value that exceeds functional benefits and contributes significantly to customer satisfaction (Lemon & Verhoef, 2016; Verhoef et al., 2009). Previous empirical studies have consistently demonstrated that customers who perceive superior brand experiences report higher satisfaction levels across hospitality, tourism, retail, and service contexts (Hosany et al., 2022; Soltani et al., 2020; Flavián et al., 2020). Therefore, consumers who experience positive interactions with Kopi Kenangan are expected to exhibit greater satisfaction toward the brand.

H1: Brand Experience positively affects Brand Satisfaction.

H2: Brand Experience → Brand Loyalty

Brand experience plays an important role in fostering customer loyalty because meaningful interactions strengthen emotional connections between consumers and brands (Brakus et al., 2009). Experiential marketing literature suggests that consumers are more likely to remain loyal to brands that provide enjoyable, memorable, and distinctive experiences compared with competing alternatives (Iglesias et al., 2019; Hollebeek & Rather, 2019). Positive experiences contribute to stronger customer engagement, attachment, and commitment, which ultimately increase the likelihood of repeat purchasing behavior (Rather et al., 2019; Hollebeek et al., 2020). Several studies have reported that experiential attributes significantly influence consumers' intentions to revisit, repurchase, and recommend a brand to others (Ramaseshan & Stein, 2014; Rather et al., 2022). Accordingly, customers who perceive favorable experiences with Kopi Kenangan are expected to demonstrate higher levels of brand loyalty.

H2: Brand Experience positively affects Brand Loyalty.

H3: Brand Satisfaction → Brand Loyalty

Customer satisfaction has long been considered one of the most important determinants of brand loyalty in marketing literature (Oliver, 1999). Satisfied customers tend to develop stronger emotional bonds with brands because their expectations have been fulfilled or exceeded through repeated consumption experiences (Chaudhuri & Holbrook, 2001). Satisfaction reduces the likelihood of switching behavior and increases consumers' willingness to continue purchasing the same brand despite the presence of alternative offerings (Ghorbanzadeh & Rahehagh, 2021). Empirical evidence indicates that satisfied consumers are more likely to engage in positive word-of-mouth communication, repurchase intentions, and long-term brand commitment (Ibrahim et al., 2021; Chi et al., 2020). Therefore, higher levels of satisfaction among Kopi Kenangan consumers are expected to strengthen their loyalty toward the brand.

H3: Brand Satisfaction positively affects Brand Loyalty.

H4: The Mediating Role of Brand Satisfaction

The Stimulus-Organism-Response (SOR) theory proposes that external stimuli influence behavioral responses through internal psychological processes (Mehrabian & Russell, 1974; Dhir et al., 2021). Within this framework, brand experience acts as a stimulus that shapes consumers' internal evaluations, represented by brand satisfaction, before influencing loyalty behavior (Hollebeek et al., 2024). Previous studies have suggested that satisfaction serves as a crucial mechanism through which experiential encounters are transformed into long-term customer relationships and loyalty outcomes (Rather, 2021; Ghorbanzadeh & Rahehagh, 2021). Customers who experience positive interactions with a brand tend to become more satisfied, and this satisfaction subsequently increases their commitment to repurchase and recommend the brand (Jian et al., 2020; Hosany et al., 2022). Consequently, brand satisfaction is expected to mediate the relationship between brand experience and brand loyalty among Kopi Kenangan consumers.

H4: Brand Satisfaction mediates the relationship between Brand Experience and Brand Loyalty.

Discussion

The results indicate that Brand Experience has a positive and significant effect on Brand Satisfaction ($\beta = 0.668$, $p < 0.001$), supporting H1. This finding suggests that consumers who perceive positive experiences while interacting with Kopi Kenangan are more likely to feel satisfied with the brand. Consistent with Brand Experience Theory, sensory, emotional, intellectual, and behavioral experiences collectively shape consumers' evaluations of a brand and influence their satisfaction levels (Brakus et al., 2009; Khan & Rahman, 2015). In the context of Kopi Kenangan, factors such as product quality, enjoyable consumption experiences, brand image congruence, and perceptions of brand superiority contribute significantly to customer satisfaction. This result corroborates previous studies demonstrating that positive brand experiences enhance customer satisfaction by creating memorable and value-enhancing interactions that exceed consumer expectations (Lemon & Verhoef, 2016; Verhoef et al., 2009; Hosany et al., 2022; Soltani et al., 2020; Flavián et al., 2020).

The findings reveal that Brand Experience positively and significantly affects Brand Loyalty (β = 0.392, $p < 0.001$), thereby supporting H2. This result indicates that consumers who experience positive interactions with Kopi Kenangan are more likely to continue purchasing, recommend the brand to others, and remain committed to the brand. Experiential marketing literature argues that memorable brand experiences foster emotional attachment and strengthen consumers' psychological connections with brands (Iglesias et al., 2019; Hollebeek & Rather, 2019). The direct influence identified in this study suggests that customer loyalty can emerge not only from satisfaction but also from the intrinsic value generated through brand experiences. Similar findings have been reported in studies conducted across hospitality, retail, and service industries, where positive customer experiences significantly increase revisit intentions, advocacy behaviors, and long-term loyalty (Ramaseshan & Stein, 2014; Rather et al., 2019; Hollebeek et al., 2020; Rather et al., 2022; Ibrahim et al., 2021).

The results demonstrate that Brand Satisfaction has a positive and significant influence on Brand Loyalty (β = 0.444, $p < 0.001$), supporting H3. This finding confirms the central premise of relationship marketing theory, which posits that satisfied customers are more likely to maintain long-term relationships with brands and engage in repeat purchasing behavior (Oliver, 1999). Satisfaction reflects consumers' evaluations of whether a brand successfully fulfills or exceeds their expectations, thereby fostering trust, commitment, and favorable behavioral intentions (Chaudhuri & Holbrook, 2001). In the case of Kopi Kenangan, satisfied customers are more likely to recommend the brand, repurchase its products, and explore additional menu offerings. This finding aligns with previous empirical studies indicating that customer satisfaction serves as a fundamental determinant of loyalty across various service sectors, including hospitality, tourism, food service, and retailing (Ghorbanzadeh & Rahehagh, 2021; Chi et al., 2020; Jian et al., 2020; Rather, 2021; Hollebeek et al., 2022).

The mediation analysis reveals that Brand Satisfaction partially mediates the relationship between Brand Experience and Brand Loyalty, thereby supporting H4. The significant indirect effect (β = 0.296) indicates that positive brand experiences enhance customer loyalty by first increasing customer satisfaction. This finding is consistent with the Stimulus-Organism-Response (SOR) framework, which proposes that external stimuli influence behavioral outcomes through internal psychological processes (Mehrabian & Russell, 1974; Dhir et al., 2021). Within this framework, Brand Experience functions as the stimulus, Brand Satisfaction represents the organism, and Brand Loyalty serves as the response. The partial mediation observed in this study suggests that while positive experiences directly foster loyalty, a substantial portion of their influence operates through satisfaction, reinforcing previous findings that satisfaction acts as a critical mechanism linking experiential encounters with long-term loyalty outcomes (Hollebeek et al., 2024;

Ghorbanzadeh & Rahehagh, 2021; Hosany et al., 2022; Rather et al., 2019; Hollebeek et al., 2020).

The findings of this study confirm that Brand Experience is a significant driver of both Brand Satisfaction and Brand Loyalty among Kopi Kenangan consumers. The strongest relationship identified in the structural model is between Brand Experience and Brand Satisfaction ($\beta = 0.668$), indicating that consumers' evaluations of product quality, consumption enjoyment, brand congruence, and brand superiority substantially influence their satisfaction levels. This result supports the argument that experiential consumption has become increasingly important in contemporary service markets, where consumers seek emotional and symbolic value in addition to functional benefits (Brakus et al., 2009; Lemon & Verhoef, 2016). Furthermore, Brand Experience was found to directly influence Brand Loyalty, suggesting that positive customer experiences can foster long-term relationships with a brand even before satisfaction is fully established (Iglesias et al., 2019; Ramaseshan & Stein, 2014). These findings reinforce previous studies highlighting the strategic importance of experiential marketing in creating competitive differentiation and sustaining customer loyalty in highly competitive service industries (Hollebeek & Rather, 2019; Rather et al., 2022).

In addition, Brand Satisfaction significantly influences Brand Loyalty, indicating that satisfied customers are more likely to engage in repeat purchases, positive word-of-mouth communication, and long-term commitment toward the brand. This finding is consistent with relationship marketing theory, which emphasizes satisfaction as a fundamental determinant of customer retention and loyalty (Oliver, 1999; Chaudhuri & Holbrook, 2001). The mediation analysis further reveals that Brand Satisfaction partially mediates the relationship between Brand Experience and Brand Loyalty. This result suggests that customer experiences influence loyalty through two complementary pathways: directly through emotional and experiential attachment and indirectly through satisfaction formation. Consequently, the findings support the Stimulus-Organism-Response (SOR) framework, where Brand Experience acts as the stimulus, Brand Satisfaction serves as the organism, and Brand Loyalty represents the behavioral response (Mehrabian & Russell, 1974; Dhir et al., 2021; Hollebeek et al., 2024).

From a theoretical perspective, this study contributes to the growing literature on experiential marketing, consumer behavior, and relationship marketing by extending the application of the Stimulus-Organism-Response framework within the context of Malang coffee chain industry. Previous studies have largely focused on hospitality, tourism, luxury brands, retailing, and digital commerce, while empirical evidence from emerging coffee chain markets remains relatively limited (Hosany et al., 2022; Soltani et al., 2020). The study demonstrates that Brand Satisfaction serves as an important explanatory mechanism linking Brand Experience and Brand Loyalty, thereby clarifying previously inconsistent findings regarding the direct and indirect effects of brand experience on loyalty outcomes

(Ghorbanzadeh & Rahehagh, 2021; Rather et al., 2019). Furthermore, the findings enrich the experiential marketing literature by providing evidence from a rapidly growing consumer market characterized by intense competition and experience-driven consumption. As a result, the study contributes to both theoretical refinement and contextual expansion within branding and customer relationship research (Khan & Rahman, 2015; Hollebeek et al., 2020).

From a managerial perspective, the findings suggest that Kopi Kenangan should prioritize strategies that enhance customer experiences across multiple touchpoints. Improving product quality, menu innovation, service interactions, digital ordering systems, and brand image consistency can strengthen customer satisfaction and loyalty simultaneously (Verhoef et al., 2009; Lemon & Verhoef, 2016). Since Brand Experience exerts both direct and indirect effects on loyalty, managers should design integrated customer experience strategies that create memorable and emotionally engaging consumption experiences. Furthermore, strengthening customer satisfaction through consistent service quality and value delivery can amplify the long-term impact of experiential marketing initiatives. These managerial implications are particularly relevant for coffee chain businesses seeking to maintain competitive advantages in increasingly saturated and dynamic markets (Ibrahim et al., 2021; Hollebeek & Macky, 2019).

Despite its contributions, this study has several limitations that should be considered when interpreting the findings. First, the study focuses exclusively on Kopi Kenangan consumers, which may limit the generalizability of the results to other coffee chain brands, service industries, or geographical contexts. Second, the cross-sectional design restricts the ability to capture changes in consumer perceptions and loyalty behaviors over time, whereas longitudinal studies may provide a more comprehensive understanding of customer relationship development (Hair et al., 2022; Sarstedt & Cheah, 2019). Third, the model includes only Brand Experience, Brand Satisfaction, and Brand Loyalty, while other potentially influential variables such as Brand Trust, Brand Love, Customer Engagement, Perceived Value, and Brand Attachment were not examined (Hollebeek et al., 2022; Ghorbanzadeh & Rahehagh, 2021). Future research should incorporate these additional constructs, expand the sample to multiple coffee chain brands, and employ longitudinal or multi-group approaches to enhance theoretical understanding and improve the predictive capability of loyalty models in experience-driven service industries (Rather, 2021; Hollebeek et al., 2024; Hosany et al., 2022).

CONCLUSION

This study concludes that Brand Experience plays a crucial role in shaping both Brand Satisfaction and Brand Loyalty among Kopi Kenangan consumers. The findings reveal that Brand Experience significantly and positively influences Brand Satisfaction and Brand Loyalty, while Brand Satisfaction also exerts a significant positive effect on Brand Loyalty. Furthermore, the mediation analysis demonstrates that Brand Satisfaction partially mediates the relationship between Brand Experience and Brand Loyalty, indicating that positive customer experiences enhance loyalty both directly and indirectly through increased satisfaction. From a theoretical perspective, these findings extend the application of the Stimulus-Organism-Response (SOR) framework by confirming that Brand Experience functions as a stimulus, Brand Satisfaction as an organism, and Brand Loyalty as a behavioral response within the coffee chain industry context. From a managerial perspective, the results suggest that Kopi Kenangan should prioritize the development of memorable customer experiences through superior product quality, enjoyable consumption experiences, strong brand positioning, and consistent value delivery, as these factors are essential for enhancing customer satisfaction and fostering long-term customer loyalty in an increasingly competitive market.

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