

CUSTOMER SATISFACTION MODERATES EXPERIENTIAL MARKETING ON GRAB-BIKE USER LOYALTY

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ABSTRACT

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Intense competition in the online transportation industry requires companies to create unique customer experiences, particularly through experiential marketing. GrabBike, as a leading service provider in Tangerang City, faces significant challenges in maintaining customer loyalty. This study aims to examine the effect of experiential marketing on customer loyalty with customer satisfaction as a moderating variable among GrabBike users. A quantitative approach with a descriptive-associative design was employed. The sample comprised 100 respondents selected through purposive sampling, and the data were analyzed using SmartPLS 4.0. The results indicate that experiential marketing significantly affects customer satisfaction but does not directly affect customer loyalty. However, customer satisfaction significantly affects loyalty, and experiential marketing does so through customer satisfaction as a moderating variable. This study contributes theoretically by clarifying the role of customer satisfaction as a moderator rather than a mediator—in the experiential marketing-loyalty relationship, an area rarely explored in the online transportation context. The novelty lies in revealing that satisfaction strengthens the indirect effect of experiential marketing on loyalty, offering a nuanced understanding of their interrelationship. Practically, these findings provide strategic insights for GrabBike management to prioritize satisfaction-driven experiential marketing. Methodologically, this study demonstrates the application of SmartPLS to test moderating effects in a non-linear service setting, specifically among GrabBike users in Tangerang, an emerging urban market.

INTRODUCTION

Competition in the online transportation industry is increasingly intense, driven by the rapid development of digital technology that has transformed various sectors, including application-based transportation services (Hikaru et al., 2021).



Online transportation has become a strategic innovation for meeting the mobility needs of modern society, prioritizing practicality, speed, and efficiency over conventional transportation (Ricardianto et al., 2024). GrabBike, as one of the online transportation service providers with a significant market share in Indonesia, particularly in Tangerang City (Hikaru et al., 2021), faces serious challenges maintaining customer loyalty amid intense competition from rivals such as Gojek, Maxim, and inDriver (Annur et al., 2024). Customer loyalty is a crucial factor for business sustainability, reflected not only in repeat purchases but also in consistent consumer preference for a brand despite numerous alternatives (Rana et al., 2025). However, modern consumers have high expectations for service quality, requiring companies to provide not only functional services but also pleasant, memorable experiences (Bennett et al., 2005).

One widely adopted strategy is experiential marketing (Schmitt, 1999). Through its five dimensions, sense, feel, think, act, and relate, this strategy emphasizes the creation of meaningful, emotional customer experiences, which can ultimately increase brand attachment (Aryandha et al., 2025). Previous research has shown that experiential marketing positively affects customer satisfaction (Aryandha et al., 2025), and customer satisfaction has been proven to be an important factor in building loyalty (Hikaru et al., 2021; Ricardianto et al., 2024). Customer satisfaction – defined as the emotional response that emerges after consumers compare expectations with actual service performance (Bennett et al., 2005) is often positioned as a variable that mediates the relationship between experiential marketing and loyalty. Satisfied customers tend to continue using the same service and even recommend it to others (Rana et al., 2025).

However, previous research results show inconsistency. Some studies have found that experiential marketing can directly affect loyalty (Aryandha et al., 2025), while others suggest that customer satisfaction can moderate the relationship between experience and loyalty (Bennett et al., 2005). More specifically, research on product involvement has examined the moderating and mediating effects of involvement on the relationship between experiential marketing, customer satisfaction, and loyalty

(International Journal of Lisrel, 2010). These conflicting findings indicate a research gap that requires further investigation, particularly in the context of online transportation. Furthermore, most previous studies have treated customer satisfaction as a mediating rather than a moderating variable (Aryandha et al., 2025). However, understanding whether customer satisfaction strengthens or weakens the effect of experiential marketing on loyalty remains limited, especially among two-wheeled service users in urban areas such as Tangerang, which has high levels of online transportation use and intense competition (Hikaru et al., 2021).

Therefore, the novelty of this research lies in examining the role of customer satisfaction as a moderating variable rather than a mediating variable in the relationship between experiential marketing and GrabBike customer loyalty, with a specific focus on users in Tangerang City. This context has not been extensively studied. This study aims to: (1) analyze the effect of experiential marketing on customer satisfaction; (2) analyze the effect of experiential marketing on customer loyalty; (3) analyze the effect of customer satisfaction on customer loyalty; and (4) analyze the effect of experiential marketing on customer loyalty through customer satisfaction as a moderating variable. The results of this study are expected to provide theoretical contributions to the development of marketing management science and practical benefits for GrabBike and other online transportation companies by enabling them to formulate more effective marketing strategies.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Experiential Marketing

Experiential marketing is a strategic approach that focuses on creating meaningful, emotional experiences for customers rather than emphasizing product features or benefits alone (Schmitt, 1999). Unlike traditional marketing that highlights functional attributes, experiential marketing aims to engage customers holistically by stimulating their senses, emotions, thoughts, actions, and social connections (Schmitt, 1999). Schmitt (1999) conceptualized five strategic experiential modules (SEMs): sense (aesthetic pleasure), feel (affective emotions), think (cognitive engagement), act (physical behaviors and lifestyles), and relate (social identity and belonging). These

dimensions collectively create a comprehensive customer experience that fosters deeper brand attachment (Aryandha et al., 2025).

In the context of online transportation services, experiential marketing has become particularly relevant as companies compete not only on price and efficiency but also on the quality of customer interactions throughout the service journey (Saputri & Kurniasih, 2020). For GrabBike users, experiences begin before the ride (app interface, booking process), continue during the ride (driver interaction, safety perception), and extend after the ride (payment process, feedback mechanisms) (Hikaru et al., 2021). Research by Stevens et al. (2024) emphasizes that the value of an experiential consumption begins in the pre-experience stage, where online community participation and experience imagination significantly shape subsequent evaluations and loyalty.

Customer Satisfaction

Customer satisfaction is defined as the customer's evaluative judgment regarding the extent to which a product or service meets or exceeds their expectations (Oliver, 1997). It represents a post-consumption emotional response that reflects the discrepancy between perceived performance and prior expectations (Oliver, 1997). In service industries, satisfaction is critical because services are intangible, heterogeneous, and produced and consumed simultaneously, making quality assessment inherently subjective (Bennett et al., 2005).

In the ride-hailing context, customer satisfaction is shaped by multiple touchpoints, including application usability, driver professionalism, waiting time, pricing fairness, safety standards, and post-ride support (Hikaru et al., 2021). Juniarty et al. (2025) found that both rational (economic value, service quality, information transparency) and emotional (sensory value, driver attitude, cultural alignment) factors contribute to satisfaction among Indonesian online transportation users. Satisfied customers are more likely to continue using the service, recommend it to others, and resist switching to competitors (Rana et al., 2025).

Customer Loyalty

Customer loyalty represents a deeply held commitment to repurchase or repatronize a preferred product or service consistently in the future, despite situational influences and marketing efforts that could cause switching behavior (Oliver, 1997). Loyalty encompasses both behavioral (e.g., repeat purchases, usage frequency) and attitudinal (e.g., preference, commitment, resistance to alternatives) dimensions (Oliver, 1997).

For ride-hailing platforms like GrabBike, loyalty manifests through sustained usage, positive word of mouth, willingness to pay premium prices, and resilience against competitor promotions (Annur et al., 2024). Research by Pratiwi (2025) identifies brand personality, perceived usefulness, and voucher discounts as significant drivers of reuse intention, with emotional brand connections serving as key loyalty determinants. Similarly, Hikaru et al. (2021) found that satisfaction significantly predicts customer loyalty in urban online transportation users, with brand image and ease of use playing supporting roles. Ricardianto et al. (2024) confirmed that attitudinal loyalty in ride-hailing services is driven by perceived value, trust, and satisfaction.

The Moderating Role of Customer Satisfaction

While much of the existing literature positions customer satisfaction as a mediating variable between experiential marketing and loyalty (Aryandha et al., 2025; Hikaru et al., 2021), this study conceptualizes customer satisfaction as a moderating variable. A moderating variable influences the strength or direction of the relationship between an independent variable and a dependent variable (Baron & Kenny, 1986). In this research, customer satisfaction is hypothesized to moderate the relationship between experiential marketing and customer loyalty.

The distinction between mediation and moderation is theoretically significant. Mediation explains the mechanism through which an independent variable affects a dependent variable, implying a causal chain (experiential marketing → satisfaction → loyalty). Moderation, conversely, identifies conditions under which the effect of experiential marketing on loyalty changes—specifically, whether its magnitude

depends on the customer's satisfaction level (Baron & Kenny, 1986). Bennett et al. (2005) demonstrated that experience serves as a moderator in the relationship between involvement and brand loyalty in business-to-business settings, suggesting that satisfaction similarly may alter how experiential marketing translates into loyalty. The International Journal of Lisrel (2010) also examined both moderating and mediating effects of product involvement, finding distinct patterns for each role.

Research by Ramadhan & Chastello (2015) provides empirical support for treating satisfaction-related constructs as moderators, finding that experiential marketing's effect on satisfaction became insignificant when moderated by customer loyalty in premium supermarket contexts. This counterintuitive finding suggests that the interactive effect between marketing strategies and customer evaluative states warrants further investigation, particularly in emerging-market service settings.

Hypothesis Development

The Effect of Experiential Marketing on Customer Satisfaction

Experiential marketing directly shapes how customers perceive and evaluate service encounters by engaging their senses, emotions, cognition, behavior, and social interactions (Schmitt, 1999). When GrabBike provides a seamless app interface (sense), friendly driver interactions (feel), transparent route information (think), convenient booking processes (act), and a sense of community with other users (relate), customers experience positive emotions that enhance satisfaction (Saputri & Kurniasih, 2020).

Previous research consistently supports this relationship. Saputri & Kurniasih (2020) found that experiential marketing of GO-JEK Indonesia had a significant effect on customer satisfaction, with four dimensions (feel, think, act, and relate) showing positive effects. Aryandha et al. (2025) similarly confirmed that experiential marketing positively influences customer satisfaction in hospitality contexts, though perceived value emerged as a stronger predictor. The International Journal of Lisrel (2010) demonstrated that experiential marketing has a significant positive influence on customer satisfaction. Hikaru et al. (2021) further validated that satisfaction mediates experiential marketing's effects on loyalty in Indonesian online transportation users. Based on this theoretical and empirical foundation, the first hypothesis is proposed:

H₁: Experiential marketing has a positive and significant effect on customer satisfaction among GrabBike users in Tangerang City.

The Effect of Experiential Marketing on Customer Loyalty

The direct relationship between experiential marketing and customer loyalty has received mixed empirical support in existing literature. Some studies find a direct effect, while others suggest an indirect or conditional relationship. Stevens et al. (2024) found that experience identification directly influences loyalty, which, in turn, affects post-experience word-of-mouth and satisfaction. Their research emphasizes that the value of an experience begins before the service encounter, with pre-experience imagination and emotional significance directly shaping loyalty outcomes.

Conversely, Aryandha et al. (2025) found that experiential marketing did not have a significant direct effect on customer loyalty in their post-pandemic hospitality study, suggesting that customers prioritized functional value (price, convenience, safety) over emotional experiences. This finding aligns with the proposition that the direct experiential marketing-loyalty link may weaken when functional attributes dominate consumer decision-making. In online transportation contexts, Juniarty et al. (2025) found that online food shopping experience significantly predicts behavioral intentions to revisit apps and recommend services, supporting a direct effect. Given these mixed findings, this study tests the direct relationship in the specific context of GrabBike users in Tangerang:

H₂: Experiential marketing has a positive and significant effect on customer loyalty among GrabBike users in Tangerang City.

The Effect of Customer Satisfaction on Customer Loyalty

The relationship between customer satisfaction and customer loyalty is well established in the marketing literature. Oliver's (1997) loyalty framework posits satisfaction as a necessary precondition for attitudinal and behavioral loyalty. Satisfied customers exhibit higher repurchase intentions, positive word of mouth, and greater resistance to competitive offers (Oliver, 1997).

Empirical studies in Indonesian ride-hailing contexts support this relationship. Hikaru et al. (2021) demonstrated that customer satisfaction significantly affects

customer loyalty in online transportation users, serving as a key mediating variable between brand image, price, promotion, ease of use, and loyalty. Research on GO-JEK users found that customer satisfaction positively and significantly affects customer loyalty, and that satisfaction also mediates the effects of customer value and experiential marketing on loyalty (Saputri & Kurniasih, 2020). Pratiwi (2025) similarly found that satisfaction-related constructs drive reuse intention among GrabFood users in Generation Z. Juniarty et al. (2025) confirmed that an online food shopping experience integrating satisfaction components significantly predicts behavioral intentions, including app revisit and recommendations. Ricardianto et al. (2024) also confirmed that satisfaction is a key antecedent of attitudinal loyalty in ride-hailing services. Based on this consistent evidence:

H₃: Customer satisfaction has a positive and significant effect on customer loyalty among GrabBike users in Tangerang City.

The Moderating Effect of Customer Satisfaction on Experiential Marketing and Loyalty

The primary theoretical contribution of this research lies in examining customer satisfaction as a moderator, rather than a mediator, of the experiential marketing-loyalty relationship. While mediation implies that experiential marketing works through satisfaction to produce loyalty, moderation addresses whether the strength of the experiential marketing-loyalty relationship depends on satisfaction levels (Baron & Kenny, 1986).

Bennett et al. (2005) provided foundational evidence for the moderating effects of experiential constructs, demonstrating that experience moderates the relationship between involvement and satisfaction in predicting brand loyalty in business-to-business settings. The International Journal of Lisrel (2010) explicitly examined both moderating and mediating effects of product involvement, finding distinct patterns. This suggests that when satisfaction is high, experiential marketing may have stronger effects on loyalty because satisfied customers are more receptive to experiential cues, more forgiving of minor service failures, and more likely to develop emotional brand attachments that persist across service encounters.

Conversely, Ramadhan & Chastello (2015) found that experiential marketing showed an insignificant relationship with customer satisfaction, moderated by customer loyalty, in premium supermarkets in Jakarta. While this study examined a different causal direction (loyalty as a moderator of satisfaction), it demonstrates that moderating relationships in Indonesian consumer contexts can yield non-significant or counterintuitive results, justifying direct testing. In the GrabBike context, high-satisfaction customers may experience amplified loyalty effects from experiential marketing because: (1) satisfaction creates cognitive and emotional readiness to process experiential stimuli positively; (2) satisfied customers engage more deeply with experiential touchpoints; and (3) satisfaction buffers against competitive poaching, making experiential investments more effective. This interactive logic supports the moderating hypothesis:

H₄: Customer satisfaction positively moderates the effect of experiential marketing on customer loyalty, such that the relationship is stronger when customer satisfaction is higher among GrabBike users in Tangerang City.

RESEARCH METHOD

Research Design

This study employs a quantitative research approach with an associative descriptive design. The quantitative approach was selected because it enables the objective measurement of relationships among variables and the statistical testing of formulated hypotheses. The associative design aims to determine the causal relationships between independent and dependent variables, as well as the moderating role of customer satisfaction in the experiential marketing-loyalty relationship.

The choice of a quantitative approach is consistent with the research objectives, which require numerical data to test the proposed hypotheses. This design allows the researcher to generalize findings from the sample to the Population of GrabBike users in Tangerang City.

Population and Sample

Population

The Population of this study comprises all GrabBike users in Tangerang City who have used the service at least once within the past three months. Tangerang City was selected as the research location due to its high population density, significant use of online transportation, and intense competition among ride-hailing service providers. The exact population size is unknown because there are no official statistics on GrabBike user numbers in the area, a common issue in ride-hailing industry research.

Sample and Sampling Technique

The sample size was determined using the rule of thumb for multivariate analysis, which recommends a sample size of at least 10 times the number of indicators used in the study. This study employs 15 indicators across three variables (five indicators for experiential marketing, five for customer satisfaction, and five for customer loyalty). Therefore, the minimum required sample size is 150 respondents (15 indicators \times 10). To account for potential incomplete responses, the researcher targeted 160 respondents.

The final sample size is 100 respondents, exceeding the minimum of 30 and remaining below 500, making it acceptable for quantitative social research. This sample size aligns with previous similar studies on experiential marketing and customer loyalty, which used sample sizes of 100-150 respondents.

The sampling technique employed is purposive sampling, a nonprobability sampling method in which respondents are selected based on specific criteria relevant to the research objectives. The inclusion criteria for this study are:

Has used GrabBike services in Tangerang City at least once in the past three months

1. Is at least 17 years old (considered legally capable of making independent decisions)
2. Owns and actively uses a smartphone with the Grab application installed
3. Willing to participate in the survey by completing the questionnaire

Purposive sampling was chosen because it allows the researcher to target respondents with the necessary experience and knowledge to provide valid responses about their GrabBike usage.

Variables and Measurement

Variable Definition

This study consists of three types of variables:

Independent Variable (X): Experiential Marketing

Defined as a marketing strategy that creates meaningful and emotional customer experiences through five dimensions: sense, feel, think, act, and relate (Schmitt, 1999).

Dependent Variable (Y): Customer Loyalty

Defined as a customer's deeply held commitment to repurchase or repatronize GrabBike services consistently in the future, despite situational influences and marketing efforts that could cause switching behavior (Oliver, 1997).

Moderating Variable (Z): Customer Satisfaction

Defined as the customer's evaluative judgment regarding the extent to which GrabBike services meet or exceed their expectations (Oliver, 1997).

Operational Definition and Indicators

All variables were measured using a Likert scale with five points ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The Likert scale was chosen because it effectively captures respondents' attitudes, perceptions, and opinions regarding the research variables.

Table 1. Operational Definition of Variables

Variable	Dimension	Indicator	Source
Experiential Marketing (X)	Sense	The GrabBike application provides an attractive visual display GrabBike sound notifications are clear and distinctive.	Schmitt (1999); Aryandha et al. (2025)
	Feel	I feel comfortable when using GrabBike. I feel safe during GrabBike rides.	

	Think	GrabBike provides transparent route and fare information.	
	Act	GrabBike offers innovative features (e.g., share location) Booking GrabBike is easy and quick. GrabBike offers various payment method options.	
	Relate	Using GrabBike makes me feel part of a modern community. I relate to GrabBike's brand image as a reliable transportation option.	
Customer Satisfaction (Z)	Overall Satisfaction Confirmation of Expectation	I am satisfied with GrabBike's services overall GrabBike services meet my expectations. GrabBike services are better than other ride-hailing services. I feel happier using GrabBike than alternatives.	Oliver (1997); Hikaru et al. (2021)
Customer Loyalty (Y)	Repeat Purchase	I will continue using GrabBike in the future	Oliver (1997); Ricardianto et al. (2024)
	Resistance to Switch	GrabBike is my first choice for online transportation. I will not switch to other ride-hailing services easily. I will choose GrabBike even if other services offer promotions.	
	Word of Mouth	I will recommend GrabBike to friends and family. I will give positive reviews about GrabBike on social media.	

Data Collection Method

Type of Data

This study uses primary data, which is data obtained directly from the source. Primary data is essential for capturing current perceptions, attitudes, and experiences of GrabBike users in Tangerang City.

Data Collection Technique

Data were collected through a structured questionnaire administered to respondents who met the purposive sampling criteria. The questionnaire was designed using Google Forms and distributed online through various social media platforms (WhatsApp, Instagram, and Telegram), targeting GrabBike user communities in Tangerang City. The online distribution method was chosen because: GrabBike users are predominantly digital natives who actively use online platforms. Online distribution enables broader reach and faster data collection. It is more efficient and cost-effective compared to paper-based surveys. It minimizes data entry errors as responses are automatically recorded.

Questionnaire Structure

The questionnaire consists of three sections:

Screening Section: Questions to verify respondent eligibility based on inclusion criteria

Demographic Section: Questions regarding respondent characteristics (age, gender, occupation, usage frequency)

Main Section: 20 measurement items covering experiential marketing (10 items), customer satisfaction (4 items), and customer loyalty (6 items)

Data Analysis Technique

Data analysis was performed using SmartPLS 4.0 software. Partial Least Squares Structural Equation Modeling (PLS-SEM) was selected because it is suitable for complex models involving moderating variables and does not require normally distributed data. PLS-SEM is particularly appropriate for prediction-oriented research and exploratory studies.

The analysis was conducted in three stages:

Outer Model Evaluation (Measurement Model)

The outer model evaluates the validity and Reliability of the measurement instruments. The following criteria were applied :

Validity Tests:

Convergent Validity: Assessed through outer loadings and Average Variance Extracted (AVE)

Outer loadings: Acceptable if ≥ 0.7 (indicators with loadings < 0.5 were removed, loadings between 0.5-0.7 were considered for removal)

AVE: Acceptable if ≥ 0.5 (indicating that the construct explains more than 50% of the variance in its indicators)

Discriminant Validity: Assessed through the Heterotrait-Monotrait (HTMT) ratio

HTMT: Acceptable if ≤ 0.85 (strict criterion) or ≤ 0.90 (lenient criterion)

Values above 0.90 indicate a lack of discriminant validity

Reliability Tests:

Cronbach's Alpha: Acceptable if ≥ 0.7 (indicates internal consistency)

Composite Reliability (rho_c): Acceptable if ≥ 0.7 (measures internal consistency reliability)

Composite Reliability (rho_a): Acceptable if ≥ 0.7 (a more precise reliability measure)

Inner Model Evaluation (Structural Model)

The inner model evaluates the structural relationships between constructs. The following criteria were assessed:

Variance Inflation Factor (VIF): Assesses collinearity issues

VIF < 3 : Ideal (no collinearity concerns)

VIF < 5 : Acceptable

VIF > 5 : Indicates problematic collinearity

R-squared (R²): Measures the proportion of variance in the dependent variable explained by the independent variables.

R² > 0.75 : Substantial

R² > 0.50 : Moderate

R² > 0.25 : Weak

Effect Size (f²): Measures the magnitude of the effect of each predictor variable

f² ≥ 0.35 : Large effect

f² ≥ 0.15 : Medium effect

f² ≥ 0.02 : Small effect

Predictive Relevance (Q^2): Assesses the model's predictive accuracy

$Q^2 > 0$: Indicates the model has predictive relevance

$Q^2 > 0.25$: Medium predictive relevance

$Q^2 > 0.50$: Large predictive relevance

Hypothesis Testing

Hypotheses were tested using the **bootstrapping procedure** with 5,000 subsamples. This non-parametric approach generates standard errors and t-statistics without assuming normality of the data.

Decision criteria for hypothesis acceptance:

t-statistic > 1.96 (for significance level $\alpha = 0.05$)

p-value < 0.05

Confidence interval (95%) excludes zero.

The moderation hypothesis (H4) was tested using the **product indicator approach** or two-stage approach in SmartPLS 4.0, which creates an interaction term between experiential marketing and customer satisfaction to assess the moderating effect.

RESULTS AND DISCUSSION

Respondent Profile

Table 2. Demographic Characteristics of Respondents (n=100)

Characteristic	Category	Frequency (n)	Percentage (%)
Gender	Male	52	52%
	Female	48	48%
Age	17-25 years	45	45%
	26-35 years	38	38%
	36-45 years	12	12%
	>45 years	5	5%
Occupation	Student	40	40%
	Private employee	35	35%
	Entrepreneur	15	15%
	Civil servant	10	10%
Usage frequency	1-3 times/week	50	50%
	4-6 times/week	30	30%
	>6 times/week	20	20%

Source: Primary data processed (2026)

The majority of respondents were male (52%), aged 17-35 years (83%), and employed as students or private employees (75%). Half of the respondents used

GrabBike 1–3 times per week. The mean scores for experiential marketing (4.12), customer satisfaction (4.08), and customer loyalty (3.95) on a 5-point scale indicate generally positive perceptions.

Measurement Model Evaluation

Convergent Validity

Convergent validity was assessed through outer loadings and Average Variance Extracted (AVE). All indicator outer loadings exceeded 0.70, and all AVE values exceeded 0.50 (experiential marketing: 0.624; customer satisfaction: 0.712; customer loyalty: 0.687), confirming convergent validity.

Discriminant Validity

Discriminant validity was established using the Heterotrait-Monotrait (HTMT) ratio, with all values below 0.90 (the highest was 0.714 between satisfaction and loyalty), meeting the recommended threshold.

Reliability

Reliability was confirmed through Cronbach's Alpha values ranging from 0.856 to 0.892 and Composite Reliability values from 0.887 to 0.913, all exceeding the 0.70 threshold.

Structural Model Evaluation

Collinearity and Model Fit

All Variance Inflation Factor (VIF) values were below 3.0 (ranging from 1.845 to 2.456), indicating no collinearity issues. The Standardized Root Mean Square Residual (SRMR) for the saturated model was 0.068, which is below the recommended threshold of 0.08, indicating acceptable model fit.

Coefficient of Determination (R²) and Predictive Relevance (Q²)

The coefficient of determination (R²) for customer satisfaction was 0.583, indicating that experiential marketing explained 58.3% of the variance in customer satisfaction. For customer loyalty, the R² was 0.621, indicating that experiential marketing and satisfaction jointly explained 62.1% of loyalty variance. The predictive relevance (Q²) values were 0.466 for satisfaction and 0.479 for loyalty, confirming medium predictive relevance.

Effect Size (f^2)

Effect sizes (f^2) showed that experiential marketing had a medium-to-large effect on satisfaction (0.342), while satisfaction had a large effect on loyalty (0.452). In contrast, experiential marketing had only a small direct effect on loyalty (0.087).

Hypothesis Testing

Hypothesis testing was conducted using bootstrapping with 5,000 subsamples. The significance level was set at $\alpha = 0.05$ ($t > 1.96$; $p < 0.05$).

Table 3. Hypothesis Testing Results

Hypothesis	Relationship	β	t	p	Decision
H1	EM \rightarrow CS	0.763	12.345	0.000	Supported
H2	EM \rightarrow CL	0.134	1.567	0.118	Not Supported
H3	CS \rightarrow CL	0.654	9.876	0.000	Supported
H4	EM*CS \rightarrow CL	0.178	2.456	0.014	Supported

Note: EM = Experiential Marketing, CS = Customer Satisfaction, CL = Customer Loyalty

H1 (Experiential Marketing \rightarrow Customer Satisfaction) was supported ($\beta = 0.763$; $t = 12.345$; $p = 0.000$), indicating a strong positive effect. **H2 (Experiential Marketing \rightarrow Customer Loyalty)** was not supported ($\beta = 0.134$; $t = 1.567$; $p = 0.118$), indicating no direct significant effect. **H3 (Customer Satisfaction \rightarrow Customer Loyalty)** was supported ($\beta = 0.654$; $t = 9.876$; $p = 0.000$), confirming a strong positive effect. **H4 (Moderating Effect of Customer Satisfaction)** was supported ($\beta = 0.178$; $t = 2.456$; $p = 0.014$), demonstrating that customer satisfaction positively moderates the experiential marketing–loyalty relationship.

Discussion

Effect of Experiential Marketing on Customer Satisfaction

The finding that experiential marketing significantly affects customer satisfaction ($\beta = 0.763$) aligns with prior research. Hutabarat & Prabawani (2020) found a significant effect among Go-Ride users, and Hussein & Hapsari (2021) demonstrated that experiential marketing predicts online transportation loyalty. In GrabBike, the five experiential dimensions—sense (app interface), feel (comfort and safety), think (transparent information), act (ease of booking), and relate (social identity)—collectively shape satisfaction. The strong effect suggests experiential marketing is a

dominant predictor of satisfaction in ride-hailing, reflecting that functional attributes are becoming table stakes while emotional experiences differentiate providers.

Effect of Experiential Marketing on Customer Loyalty

The non-significant direct effect ($\beta = 0.134$; $p = 0.118$) is an important finding. It aligns with Aryandha et al. (2025), who found no direct effect in post-pandemic hospitality, suggesting customers prioritize functional value (price, convenience, safety) over emotional experiences. In ride-hailing, consumers may view services as transactional rather than relational, reducing the direct translation of experiential marketing into loyalty. Theoretically, this supports the affect-transfer hypothesis: positive emotional experiences influence loyalty only after they are cognitively appraised as satisfactory. Satisfaction serves as a necessary condition for experiential marketing to affect loyalty.

Effect of Customer Satisfaction on Customer Loyalty

The strong effect of satisfaction on loyalty ($\beta = 0.654$) is consistent with established marketing theory (Oliver, 1997) and empirical evidence. Hikaru et al. (2021) found that satisfaction significantly predicts loyalty in Jabodetabek online transportation users, serving as a key mediating variable. The magnitude of this effect confirms that satisfaction is the primary driver of loyalty, with practical implications that GrabBike should prioritize satisfaction-enhancing initiatives over direct loyalty-building campaigns.

Moderating Role of Customer Satisfaction

The significant moderating effect ($\beta = 0.178$; $p = 0.014$) represents the primary theoretical contribution. Unlike most prior research positioning satisfaction as a mediator, this study demonstrates that satisfaction also functions as a moderator. For highly satisfied customers, experiential marketing has a stronger effect on loyalty; for low-satisfaction customers, this effect is weaker. This finding is consistent with Bennett et al. (2005), who demonstrated that experience moderates involvement and loyalty. Practically, GrabBike should ensure high satisfaction levels before investing heavily in experiential marketing, as such investments yield diminished returns when satisfaction is low.

CONCLUSION

This study examined the effect of experiential marketing on customer loyalty with customer satisfaction as a moderating variable among GrabBike users in Tangerang City. Based on data from 100 respondents analyzed using SmartPLS 4.0, four main findings emerged.

First, experiential marketing has a positive and significant effect on customer satisfaction. This indicates that the five dimensions of experiential marketing – sense, feel, think, act, and relate – effectively enhance user satisfaction with GrabBike services. Second, experiential marketing does not have a significant direct effect on customer loyalty, suggesting that positive experiences alone are insufficient to build loyalty without satisfaction. Third, customer satisfaction has a positive and significant effect on customer loyalty, confirming that satisfied users are more likely to repurchase, resist switching, and recommend the service. Fourth, customer satisfaction positively moderates the relationship between experiential marketing and customer loyalty, meaning that the effect of experiential marketing on loyalty is stronger when satisfaction is high and weaker when satisfaction is low. The model explained 58.3% of the variance in satisfaction and 62.1% of the variance in loyalty, with an acceptable model fit.

This study contributes to marketing theory in three ways. First, it clarifies the dual role of customer satisfaction as both a direct antecedent of loyalty and a moderator of the experiential marketing–loyalty relationship. Unlike most prior studies, which treated satisfaction solely as a mediator, this study demonstrates that satisfaction also determines whether experiential marketing is effective at building loyalty. Second, the findings support the affect-transfer hypothesis in the ride-hailing context, confirming that positive emotional experiences influence loyalty only after being cognitively appraised as satisfactory. Third, this study enriches the application of Schmitt's experiential marketing framework in an emerging-market service context, demonstrating that the five experiential modules remain valid, but their effectiveness depends on satisfaction levels.

Several practical recommendations are offered for GrabBike management. First, prioritize customer satisfaction as a strategic foundation. Given satisfaction's strong direct effect on loyalty and its moderating role, GrabBike should invest in driver professionalism, safety standards, reduced waiting times, transparent pricing, and responsive customer support. Second, target experiential marketing toward already satisfied customers. The moderating effect indicates higher loyalty returns when experiential marketing is deployed to high-satisfaction segments through personalized campaigns such as loyalty badges or community events. Third, address dissatisfaction before launching experiential campaigns. For low-satisfaction customers, experiential marketing alone will not generate loyalty; GrabBike should first address sources of dissatisfaction, such as long wait times or pricing disputes. Fourth, integrate experiential dimensions across the customer journey, enhancing sense (app interface), feel (comfort and safety), think (transparent information), act (easy booking), and relate (community features).

This study has several limitations. First, the sample of 100 respondents from Tangerang City limits generalizability to other regions or ride-hailing platforms. Second, the cross-sectional design prevents causal inference, as reverse causality cannot be ruled out. Third, self-reported data may introduce common-method bias and social-desirability bias. Fourth, the study focused exclusively on GrabBike, so results may not apply to competitors such as Gojek or Maxim. Fifth, only customer satisfaction was examined as a moderator; other potential moderators, such as price sensitivity, brand trust, or switching costs, were not included.

Based on these limitations, future research should expand geographic coverage to multiple cities, employ longitudinal designs to establish causality, include objective behavioral data to reduce bias, compare multiple ride-hailing platforms, test additional moderators such as trust and perceived value, examine experiential marketing dimensions separately, replicate the findings in other service industries, and use larger and more diverse samples.

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