

Impact of Experiential Marketing on Customer Loyalty with Mediating Role of Brand Credibility: Special Reference to Hospitality Industry of Sri Lanka

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Abstract

In today's highly competitive hospitality sector, organisations must move beyond traditional marketing to strengthen relationships with customers and sustain long-term loyalty. Experiential marketing, which emphasises sensory, emotional, cognitive, behavioural, and relational experiences, has become a critical strategy to engage customers. However, customers' perceptions of credibility are equally vital in transforming these experiences into lasting loyalty. In Sri Lanka's Western Province, where hospitality is one of the fastest-growing service sectors, understanding how experiential marketing and brand credibility interact is essential for business sustainability. This study investigates the impact of experiential marketing on customer loyalty in the hospitality industry of Sri Lanka's Western Province, with particular focus on the mediating role of brand credibility. A quantitative research design was employed under the positivist paradigm. Primary data were collected through a structured questionnaire administered to 384 hospitality customers, selected using convenience sampling. The instrument contained 30 items measured on a 5-point Likert scale, adapted from established sources. Reliability was confirmed using Cronbach's alpha (all variables > 0.7). Hypotheses were tested using correlation and regression in SPSS, with mediation testing performed through PROCESS Macro (Model 4). Findings revealed that the dimensions of experiential marketing, feel, think, and act, and relate positively and significantly influence customer loyalty, while the sense dimension showed no significant effect. The overall impact of experiential marketing on loyalty was significant ($p = 0.000$). Furthermore, brand credibility was found to partially mediate this relationship (indirect effect = 0.321, 95% CI- 0.244-0.408). The results show that experiential marketing strongly enhances loyalty, especially when supported by brand credibility. The study extends the experiential marketing–loyalty framework to Sri Lanka's hospitality sector and highlights brand credibility. Practically, managers should strengthen meaningful experiences and credibility to drive patronage and positive word-of-mouth.

Keywords: brand credibility, customer loyalty, experiential marketing, hospitality industry, mediation