

# THE IMPACT OF EXPERIENTIAL MARKETING ON CUSTOMER SATISFACTION: THE CASE OF HOTELS IN DANANG CITY

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## Abstract

*In today's competitive business landscape, providing exceptional customer experiences has become a crucial hotel differentiator. Traditional marketing approaches focusing solely on promoting products and services must be changed. Experiential marketing, which aims to create memorable and engaging customer experiences, has emerged as a powerful strategy to build lasting connections and drive customer satisfaction. The paper seeks to explore the role of experiential marketing in enhancing customer satisfaction with hotel services. The study surveyed 250 tourists staying at various hotels in Danang. Different statistical analyses of frequency, descriptive statistics, and structural analysis, were employed to identify the respondents' characteristics and determine the impact of experiential factors like sense, feel, think, act, and relate experiential and emotional and functional values on tourist satisfaction. The results revealed that these experience marketing, such as related experience and service quality factors, positively influenced experience value. Furthermore, emotional value and functional value have positively influenced tourist satisfaction. Based on these findings, the paper proposes solutions for experiential marketing improvement, thereby enhancing customer satisfaction towards hotels in Danang.*

**Keywords:** *Customer satisfaction, Danang City, experiential marketing, hotels.*

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# TÁC ĐỘNG CỦA MARKETING TRẢI NGHIỆM ĐẾN SỰ HÀI LÒNG CỦA KHÁCH HÀNG: TRƯỜNG HỢP KHÁCH SẠN TẠI THÀNH PHỐ ĐÀ NẴNG

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## **Tóm tắt**

*Trong bối cảnh kinh doanh cạnh tranh ngày nay, việc cung cấp trải nghiệm khách hàng đặc biệt đã trở thành một yếu tố khác biệt quan trọng của khách sạn. Các phương pháp marketing truyền thống chỉ tập trung vào việc quảng bá sản phẩm và dịch vụ là không đủ. Marketing trải nghiệm, nhằm mục đích tạo ra những trải nghiệm đáng nhớ và hấp dẫn cho khách hàng, đã nổi lên như một chiến lược mạnh mẽ để xây dựng các kết nối lâu dài và thúc đẩy sự hài lòng của khách hàng. Bài báo tìm cách khám phá vai trò của marketing trải nghiệm trong việc nâng cao sự hài lòng của khách hàng đối với các dịch vụ khách sạn. Nghiên cứu đã khảo sát 250 khách du lịch đang lưu trú tại các khách sạn khác nhau ở Đà Nẵng. Các phân tích thống kê đa dạng, chẳng hạn như tần suất, thống kê mô tả và phân tích cấu trúc, đã được sử dụng để xác định đặc điểm của người trả lời và xác định tác động của các yếu tố kinh nghiệm như giác quan, cảm nhận, suy nghĩ, hành động và liên hệ các giá trị kinh nghiệm, cảm xúc và chức năng đến sự hài lòng của khách du lịch. Kết quả cho thấy rằng các hoạt động tiếp thị trải nghiệm này, chẳng hạn như các yếu tố liên quan đến kinh nghiệm và chất lượng dịch vụ, đã ảnh hưởng tích cực đến giá trị trải nghiệm. Hơn nữa, giá trị cảm xúc và giá trị chức năng đã ảnh hưởng tích cực đến sự hài lòng của khách du lịch. Dựa trên những phát hiện này, nghiên cứu đề xuất các giải pháp để nâng cao hiệu quả triển khai marketing trải nghiệm, qua đó nâng cao sự hài lòng của khách hàng đối với các khách sạn tại Đà Nẵng.*

**Từ khóa:** *Khách sạn, marketing trải nghiệm, sự hài lòng của khách hàng, thành phố Đà Nẵng.*

## 1. Introduction

In the context of globalization, tourism plays an increasingly important role and has become one of the key economic sectors of many countries. According to the UN World Tourism Organization (UNWTO), tourism has become an effective tool for poverty alleviation. It is the largest source of foreign exchange earnings for 83% of countries (UNWTO, 2022). Vietnam is no exception. It is with the tourism industry developing rapidly and becoming one of the vital economic sectors. In 10/2024, Vietnam is expected to welcome 14.1 million international visitors, an increase of 41.3% compared to 2023 (Vietnam National Administration of Tourism, 2023).

Danang City is one of Vietnam's most attractive tourist destinations, welcoming over 7 million visitors in 2023. This shows that the demand for tourism is increasing. Furthermore, nowadays, tourists are interested in more than just prices and essential services; they also seek unique, personalized experiences that suit their preferences. They want to participate in designing and creating their own travel experiences. In the context of the rapidly growing tourism industry, marketing plays an increasingly important role for hotels and accommodation businesses. Marketing helps these businesses raise brand awareness, build a unique, attractive image, and attract and retain customers (Kotler & Armstrong, 2012). Practical marketing activities also help accommodation businesses increase revenue, enhance competitiveness, and achieve sustainable development.

In the hospitality industry, traditional marketing, such as advertising, promotions, and direct sales, still plays an important role. However, to meet customers' increasingly demanding needs, accommodation businesses must focus on developing more advanced marketing strategies, mainly experiential marketing. Specifically, accommodation businesses can apply experiential marketing through activities, such as designing unique spaces and interiors that reflect local cultural identity and create impressive emotions for guests-providing unique, personalized services tailored to the needs and preferences of each customer. Organizing experiential activities and interactions between customers and staff, creating opportunities for participation and engagement. Applying modern

technology to create premium, convenient digital experiences. By implementing effective experiential marketing, accommodation businesses can enhance the connection between customers and their brand, promote customer loyalty, and attract new customers (Schmitt, 1999). This improves operational efficiency and creates a sustainable competitive advantage for accommodation businesses.

Although there have been many studies on customer experience, the studies are mainly on tourism activities. The evaluation of tourist experiences on experiential marketing for customer experiences in the hotel sector still needs to be improved, especially in the context of hotels in Da Nang City. In addition, the role of experiential marketing is highly appreciated when it contributes to attracting and enhancing tourist loyalty to the destination and businesses in the tourism and hotel sector. Therefore, evaluating the impact of experiential marketing on customer satisfaction at hotels in Da Nang City is necessary. This will improve the ability to attract tourists to hotels in particular and Da Nang City in general.

## 2. Literature review and hypothesis development

### 2.1. Experiential marketing

*Experience* is defined as the overall perceptions, opinions, and impacts that a person goes through while interacting with an event, product, service, or environment (Gentile et al., 2007). Experience is about sensory perceptions and includes emotions, meanings, and interactions with the surrounding environment (Pine & Gilmore, 1998). Therefore, an excellent experience is often evaluated as providing satisfaction, creating positive and memorable impressions, and connecting with the person experiencing it (Caruana & Ewing, 2010). It can create value for the experience and leave a memorable memory. On the other hand, a poor experience can lead to disappointment, lack of connection, and potentially loss of trust and customers (Parasuraman et al., 1991).

To respond to the increasing customer expectations, businesses have revised their marketing strategies and offered experiences to attract customers (Lagiewski & Zekan, 2006). The concept of experiential marketing has thus shaped our understanding of marketing by providing a significant competitive advantage. Experiential Marketing is primarily related to the "Process" element in the

extended 7Ps Marketing Mix. However, it can influence many elements of the Marketing Mix by focusing on creating and delivering a great and memorable experience for customers during their interaction with the product or service. Schmitt (1999) defined experiential marketing as customers' developing recognition of and purchasing goods or services from a company or brand after they experience activities and perceive stimulations. These experiences enhance the value of a product, a brand, or a company. Nevertheless, experiential marketing does not overlook the quality and functions of products and services; it enhances customers' emotions and sense stimulation. The main point of experiential marketing is extracting the essence of products and then applying it to intangible, physical, and interactive experiences that increase the value of products or services and help customers make purchasing decisions (Williams, 2006).

Experiential marketing aims to create positive and meaningful customer experiences while interacting with a brand, product, or service. Companies use a marketing approach to build and maintain strong customer relationships: (1) Enhance customer satisfaction by providing positive experiences that meet needs and expectations, building long-term relationships. (2) Build and increase customer loyalty, aiming for customers to become loyal, repeat purchasers, and brand advocates. (3) Create value and benefits for customers through memorable and distinct experiences, ensuring they feel adequately rewarded. (4) Foster positive interaction and customer engagement by encouraging participation and deep connections with the brand. (5) Create competitive differentiation by offering unique and inimitable experiences, establishing a particular position in customers' minds. Schmitt (1999) divided the experiences to be delivered to the target audience into sub-dimensions as sensory, emotional, intellectual, behavioral, and relational experiences and gathered them under the name of strategic experience modules (SEM). A related study emphasized that these experience modules constitute the essential elements of experiential marketing, including:

- Sensory Experiential (Sense Experience - SE): Sensory experiential refers to the experiences we perceive through our senses, such as sight, touch, hearing, taste, and smell. When the consumer has

an experience, they first encounter the sensory experiential (Tsaour et al., 2006).

Emotional Experiential (Feel Experience - FE): Emotional experiential appeals to customers' inner worlds and creates positive emotions. The keyword is to make them feel. Emotional experiential aims to create intense customer emotions by making them feel kindness, care, and authenticity. Today, the focus is on the emotional experience that the product or service makes the consumer feel, even before its benefits (Schmitt, 1999).

- Intellectual Experiential (Think Experience - TE): Attracting customers by surprising them and activating their thoughts has been defined as an intellectual experiential. The intellectual experiential includes experiences that encourage customers to direct creativity by thinking and focusing on the topic being thought about (Schmitt, 1999).

- Behavioral Experiential (Act Experience - AE): Behavioral experiential are experiences that lead consumers to have physical experiences and aim to enrich their lives by showing them different ways. These experiences are usually motivated by a role model, such as an actor or an athlete, to take action (Schmitt, 1999).

- Relational Experiential (Relate experience - RE): The last of the experiential modules, which enables the customer to relate the product or service they experience with the group they belong to or want to belong to, is defined as relational experiential (Schmitt, 1999).

## **2.2. Customer value and experiential value**

### *2.2.1. Customer value*

Kotler and Armstrong (2012) emphasized that customer value encompasses benefits, costs, and psychological, social, and emotional factors. He argued that customer value must be understood more broadly, including intangible elements such as trust, satisfaction, and long-term customer relationships. Levitt (2004), a renowned businessman, believed that customer value is not simply customer satisfaction with a product or service but also the company's ability to meet the customer's current and future needs and desires. According to this view, customer value should be seen as an ongoing process, and companies must continually change and improve to meet evolving customer needs.

### 2.2.2. *Experiential value*

Holbrook and Hirschman (1982) defined experiential value as "the interest, excitement or enjoyment of an experiential state, capable of creating feelings of satisfaction and fulfillment for the consumer." According to this view, experiential value includes the psychological and emotional elements consumers experience when interacting with a product or service.

Schmitt (1999) emphasized that experiential value combines emotional, sensory, and behavioral elements when interacting with a product or service. He proposed the Experiential Grid Model to classify different experiences based on two dimensions: positive-negative emotions and distinct-vague sensations. Accordingly, experiential value is created through unique, creative, and engaging experiences.

Pine and Gilmore (1998) proposed that experiential value is not merely consumer satisfaction but a more profound emotional state and creating memorable experiences. They argued that experiential value is created through unique, interactive, and engaging experiences, where consumers become part of the story and can participate in the activity. Furthermore, Pine & Gilmore (1999) have been disputed that consumers' perception of value influenced by experiential, and it is considered as an individual economic offering likewise products and services. Thus, the pleasant experiential provided by organizations increases the chance of the perceived consumers' value. Based on value theory, organizations aim to present the highest added value to customers to ensure their success (Cetin et al., 2014).

Yuan and Wu (2008) emphasize that customers define experiential value from different experiences obtained through encountering service providers. In the hospitality sector, experiential value is expressed through emotional and functional value (Yuan & Wu, 2008). This value is essential to induce customer satisfaction.

**Emotional Value:** Emotional value is the value that customers receive from the positive emotions they experience when interacting with a service. It can include feelings of joy, excitement, relaxation, and satisfaction. Emotional value can influence overall customer satisfaction and create brand attachment. For example, a hotel that makes customers feel joyful,

excited, relaxed, and satisfied is more likely to create higher satisfaction than one that makes customers feel bored, disappointed, or dissatisfied (Yuan & Wu, 2008).

**Functional Value:** Functional value is the value customers receive from the practical benefits they derive from a service. It can include convenience, efficiency, and reliability. Functional value can influence overall customer satisfaction and lead to repeat purchases. For instance, a hotel that provides convenient amenities, efficient service, and reliability is more likely to create higher satisfaction than one that does not offer these benefits (Yuan & Wu, 2008).

### 2.3. **Customer satisfaction**

There are various definitions of customer satisfaction in the existing literature. Oliver (1997) defined satisfaction as "the overall customer's response to the experience of using a product/service." From this perspective, satisfaction is the customer's subjective reaction to the overall experience of using a product/service. According to Kotler and Keller (2016), customer satisfaction is a person's pleasure or disappointment from comparing a product's perceived performance (or outcome) to their expectations. This definition emphasizes comparing customers' expectations and their actual perceptions of the product/service.

Thus, customer satisfaction refers to measuring customers' satisfaction with a business's product, service, or overall experience. It is an essential metric for businesses, reflecting how customers' expectations and needs have been met or exceeded. Customer satisfaction is typically assessed through surveys, feedback, and reviews. To achieve and maintain high customer satisfaction, businesses must consistently deliver superior products, services, and experiences that meet or exceed customer expectations.

### 2.4. **Research model**

A review of relevant research shows that experiential marketing has many approaches. Williams (2006) focuses on the impact of experiential marketing in the tourism and hospitality industry on customer loyalty. Experiential marketing in tourism and hospitality goes beyond promoting products and services; it focuses on creating memorable and unique experiences that evoke excitement, satisfaction, and delight. Three critical elements are fantasy (dream-



like experiences), feeling (emotional connections), and fun (enjoyment and comfort). The study highlights the significant impact of experiential marketing on customer loyalty. Yuan and Wu (2008) emphasized the importance of experiential marketing in designing interactive and memorable experiences that influence customer satisfaction positively. Experiential value is crucial, referring to the benefits and value customers derive from the experiential (fulfillment, excitement, interest, satisfaction). Customer satisfaction is a crucial outcome of experiential marketing and experiential value. The study by Pham and Huang (2015) highlights the effectiveness of experiential marketing in enhancing customer loyalty in the hotel industry. It emphasizes creating unique, memorable experiences with excellent service quality, reasonable pricing, and a strong brand presence.

Yuan and Wu (2008) determined that experiential marketing factors impact the customer experience value through two criteria: emotional value and functional value. Regarding experiential marketing, according to Schmitt (1999) and Yuan and Wu (2008), there are five factors: sense experience, feel experience, think experience, act experience, and relate experience. In addition, Pham and Huang (2015) proposed that Service quality is also a component of experiential marketing. Therefore, the study determined hypotheses H1 and H2 as well as six sub-hypotheses according to hypotheses H1 and H2 as follows:

H1: Experiential marketing positively affects customer emotional value

H1a: Sense experience positively affects customer emotional value

H1b: Feel experience positively affects customer emotional value

H1c: Think experience positively affects customer emotional value

H1d: Act experience positively affects customer emotional value

H1e: Relate experience positively affects customer emotional value

H1f: Service quality experience positively affects customer emotional value

H2: Experiential marketing positively affects customer functional value.

H2a: Sense experience positively affects customer functional value.

H2b: Feel experience positively affects customer functional value.

H2c: Think experience positively affects customer functional value.

H2d: Act experience positively affects customer functional value.

H2e: Relate experience positively affects customer functional value.

H2f: Service quality experience positively affects customer functional value.

Pham and Huang (2015) considered that experiential value factors, including emotional and functional value, are the significant factors influencing customer satisfaction. In addition, Mair (2019) also suggested that experiential value has a positive relationship with customer satisfaction.

H3: Emotional value positively affects customer satisfaction

H4: Functional value positively affects customer satisfaction

**Proposed Model:** Based on a review of relevant literature, this study proposes a model to investigate the relationship between experiential marketing, experiential value, and customer satisfaction (Figure 1).

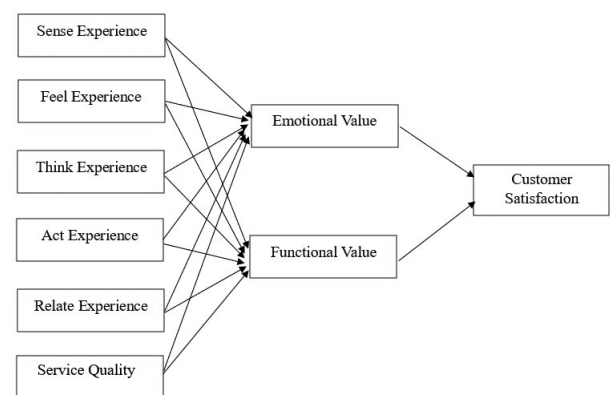


Figure 1. Research model

Scale construction process: As explained in the literature review, this study will evaluate the impact of experiential marketing on customer satisfaction. Experiential marketing activities include five main elements: *sense experience, feel experience, think experience, act experience, and relate experience*, along with an additional element of service quality. The scale of experiential marketing is based on the

research of Pham and Huang (2015), Yuan and Wu (2008), and Schmitt (1999). Next, for the scale of experience value, the research of Yuan and Wu (2008) is used as the basis for the proposed measurement.

In addition, the assessment of tourist satisfaction

should be measured in multiple dimensions, which can avoid the error caused by using a single measurement item. Therefore, three variables measuring general tourist satisfaction were adapted from Parasuraman et al. (1988). Table 1 illustrates the scale used in this research.

**Table 1. Scale table**

Factor	Variable	Code	Source
Sense Experience	I find the hotel's landscape design very beautiful	SE1	Pham & Huang (2015)
	I pay attention to the music played by the hotel	SE2	Pham & Huang (2015)
	The room design makes me relaxed	SE3	Pham & Huang (2015)
	The interior environment of the hotel arouses my curiosity	SE4	Pham & Huang (2015)
Feel Experience	The experiential at this hotel makes me think about my vacation in a new way	FE1	Yuan & Wu (2008)
	I would be willing to share the hotel's service experience with my friends	FE2	Pham & Huang (2015)
	The hotel's service evokes new emotions in me	FE3	Parasuraman et al. (1988)
	Using the hotel's equipment makes me comfortable	FE4	Author's suggestion
Think Experience	Choosing the location of this hotel can reflect my taste	TE1	Pham & Huang (2015)
	The hotel experience brings my family and friends closer together	TE2	Pham & Huang (2015)
	The experiential at this hotel makes me learn something new about the hotel industry	TE3	Yuan & Wu (2008)
	This hotel experience makes me re-evaluate my expectations of hotels	TE4	Yuan & Wu (2008)
	The hotel's activities arouse my interest and curiosity	TE5	Schmitt (1999)
Act Experience	I find it worthwhile to spend money here	AE1	Yuan & Wu (2008)
	The hotel landscape will make me want to take commemorative photos	AE2	Yuan & Wu (2008)
	Staying at this hotel reflects my lifestyle	AE3	Author's suggestion
	Using the hotel amenities is very enjoyable	AE4	Author's suggestion
Relate Experience	Overall, my entertainment experience at the hotel exceeds my expectations	RE1	Yuan & Wu (2008)
	I am willing to return to this hotel	RE2	Yuan & Wu (2008)
	I will likely return to this hotel	RE3	Yuan & Wu (2008)
	I want to know more about the latest activities at this hotel	RE4	Yuan & Wu (2008)
	I will recommend this hotel to my family and friends	RE5	Yuan & Wu (2008)
Service Quality	The hotel's service meets my needs	SQ1	Pham & Huang (2015)
	I am satisfied with the service attitude of the hotel staff	SQ2	Pham & Huang (2015)
	I am satisfied with the appearance and uniforms of the hotel staff	SQ3	Pham & Huang (2015)
	I trust the quality of service and products of the hotel	SQ4	Brady & Cronin (2001)
	The hotel staff is enthusiastic about supporting and helping me	SQ5	Author's suggestion
Emotional Value	The overall hotel environment is wonderful	EV1	Pham & Huang (2015)
	The experience at this hotel makes me feel delighted	EV2	Yuan & Wu (2008)
	The experience at this hotel makes me feel happy	EV3	Yuan & Wu (2008)
	I like the amenities and spacious spaces when staying at this hotel	EV4	Author's suggestion
	I had a unique and memorable experience at this hotel (personalized services)	EV5	Author's suggestion

Functional Value	I am satisfied with the room rates provided by the hotel	FV1	Pham & Huang (2015)
	I am satisfied with the overall entertainment experience provided by the hotel	FV2	Pham & Huang (2015)
	The experience at this hotel helped me solve the problem of finding a hotel that meets my needs	FV3	Yuan & Wu (2008)
	The hotel experience helps me achieve my goal of rest	FV4	Yuan & Wu (2008)
	The hotel provides all the amenities and services to meet my needs	FV5	Author's suggestion
Customer Satisfaction	I made the right choice by staying at this hotel	CS1	Parasuraman et al. (1988)
	I experienced good quality service while staying at the hotel	CS2	Pham & Huang (2015)
	I am satisfied with the overall service quality of the hotel	CS3	Parasuraman et al. (1988)
	I am satisfied with the overall service price of the hotel	CS4	Parasuraman et al. (1988)

### 3. Data and methods

Sample size: If a single study includes both EFA and CFA, then this sample size is for each analysis stage and, therefore, will require about double the sample size recommended for a combined EFA and CFA study (Hair et al., 2014). Therefore, the target sample size can also equal this stage's determined research sample size. According to Hair et al. (2014), the minimum sample size for factor analysis is 50, preferably 100 or more. The ratio of observations to an analysis variable is 5:1 or 10:1. After determining the number of observed variables from the qualitative study, the target sample size for this stage will be determined.

This study uses a non-probabilistic convenience sampling method to collect data on tourists to Danang City. The primary data collection period is from January to February 2024. To measure the research variables, the study used a 5-level Likert scale, from 1: completely disagree to 5: agree, to collect the opinions of surveyed tourists.

### 4. Results and discussion

#### 4.1. Descriptive statistics

The study conducted a survey and interviewed 250 domestic tourists in Danang. The total number of questionnaires issued and collected was 250, of which 0 were invalid. Thus, the study used 250 samples to serve the research process (results in Table 2).

Table 2. Descriptive statistics

		No.	%			No.	%
Age	≤ 25 Years old	59	23.6	Education	Middle school	10	4.0
	26 ≤ 35 Years Old	78	31.2		High school	27	10.8
	36 ≤ 45 Years Old	58	23.2		College or University	145	58.0
	46 ≤ 55 Years Old	30	12.0		Post graduated	44	17.6
	≥ 56 Years Old	25	10.0		Other	24	9.6
Gender	Male	104	41.6	Income	<15 million VND	59	23.6
	Female	126	50.4		15<30 million VND	106	42.4
	Other	20	8.0		30≤50 million VND	66	26.4
					> 50 million VND	19	7.6

Regarding gender, the male proportion accounts for 41.6% of the surveyed tourists. The female proportion is slightly higher, accounting for 50.4%. The remaining 8% of unspecified gender could be cases where individuals did not wish to disclose or belong to other gender groups. The ratio of males and females is relatively balanced, and experiential marketing campaigns must target both genders with appropriate content and approaches.

Regarding Educational Level: The largest group consists of those who graduated from university or college, accounting for 58% of the tourists. Next is the group of current students, accounting for 17.6%. The group that graduated from high school accounts for 10.8%. The group that graduated from middle school accounts for 4%. The remaining 9.6% belong to other unspecified groups.



Regarding Monthly Income: The most common group is those with incomes between 16 and 30 million VND, which accounts for 42.4%. This is followed by those with incomes below 31 and 50 million VND, which accounts for 26.4%; those with incomes above 51 million VND, which accounts for only 7.6%, and those with incomes below 15 million VND, which accounts for 23.6%. Most tourists have a monthly income between 16 and 30 million VND, a relatively high-income group. Affordable, quality-assured, but moderately luxurious experiential packages are needed.

Regarding Age: The age group of 25-45 years old accounts for 31.2%, being the dominant group, followed by under 25 years old at 23.6%, 36-45 years old at 23.2%, 46-55 years old at 12%, and over 56 years old at 10%. The younger and middle-aged groups make up the majority. Most tourists fall into the young and middle-aged groups of 25-45. Experiences must be suitable for this group's preferences and activity levels, such as family experiences, combining entertainment and learning for adults and children.

**4.2. Features of behavior and habits in using hotel services**

**About Travel Companions:** The largest group is traveling with family (39.2%), showing a high demand for using hotel services for family trips. Next is the group traveling with friends (26.4%) and couples (24.4%), reflecting the trend of independent travel. Other groups account for 13.2%. Since most guests travel with family, experiences should cater to families, combining activities for adults and children such as children's play areas, outdoor activities, and participation in cultural festivals. For groups traveling with friends and couples, nightlife entertainment, street culture, and culinary experiences will be very suitable (Table 3).

**Table 3. Travel Companions**

	Frequency	Percent	Cumulative Percent
Family	98	39.2	39.2
With friends	66	26.4	65.6
Couple	60	24.0	89.6
Other	26	10.4	100.0

About the Number of Visits: The majority (36%) have visited the city more than three times, showing that it is a destination that always attracts tourists. 26% visited three times, and the percentage of guests visiting for the second time (22%) are frequent guests, so new and changing experiences, excellent service quality, and amenities are needed to create interest for them to return. The number of first-time visitors (16%) is reasonable. First-time visitors need experience for an excellent initial impression (Table 4).

**Table 4. Number of Visits**

	Frequency	Percent	Cumulative Percent
First time	40	16.0	16.0
Second times	55	22.0	38.0
Third times	65	26.0	64.0
Other	90	36.0	100.0

About the Purpose of Visit: Most visitors are tourists/vacationers (60.8%), so entertainment, relaxation, cultural exploration, and nature enjoyment experiences will suit a tourist destination. Visitors to see relatives account for 15.2%, so family experiences and participation in local traditional festivals could be designed. Business travelers account for 11.6%, a relatively modest number, so work-related and business networking experiences could be considered. About Length of Stay: 45.2% of tourists stay for less than three nights, the majority. 31.2% have other lengths of stay. Only 23.6% stay from 3 to 4 nights (Table 5).

**Table 5. Purpose of Visits**

	Frequency	Percent	Cumulative Percent
Resort tourism	152	60.8	60.8
Visit relatives	38	15.2	76.0
Business	29	11.6	87.6
Other	31	12.4	100.0

About the time to travel to Danang City: 45.2% of guests stayed for less than three nights, comprising the majority. 31.2% had different lengths of stay. Only 23.6% stayed from 3 to 4 nights (Table 6).

**Table 6. Times to travel Danang City**

	Frequency	Percent	Cumulative Percent
≤ 3 Days	113	45.2	45.2
4 ≤ 5 Days	59	23.6	68.8
Othe	78	31.2	100.0

Regarding the evaluation of Danang City, 92.4% of tourists like the city and are likely to intend to return, showing great potential in developing experiences to retain and satisfy these customers. 7.6% dislike the city and have no intention to return, so unforgettable and unique experiences are needed to make them want to experience more in Danang (Table 7).

**Table 7. Evaluation of Danang City**

	Frequency	Percent	Cumulative Percent
Yes	231	92.4	92.4
No	19	7.6	100.0

About the time to stay in a Hotel in a Year: The most frequent stay is once a year, accounting for 40.8% of surveyed customers. This shows that most customers only use hotel accommodation services once a year, possibly for tourism, business, or other needs. The frequency of staying three times yearly accounts for 20% of customers. This could be a group of customers who often travel for business or must stay at hotels multiple times a year. The frequency of staying two times a year accounts for 13.6% of customers. This is a moderate group, not too frequent but not too infrequent in using hotel accommodation services. 25.6% of customers frequently stay at hotels other than 1, 2, or more times a year. This could be a group of customers with frequent or infrequent need for hotel accommodation services (Table 8).

**Table 8. Hotel Stays in a Year**

	Frequency	Percent	Cumulative Percent
1 Times	102	40.8	40.8
2 Times	34	13.6	54.4
3 Times	50	20.0	74.4
Other	64	25.6	100.0

From the above analyses, hotels in Danang must focus on building experiential marketing strategies tailored to each customer group's characteristics, behaviors, and habits to achieve the highest

**Table 9. Testing the reliability and validity of the scales**

	Outer loading	VIF	Cronbach's Alpha	Composite Reliability	AVE
AE	AE1	0.736	1.414	0.738	0.836
	AE2	0.809	1.588		
	AE3	0.732	1.425		
	AE4	0.714	1.399		

satisfaction: design diverse experiences suitable for visits, travel companions, and length of stay. Innovate and create new experiences to generate interest, especially for frequent guests. Emphasize creating memorable and unique experiences to make guests always want to return. Offer unique experiences and privileges for loyal customers. Leverage the great potential of guests who like Danang and want to return. Only by developing experiences that match customer needs and behaviors can high satisfaction and lasting loyalty be achieved, enhancing the effectiveness of experience marketing at Danang hotels.

**4.3. Results of testing the reliability and validity of the scales**

**Evaluation of outer loading criteria:** To analyze the path structure model, the study analyzed and evaluated the outer loading of the variables. The results showed that the variables FE4, FV2, RE2, RE4, SQ1, and TE3 were removed because the outer loading was less than 0.700. Therefore, these variables were removed from the model. The remaining variables were evaluated for outer loading factor a second time; the results showed that the variables had outer loading of more than 0.700, so it can be seen that the variables included in the analysis had appropriate loading factors (Hair et al., 2014) (Table 9).

- Regarding reliability, the results of the composite reliability test (CA) in Table 2 show that the variables included in the model ensure reliability when the composite reliability value is > 0.8 (Hair et al., 2014).

Regarding the convergence assessment on SMARTPLS, the results show that the variables have a convergence value greater than 0.5, ensuring the model's convergence (Hair et al., 2014).

- Regarding the multicollinearity assessment, the results in Table 2 show that the model does not have multicollinearity because the AVE values are <5 (Hair et al., 2014).

CS	CS1	0.757	1.602	0.812	0.877	0.640
	CS2	0.809	1.786			
	CS3	0.822	1.845			
	CS4	0.810	1.793			
EV	EV1	0.754	1.563	0.793	0.858	0.547
	EV2	0.715	1.489			
	EV3	0.769	1.708			
	EV4	0.719	1.479			
	EV5	0.739	1.568			
FE	FE1	0.777	1.402	0.714	0.840	0.636
	FE2	0.805	1.374			
	FE3	0.809	1.416			
FV	FV1	0.741	1.338	0.700	0.833	0.626
	FV3	0.856	1.569			
	FV4	0.773	1.335			
RE	RE1	0.774	1.336	0.716	0.841	0.638
	RE3	0.784	1.407			
	RE5	0.838	1.537			
SE	SE1	0.816	1.697	0.829	0.886	0.660
	SE2	0.822	1.986			
	SE3	0.808	1.878			
	SE4	0.804	1.683			
SQ	SQ2	0.733	1.462	0.784	0.860	0.607
	SQ3	0.819	1.780			
	SQ4	0.794	1.596			
	SQ5	0.767	1.465			
TE	TE1	0.707	1.360	0.709	0.821	0.534
	TE2	0.763	1.513			
	TE4	0.730	1.429			
	TE5	0.723	1.335			

#### 4.4. Results of path structure model analysis

**Discriminant validity test:** The test results using the Fornell-Larcker criterion in Table 10 show that the values in the model test results are appropriate when the values are within the acceptable range (Fornell & Larcker, 1981). In

addition, considering the HTMT index, the results in Table 11 show that the model ensures the condition of discriminant validity between variables  $< 0.85$  (Watson & Clark, 1995). Therefore, it can be concluded that the discriminant validity test meets the requirements.

**Table 10. Discriminant validity test – Criteria Fornell-Larcker**

	AE	CS	EV	FE	FV	RE	SE	SQ	TE
AE	0.749								
CS	0.373	0.8							
EV	0.468	0.56	0.74						
FE	0.424	0.289	0.315	0.797					
FV	0.471	0.629	0.572	0.329	0.791				
RE	0.552	0.447	0.541	0.326	0.494	0.799			
SE	0.354	0.426	0.362	0.541	0.349	0.357	0.813		
SQ	0.478	0.459	0.59	0.327	0.524	0.511	0.302	0.779	
TE	0.615	0.427	0.432	0.562	0.397	0.433	0.458	0.377	0.731

Table 11. Discriminant validity test – Criteria HTMT

	AE	CS	EV	FE	FV	RE	SE	SQ	TE
AE									
CS	0.486								
EV	0.608	0.697							
FE	0.584	0.38	0.414						
FV	0.648	0.829	0.773	0.467					
RE	0.769	0.584	0.718	0.455	0.693				
SE	0.452	0.516	0.444	0.711	0.45	0.466			
SQ	0.632	0.576	0.745	0.435	0.707	0.69	0.373		
TE	0.844	0.564	0.577	0.791	0.557	0.61	0.595	0.509	

Path structure model analysis: The results of the path structure model analysis of the research model are shown in Table 12. The results reject the following hypotheses because the P values are less than 0.05. More specifically, the variables Act Experience, Feel Experience, Sense Experience, and Think Experience do not affect Experience Value (including Emotional and Functional Value).

The study accepts the following hypotheses because of the hypotheses (P-values > 0.05). The accepted hypotheses include: Relate Experience and Service Quality affect Experience Value (including

Emotional and Functional Value). Finally, Emotional Value and Functional Value affect customer satisfaction.

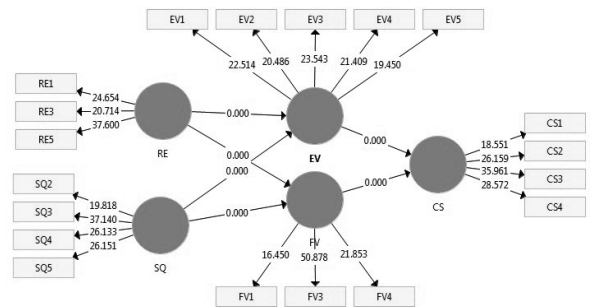


Figure 2. Results of path structure model analysis

Table 12. Results of path structure model analysis

	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values	Test Hypothesis
AE -> EV	0.06	0.058	0.087	0.684	0.495	Reject H1d
AE -> FV	0.141	0.136	0.083	1.691	0.092	Reject H2d
FE -> EV	-0.038	-0.035	0.074	0.506	0.613	Reject H1b
FE -> FV	0.023	0.012	0.073	0.316	0.752	Reject H2b
SE -> EV	0.107	0.110	0.058	1.832	0.068	Reject H1a
SE -> FV	0.102	0.098	0.066	1.545	0.123	Reject H2a
TE -> EV	0.124	0.128	0.085	1.463	0.144	Reject H1c
TE -> FV	0.053	0.067	0.083	0.637	0.525	Reject H2c
RE -> EV	0.238	0.235	0.063	3.805	0.000	Accept H1e
RE -> FV	0.198	0.203	0.067	2.946	0.000	Accept H2e
SQ -> EV	0.373	0.380	0.064	5.827	0.000	Accept H1f
SQ -> FV	0.297	0.302	0.072	4.098	0.000	Accept H2f
EV -> CS	0.297	0.300	0.061	4.909	0.000	Accept H3
FV -> CS	0.459	0.458	0.062	7.463	0.000	Accept H4

**Evaluation of model fit:** The results in Table 13 show that the model, including independent variables, explained 45.1% of the change in the dependent variable, customer satisfaction.

Table 13. R<sup>2</sup> and Adjust R<sup>2</sup>

	R <sup>2</sup>	Adjust R <sup>2</sup>
CS	0.456	0.451
EV	0.458	0.444
FE	0.384	0.368

The above research results show that in the six components of experiential marketing, only two factors impact the value of experience, affecting customer satisfaction at hotels in Da Nang City: related experience and service quality.

This result is consistent with the research results of Pham and Huang (2015) and Yuan and Wu (2008), who stated that service quality is the main component of experiential marketing activities and has an impact on customer satisfaction; the research of Lagiewski and Zekan (2006) assessed the positive relationship between relate experience and customer satisfaction; and finally the research of Yuan and Wu (2008) acknowledged that the value of experience is a vital component and has an impact on customer satisfaction. More specifically, these factors positively impact the value of experience in the case of hotels in Da Nang City. Of these two factors, service quality has the strongest impact on experience value through two criteria: emotional value and functional value. Next is relate experience. Therefore, marketing managers need to focus on improving relate experience and service quality to improve experiential marketing activities at hotels in Da Nang city in the current context.

The four factors of experiential marketing that do not affect the experience value of customers are sense experience, feel experience, think experience, and act experience. This shows that customers are more interested in what they experience in reality than their emotions and actions when experiencing experiential marketing activities. Yuan and Wu (2008) also determined that experiential marketing includes sense experience, feel experience, think experience, act experience, and relate experience. From there, these experiences reflect experiential marketing. When these experiences are not guaranteed, they will not affect the experience value (Yuan & Wu, 2008).

In addition, the study also specifically examined the impacts and influences between the components of experiential marketing on the experience value and satisfaction of customers at hotels in Da Nang City, including:

- Relate Experience impacts experience value through emotional value (0.238) and functional value (0.198). Therefore, experiential marketing managers

can enhance experience value by influencing the Relate Experience (Yuan & Wu, 2008; Gouthro & Palmer, 2013).

- Service Quality impacts experience value through emotional value (0.373) and functional value (0.297). These impacts are considered relatively high. Therefore, experiential marketing managers can enhance experience value by influencing Service Quality (Yuan & Wu, 2008; Quadri-Felitti & Fiore, 2012; Pham & Huang, 2015).

Experiential value impacts customer satisfaction. More specifically, emotional value has a reasonably high impact (0.297), while functional value has a very high impact (0.459). Therefore, destination managers can improve customer satisfaction by influencing customer experiential value, thereby improving customer satisfaction with experiential marketing activities (Pham & Huang, 2015) at hotels in Da Nang City.

## 5. Conclusions

Little research has examined the relationship between experiential marketing and customer satisfaction, especially in young tourist cities. This study was conducted to strengthen the understanding of the role of experiential marketing in customer satisfaction. Examining these relationships will help better understand the interaction between these variables in the context of tourism development, enhancing the destination's position and attracting tourists. Statistic results show that two factors affect the experience value: relate experience and service quality. From there, the experience value affects customer satisfaction through emotional and functional values. Four factors that do not affect the experience value and customer loyalty are sense experience, feel experience, think experience, and act experience. These findings have affirmed the importance of experiential marketing in tourist satisfaction. Therefore, tourist attractions enhance experiences and experiential values to provide tourists with authentic experiences, thereby improving the quality of the personal experiences of tourists. Theoretically, this study provides empirical data so that tourism managers and policymakers can make efforts to create experiential values and tourist satisfaction at hotels in Da Nang in particular and Da Nang tourism in general.



Based on the research results on the impact of experiential marketing on the experience value and satisfaction of tourists, it is necessary to focus more on building the experience of related factors as well as improving the quality of services at hotels in Da Nang, which can allow tourists to feel the connection with the value that the hotel brings, thereby creating an authentic and memorable experience. Some solutions that can be mentioned are:

- Relational Experiential: Creating opportunities for customers to connect with hotel service and local communities and engage in authentic operation interactions can be highly impactful. Facilitating customer initiatives, such as a room in traditional or modern architecture, can improve meaningful connections and cultural exchange (Gouthro & Palmer, 2013, p. 544). Hotels could also organize charitable activities or volunteer programs that allow tourists to contribute to the local community (Mair, 2019) and enhance personal experience when using hotel services.

- Service Quality: High service quality is essential for delivering exceptional experiences. Training staff in local knowledge and experience facilitation skills like storytelling and interpretation are crucial (Skallerud, 2010). Managers should also establish safety protocols and standards for experiential operations for hotel service quality, such as ensuring proper safety equipment and supervision during pottery workshops or cooking classes, to ensure a seamless and secure tourist environment (Quadri-Felitti & Fiore, 2012). Furthermore, the hotel environment and the interaction between staff and customers both affect the customer service encounter.

- Emotional Value: Creating memorable and emotionally engaging experiences can evoke positive emotions and personal connections in hotel customers. Hotel managers strive to connect guests with meaningful hotel service experiences that resonate with their values, interests, or life stages, fostering emotional connections and personal growth (Mair, 2019, p. 180). Hotels could incorporate personalized storytelling elements and create opportunities for guests to share their narratives, making the experiences more impactful and relatable (Gouthro & Palmer, 2013).

- Functional Value: Providing high-quality experiential services that meet the expectations of tourists is crucial. Thus, it ensures that the experiences offered are unique, authentic, and worth the money spent, delivering tangible value beyond (Quadri-Felitti & Fiore, 2012). Hotels should continuously monitor and adapt their offerings to meet evolving customer preferences and market trends (Skallerud, 2010).

- Customer Satisfaction: Implementing customer satisfaction surveys, gathering customer feedback after each experiential, and continuously improving services is essential. Additionally, hotels should develop loyalty programs and incentives for repeat customers, such as discounts or exclusive access to hotel events, fostering long-term customer relationships and enhancing overall satisfaction (Gouthro & Palmer, 2013).

This study's limitations are sample size and investigation time, which led to the need for a more representative sample. Further studies in the line should be conducted, but with the addition of some concepts related to the current concepts.

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