

# The Impact of Experiential Marketing in the Catering Industry on Customer Loyalty-A Case Study of Haidilao

Xiuli Sun, Zhenhan Sun, Yongyuan Ye

School of Business, Guangdong University of Foreign Studies, Guangzhou 510420, Guangdong, China

**Abstract:** With the advent of the experience economy, experiential marketing has emerged as a pivotal strategy. This study examines the impact of Haidilao's experiential marketing, specifically sense and feel experiences, on college student customer loyalty, with customer perceived value as a mediating variable. Data collected through a survey of 105 college students were analyzed using reliability tests, correlation analysis, and regression analysis. The results indicate that both sense and feel experiences directly enhance behavioral and attitudinal loyalty. Furthermore, customer perceived value partially mediates this relationship. The findings suggest that catering enterprises should focus on creating comprehensive sensory and emotional experiences while strategically managing perceived value to foster loyalty among college students.

**Keywords:** Experiential Marketing; Customer Perceived Value; Customer Loyalty; Haidilao; Catering Industry.

## 1. Introduction

The experience economy represents a new economic stage following the service economy. This shift has significantly altered consumer behavior; consumers now seek not just products and basic services but diverse experiential offerings. Experiential services engage consumers deeply, fostering interaction throughout the consumption process and influencing their needs and psychology. Consequently, businesses are shifting their marketing focus, with experiential marketing becoming a key trend, particularly in the catering industry.

Traditional product marketing in catering often emphasizes food appearance and taste, fulfilling basic needs but failing to provide unique experiences. In contrast, experiential marketing focuses on both high-quality food and personalized service, enhancing consumer attraction. In China's highly competitive catering landscape, many enterprises seek differentiation, and experiential marketing offers a path to sustainable competitive advantage. Haidilao serves as a prime example. Despite operating in the volatile hotpot sector, Haidilao has achieved remarkable revenue growth, culminating in its 2018 listing in Hong Kong. Its success is largely attributed to exceptional service, elevated to an experiential level. Staff engage closely with customers, addressing explicit and implicit needs—such as providing phone bags or pillows for overnight guests—and creating unique experiences like birthday celebrations or offering plush toys to solo diners. Haidilao's triumph through "unique consumption experiences" aligns perfectly with experiential marketing principles, generating positive word-of-mouth and strengthening customer loyalty.

College students, as both audiences for experiential marketing and future consumption drivers, are crucial targets for catering firms. Their consumption trends towards personalization and emotional satisfaction, aligning well with experiential marketing concepts. Therefore, this study investigates how Haidilao's experiential marketing influences college student customer loyalty, providing actionable recommendations for the catering industry.

## 2. Literature Review and Hypotheses Development

### 2.1. Experiential Marketing

Pine and Gilmore (1998) introduced the concept, emphasizing customer-centric service to create memorable experiences. Schmitt (1999) redefined it from the consumer's perspective as a strategy leveraging enhanced customer experiences for profit, proposing the Strategic Experiential Modules (SEMs): Sense, Feel, Think, Act, and Relate. This framework is widely accepted. Chinese scholars like Fan Xiucheng (2002) and Li Xiulin (2005) further elaborated, stressing the design of consumption scenarios and service-centered experiences. Research in the catering industry (e.g., Li Jianzhou & Fan Xiucheng, 2006; Ma Liang, 2015; Du Hongyan, 2015) applied these concepts, highlighting sensory and emotional dimensions. This study adopts Schmitt's SEMs, focusing specifically on Sense and Feel experiences due to their prominence in the direct product/service interactions of the catering industry.

### 2.2. Customer Loyalty

Early definitions emphasized behavioral aspects like repurchase frequency (Newman & Werbel, 1973), later incorporating brand dependence and recommendation (Parasuraman, 1985). Attitudinal loyalty gained recognition for capturing willingness to repurchase, pay premium prices, and recommend (Shankara, 2000; Zhang Weidong, 2004). The comprehensive "behavioral-attitudinal" perspective, integrating both aspects (Dick & Basu, 1994; Oliver, 1997; Ma Qingxue & Zhang Pengwei, 2003; Liu Hongcheng, 2004), is now predominant. This study defines customer loyalty as the tendency for repeat consumption (behavior) and positive disposition (attitude).

### 2.3. Customer Perceived Value

Initially defined simply, the concept was refined by Porter (1985) and Zeithaml (1988), who described it as the consumer's overall assessment of utility based on a perception of what is received versus what is given (monetary and non-monetary costs). Zeithaml's definition is foundational.

Subsequent work (Woodruff, 1997; Wu Yonghong & Fan Xiucheng, 2004; Cheng Haiqing, 2007) built upon this, emphasizing cognitive evaluation. Dimensionality varies (e.g., Zeithaml's perceived get/give; Sweeney & Soutar's emotional, social, functional values), but the core involves a trade-off evaluation. This study employs Zeithaml's concept, treating perceived value as a unidimensional construct based on this perceived trade-off.

## 2.4. Research Model and Hypotheses

Based on the literature, a research model is proposed in Figure 1, positioning experiential marketing (Sense, Feel) as independent variables, customer loyalty (Behavioral, Attitudinal) as dependent variables, and customer perceived value as a mediating variable.

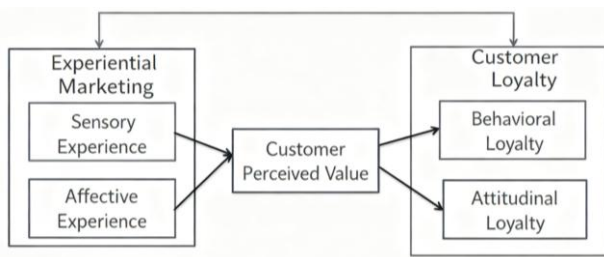


Figure 1. Research Model

The following hypotheses are proposed:

H1: Experiential marketing positively influences customer loyalty.

H1a: Sense experience positively influences behavioral loyalty.

H1b: Feel experience positively influences behavioral loyalty.

H1c: Sense experience positively influences attitudinal loyalty.

H1d: Feel experience positively influences attitudinal loyalty.

H2: Experiential marketing positively influences customer perceived value.

H2a: Sense experience positively influences customer perceived value.

H2b: Feel experience positively influences customer perceived value.

H3: Customer perceived value positively influences customer loyalty.

H3a: Customer perceived value positively influences behavioral loyalty.

H3b: Customer perceived value positively influences attitudinal loyalty.

H4: Customer perceived value mediates the relationship between experiential marketing and customer loyalty.

## 3. Research Methodology

### 3.1. Measures and Questionnaire Design

A structured questionnaire was developed. Section A collected demographic data. Section B employed a 5-point Likert scale (1=Strongly Disagree, 5=Strongly Agree) to measure constructs using adapted scales:

(1) Sense Experience (5 items): e.g., "The Haidilao hot pot soup is rich and flavorful, the dishes are delicious."

(2) Feel Experience (3 items): e.g., "I can feel the care from the waitstaff at Haidilao."

(3) Customer Perceived Value (6 items): e.g., "Compared

to the sensory/emotional experience at Haidilao, the price I paid was worthwhile."

(4) Behavioral Loyalty (3 items): e.g., "I am willing to visit Haidilao frequently."

(5) Attitudinal Loyalty (3 items): e.g., "Even if some Haidilao dishes are not perfect, I am still willing to dine there."

## 3.2. Data Collection and Sample

The questionnaire was distributed online via social media platforms targeting college students. Screening ensured respondents had dined at Haidilao. 118 questionnaires were returned; 105 were valid (89% effective rate). The sample profile is shown in Table 1.

Table 1. Sample Descriptive Statistics (N=105)

Characteristic	Category	Frequency	Percentage
Gender	Male	28	26.7
	Female	77	73.3
Consumption Frequency (6 months)	0 times	27	1.9
	1-3 times	136	61.9
	4-5 times	33	29.5
	>5 times	14	6.7
Disposable Income (RMB)	<1000	22	2.9
	1000-2000	116	23.8
	2000-3000	49	44.8
	>3000	23	28.5

## 4. Data Analysis and Results

### 4.1. Reliability and Validity

As shown in Table 2, Cronbach's  $\alpha$  for all constructs exceeded 0.8, indicating high internal consistency reliability. The KMO values were all greater than 0.7, and Bartlett's tests were significant ( $p < 0.001$ ), confirming the data's suitability for factor analysis and establishing validity as shown in Table 3.

Table 2. Reliability Analysis

Construct	Dimension	Cronbach's $\alpha$	Number of Items
Experiential Marketing	Sense Experience	0.823	5
	Feel Experience	0.839	3
Customer Perceived Value		0.895	6
Customer Loyalty	Behavioral Loyalty	0.915	3
	Attitudinal Loyalty	0.854	3
Overall*		0.956	20

Table 3. Validity Analysis (KMO and Bartlett's Test)

Measure	KMO Value*	Bartlett's Test Sig.
Experiential Marketing	0.876	0.000
Customer Perceived Value	0.846	0.000
Customer Loyalty	0.896	0.000
Overall	0.917	0.000

### 4.2. Hypothesis Testing

Pearson correlation analysis as shown in Table 4 revealed significant positive correlations ( $p < 0.01$ ) among all key variables, providing preliminary support for the hypotheses.

**Table 4.** Correlation Matrix ( $p < 0.01$ )

Variable	Sense Experience	Feel Experience	Perceived Value	Behavior Loyalty	Attitude Loyalty
Sense Experienc	1				
Feel Experience	0.765**	1			
Perceived Value	0.712**	0.698**	1		
Behavior Loyalty	0.741**	0.769**	0.771**	1	
Attitude Loyalty	0.668**	0.699**	0.711**	0.834**	1

A series of regression analyses were conducted. Key results are summarized below:

H1/H2/H3 (Direct Effects): Regression analyses confirmed that sense and feel experiences significantly positively affected behavioral loyalty (H1a, H1b), attitudinal loyalty (H1c, H1d), and customer perceived value (H2a, H2b). Customer perceived value significantly positively affected both behavioral (H3a) and attitudinal loyalty (H3b). All  $p$ -values were  $< 0.01$ , VIF values  $< 10$ . Thus, H1, H2, and H3 were fully supported. Standardized coefficients indicated that feel experience had a stronger influence on loyalty outcomes than sense experience.

H4 (Mediation Effect): When customer perceived value was added to the regression models alongside the experiential marketing dimensions, the paths from both sense/feel experiences and perceived value to loyalty remained significant ( $p < 0.01$ ), while the coefficients for the direct experiential marketing paths decreased. This indicates partial mediation, supporting H4.

The results of all hypothesis tests are summarized in Table 5.

**Table 5.** Hypothesis Testing Results

Hypothesis	Content	Result
H1	Experiential marketing positively influences customer loyalty	Supported
H1a	Sense experience positively influences behavioral loyalty	Supported
H1b	Feel experience positively influences behavioral loyalty	Supported
H1c	Sense experience positively influences attitudinal loyalty	Supported
H1d	Feel experience positively influences attitudinal loyalty	Supported
H2	Experiential marketing positively influences customer perceived value	Supported
H2a	Sense experience positively influences customer perceived value	Supported
H2b	Feel experience positively influences customer perceived value	Supported
H3	Customer perceived value positively influences customer loyalty	Supported
H3a	Customer perceived value positively influences behavioral loyalty	Supported
H3b	Customer perceived value positively influences attitudinal loyalty	Supported
H4	Customer perceived value mediates the relationship between experiential marketing and customer loyalty	Supported

## 5. Conclusion and Implications

### 5.1. Conclusion

This study demonstrates that Haidilao's experiential marketing—specifically sense and feel experiences—significantly enhances college students' customer loyalty, both directly and indirectly through the mediation of customer perceived value. The findings confirm that creating positive sensory inputs and fostering genuine emotional connections are powerful drivers of repeat business and positive attitudes among young consumers. The stronger influence of feel experience highlights the importance of moving beyond basic sensory appeal to cultivate deeper emotional engagement.

### 5.2. Theoretical and Practical Implications

Theoretically, this study enriches the literature by empirically validating a model linking specific experiential dimensions to loyalty via perceived value within the catering context, focusing on the under-researched college student demographic.

Practically, the findings offer several recommendations for catering managers:

(1) **Orchestrate Holistic Sensory Experiences:** Go beyond taste and smell. Strategically manage visual (lighting, layout), auditory (background music), and tactile (furnishings, utensils) elements to create a cohesive and appealing multi-sensory environment.

(2) **Cultivate Profound Emotional Experiences:** Invest in staff training to foster genuine warmth and proactive service. Design the service environment and interactions to evoke positive emotions like happiness, comfort, and a sense of being cared for. Create memorable surprises (e.g., small gifts, personalized notes) to enhance emotional connection.

(3) **Optimize Customer Perceived Value:** While enhancing experiential benefits, actively work to reduce perceived costs. For students, this includes financial costs (e.g., student discounts), time costs (e.g., efficient queuing systems, wait-time entertainment), and effort costs (e.g., clear signage, easy online reservation/navigation). A favorable value perception strengthens loyalty directly and reinforces the impact of experiential marketing.

## References

- [1] Dick, A. S., & Basu, K. (1994). Customer loyalty: Toward an integrated conceptual framework. *Journal of the Academy of Marketing Science*, 22\*(2), 99-113.
- [2] Li, J., & Fan, X. (2006). An empirical study on customer restaurant experience. *Tourism Tribune*, 21\*(3), 56-61. (In Chinese)
- [3] Ma, L. (2015). How catering enterprises implement experiential marketing in interactive marketing. *Modern Marketing*, \*(1), 53-55. (In Chinese)

- [4] Oliver, R. L. (1997). \*Satisfaction: A behavioral perspective on the consumer\*. McGraw-Hill.
- [5] Pine, B. J., & Gilmore, J. H. (1998). Welcome to the experience economy. \*Harvard Business Review\*, 76\*(4), 97-105.
- [6] Schmitt, B. (1999). Experiential marketing. \*Journal of Marketing Management\*, 15\*(1-3), 53-67.
- [7] Zhang, Y. (2020). \*Research on the Consumption View of College Students in the New Era\* (Master's thesis). Zhengzhou University of Light Industry. (In Chinese)
- [8] Zeithaml, V. A. (1988). Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence. \*Journal of Marketing\*, 52\*(3), 2-22.