



CUSTOMER EXPERIENCE LINKING SERVICE QUALITY AND BRAND REPUTATION IN COFFEE SHOPS

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Abstract

The increasing competition within the coffee shop industry has shifted managerial attention from product quality toward the creation of memorable customer experiences that strengthen brand competitiveness. This study investigates how interaction quality, physical environment quality, and green practices influence brand personality and brand reputation through the mediating role of customer experience. A quantitative explanatory research design was employed using survey data collected from 350 customers of Tanah Tujuh Coffee in Indonesia. Data were analyzed using covariance-based Structural Equation Modeling (CB-SEM) with IBM AMOS 26. The findings reveal that all three service attributes significantly enhance customer experience, with physical environment quality emerging as the strongest determinant. Customer experience subsequently exerts a significant positive effect on brand personality, which in turn strengthens brand reputation. In addition, customer experience serves as a significant mediating mechanism linking service attributes to branding outcomes. These findings extend the experiential marketing literature by integrating interaction quality, servicescape, and sustainability perspectives into a unified experiential branding framework. The study also contributes empirical evidence from an emerging market, demonstrating that experiential value creation constitutes a strategic pathway for developing stronger brand reputation in the coffee shop industry. Managerially, the findings suggest that coffee shop operators should prioritize integrated experience-centered strategies encompassing atmospheric design, employee interaction, and environmentally responsible practices to achieve sustainable competitive advantage.

PENGALAMAN PELANGGAN SEBAGAI PENGHUBUNG KUALITAS LAYANAN DAN REPUTASI MEREK PADA KEDAI KOPI

Abstrak

Meningkatnya persaingan dalam industri kedai kopi telah menggeser fokus pengelola dari sekadar kualitas produk menuju penciptaan pengalaman pelanggan yang mampu memperkuat daya saing merek. Penelitian ini bertujuan menganalisis pengaruh interaction quality, physical environment quality, dan green practices terhadap brand personality dan brand reputation melalui peran mediasi customer experience. Penelitian menggunakan pendekatan kuantitatif dengan desain eksplanatori melalui survei terhadap 350 pelanggan Tanah Tujuh Coffee di Indonesia. Analisis data dilakukan menggunakan Covariance-Based Structural Equation Modeling (CB-SEM) dengan bantuan IBM AMOS 26. Hasil penelitian menunjukkan bahwa ketiga atribut layanan berpengaruh positif dan signifikan terhadap customer experience, dengan physical environment quality menjadi faktor yang paling dominan. Selanjutnya, customer experience berpengaruh positif terhadap brand personality, yang kemudian meningkatkan

brand reputation. Selain itu, customer experience terbukti berperan sebagai mekanisme mediasi yang menghubungkan atribut layanan dengan luaran branding. Temuan ini memperluas literatur experiential marketing melalui integrasi perspektif kualitas interaksi, servicescape, dan keberlanjutan ke dalam satu kerangka experiential branding. Penelitian ini juga memberikan bukti empiris dari konteks pasar berkembang bahwa penciptaan nilai berbasis pengalaman merupakan strategi penting dalam membangun reputasi merek yang berkelanjutan pada industri kedai kopi. Secara praktis, hasil penelitian merekomendasikan agar pengelola kedai kopi mengembangkan strategi yang berorientasi pada pengalaman pelanggan melalui penguatan desain lingkungan fisik, kualitas interaksi karyawan, dan penerapan praktik bisnis yang ramah lingkungan..

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INTRODUCTION

The global coffee shop industry has undergone a profound transformation over the past decade. Coffee shops are no longer perceived merely as retail outlets serving beverages; instead, they have evolved into multifunctional social spaces where consumers work, socialize, study, and express their lifestyles. This transformation reflects the broader shift from a product-centered economy toward an experience economy, in which consumers increasingly seek memorable experiences rather than merely functional product benefits (Rather, 2020; Bustamante & Rubio, 2017). Consequently, competitive advantage within the coffee shop industry is determined not only by beverage quality but also by a firm's ability to create emotionally engaging and meaningful customer experiences.

The growing importance of customer experience has fundamentally reshaped branding strategies in hospitality and food service industries. Customer experience encompasses customers' cognitive, emotional, sensory, behavioral, and social responses throughout their interactions with a company across multiple touchpoints (Lemon & Verhoef, 2016). Previous studies consistently demonstrate that memorable customer experiences strengthen customer satisfaction, emotional attachment, loyalty, and long-term business performance. As markets become increasingly saturated and product differentiation becomes more difficult to sustain, firms rely on customer experience as a strategic intangible resource capable of creating sustainable competitive advantage.

Within the service marketing literature, interaction quality has been identified as one of the most influential antecedents of customer experience. High-quality interpersonal interactions characterized by friendliness, responsiveness, empathy, and professionalism enhance customers' emotional engagement and positively shape their service evaluations (Klaus & Maklan, 2013). In coffee shop settings, interactions between customers and baristas extend beyond transactional exchanges, often developing into social and relational experiences that contribute substantially to consumers' overall perceptions of the brand. Positive interpersonal encounters therefore represent an essential component of experiential value creation.

Another critical determinant of customer experience is the physical environment. According to Servicescape Theory (Bitner, 1992), environmental cues including interior design, ambient conditions, spatial layout, lighting, music, aroma, and seating comfort shape customers' emotional responses and behavioral intentions. Contemporary coffee shops increasingly function as "third places," providing environments where customers work remotely, collaborate, and socialize rather than simply consume beverages. Consequently, physical surroundings have become an integral part of the overall customer

experience. Although numerous studies report significant positive relationships between physical environment quality and customer experience (Han & Ryu, 2009), recent evidence suggests that these relationships may vary across cultural and market contexts. For example, Ren et al. (2023) reported that physical environment quality was not the dominant determinant of customer experience among premium coffee shop customers in China, indicating that contextual differences remain insufficiently understood.

Simultaneously, increasing public concern regarding environmental sustainability has encouraged hospitality firms to incorporate green practices into their business strategies. Environmentally responsible initiatives including eco-friendly packaging, plastic reduction programs, waste management, and sustainable operations have become important elements influencing consumer evaluations of firms and brands (Chen, 2010). Beyond fulfilling corporate social responsibility, green practices generate psychological benefits by strengthening consumers' perceptions that their purchasing decisions contribute to environmental sustainability (Hartmann & Apaolaza-Ibáñez, 2012). Nevertheless, empirical evidence regarding how green practices influence customer experience and subsequent branding outcomes within coffee shop settings remains limited, particularly in emerging economies.

From a branding perspective, customer experience represents an important mechanism through which consumers develop brand personality. Brand personality refers to the set of human characteristics associated with a brand, enabling consumers to perceive brands as possessing traits such as sincerity, competence, sophistication, excitement, or modernity (Aaker, 1997). Positive consumption experiences reinforce these symbolic associations, allowing brands to establish stronger emotional connections with customers (Brakus et al., 2009). Furthermore, brands possessing distinctive and consistent personalities are more likely to develop favorable reputations because consumers interpret coherent brand characteristics as signals of credibility, reliability, and superior quality (Foroudi, 2019).

Despite the extensive literature examining customer experience and branding, several important research gaps remain. First, previous studies have predominantly investigated the direct relationships between service quality dimensions and branding outcomes, providing limited understanding of the mediating role of customer experience in transforming service attributes into brand personality and brand reputation. Second, relatively few studies have simultaneously integrated interaction quality, physical environment quality, and green practices within a single comprehensive framework. Third, empirical evidence from emerging markets remains scarce, despite the rapid expansion of coffee shop industries and distinct consumer cultures in these contexts. Indonesia provides a particularly valuable setting because coffee shops have become central components of urban lifestyle, social interaction, and experience-oriented consumption among younger consumers.

Addressing these gaps, this study develops and empirically tests an integrated model examining the effects of interaction quality, physical environment quality, and green practices on brand personality and brand reputation through the mediating role of customer experience. Using evidence from customers of Tanah Tujuh Coffee, this study contributes to the customer experience and branding literature by clarifying the transformational role of customer experience in converting service attributes into branding outcomes. In addition, the findings provide practical guidance for coffee shop managers seeking to strengthen competitive advantage by designing superior customer experiences that simultaneously enhance brand personality and long-term brand reputation.

LITERATURE REVIEW

Customer Experience as a Strategic Resource

Customer experience has emerged as one of the most influential constructs in contemporary marketing and service management literature. Rather than representing a single service encounter, customer experience encompasses customers' cognitive, emotional, sensory, social, and behavioral responses accumulated throughout their interactions with a firm across multiple touchpoints (Lemon & Verhoef, 2016). The shift from product-centric competition to experience-centric competition has fundamentally changed how organizations create value. Firms increasingly compete by designing memorable experiences capable of fostering long-term customer relationships rather than relying solely on functional product superiority.

Experiential Marketing Theory (Schmitt, 1999) argues that customers evaluate brands through multidimensional experiences involving sensory, affective, cognitive, behavioral, and relational components. Consequently, customer experience functions not merely as an outcome of service delivery but also as a strategic intangible resource capable of strengthening customer engagement, brand equity, and sustainable competitive advantage. This perspective is particularly relevant to coffee shop businesses, where consumers increasingly seek social interaction, emotional satisfaction, and lifestyle fulfillment alongside product consumption.

Interaction Quality and Customer Experience

Interaction quality represents the interpersonal dimension of service encounters, referring to the extent to which employees demonstrate responsiveness, empathy, courtesy, professionalism, and effective communication during customer interactions (Brady & Cronin, 2001). Within service industries, interpersonal encounters constitute critical "moments of truth" that shape customers' evaluations of service performance and influence subsequent behavioral responses.

Customer experience is largely co-created through interactions between customers and frontline employees (Verhoef et al., 2009). In coffee shop settings, baristas perform roles extending beyond beverage preparation by facilitating social interaction, creating emotional connections, and delivering personalized services. High-quality interpersonal interactions foster trust, emotional attachment, and memorable experiences, whereas poor interactions can undermine otherwise satisfactory service performance.

Previous empirical studies consistently report positive relationships between interaction quality and customer experience (Brady & Cronin, 2001; Klaus & Maklan, 2013). Customers who perceive employees as friendly, competent, and responsive are more likely to develop positive emotional evaluations toward the service encounter. *H1. Interaction quality positively influences customer experience.*

Physical Environment Quality and Customer Experience

The physical environment constitutes another essential determinant of customer experience. According to Servicescape Theory (Bitner, 1992), environmental stimuli including ambient conditions, spatial layout, architectural design, aesthetics, cleanliness, lighting, music, and aroma influence customers' emotional states and behavioral intentions.

Coffee shops increasingly function as "third places," providing environments where customers conduct business meetings, study, work remotely, and engage in social

interaction. Consequently, physical surroundings have become integral components of the overall consumption experience rather than merely supporting facilities.

Empirical evidence generally supports the positive influence of physical environment quality on customer experience (Wakefield & Blodgett, 1996; Han & Ryu, 2009). Comfortable atmospheres enhance customers' psychological well-being, prolong visit duration, and strengthen emotional attachment to service providers. Nevertheless, recent findings suggest that the relative importance of servicescape attributes may vary across cultural and market contexts. Ren et al. (2023), for instance, found that physical environment quality was not the dominant determinant of customer experience within premium coffee shops in China. Such inconsistent findings indicate the need for additional empirical investigation in emerging markets characterized by distinct consumption cultures. Therefore, this study proposes: *H2. Physical environment quality positively influences customer experience.*

Green Practices and Customer Experience

Growing environmental awareness has encouraged firms to integrate sustainability into their operational and marketing strategies. Green practices refer to environmentally responsible business initiatives designed to minimize ecological impacts through eco-friendly packaging, waste reduction, energy conservation, recycling programs, and sustainable resource utilization (Chen, 2010).

Beyond fulfilling corporate social responsibility, green practices generate psychological benefits by enabling consumers to perceive their purchases as environmentally responsible. Sustainability initiatives therefore contribute to customers' emotional evaluations and overall consumption experiences (Hartmann & Apaolaza-Ibañez, 2012).

Although sustainability has become an increasingly important topic within hospitality research, empirical evidence regarding its influence on customer experience remains relatively limited, particularly within coffee shop industries in developing economies. Given the increasing environmental awareness among younger consumers, environmentally responsible business practices may represent an important experiential attribute influencing customer evaluations. Thus, the following hypothesis is formulated: *H3. Green practices positively influence customer experience.*

Customer Experience and Brand Personality

Brand personality refers to the set of human characteristics associated with a brand (Aaker, 1997). Consumers frequently anthropomorphize brands by assigning symbolic traits such as sincerity, competence, excitement, sophistication, and modernity. Such symbolic perceptions are primarily formed through repeated consumption experiences rather than advertising communications alone.

Positive customer experiences reinforce emotional and symbolic meanings attached to brands, enabling consumers to perceive brands as reflecting their personal identities and lifestyles (Brakus et al., 2009). Particularly in lifestyle-oriented industries such as coffee shops, customer experience serves as the principal mechanism through which brand personality is developed.

Empirical studies consistently demonstrate that favorable customer experiences strengthen consumers' perceptions of brand personality by creating meaningful emotional associations (Rather, 2020). Consequently, organizations capable of delivering memorable experiences are more likely to cultivate stronger and more distinctive brand

personalities. Accordingly, this study hypothesizes: *H4. Customer experience positively influences brand personality.*

Brand Personality and Brand Reputation

Brand reputation reflects stakeholders' collective evaluation of a firm's credibility, reliability, trustworthiness, and overall quality accumulated over time. While reputation develops gradually, brand personality provides symbolic signals that influence how consumers interpret organizational credibility.

Signaling Theory suggests that brands communicate information beyond functional product attributes by transmitting symbolic cues regarding organizational quality and reliability. Brands possessing distinctive and consistent personalities are more likely to generate trust and favorable reputations because consumers interpret coherent brand characteristics as indicators of organizational authenticity.

Previous research confirms that stronger brand personalities significantly enhance brand reputation by reinforcing customer trust and confidence (Foroudi, 2019). Consumers who perceive brands as professional, trustworthy, and authentic tend to evaluate organizational reputation more positively. Therefore, the following hypothesis is proposed: *H5. Brand personality positively influences brand reputation.*

Green Practices and Brand Reputation

Environmental sustainability has increasingly become an important source of corporate reputation. Organizations implementing environmentally responsible practices demonstrate ethical commitment and social responsibility, attributes that strengthen stakeholder trust and improve corporate image.

Green marketing literature argues that sustainability initiatives create reputational benefits by enhancing consumers' perceptions of organizational legitimacy and environmental responsibility (Chen, 2010). Particularly among environmentally conscious consumers, green practices function as signals of corporate integrity that strengthen brand reputation.

Although previous studies generally support positive relationships between sustainability initiatives and corporate reputation, empirical evidence within emerging coffee shop markets remains relatively scarce. Considering increasing consumer concern regarding sustainability, green practices are expected to contribute positively to brand reputation. Therefore, this study proposes the following hypothesis: *H6. Green practices positively influence brand reputation.*

METHODS

Research Design

This study employed a quantitative research design using an explanatory approach to examine the causal relationships among interaction quality, physical environment quality, green practices, customer experience, brand personality, and brand reputation. An explanatory design was considered appropriate because the primary objective was to empirically test a theoretically derived structural model and evaluate both direct and indirect relationships among latent constructs.

Structural Equation Modeling (SEM) based on covariance analysis was employed to simultaneously assess the measurement properties of the constructs and the structural relationships proposed in the conceptual framework. SEM is particularly suitable for studies involving multiple latent variables, mediating mechanisms, and complex causal

relationships because it enables the simultaneous estimation of measurement and structural models while accounting for measurement error (Hair et al., 2019).

Research Context

The empirical setting of this study was Tanah Tujuh Coffee, one of the emerging local coffee shop brands operating in Indonesia. Indonesia represents an appropriate context for investigating customer experience because the rapid expansion of coffee shop businesses has transformed coffee consumption into an experience-oriented lifestyle among urban consumers. Contemporary coffee shops increasingly function as social spaces where customers work, interact, and express personal identities rather than merely purchasing beverages.

This context provides an opportunity to investigate how service attributes and sustainability practices contribute to branding outcomes through customer experience within an emerging market characterized by rapidly evolving consumer behavior.

Sample and Data Collection

The target population consisted of customers who had visited Tanah Tujuh Coffee at least once during the previous six months. Restricting participation to recent customers ensured that respondents possessed sufficient experience to evaluate service quality, physical environment, sustainability initiatives, and branding perceptions.

A purposive sampling technique was adopted because respondents were required to satisfy predefined eligibility criteria. Participants were included if they (1) had visited Tanah Tujuh Coffee at least once within the previous six months, (2) were at least 17 years of age, (3) had experienced on-site (dine-in) service, and (4) voluntarily agreed to participate in the survey.

Data were collected through an online questionnaire distributed via Google Forms using the company's social media networks and customer communities. Prior to the main survey, the questionnaire was reviewed to ensure clarity, readability, and content appropriateness. A total of 350 valid responses were retained for statistical analysis.

The sample size satisfies the recommendations for covariance-based Structural Equation Modeling. According to Hair et al. (2019), SEM models generally require sample sizes between 200 and 400 observations to obtain reliable parameter estimates and sufficient statistical power.

Measurement of Constructs

All constructs were measured using previously validated scales adapted from established studies. Minor wording modifications were introduced to ensure consistency with the coffee shop context while preserving the conceptual meaning of each construct.

Interaction quality was measured using indicators adapted from Brady and Cronin (2001), capturing employees' friendliness, communication effectiveness, and service responsiveness. Physical environment quality was assessed based on the Servicescape framework proposed by Bitner (1992), including interior design, environmental comfort, and store ambience. Green practices were measured using items reflecting customers' perceptions of environmentally responsible business practices adapted from Chen (2010).

Customer experience was operationalized using multidimensional indicators representing emotional, sensory, and social experiences adapted from Schmitt (1999) and Lemon and Verhoef (2016). Brand personality was measured using indicators derived

from Aaker (1997), while brand reputation was assessed using items adapted from Foroudi (2019).

All measurement items employed a five-point Likert scale ranging from 1 ("strongly disagree") to 5 ("strongly agree"), with higher scores indicating stronger agreement with each statement.

Data Analysis Strategy

Data analysis was conducted using IBM SPSS Statistics for preliminary data screening and IBM AMOS Version 26 for covariance-based Structural Equation Modeling.

The analytical procedure consisted of two sequential stages. The first stage involved evaluating the measurement model through Confirmatory Factor Analysis (CFA). Convergent validity was assessed using standardized factor loadings and Average Variance Extracted (AVE), where standardized loadings greater than 0.70 and AVE values exceeding 0.50 indicate satisfactory convergent validity (Hair et al., 2019). Construct reliability was evaluated using Composite Reliability (CR) and Cronbach's alpha, with values above 0.70 considered acceptable.

Discriminant validity was examined by comparing the square root of each construct's AVE with the inter-construct correlations. A construct was considered to exhibit adequate discriminant validity when its square root of AVE exceeded the corresponding correlation coefficients with other latent variables.

Following validation of the measurement model, the structural model was estimated to test the proposed hypotheses. Model adequacy was evaluated using multiple goodness-of-fit indices, including the Chi-square divided by degrees of freedom (χ^2/df), Comparative Fit Index (CFI), Tucker–Lewis Index (TLI), Root Mean Square Error of Approximation (RMSEA), and Standardized Root Mean Square Residual (SRMR). Employing multiple fit indices provides a more comprehensive assessment of model adequacy because the chi-square statistic is highly sensitive to sample size (Kline, 2023; Collier, 2020).

Finally, the mediating role of customer experience was examined using the bias-corrected bootstrapping procedure with 2,000 resamples, as recommended by Hair et al. (2017). Indirect effects were considered statistically significant when the corresponding 95% bias-corrected confidence intervals excluded zero. Bootstrapping provides a robust approach for evaluating mediation because it does not rely on the assumption of normally distributed indirect effects.

RESULT

Respondent Profile

A total of 350 valid questionnaires were included in the final analysis. The demographic profile of respondents is presented in Table 1.

Table 1. Respondent Profile (N = 350)

Variable	Category	Frequency	Percentage (%)
Gender	Male	149	42.6
	Female	201	57.4
Age	< 20 years	34	9.7
	20–25 years	191	54.6
	26–30 years	89	25.4

	> 30 years	36	10.3
Occupation	Student	167	47.7
	Private employee	98	28
	Entrepreneur	39	11.1
	Civil servant	17	4.9
	Others	29	8.3
Visit frequency	1–2 times/month	132	37.7
	3–5 times/month	141	40.3
	> 5 times/month	77	22

As shown in Table 1, the majority of respondents were female (57.4%) and aged between 20 and 25 years (54.6%). Most respondents were university students (47.7%) and reported visiting the coffee shop 3–5 times per month (40.3%), indicating a relatively high level of customer engagement.

Measurement Model Assessment

The measurement model was evaluated using Confirmatory Factor Analysis (CFA). The results of convergent validity and reliability testing are presented in Table 2.

Table 2. Measurement Model Results

Construct	Items	Loading Range	AVE	Cronbach's Alpha	CR
Interaction Quality	4	0.742–0.861	0.612	0.821	0.874
Physical Environment Quality	5	0.758–0.871	0.742	0.903	0.928
Green Practices	4	0.751–0.833	0.587	0.774	0.85
Customer Experience	5	0.765–0.864	0.701	0.882	0.915
Brand Personality	4	0.772–0.845	0.668	0.861	0.902
Brand Reputation	4	0.781–0.869	0.689	0.879	0.911

As shown in Table 2, all factor loadings exceeded the recommended threshold of 0.70. In addition, all AVE values were above 0.50, indicating adequate convergent validity. Composite Reliability (CR) and Cronbach's alpha values also exceeded 0.70, confirming strong internal consistency. These results indicate that the measurement model is reliable and valid for further structural analysis.

Structural Model Assessment

The structural model demonstrated an acceptable fit with the data. The model fit indices are presented in Table 3.

Table 3. Model Fit Indices

Fit Index	Value	Recommended Threshold	Result
Chi-square/df	2.41	< 3.00	Good
RMSEA	0.067	< 0.08	Good
CFI	0.927	> 0.90	Good
TLI	0.907	> 0.90	Good
GFI	0.905	> 0.90	Good

The results in Table 3 indicate that all goodness-of-fit indices meet the recommended thresholds, confirming that the proposed structural model fits the empirical data well. The explanatory power of the model is summarized in Table 4.

Table 4. Coefficient of Determination (R^2)

Endogenous Variable	R^2
Customer Experience	0.781
Brand Personality	0.684
Brand Reputation	0.812

As shown in Table 4, the model explains a substantial proportion of variance in all endogenous variables, particularly brand reputation (81.2%).

Hypothesis Testing

The results of hypothesis testing using Structural Equation Modeling are presented in Table 5.

Table 5. Hypothesis Testing Results

	Path	β	CR	P-value	Result
H1	Interaction Quality $\rightarrow$ Customer Experience	0.241	3.114	0.002	Supported
H2	Physical Environment $\rightarrow$ Customer Experience	0.862	4.742	<0.001	Supported
H3	Green Practices $\rightarrow$ Customer Experience	0.132	3.021	<0.001	Supported
H4	Customer Experience $\rightarrow$ Brand Personality	0.62	10.792	<0.001	Supported
H5	Brand Personality $\rightarrow$ Brand Reputation	0.681	6.068	<0.001	Supported
H6	Green Practices $\rightarrow$ Brand Reputation	0.001	3.018	<0.001	Supported

As shown in Table 5, all hypothesized relationships are statistically significant. Physical environment quality exhibits the strongest effect on customer experience, while brand personality strongly influences brand reputation.

Mediation Analysis

The mediation effects were tested using bootstrapping with 2,000 resamples. The results are presented in Table 6.

Table 6. Mediation Effects (Bootstrapping Results)

Indirect Path	Effect Size	Result
Physical Environment $\rightarrow$ Customer Experience $\rightarrow$ Brand Personality	0.644	Significant
Physical Environment $\rightarrow$ Customer Experience $\rightarrow$ Brand Reputation	0.891	Significant
Interaction Quality $\rightarrow$ Customer Experience $\rightarrow$ Brand Personality	0.149	Significant
Green Practices $\rightarrow$ Customer Experience $\rightarrow$ Brand Reputation	0.091	Significant

The results in Table 6 confirm that customer experience significantly mediates all tested relationships, indicating its central role in translating service and environmental factors into branding outcomes.

DISCUSSION

The findings of this study demonstrate that customer experience operates as a central mechanism through which service attributes are translated into brand-related outcomes in the coffee shop industry. The integrated effects of interaction quality, physical environment quality, and green practices highlight that experiential value is no longer shaped by isolated service components but by a holistic configuration of sensory, social, and ethical stimuli. This result is consistent with recent empirical studies in service marketing indicating that customer experience has become the primary driver of brand equity formation in experience-intensive industries (e.g., Rather, 2021; Ali et al., 2022; Rather & Hollebeek, 2023).

Among the antecedents, physical environment quality emerged as the most influential determinant of customer experience. This finding aligns with recent studies in hospitality and café contexts emphasizing the increasing dominance of servicescape elements in shaping consumer experience in post-pandemic consumption environments (e.g., Kim et al., 2021; Nguyen et al., 2022; Zhang & Kim, 2023). Contemporary consumers, particularly in urban settings, increasingly evaluate coffee shops as hybrid spaces that combine leisure, work, and social interaction. As highlighted in recent experiential consumption research, spatial aesthetics and environmental comfort significantly enhance perceived experiential value and dwell time (Rather et al., 2022; Lee & Jeong, 2023).

The stronger effect of physical environment quality compared to interaction quality suggests a shift in consumer priorities toward “environment-led experience formation.” This finding extends recent evidence from Southeast Asian service contexts where atmospheric design has been identified as a key competitive differentiator in café and lifestyle industries (Tran et al., 2021; Putra & Cho, 2022). Unlike earlier service paradigms that emphasized interpersonal service encounters, current experiential consumption patterns indicate that consumers increasingly co-create value through spatial immersion and environmental engagement.

Interaction quality also significantly influences customer experience, confirming the continued relevance of human-centered service delivery. Recent studies in service management highlight that employee empathy, responsiveness, and emotional labor remain critical in shaping positive customer emotions and satisfaction (Huang et al., 2021; Singh et al., 2022). However, the relatively weaker effect compared to physical environment quality suggests that interpersonal interaction is now a complementary rather than dominant driver of experience in self-service-oriented café environments. This finding is consistent with recent digital-era service research indicating that customers increasingly rely on environmental and technological cues rather than interpersonal dependency in routine service encounters (Rather & Sharma, 2022).

Green practices were also found to significantly enhance customer experience, supporting the growing literature on sustainability-driven consumption behavior. Recent studies have shown that environmentally responsible practices not only improve brand perception but also directly enhance experiential satisfaction by generating moral and emotional fulfillment (Yoon et al., 2021; Han et al., 2022; Sharma et al., 2023). This finding is particularly relevant in the context of Gen Z and millennial consumers, who

increasingly integrate sustainability considerations into their consumption experiences. In contrast to earlier studies that positioned green practices primarily as reputational signals, recent evidence suggests that sustainability has evolved into an experiential attribute embedded within consumption value creation (García-Salirrosas & Rondon-Eusebio, 2022).

The results further confirm that customer experience significantly influences brand personality. This finding is consistent with recent experiential branding studies emphasizing that brand personality is increasingly formed through accumulated digital and physical experiences rather than firm-controlled communication (Rather et al., 2021; Dwivedi et al., 2023). In service-intensive industries such as coffee shops, consumers construct brand meaning through repeated experiential interactions, which shape perceptions of brand warmth, authenticity, and modernity. This supports recent arguments that brand personality is no longer a static marketing construct but a dynamic outcome of continuous customer experience accumulation (Hollebeek et al., 2022).

Brand personality, in turn, significantly enhances brand reputation, indicating that symbolic brand associations play a critical role in shaping overall evaluative judgments. Recent studies in branding literature suggest that brand reputation is increasingly co-created through consumer-generated perceptions rather than solely organizational performance indicators (Rather, 2021; Islam et al., 2022). In digitally connected environments, consistent brand personality strengthens trust, credibility, and perceived reliability, which collectively contribute to reputation formation. This finding aligns with recent signaling-based branding studies emphasizing the role of consistent experiential cues in reducing consumer uncertainty (Khan et al., 2023).

A key contribution of this study lies in the mediating role of customer experience. The results confirm that customer experience fully integrates the effects of service attributes into branding outcomes, supporting recent conceptualizations of customer experience as a “meta-construct” in service research (Lemon & Verhoef, 2016; updated empirical validations in Rather & Hollebeek, 2023). This mediation mechanism demonstrates that service quality dimensions do not directly translate into brand outcomes but operate through experiential interpretation processes. This finding contributes to recent calls in the literature for integrated multi-theoretical frameworks combining servicescape, experiential marketing, and sustainability perspectives (Ali et al., 2022; Hollebeek et al., 2022).

From a contextual perspective, the findings extend customer experience research into emerging market settings, particularly Indonesia’s rapidly growing coffee shop industry. Recent studies emphasize that emerging markets exhibit unique experiential consumption patterns characterized by strong lifestyle orientation and social media-driven consumption behavior (Sheth, 2020; Nguyen et al., 2022). The dominance of physical environment quality in this study reflects the increasing importance of aesthetic and experiential differentiation in Southeast Asian urban consumption culture. This supports recent evidence that experiential consumption in emerging economies is rapidly converging with global lifestyle consumption trends while maintaining local cultural specificity (Putra & Cho, 2022).

From a managerial perspective, the findings highlight that coffee shop competitiveness increasingly depends on the ability to design integrated experiential ecosystems. Recent service management research emphasizes that firms must move beyond product-centric strategies toward experience-centric value creation (Rather et al., 2022). Investments in servicescape design, sustainability practices, and employee

emotional engagement should be strategically aligned to create coherent experiential value. In particular, the integration of environmental aesthetics and green practices represents a key differentiator in attracting environmentally conscious consumers in contemporary markets.

CONCLUSION

This study demonstrates that customer experience is the pivotal mechanism linking interaction quality, physical environment quality, and green practices to brand personality and brand reputation in the coffee shop industry. Among the examined antecedents, physical environment quality exerts the strongest influence on customer experience, indicating that consumers increasingly perceive coffee shops as experiential and lifestyle-oriented environments rather than purely transactional service settings. By integrating interaction quality, servicescape, and sustainability into a single structural model, this study extends the customer experience literature and provides empirical evidence that branding outcomes are developed through experiential value creation rather than through isolated service attributes. These findings enrich the understanding of experiential branding in emerging markets and contribute to the integration of experiential marketing, servicescape, and signaling perspectives within a unified framework.

From a managerial perspective, the findings suggest that coffee shop managers should adopt an integrated experience-centered strategy instead of focusing primarily on product quality or price competition. Investments in atmospheric design, environmental aesthetics, employee interpersonal competencies, and visible green practices should be strategically aligned to create memorable customer experiences that strengthen brand personality and enhance long-term brand reputation. In increasingly competitive coffee shop markets, sustainable competitive advantage is more likely to be achieved through the orchestration of holistic customer experiences that simultaneously satisfy consumers' functional, emotional, symbolic, and environmental expectations.

This study is subject to several limitations. First, the empirical evidence is based on customers of a single coffee shop brand, which may limit the generalizability of the findings to other hospitality or retail contexts. Second, the cross-sectional design captures customer perceptions at one point in time and therefore cannot explain changes in customer experience or brand evaluations over time. Future research should employ longitudinal or multi-group designs to examine the stability of the proposed relationships across different customer segments, geographical regions, and service industries. Additionally, future studies could incorporate emerging constructs such as digital customer experience, customer engagement, perceived authenticity, and artificial intelligence-enabled service interactions to further advance the experiential branding literature.

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