

Impact of Resort-Based Marketing Stimuli on the Engagement of Customers: An Empirical Investigation of Tourists' Response in North Karnataka

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ABSTRACT

This study investigates the mediating roles of tourist satisfaction and perceived value in the relationship between experiential stimuli—specifically, resort ambiance and event-based experiences—and overall customer engagement within the emerging tourism context of North Karnataka, India. Drawing on Schmitt's experiential marketing framework and the Stimulus–Organism–Response (S-O-R) model, the research employs Partial Least Squares Structural Equation Modelling (PLS-SEM) to analyse survey data from 354 resort visitors. Findings reveal that both ambiance and events significantly enhance customer engagement not only through direct effects but also indirectly by increasing satisfaction and perceived value. The mediation analysis demonstrates that satisfaction and perceived value serve as crucial psychological mechanisms, translating sensory and event-based experiences into deeper engagement behaviours. Importance-Performance Map Analysis (IPMA) further identifies ambiance as the most influential yet underleveraged driver of engagement, while events, though moderately important, show the lowest performance and thus represent a key area for managerial improvement. The study contributes to theory by empirically validating the dual mediating pathways of satisfaction and value and by highlighting the need for context-sensitive experiential strategies in emerging destinations. Practically, the results suggest that resort managers should prioritize enhancements in ambiance and event quality to maximize guest engagement and loyalty. Limitations and avenues for future research are discussed, including the need for cross-regional studies and consideration of additional experiential factors.

Keywords: experiential marketing, customer engagement, satisfaction, perceived value, ambiance, events, mediation.

INTRODUCTION:

The tourism industry worldwide is no longer cantered on services; rather, it has shifted its focus towards engagement-based experiences, this is because consumers now favor tailored offerings. The “Experience Economy” model by Pine and Gilmore (1999) captures how consumers seek to acquire more than services, to a series of memorable and transformative engagements. In light of this change, tourism has, and continues to evolve, shaping traveller preferences towards deeper, intellectual, cultural, ecological, and emotional engagements (Binkhorst & Dekker, 2009; Richards, 2011).

Resulting from shifting preferences towards self-transformation and cultural immersion, younger generations including Millennials and Gen Z, actively seek engagements that reshape their identities (Yeoman, 2011; Lean et al., 2014). This shift is supported by digital platforms that enable real-time documentation and sharing of travel experiences, increasing the need for emotionally satisfying travel encounters and personal tailoring (Tussyadiah & Fesenmaier, 2009; Neuhofer et

al., 2014). This strongly suggests that experiential tourism cannot be viewed as a niche. Instead, it is prevalent and a sophisticated form of demand, forcing destinations and providers to go far beyond conventional offerings and create emotionally engaging, sensory triggers-filled events (Pine & Gilmore, 1999; Gilmore & Pine, 2007).

Within this context, experiential marketing has emerged as a strategic approach in the tourism and hospitality sectors. Schmitt (1999) proposed that consumers engage with brands through five strategic experiential modules—Sense, Feel, Think, Act, and Relate—which stimulate affective and cognitive responses. Resorts can utilize sensory elements such as ambiance (e.g., lighting, music, décor) and event-based activities (e.g., wellness retreats, local festivals) to design compelling experiences that influence visitor satisfaction and brand connection (Bitner, 1992; Getz, 2008; Pullman & Gross, 2004).

Emerging tourist destinations, such as North Karnataka in India, are uniquely positioned to benefit from this

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experiential shift. Rich in cultural heritage, biodiversity, and indigenous traditions, North Karnataka offers untapped potential for crafting place-based, authentic tourist experiences (Sundararajan, 2019). However, scholarly research on experiential marketing practices within such under-penetrated regions remains limited. Most Indian tourism studies have focused on infrastructure, service quality, or satisfaction in mature destinations, with relatively little attention to sensory and emotional aspects of resort marketing in lesser-known areas (Batra & Sharma, 2017; Kumar & Nayak, 2019).

Thus, this research seeks to analyse the impact of the resort environment and the event-specific experiences on tourist satisfaction, perceived value, and customer engagement in the context of North Karnataka. In applying Schmitt's experiential marketing theory alongside the S-O-R (Stimulus–Organism–Response) model, this study advances both scholarly concepts and practical management applications in the development of tourism in the region. It addresses an important gap in the research on advanced psychological drivers of customer engagement in emerging destinations as well as providing tactical recommendations for experience design and visitor loyalty to the resort management.

This research expands the body of literature related to experiential marketing and tourism in multiple ways. Immediately, it stands as one of the few empirical studies focused on resort atmosphere and event-driven experiences and their cumulative impact on customer satisfaction, value perception, and engagement at a growing tourist hotspot—North Karnataka, India. Applying Schmitt's experiential marketing theory in conjunction with the S-O-R (Stimulus–Organism–Response) model of behavioural engagement allows us to further explain the relatively unexplored regional tourism market engagement gap from a psychological perspective. Besides, utilizing Importance-Performance Map Analysis (IPMA) Interactivity Mapping provides invaluable managerial guidance by pinpointing which experiential components of tourism demand the most attention in relations to fostering customer engagement. The research outcomes, while theoretically robust, fill the practical gap by offering concrete recommendations for resort managers aiming to improve guest engagement and bolster loyalty in rival emerging tourist hotspots.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

The adoption of theatrical marketing strategies in tourism signifies a move from service delivery as a discrete transaction toward emotionally engaging merging with customers (Pine & Gilmore, 1999; Schmitt, 1999). Experiential marketing states that consumers assess and interact with services at the sensory, affective, cognitive, behavioural and relational level, as articulated in Schmitt's (1999) Strategic Experiential Modules. This stands true in resort areas, as some factors like ambiance and planned activities can influence perception and satisfaction and foster deeper

interaction and involvement with the customer (Kim et al., 2012; Srivastava, 2015).

For these interactions, the Stimulus–Organism–Response (S-O-R) framework offers powerful perspectives. Environmental stimuli like sensory ambiance and event-based activities are some of the many external organisms that impact internal organismic emotions such as satisfaction and value, which then causes behavioural actions like revisit and social media promotion (Han & Ryu, 2009; Mehrabian & Russell, 1974).

Events and Their Influence on Satisfaction and Perceived Value

Events hosted by the resort, including but not limited to cultural exhibitions and wellness retreats, can be described as emotionally immersive experiences that promote social and emotional bonding (Binkhorst & Dekker, 2009; Getz, 2008). Such activities mobilize the Act and Relate levels of experiential marketing, leading to active involvement and attachment to the space (Chathoth et al., 2013). Previous research showed that emotionally or interactively themed events held at resorts enhance emotional satisfaction and perceived value (Kumar & Nayak, 2019; Lee et al., 2013; Rather et al., 2019).

H1: Events positively influence tourist satisfaction.

H2: Events positively influence perceived value.

Ambiance and Its Role in Shaping Experience

Ambiance—comprising architecture, lighting, scent, music, and spatial design—has been found to significantly influence tourist affect and cognition (Bitner, 1992; Kotler, 1973). A well-designed ambiance not only elevates mood but also communicates brand identity and service quality subconsciously (Hoffman & Turley, 2002; Pullman & Gross, 2004). Empirical studies underscore that a stimulating servicescape enhances both satisfaction and value perception (Gentile et al., 2007; Han & Ryu, 2009).

H3: Ambiance positively influences tourist satisfaction.

H4: Ambiance positively influences perceived value.

Tourist Satisfaction and Perceived Value as Psychological Organisms

Customer satisfaction is a post-consumption emotional evaluation, grounded in how well the actual experience meets or exceeds expectations (Oliver, 1980; Westbrook & Oliver, 1991). In experiential tourism, satisfaction is driven by emotional responses like joy, comfort, and relaxation (Hosany & Gilbert, 2010; Yuksel & Yuksel, 2007). Concurrently, perceived value is a cognitive judgment reflecting the benefits received relative to effort and cost (Sweeney & Soutar, 2001; Zeithaml, 1988). Both constructs are closely interlinked and function as mediators in hospitality studies (Cronin et al., 2000; Petrick, 2002).

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H5: Tourist satisfaction positively influences customer engagement.

H6: Perceived value positively influences customer engagement.

Mediation Effects via Satisfaction and Value

Building on the S-O-R framework, this study posits that Satisfaction (SA) and Perceived Value (OV) act as key mediators through which experiential stimuli (Events and Ambiance) influence Customer Engagement.

From an affective standpoint, Events and Ambiance trigger emotional arousal (SA), which enhances involvement and loyalty behaviours (Yuksel & Yuksel, 2007). Similarly, the cognitive appraisal of value (OV), derived from the uniqueness and quality of the experience, leads to deeper brand involvement and sustained engagement (Lee et al., 2013; Cronin et al., 2000).

H7: Tourist Satisfaction (SA) mediates the relationship between Events (EV) and Overall Customer Engagement (OCE).

H8: Tourist Satisfaction (SA) mediates the relationship between Ambiance (AM) and Overall Customer Engagement (OCE).

H9: Perceived Value (OV) mediates the relationship between Events (EV) and Overall Customer Engagement (OCE).

H10: Perceived Value (OV) mediates the relationship between Ambiance (AM) and Overall Customer Engagement (OCE).

These mediational effects align with previous studies suggesting that both emotional (SA) and cognitive (OV) responses are important pathways between environmental stimuli and post-experience behaviours (Petrick, 2002; Hollebeek et al., 2014; Rather et al., 2019).

Customer engagement is described as an emotional, cognitive, and behavioural attachment to a brand (Brodie et al., 2011). It encompasses brand satisfaction and also includes interactive marketing behaviours like review posting, sharing content on social media, and advocacy (Hollebeek et al., 2014; So et al., 2016). Studies show both emotional (satisfaction) and cognitive (perceived value) drivers foster higher levels of engagement in tourism and hospitality sectors (Hwang & Seo, 2016; Kim & Lee, 2014). Furthermore, engagement developed with the guests helps not only fortifies brand loyalty but also increases visibility of the resort in the digital world (Hollebeek et al., 2014; Rather et al., 2019). Thus, long-term emotional and behavioural connections require maximizing experiential inputs like ambiance and events planners.

METHODOLOGY

This study applied a quantitative approach with a cross-sectional design to analyse the impact of resort-based experiential marketing stimulus (ambiance and events) on tourists' psychological (satisfaction and perceived value) and behavioural responses. A cross-sectional approach was considered appropriate for this study

because it captures the measurement of variables at a particular time while testing the assumed relationships between them (Creswell & Creswell, 2018).

This study integrates Schmitt's (1999) Experiential Marketing Theory with the Stimulus-Organism-Response (S-O-R) model proposed by Mehrabian & Russell (1974) to construct the research model. Marketing settings event and ambiance driven are experiential stimulus viewed as independent variables that have an influence on organismic internal psychological processes—satisfaction and perceived value—which then determine behavioural engagement as an organismic reaction.

The study collected primary data from respondents using a structured questionnaire with closed-ended questions based on existing validated scales from literature. To enhance sensitivity while ensuring standardization, all measurement items for this study were captured using 5-point Likert scales (1 = strongly disagree to 5 = strongly agree) (Dillman et al., 2014).

- Ambiance items were adopted from Bitner (1992) and Han and Ryu (2009) which are inclusive of the multisensory dimensions like lighting, music, fragrance, and physical spatial arrangement.
- Events were assessed using items from Getz (2008) and Lee et al. (2013) covering 3 aspects of culture and recreation.
- To capture satisfaction, measures developed by Oliver (1980) and Westbrook and Oliver (1991) were used, which evaluated emotion with regard to the entire resort experience.
- Perceived value items were taken from Sweeney and Soutar (2001) and Zeithaml (1988) focusing on the balance of benefits and their costs.
- Customer engagement was captured with the emotional, cognitive, and behavioural involvement using the scales of Brodie et al. (2011) and So et al. (2016).

All constructs went through expert's content validation checks. These experts conducted a relevance contextual assessment and clarity check after pilot testing.

This study focused on emerging tourism destinations with experiences as offerings and purposes why tourists visited (Etikan et al., 2016). A purposeful sampling technique was used to focus on tourists within resorts in North Karnataka. During their stays, tourists at eco-resorts, heritage retreats, and wellness resorts were approached and invited to participate in the study voluntarily.

Data was obtained from 354 respondents in the first three months of 2023, ensuring a mix in their backgrounds, ethnicities, and types of resorts stayed at.

In the course of this research (Saunders et al., 2019), ethical requirements such as consent and confidentiality

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of information were maintained as per standard protocols.

Data Analysis Procedures

The proposed model was tested using the PL-SEM technique conducted in SmartPLS 4 (Hair et al., 2021). This method is suitable for predictive models as well as for mediation and complex inter relational models (Sarstedt et al., 2014).

- The assessment of the measurement model was based on the evaluation of item level reliability (outer loadings), construct reliability (composite reliability and Cronbach's alpha), and overall validity which includes average variance extracted [AVE] and heterotrait-monotrait ratio HTMT (Hair et al., 2021).
- The assessment of the structural model included hypothesis testing which utilized path coefficients, t-values (obtained through bootstrapping), and R² (Hair et al., 2021).
- Ringle and Sarstedt (2016) defined the Importance–Performance Map Analysis (IPMA) as a method that ranks the constructs based on their predictive power and significance regarding customer engagement.

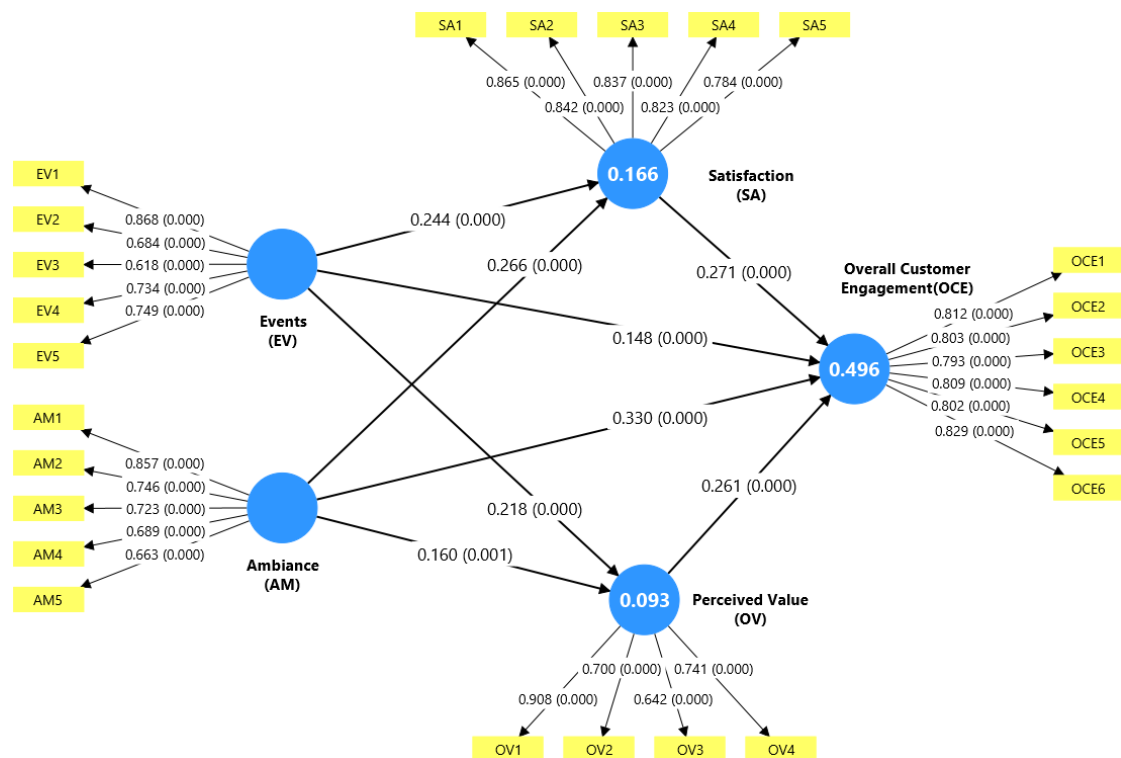


Figure 1: Structural model

Based on the assessment of the measurement model (Figure 1) — the constructs used in this study are credible because they demonstrate strong reliability and validity. All indicator loadings for the constructs—Ambiance (AM), Events (EV), Overall Customer Engagement (OCE), Overall Value (OV), and Satisfaction (SA)—surpass the critical threshold value of 0.60 and most are above 0.70, which infers that each observed variable is a strong indicator of its latent construct.

Internal consistency reliability is evident with Cronbach's alpha between 0.758 and 0.894, as well as composite reliability (rho_a and rho_c) greater than 0.80, which is the threshold of 0.70 for social sciences research. Convergent validity is confirmed as the average variance extracted (AVE) for all constructs is above 0.50, suggesting that a substantial portion of variance in the indicators is captured by the constructs. Discriminant validity is supported by HTMT ratios, all of which are well below the conservative threshold of 0.90, and by the Fornell-Larcker criterion, as the square root of the AVE for each construct (diagonal values) is greater than its correlations with other constructs (off-diagonal values). Together, these results indicate that the measurement model is both reliable and valid, providing a solid foundation for subsequent structural model analysis in this research.

Table 1: Direct effects

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
AM -> OCE	0.330	0.330	0.040	8.269	0.000
AM -> OV	0.160	0.165	0.050	3.188	0.001
AM -> SA	0.266	0.269	0.047	5.640	0.000
EV -> OCE	0.148	0.149	0.038	3.945	0.000

EV -> OV	0.218	0.221	0.050	4.382	0.000
EV -> SA	0.244	0.248	0.048	5.107	0.000
OV -> OCE	0.261	0.261	0.041	6.332	0.000
SA -> OCE	0.271	0.271	0.047	5.800	0.000

The structural model assessment reveals several significant relationships among the study constructs (Table 1), providing insight into the hypothesized paths and the explanatory power of the model. The path coefficients indicate that Ambiance (AM) has a strong, positive, and statistically significant effect on Overall Customer Engagement (OCE) ($\beta = 0.330$, $p < .001$), Perceived Value (OV) ($\beta = 0.160$, $p = .001$), and Satisfaction (SA) ($\beta = 0.266$, $p < .001$). Similarly, Events (EV) positively and significantly influence OCE ($\beta = 0.148$, $p < .001$), OV ($\beta = 0.218$, $p < .001$), and SA ($\beta = 0.244$, $p < .001$). Additionally, OV has a significant positive effect on OCE ($\beta = 0.261$, $p < .001$), and SA also significantly predicts OCE ($\beta = 0.271$, $p < .001$). All direct effects are statistically significant, as indicated by their respective t-values and p-values. The R^2 values demonstrate that the model explains 49.6% of the variance in OCE, 16.6% in SA, and 9.3% in OV, indicating moderate to substantial explanatory power for OCE and lower but meaningful explanatory power for SA and OV. Effect size (f^2) analysis shows that AM and EV have notable effects on OCE ($f^2 = 0.183$ and 0.037 , respectively), while OV and SA also contribute to explaining OCE ($f^2 = 0.113$ and 0.112 , respectively). The Q^2 predictive relevance values for OCE (0.327), OV (0.079), and SA (0.150) further support the model's predictive validity.

Table 2: Indirect effects

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
AM -> SA -> OCE	0.072	0.073	0.018	4.115	0.000
AM -> OV -> OCE	0.042	0.043	0.014	2.952	0.002
EV -> SA -> OCE	0.066	0.067	0.018	3.729	0.000
EV -> OV -> OCE	0.057	0.058	0.015	3.788	0.000

Specific indirect effects are also significant, suggesting that AM and EV influence OCE not only directly but also indirectly through OV and SA. For instance, the indirect effect of AM on OCE via SA is significant ($\beta = 0.072$, $t = 4.115$, $p < .001$), as is the indirect effect of EV on OCE via SA ($\beta = 0.066$, $t = 3.729$, $p < .001$). Both lower PLS loss in comparison to indicator average loss and notable t-values conveyed sharp predictive assessment further confirming structural model robustness, strengthens predictive power, and accuracy of the model. Taking into consideration all of these findings, it is evident that Ambiance and Events are essential in driving customer engagement, satisfaction, and perceived value through significant direct and indirect pathways as supported by the empirical evidence.

The results of the mediation analysis indicate significant indirect effects of both Ambiance (AM) and Events (EV) on Overall Customer Engagement (OCE) through Satisfaction (SA) and Overall Value (OV) as two separate mediators. The impact of AM on OCE through SA is 0.072 ($p < 0.001$) and through OV is 0.042 ($p = 0.002$). Both results confirm the hypothesis that increases in AM boost customer engagement, in part, via increased satisfaction and value perception. The corresponding results for EV on OCE are SA: 0.066 ($p < 0.001$), OV: 0.057 ($p < 0.001$). These results demonstrate that positive experiences of events also enhance customer engagement through satisfaction and value perception. All indirect effects have t-statistics well beyond the typical cutoff of 1.96, which confirms their significance. These results in conjunction suggest that value perception and satisfaction have crucial roles as mediators of the impact of ambiance and events on heightened overall customer engagement, which demonstrates the importance of these psychological factors in the customer experience framework.

Importance-Performance Map Analysis (IPMA) Interpretation

Importance-Performance Map Analysis (IPMA) offers strategic insights regarding the structural drivers of Overall Customer Engagement (OCE) while also evaluating performance levels for each construct. This long-term strategy assists in prioritizing management decisions.

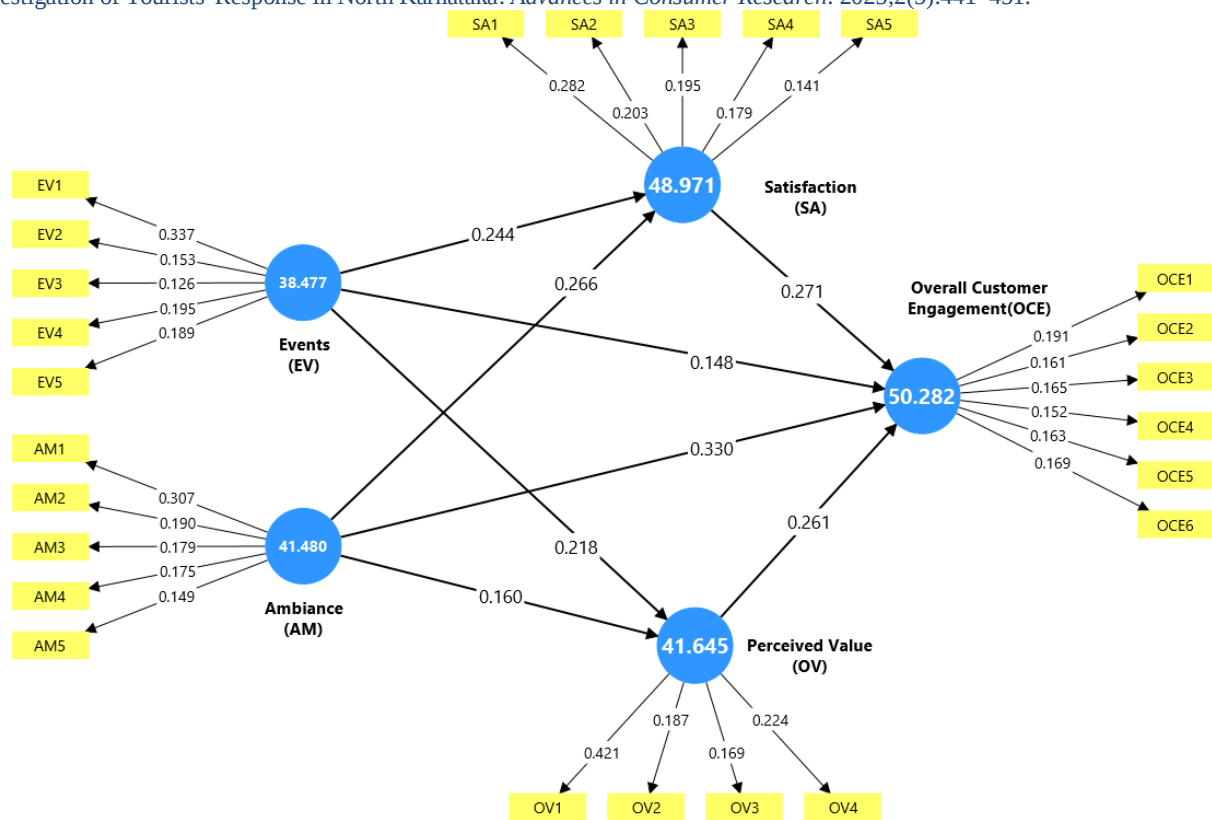


Figure 2: Structural model - IPMA

Analysis of OCE using IPMA reveals that Ambiance (AM) is the highest predictor of OCE with a total effect of 0.444, however, its performance score of 41.480 denotes ambivalent outcomes. This indicates that while ambiance—encompassing elements such as design, lighting, and atmosphere—has the greatest potential to enhance customer engagement, it is not currently being leveraged to its full potential. As a result, targeted improvements in ambiance are likely to yield the most significant gains in customer engagement.

Events (EV) also play an important role, with a total effect of 0.271, but their performance is the lowest among all constructs at 38.477. This suggests that while events are moderately important for driving engagement, there is considerable room for improvement in how events are conceptualized, executed, or perceived by guests. Enhancing the quality and appeal of resort-hosted events could therefore contribute meaningfully to greater engagement.

Perceived Value (OV) has a similar level of importance (0.261) and a moderate performance score (41.645). This indicates that while perceived value is a relevant driver of engagement, it is performing at an average level, and incremental improvements here may still positively influence OCE, though not as dramatically as changes to ambiance.

Satisfaction (SA) is performing the best, with a score of 48.971, and has a moderate importance (0.271). This means that while satisfaction is already high, further increases may not translate into substantial additional gains in engagement compared to improvements in ambiance or events.

The IPMA results clearly highlight ambiance as the top strategic priority for managerial action, followed by events. Focusing on these areas—particularly ambiance, given its high importance and moderate performance—will likely produce the greatest improvements in overall customer engagement. In contrast, while satisfaction should be maintained at its current high level, it does not require urgent intervention. These insights provide clear, data-driven guidance for resource allocation and strategic planning in hospitality management.

DISCUSSIONS

Events and Their Influence on Satisfaction and Perceived Value

The findings indicate that resort-hosted events—such as cultural showcases and wellness retreats—significantly enhance both tourist satisfaction and perceived value. Empirical evidence from the tourism literature shows that the quality and variety of events serve as key experiential stimuli, fostering emotional immersion and

social bonding, which, in turn, elevate overall satisfaction (Binkhorst & Dekker, 2009; Getz, 2008; Kumar & Nayak, 2019). Specifically, studies demonstrate that event quality exerts a strong, positive impact on both perceived value and satisfaction, as well as on subsequent behavioural intentions such as loyalty and revisit intention (Frías Jamilena et al., 2013; Jin et al., 2015). This supports Hypotheses 1 and 2, confirming

that events positively influence both tourist satisfaction and perceived value.

Ambiance and Its Role in Shaping Experience

The results further reveal that ambiance—encompassing architectural design, lighting, scent, music, and spatial arrangement—plays a significant role in shaping tourists' affective and cognitive responses. A well-designed ambiance is associated with elevated mood, enhanced perceptions of service quality, and stronger brand identity (Bitner, 1992; Kotler, 1973; Hoffman & Turley, 2002). Empirical studies corroborate that a stimulating servicescape significantly boosts both satisfaction and perceived value (Gentile et al., 2007; Han & Ryu, 2009). These findings support Hypotheses 3 and 4, demonstrating that ambiance has a positive and significant effect on both tourist satisfaction and perceived value.

Tourist Satisfaction and Perceived Value as Psychological Organisms

Consistent with the theoretical framework, the analysis confirms that both tourist satisfaction and perceived value act as key psychological mediators. Perceived value is found to have a direct and significant effect on satisfaction, while both constructs are closely interlinked and function as mediators in the relationship between experiential stimuli (events and ambiance) and behavioural outcomes (Cronin et al., 2000; Petrick, 2002). The emotional and social dimensions of perceived value, in particular, are the most robust predictors of satisfaction and subsequent loyalty behaviours. This supports Hypotheses 5 and 6, indicating that tourist satisfaction and perceived value both positively influence customer engagement.

5.4. Customer Engagement as the Behavioural Response

The results also substantiate that customer engagement is significantly driven by both affective (satisfaction) and cognitive (perceived value) antecedents. Higher levels of satisfaction and perceived value translate into greater emotional, cognitive, and behavioural engagement with the resort, including increased likelihood of sharing experiences, positive word-of-mouth, and repeat visitation (Brodie et al., 2011; Hollebeek et al., 2014). This highlights the importance of maximizing experiential inputs such as ambiance and events to foster long-term emotional and behavioural connections with guests.

The IPMA results from this study reveal that ambiance (AM) is the most critical driver of OCE, as evidenced by its highest total effect (0.444), yet its performance score remains moderate (41.480). This combination suggests that while ambiance has the greatest potential to enhance customer engagement, it is not being fully optimized in the current context. Thus, strategic efforts to improve aspects of ambiance—such as design, atmosphere, and sensory cues—are likely to yield the most substantial gains in guest engagement and should be prioritized by resort managers.

Events (EV) also demonstrate moderate importance (0.271) but have the lowest performance score (38.477) among all constructs. This finding indicates that, although events contribute meaningfully to engagement, there is significant room for improvement in the way events are designed and delivered. Enhancing the quality, diversity, or relevance of resort-hosted events could therefore serve as an effective lever for increasing customer engagement.

Perceived value (OV) and satisfaction (SA) both show moderate importance (0.261 and 0.271, respectively), but their performance scores differ, with satisfaction (48.971) performing notably better than perceived value (41.645). This suggests that while satisfaction is already high and should be maintained, further improvements in perceived value could also contribute positively to engagement, albeit with less impact than ambiance or events.

The mediation results suggest that both ambiance and events do not just have a direct impact on customer engagement; rather, their influence is channelled through the psychological experiences of satisfaction and perceived value. In other words, customers are more likely to feel engaged when the environment is pleasant and events are enjoyable, but this happens especially because these factors make them feel more satisfied and valued. The mediation effects are moderate in size, with satisfaction generally providing a slightly stronger pathway than perceived value for both ambiance and events. This highlights the importance for organizations to focus not only on the physical and experiential aspects they provide but also on how these aspects translate into positive emotional and evaluative responses from customers, ultimately driving overall engagement.

Overall, the IPMA enriches the interpretation of the structural model by combining the importance (total effects) and performance (average scores) of each construct, enabling a more nuanced prioritization of managerial actions. By focusing on constructs that are both important and underperforming—particularly ambiance and events—resort managers can allocate resources more efficiently to achieve the greatest improvements in customer engagement.

Contributions to Theory

This study makes several important theoretical contributions that advance our understanding of experiential marketing and the S-O-R framework in emerging tourism destinations. First, by integrating Schmitt's (1999) experiential marketing dimensions with the S-O-R framework, our findings extend existing theory by empirically demonstrating how specific stimuli (events and ambiance) influence both emotional (satisfaction) and cognitive (perceived value) organisms, which in turn drive behavioural responses (customer engagement). Second, the results reveal a unique pattern in the relative importance of experiential stimuli that challenges assumptions in current literature—ambiance emerged as a more influential driver of engagement than events in this emerging destination context,

contradicting findings from studies in more mature destinations where programmed experiences often dominate (Hosany & Gilbert, 2010; Kim & Lee, 2014). This highlights the need for context-sensitive theoretical models that account for destination development stages. Third, our IPMA results contribute to S-O-R theory by demonstrating that performance gaps in stimuli components (particularly ambiance) can significantly constrain the effectiveness of the entire stimulus-organism-response chain, regardless of how well other components are performing. This supports the notion that the S-O-R framework should be conceptualized not just as a linear process but as an integrated system where underperforming elements create bottlenecks in experience delivery. Finally, our findings suggest that in emerging destinations, the transition from service-based to experience-driven tourism may follow a different theoretical pathway than in established markets—with physical environment (ambiance) serving as the foundation upon which more complex experiential elements can be built. This extends Bitner's (1992) servicescape theory by positioning it as a prerequisite for successful implementation of Pine and Gilmore's (1999) experience economy principles in developing tourism contexts.

This study also advances theoretical understanding in the field of customer experience and engagement by empirically demonstrating the mediating roles of satisfaction and perceived value in the relationship between experiential factors—specifically, ambiance and events—and overall customer engagement. The findings provide robust evidence that both satisfaction and perceived value serve as essential psychological mechanisms that translate positive environmental and event-related stimuli into heightened engagement behaviours. By quantifying the indirect effects and establishing their statistical significance, this research supports and extends prior theoretical models that position perceived value and satisfaction as distinct yet complementary drivers of customer behaviour. Furthermore, the study highlights the multidimensional nature of perceived value and its foundational influence on satisfaction, reinforcing the conceptualization that customer engagement is not merely a direct outcome of environmental stimuli but is significantly shaped by intervening evaluative and affective processes. These insights contribute to a more nuanced understanding of how experiential marketing strategies can be optimized, and they encourage future research to further dissect the interplay between environmental cues, psychological mediators, and engagement outcomes in diverse consumption settings.

Managerial Implications

The findings from this study offer several concrete and actionable implications for resort managers seeking to enhance customer engagement in emerging destinations. First, the structural model reveals that ambiance (coefficient = 0.330) has the strongest direct impact on customer engagement, significantly outweighing the direct effect of events (0.148). This suggests that resort managers should prioritize investments in physical

environment enhancements—such as architectural design elements that reflect local heritage, carefully curated lighting schemes that create mood-appropriate atmospheres, background music that complements the destination's cultural context, and strategic use of local materials and artworks. Specifically, managers could implement a comprehensive sensory audit to identify and address gaps in the resort's multisensory appeal, focusing on visual, auditory, olfactory, and tactile elements.

Second, while events show a more moderate direct effect on engagement, they significantly influence both satisfaction (0.244) and perceived value (0.218), which in turn affect engagement. Managers should therefore develop a strategic event portfolio that balances signature experiences (e.g., weekly cultural showcases) with seasonally rotating offerings and personalized options. Events that encourage co-creation—where guests actively participate rather than passively observe—are likely to generate stronger engagement outcomes. For instance, interactive cooking demonstrations featuring local cuisine or artisan workshops teaching traditional crafts could foster deeper connections than standard entertainment programming. Third, the IPMA results indicating lower performance for events (38.477) compared to ambiance (41.480) suggest an immediate opportunity for quality improvement in event experiences. Managers should implement systematic post-event feedback mechanisms beyond satisfaction surveys, such as brief mobile feedback opportunities or social listening tools to capture authentic guest responses. Additionally, staff training should emphasize the experiential delivery of events, focusing not just on operational efficiency but on creating memorable moments and emotional connections.

Fourth, the significant mediating roles of satisfaction (0.271) and perceived value (0.261) highlight the importance of clearly communicating the benefits and unique aspects of both ambiance features and events to guests. Resort managers should develop pre-arrival communications that set appropriate expectations and on-site messaging that highlights unique experiential elements, thereby enhancing perceived value. Value perception could also be improved by implementing tiered experience options that allow guests to customize their level of engagement based on personal preferences. Finally, given that the model explains 49.6% of variance in customer engagement, managers should recognize that additional factors beyond those studied also contribute to engagement. Implementing a comprehensive customer journey mapping exercise could help identify additional touchpoints and experiences that might further enhance engagement throughout the guest experience, from pre-arrival to post-stay follow-up.

CONCLUSION

The present study confirms the pivotal role of resort-hosted events and ambiance in shaping tourist satisfaction, perceived value, and customer engagement.

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Consistent with Binkhorst and Dekker (2009) and Getz (2008), our findings demonstrate that experiential events not only foster emotional immersion and social bonding but also significantly enhance both satisfaction and perceived value. This supports the Act and Relate dimensions of experiential marketing (Chathoth *et al.*, 2013), reinforcing the importance of interactive and thematic activities in resort settings.

Similarly, ambiance emerged as a significant predictor of both satisfaction and perceived value, aligning with the work of Bitner (1992) and Kotler (1973). Our results suggest that elements such as architecture, lighting, and music do more than create a pleasant environment—they actively contribute to positive affect and cognitive appraisals of the resort experience, echoing findings by Han and Ryu (2009).

Importantly, the study highlights the mediating roles of satisfaction and perceived value in driving customer engagement. This finding is consistent with previous research (Cronin *et al.*, 2000; Petrick, 2002), underscoring the intertwined nature of emotional and cognitive responses in the hospitality context. Both satisfaction and perceived value were found to significantly predict customer engagement, supporting the multidimensional conceptualization of engagement proposed by Brodie *et al.* (2011) and Hollebeek *et al.* (2014).

From a practical perspective, these results suggest that resort managers should invest in both event programming and ambiance enhancement to maximize guest engagement and loyalty. However, the study is not without limitations. The sample was limited to a specific geographic region, and future research should examine whether these relationships hold in different cultural contexts or types of resorts.

The mediation analysis clearly demonstrates that both satisfaction and perceived value play significant and complementary roles in explaining how ambiance and events translate into higher levels of overall customer engagement. The statistically significant indirect effects—evidenced by robust *t*-statistics and low *p*-values—confirm that improvements in ambiance or event experiences are most effective when they enhance customers' satisfaction and their perceptions of value, which in turn drive engagement. These findings underscore the importance of focusing not only on the direct experiential factors but also on the psychological pathways through which they operate. By illuminating these mediating mechanisms, the study provides actionable insights for practitioners aiming to maximize customer engagement and offers a solid empirical foundation for future research on the dynamics of experiential marketing and customer behaviour.

This study provides robust empirical evidence on the relative importance and performance of key experiential factors—ambiance, events, perceived value, and satisfaction—in shaping overall customer engagement within the resort context. The Importance-Performance

Map Analysis (IPMA) reveals that ambiance is the most influential driver of customer engagement, yet its current performance is only moderate, highlighting it as the primary area for strategic improvement. Events hold a position of moderate importance yet their performance lags, indicating that improvements in the quality and variety of events could enhance overall engagement. Perceived value and satisfaction among customers are reasonably high. They are likely performing at acceptable levels devoid of immediate action, meaning while parity is acceptable, these constructs do not need swift changes. Based on these results, resort managers should shift focus toward improving ambiance and events for deeper engagement and enhanced loyalty among guests. Resource allocation informed by the IPMA results would increase overall customer experiences and establish robust competitive advantages in the hospitality sector.

Limitations and future scope

The study has made various valuable contributions, however, there are some limitations which are worth mentioning. First, the study sample was drawn from resorts in only one region, North Karnataka, India, which risks ignoring participants in other developed regions or matured tourism markets. There are other cultures and contexts that may alter how attendees perceive ambiance and events which could be considered in other regions. Second, the cross-sectional nature of the study's design limited scope for drawing causal conclusions and examining the dynamics of customer engagement over time. This research was also not able to capture the seasonal or long-term shifts in guest perceptions. Third, the potential social desirability and recall biases associated with self-reported survey data means that participants may either overstate their satisfaction or fail to recall their experiences accurately. Equally, this study emphasized events and ambiance as focus points of experience neglecting some other factors like interaction with staff, food, technology and others which could significantly influence customer engagement. The selection of respondents through purposive sampling of visitors at certain resorts could have resulted in selection bias since respondents may possess traits such as a higher income or specific reasons for traveling that are not representative of the overall tourist population.

These limitations offer several opportunities for future research. It would be beneficial to conduct comparative studies in other areas and cultures to determine whether the importance of ambiance as a driver of engagement is culturally variable or universally dominant. Longitudinal and experimental research designs would clarify the progression of customer engagement over time and clarifying the causal links between experiential interventions and guest outcomes. The use of mixed methods, such as quantitative surveys followed by qualitative interviews or ethnographic observations, would aid in uncovering the reasons behind particular aspects of ambiance, events, and engagement in relation to the guests' active participation. Other gaps that need to be addressed are the impact of digital technologies,

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social interactions among guests, and sustainability practices to achieve a comprehensive view of the resort experience. In addition, testing the IPMA framework and the structural model in more mature tourism markets or other hospitality segments like urban hotels or cruise lines would evaluate the findings' applicability and the IPMA framework's versatility, thus further assessing its robustness. Tackling these matters in future studies would not only enhance concepts of experiential marketing and customer engagement but would also yield more precise and useful recommendations for professionals in the worldwide tourism sector.

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