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THE ROLE OF CUSTOMER PARTICIPATION AND CUSTOMER DYNAMICS IN SHAPING CUSTOMER LOYALTY IN DIGITAL EVENT SERVICES

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Keywords

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ABSTRACT

The shift towards digital event services has been significantly accelerated by the COVID-19 pandemic, creating a highly competitive landscape where customer loyalty is pivotal. This study aims to analyze the factors influencing customer loyalty in digital event services, focusing on the roles of customer dynamics and behavioral intention. This research uses a quantitative method approach, which is applied to test the causal relationship among variables such as customer participation, behavioral intentions, customer dynamics, customer experience, and customer loyalty. A large scale of survey was conducted to 285 clients of digital event services using a structured 5-point Likert scale questionnaire. The data were analyzed using Structural Equation Modeling (SEM). The findings reveal that customer participation significantly influence customer dynamics, which mediates the relationship between customer experience and loyalty. While customer dynamics has a positive impact on loyalty, certain aspects of customer experience showed an unexpected negative relationship with loyalty. These findings emphasize the importance of understanding customer expectations and adapting services to align with their evolving preferences. This research provides practical recommendations for digital event service providers to enhance customer loyalty by leveraging personalized experiences and technology-driven strategies. Companies should focus on fostering dynamic customer interactions and aligning their services with customer expectations to build stronger, long-term relationships.

INTRODUCTION

Digital event management is the planning and execution of events using digital platforms, enabling virtual or hybrid experiences with tools for registration, engagement, and analytics to connect with a wider audience. The increasing trend of digital service providers in event management continues to grow along with the need for more interactive experiences, efficient automation, and greater data security (Linde et al., 2023; Vasantha Ganesan, 2021). The use of digital platforms for virtual and hybrid event management is becoming increasingly popular, especially as Gen Z and millennials, who are often the primary consumers, are increasingly accustomed to digital technology to fulfill lifestyle and entertainment needs. In addition, the use of social media and the concept of Fear of Missing Out (FOMO) in the younger generation are also driving the demand for events that can be accessed online or have digital elements to increase wider audience engagement.

Post COVID-19 pandemic, the trend of digital event management services has increased significantly, driven by the need to maintain remote interactions and make the most of technology(Rehm & Coppeneur-Guelz, 2021). The pandemic has prompted many companies, especially in the events sector, to accelerate the adoption of digital technologies to stay relevant and reach a wider audience. One of the key changes is the integration of digital technologies such as streaming, virtual reality (VR), and augmented reality (AR), which provide interactive event experiences and enable remote participation. For example, the Asian Development Bank (ADB) observed that the utilization of digital technologies in Asia increased dramatically during the pandemic, especially for services that involve direct interaction with audiences or clients, such as transportation booking and food delivery. In addition, the utilization of the Internet of Things (IoT) and digital asset management software has become more popular in ensuring more efficient event management. Schneider Electric, for example, reported that digital transformation through IoT-based asset management solutions helped the company reduce operational costs by up to 30% and increase efficiency by up to 15%, making it an ideal solution for the events sector that requires continuous asset management (Chen et al., 2023).

This transformation is also linked to post-pandemic changes in audience preferences, where hybrid events (a mix of in-person and virtual) are increasingly in demand to provide flexibility to attendees. According to research from Statista, the value of the global virtual event market is projected to reach $504 billion by 2028, up from $78 billion in 2019, indicating the high demand for digital events in the long run (Chen et al., 2023). The adoption of digital technologies in event management is predicted to continue to grow as the preference for flexible, technology-driven events increases, where physical presence is no longer the only option for audiences.

Customer dynamics and behavioral intention play an important role in building customer loyalty in digital event services, especially in the post-pandemic era when customer expectations and preferences have changed drastically (Anis et al., 2021; Khashan et al., 2023). Customer dynamics refers to the changing needs, preferences, and behaviors of customers towards the services they use (Foroudi et al., 2018). Understanding these dynamics is critical for companies to develop effective strategies and respond to complex consumer behavior across multiple domains (Zhang & Chang, 2021). These dynamics can effectively predict customer lifetime value (Mosaddegh et al., 2021). Customer dynamics play an important role in business operations to increase the number of customers, influenced by strategies such as word-of-mouth advertising (Farchan et al., 2020).

Meanwhile, behavioral intention refers to the tendency of customers to reuse a service or recommend it to others (Keshavarz et al., 2019; Wang et al., 2021). This intention is influenced by customer perceptions of service quality, safety, and ease of use. In digital event services, a safe, interactive, and convenient experience encourages customers to use the service again or recommend it. Behavioral intentions refer to consumers' willingness to engage in certain behaviors, such as buying sustainable organic food. Rumaningsih et al., 2022 identified environmental concern, perceived value, and consumer familiarity as the main determinants that influence such intentions. Behavioral intentions are influenced by attitudes and subjective norms (Arfansyah & Marsasi, 2023).

In-depth research on customer dynamics and behavioral intention is becoming increasingly important in building stronger loyalty in the digital event service ecosystem, especially in the post-pandemic digitalization era. Consumer loyalty is influenced by changes in consumption structure, digitalization, and evolving consumer values (Suson et al., 2023). Creating customer loyalty in digital event services requires organizations to adapt to complex market dynamics, leverage disruptive technologies, and implement new digital methods to meet customer needs and build strong

relationships. Understanding customer preferences and dynamics is critical to improving behavioral intentions and building loyalty in digital event services (Sriram et al., 2023).

Different from previous research discusses the influence of smart technology on customer dynamics and customer experience in a retail context (Anis et al., 2021; Foroudi et al., 2018), this study aims to analyze the factors that influence customer loyalty in digital event services, focusing on the role of customer dynamics and behavioral intentions as key factors in shaping customer loyalty. This focus is appropriate for understanding rapidly changing environments such as post-pandemic. This approach provides new insights into how personalization technology can create a more integrated customer experience and increase loyalty in the digital event industry.

METHODS

This research uses a quantitative method approach, which is applied to test the causal relationship among variables such as customer participation, behavioral intentions, customer dynamics, customer experience, and customer loyalty. Data was collected through a survey using a 5-point Likert scale questionnaire, which was then analyzed using the Structural Equation Modeling (SEM) method. The purposive sampling method was to allows the collection of data from clients of digital event services in West Java, Indonesia. The study involved 285 respondents which are the representative of companies and actively involved in digital event activities in their companies. The selection criteria for respondents include using the services of a digital event service company at least once in the past year, at least 18 years old and capable of providing independent responses, and willing to participate in the study by completing the provided questionnaire.

In this study, the model structure used is an adaptation of the previous research model structure (Foroudi et al., 2018), to be applied in Digital Event Services industry in Indonesia.. This conceptual model presents a simpler yet comprehensive perspective on the relationship among various factors affecting customer experience and loyalty. The model specifically highlights the relationship between customer participation, customer dynamics, customer experience, and customer loyalty. It also eliminates commitment to learn variable present in the previous model (Foroudi et al., 2018) to simplify the model and focus on the relationships deemed most relevant based on findings from other researchers as stipulated in the hypotheses. This model also includes the customer loyalty variable as the final outcome of the process. This shows that the main goal of efforts to improve customer experience is to create sustainable loyalty. The proposed conceptual model is shown in Figure 1.

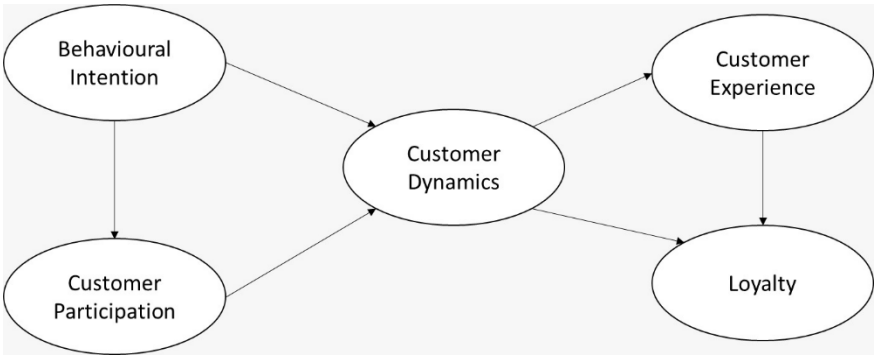

Figure 1. Proposed conceptual model

A set of hypotheses were developed based on findings from previous research. This study highlights the importance of collaborative behavior in the sharing economy, where active customer participation enhances the perceived experience and loyalty. In previous research (Asan & Antonio, 2023; Wibowo et al., 2021), active participation has been proven to strengthen the emotional bond

between customers and the brand, which in turn influences their intention to engage further with the company. In addition, sustainable customer participation also has the potential to create customer dynamics that lead to strengthening long-term relationships, as customers feel more valued and recognized (Foroudi et al., 2018; Umashankar et al., 2023). Strong behavioral intention is often followed by higher usage intensity and deeper engagement, which then accelerates the process of change in customer dynamics, creating more vibrant and sustainable relationship patterns (Foroudi et al., 2018). Customer dynamics encompass variations in how customers interact with a brand over time, often triggered by previous experiences, changes in needs, or adaptations to product and service innovations. When customers experience positive changes in this dynamic, they are more likely to have a more satisfying experience (Anis et al., 2021). Furthermore, positive customer dynamics enable companies to better understand customer needs and preferences, allowing them to formulate more precise strategies to maintain loyalty (Wang et al., 2022). When customers have a positive experience, they are more likely to feel emotionally connected to the brand, which in turn increases the likelihood of their loyalty (Wibowo et al., 2021). Based on these findings, this study stipulates the hypotheses as follow:

1) H1: Behavioral Intention has a positive and significant influence on Customer Participation.
2) H2: Customer Participation has a positive and significant influence on Customer Dynamics
3) H3: Behavioral Intention has a positive and significant influence on Customer Dynamics
4) H4: Customer Dynamics has a positive and significant impact on Customer Experience
5) H5: Customer Dynamics has a positive and significant influence on Customer Loyalty
6) H6: Customer Experience has a positive and significant impact on Customer Loyalty

RESULTS

Validity and Reliability Test of Instruments

The validity and reliability tests are conducted to ensure that the research instruments used can accurately and consistently measure the variables. Validity is assessed based on the outer loading value for each indicator, with a minimum threshold of 0.7 for an indicator to be considered valid. Meanwhile, reliability is evaluated through the Composite Reliability value for each variable, where a value above 0.7 indicates that the instrument has good internal consistency. The results of these tests form the basis for assessing the quality of the research instruments, which will subsequently be used to examine the relationships between variables in the research model.

Table 1. Validity and Reliability Instrument Table

Variable	Dimension	Indicator	Validity		Reliability	
			Outer Loading	*Conclusion*	*Composite Reliability*	*Conclusion*
Customer Participation		CP1	0.822	Valid	0.877	Reliable
		CP2	0.745	Valid		
		CP4	0.869	Valid		
		CP5	0.710	Valid		
		CP6	0.743	Valid		
Behavioural intention		BI1	0.783	Valid	0.846	Reliable
		BI2	0.762	Valid		
		BI4	0.749	Valid		
Customer dynamics		CD1	0.739	Valid	0.829	Reliable
		CD2	0.849	Valid		
		CD3	0.731	Valid		
Customer experience	Hedonic	HD1	0.761	Valid	0.910	Reliable
		HD2	0.759	Valid		
		HD4	0.824	Valid		

		HD5	0.809	Valid		
		HD6	0.738	Valid		
		HD7	0.830	Valid		
	Recognition	RE1	0.801	Valid	0.899	Reliable
		RE2	0.793	Valid		
		RE3	0.756	Valid		
		RE4	0.723	Valid		
		RE5	0.784	Valid		
		RE6	0.779	Valid		
Loyality	Customer Retention	CR1	0.789	Valid	0.762	Reliable
		CR2	0.781	Valid		
	Recommendation	RD1	0.782	Valid	0.855	Reliable
		RD2	0.797	Valid		
		RD3	0.862	Valid		

Table 1 shows that all variables: Customer Participation, Behavioral Intention, Customer Dynamics, Customer Experience (Hedonic and Recognition), and Loyalty (Customer Retention and Recommendation) are reliable, with Composite Reliability values exceeding 0.7. Most indicators are valid with outer loading values above 0.7, except for several invalid indicators: CP3, BI3, BI5, BI6, CD4, and HD3, which require further evaluation to improve the validity of the research model.

Respondent Profile

Respondent identity is an important part of research to understand the basic characteristics of unit analysis involved in this study. Data such as age and work experience of respondents; and frequency of service use, and the main reasons for using digital event management services provide an overview of the respondent profile, supporting the validity of the research results.

Table 2. Respondent Identity

Variable	Description	Frequency	%
Age	Under 25 years	42,75	15%
	25–34 years	185,25	65%
	35–44 years	45,6	16%
	45 years and above	11,4	4%
How long have you worked in the Company?	Less than 1 year	28,5	10%
	1–3 years	139,65	49%
	4–6 years	102,6	36%
	More than 6 years	14,25	5%
job position	HRD	85,5	30%
	Marketing	156,75	55%
	Moderator	14,25	5%
	Event Manager	14,25	5%
	Corporate Communication Specialist	14,25	5%
Main sectors	Technology Companies	19,95	7%
	Retail and E-commerce Companies	94,05	33%
	Finance and Insurance Companies	114	40%
	Entertainment Industry	22,8	8%
	Healthcare Companies	34,2	12%
How often do your company use digital event management services?	1–3 years	139,65	49%
	4–6 years	102,6	36%
	More than 6 years	42,75	15%
What is your company's main reason for using digital event management services?	Managing internal company events	102,6	36%
	External events/promotions	156,75	55%
	Training or seminar events	2,85	1%
	Other:	22,8	8%

The table 2 provides an overview of various factors related to the use of digital event management services within companies. In terms of age, the majority of respondents are in the 25–34 years range (65%), with smaller proportions in the under 25 years (15%), 35–44 years (16%), and 45 years and above (4%) categories. Regarding work experience, most respondents have worked in the company for 1–3 years (49%), followed by those with 4–6 years of experience (36%). Only 10% have been with the company for less than a year, and 5% for more than 6 years. In terms of job position, marketing professionals dominate (55%), with HRD staff making up 30%, and smaller groups working as moderators, event managers, or corporate communication specialists (5% each).

Looking at the main sectors these companies belong to, the largest share is in the finance and insurance sectors (40%), followed by retail and e-commerce (33%). Other sectors include healthcare companies (12%), the entertainment industry (8%), and technology companies (7%). When it comes to how often companies use digital event management services, nearly half (49%) have used them for 1–3 years, while 36% have used them for 4–6 years, and 15% for more than 6 years. The main reasons companies use these services are primarily for external events or promotions (55%), followed by managing internal events (36%). A small percentage uses the services for training or seminars (1%) or other purposes (8%). In conclusion, the data shows a strong reliance on digital event management services for promotional and internal company events, with a dominant presence of relatively young employees and marketing professionals. The finance and retail sectors are leading the use of these services, indicating the growing demand for digital solutions in corporate event management.

Distribution Analysis

The distribution analysis of respondents' answers is conducted to understand the tendency of respondents' perceptions towards each indicator measured in this study. The mean value is used to describe the level of agreement or satisfaction of respondents with a particular indicator, while the standard deviation value illustrates the degree of dispersion or variability in the respondents' answers.

Table 3. Distribution Analysis

Variable	Dimension	Indicator	Description Analysis		
			Mean	***Indicator Mean***	***Standard Deviation***
Customer Participation		CP1	4.200	4.167	0.714
		CP2	4.162		0.732
		CP3	4.062		0.658
		CP4	4.225		0.724
		CP5	4.225		0.758
		CP6	4.125		0.748
Behavioural intention		BI1	4.250	4.200	0.733
		BI2	4.225		0.670
		BI3	4.200		0.660
		BI4	4.188		0.743
		BI5	4.175		0.667
		BI6	4.162		0.621
Customer dynamics		CD1	4.250	4.207	0.680
		CD2	4.263		0.666
		CD3	4.100		0.561
		CD4	4.213		0.702
Customer experience	Hedonic	HD1	4.263	4.211	0.818
		HD2	4.213		0.770
		HD3	4.112		0.742
		HD4	4.200		0.748
		HD5	4.312		0.752
		HD6	4.112		0.689
		HD7	4.263		0.770

	Recognition	RE1	4.213	4.177	0.736
		RE2	4.175		0.703
		RE3	4.225		0.741
		RE4	4.175		0.803
		RE5	4.100		0.682
		RE6	4.175		0.721
Loyality	Customer Retention	CR1	4.562	4.332	0.609
		CR2	4.463		0.546
	Recommendation	RD1	4.075		0.648
		RD2	4.275		0.707
		RD3	4.287		0.728

For the Customer Participation variable, the mean values of the indicators range from 4.062 to 4.225, with an overall average of 4.167. The CP4 and CP5 indicators have the highest mean value of 4.225, indicating a very high level of participation from respondents in the aspects of services. Meanwhile, the standard deviation ranges from 0.658 to 0.758, showing a fairly consistent spread of responses across the indicators. For the Behavioral Intention variable, the mean values of the indicators range from 4.162 to 4.250, with an overall average of 4.200. The BI1 indicator has the highest mean value of 4.250, indicating a strong behavioral intention among respondents towards social influence. The standard deviation, which ranges from 0.621 to 0.743, shows that respondents' answers tend to be homogeneous.

For the Customer Dynamics variable, the mean values of the indicators range from 4.100 to 4.263, with an overall average of 4.207. The CD2 indicator has the highest mean value of 4.263, reflecting positive customer dynamics towards interest, while the standard deviation ranges from 0.561 to 0.702, indicating a stable spread of responses. For the Customer Experience variable, the Hedonic dimension has a mean indicator value of 4.211, with the highest mean value in HD5 (4.312), indicating a high hedonic experience among respondents towards a sense of comfort. The Recognition dimension has a mean indicator value of 4.177, with RE3 recording the highest mean value (4.225) among respondents towards feeling welcomed. The standard deviation for both dimensions ranges from 0.682 to 0.818, showing moderate variation in respondents' answers.

Finally, for the Loyalty variable, the Customer Retention dimension has a mean indicator value of 4.332, with CR1 recording the highest mean value of 4.562, indicating very high loyalty in customer retention to continue using the services. Meanwhile, the Recommendation dimension has a mean indicator value of 4.212, with RD3 having the highest mean value of 4.287. The standard deviation for this variable ranges from 0.546 to 0.728, indicating relatively consistent responses from the respondents. Overall, the results show that respondents' perceptions of the variables measured in this study are at a high level, with relatively low variability in answers, reflecting a tendency for uniform responses among respondents.

Hypotheses Testing Result

The analysis of direct effects aims to identify the direct causal relationships between the research variables that have been hypothesized. In the table above, the direct effects are measured using the Original Sample (O) value, which represents the strength of the relationship between variables, the T Statistics value to test the significance of the relationship, and the P Values to determine the meaningfulness of the relationship.

Table 4. Measurement of Direct Effects Between Variables

No		Original Sample (O)	T Statistics (|O/STDEV|)	P Values	Results
H1	Behavioural intention -> Customer Participation	0.896	31.678	0.000	Accepted
H2	Customer Participation -> Customer Dynamics	1.503	5.137	0.000	Accepted

H3	Behavioural Intention -> Customer Dynamics	-0.641	1.980	0.048	Partially Accepted
H4	Customer Dynamics -> Customer Experience	1.000	11.966	0.000	Accepted
H5	Customer Dynamics -> Loyalty	32.072	2.731	0.006	Accepted
H6	Customer Experience -> Loyalty	-32.049	2.741	0.006	Partially Accepted

Based on the results presented in the table, it can be concluded that all the relationships between the variables tested are significant. First, the relationship between Behavioural intention and Customer Participation shows an original sample (O) of 0.896, T Statistics of 31.678, and a P Value of 0.000, indicating a very strong and positive influence. This means that behavioural intention has a very strong impact on customer participation. Second, the relationship between Behavioural intention and Customer dynamics has an O value of -0.641, T Statistics of 1.980, and a P Value of 0.048, which indicates a significant but negative influence between behavioural intention and customer dynamics.

Next, the relationship between Customer Participation and Customer dynamics shows a very significant positive influence, with an O value of 1.503, T Statistics of 5.137, and a P Value of 0.000. This means that the higher the customer participation, the stronger the customer dynamics. The relationship between Customer dynamics and Customer experience is also proven to be highly significant, with an O value of 1.000, T Statistics of 11.966, and a P Value of 0.000, indicating a strong positive influence of customer dynamics on customer experience.

Additionally, Customer dynamics positively influences Loyalty, with an O value of 32.072, T Statistics of 2.731, and a P Value of 0.006, meaning that the more dynamic the customers are, the higher their loyalty. However, the relationship between Customer experience and Loyalty shows a different outcome, with an O value of -32.049, T Statistics of 2.741, and a P Value of 0.006, indicating a significant but negative influence. This means that while the relationship between customer experience and loyalty is significant, its influence on customer loyalty is in different direction. Overall, the analysis results show that all relationships between the variables have a significant influences.

Table 5. Measurement of Specific Indirect Effects Between Variables

No		Original Sample (O)	T Statistics (|O/STDEV|)	P Values	Results
1	Behavioural intention -> Customer Participation -> Customer dynamics	1.346	4.840	0.000	Accepted
2	Behavioural intention -> Customer dynamics -> Customer experience	-0.641	2.158	0.031	Accepted
3	Customer Participation -> Customer dynamics -> Customer experience	1.503	4.705	0.000	Accepted
4	Behavioural intention -> Customer Participation -> Customer dynamics -> Customer experience	1.346	4.523	0.000	Accepted
5	Behavioural intention -> Customer dynamics -> Loyality	-20.571	2.961	0.003	Accepted
6	Customer Participation -> Customer dynamics -> Loyality	48.205	2.804	0.005	Accepted
7	Behavioural intention -> Customer Participation -> Customer dynamics -> Loyality	43.176	2.795	0.005	Accepted
8	Behavioural intention -> Customer dynamics -> Customer experience -> Loyality	20.552	2.980	0.003	Accepted

9	Customer dynamics -> Customer experience -> Loyality	-32.042	2.748	0.006	Accepted
10	Customer Participation -> Customer dynamics -> Customer experience -> Loyality	-48.160	2.822	0.005	Accepted
11	Behavioural intention -> Customer Participation -> Customer dynamics -> Customer experience -> Loyality	-43.136	2.813	0.005	Accepted

The table presents the results of the analysis of relationships between variables in the research model. All tested pathways are significant ($P < 0.05$). For example, behavioral intention directly and indirectly influences customer dynamics and customer experience, both individually and through customer participation. Customer dynamics also significantly contribute to loyalty, although some pathways show a negative effect, such as the pathway from customer experience to loyalty. Overall, the results support the proposed hypotheses, with complex yet significant effects among the variables in the research model.

Discussion

H1. Behavioral Intention has a positive and significant influence on Customer Participation.

Based on the results of hypothesis testing, the relationship between Customer Participation and Behavioral Intention shows a highly significant positive impact. This result supports previous research finding (e.g., Asan & Antonio, 2023; Wibowo et al., 2021) that increased participation by customers leads to stronger behavioral intention. From a theoretical standpoint, the result aligns with the theory of planned behavior, which posits that active involvement in activities, such as digital events, can increase individuals' intention to engage further (Tavsan & Duran, 2021). In practical terms for digital event services, this implies that encouraging customer participation in events can enhance their intent to continue participating or engaging in future events, fostering a more committed customer base.

H2: Customer Participation has a positive and significant influence on Customer Dynamics.

The analysis result indicates a positive and significant relationship between Customer Participation and Customer Dynamics. This confirms that higher levels of customer participation contribute to more dynamic customer behavior, as active participants are more likely to exhibit changes in their needs, preferences, and engagement. The customer dynamics theory suggests that customer engagement leads to an evolving relationship with the brand (Foroudi et al., 2018). For digital event services, the implication is that fostering high levels of participation can lead to a more responsive and engaged audience, resulting in a more agile approach to customer service and event customization based on evolving customer needs.

H3: Behavioral Intention has a positive and significant influence on Customer Dynamics.

The hypothesis that Behavioral Intention influences Customer Dynamics is partially supported by the results. This significant yet negative relationship suggests that, while behavioral intention plays a significant role, it may also reflect varying types of behavior that impact customer dynamics in unexpected ways. According to the customer behavior theory, an individual’s intention to act influences their actual behavior, but other factors, like external influences, could contribute to shifts in customer dynamics (Wibowo et al., 2021). In the context of digital event services, this could imply that even though participants intend to engage, external factors like event delivery style or user experience might influence their overall interaction and engagement with future events in different direction.

H4: Customer Dynamics has a positive and significant impact on Customer Experience.

The positive and highly significant relationship between Customer Dynamics and Customer Experience is confirmed. This finding supports the idea that as customers' behavior evolves and

becomes more dynamic, their overall experience with a service improves. The service-dominant logic theory suggests that customer engagement and dynamic interaction are key drivers in shaping the overall experience (Wibowo et al., 2021). For digital event services, this means that creating dynamic, interactive environments where customer behavior influences event content and delivery could result in a richer and more tailored experience for attendees.

H5: Customer Dynamics has a positive and significant influence on Customer Loyalty.

The analysis shows a significant positive relationship between Customer Dynamics and Customer Loyalty. This indicates that as customer dynamics evolve, they are more likely to develop a sense of loyalty toward the service provider. According to loyalty theory, customers who engage deeply and interactively with a service are more likely to stay loyal (Achmadi et al., 2023). For digital event services, this suggests that fostering dynamic customer interactions through personalized and engaging event experiences can strengthen customer loyalty, ensuring repeat participation and sustained interest in future events.

H6: Customer Experience has a positive and significant impact on Customer Loyalty.

While the hypothesis suggesting that Customer Experience impacts Customer Loyalty is significant, the negative relationship observed here suggests a nuanced interpretation. Despite customer experience being generally a key factor in loyalty, this result indicates that certain aspects of the experience may lead to disengagement or dissatisfaction (Sriram et al., 2023), thus will decrease the loyalty. This could be explained by the mismatch between customer expectations and the service delivered, which could affect loyalty negatively. From a practical standpoint for digital event services, it highlights the importance of consistently aligning the event experience with customer expectations to avoid a negative impact on loyalty. Event planners should focus on creating seamless and memorable experiences to reinforce positive customer loyalty.

The Role of Customer Participation and Customer Dynamics in Shaping Loyalty

Customer Participation and customer dynamics play crucial roles as mediating factors in shaping customer loyalty. Customer Participation reflects a customer's willingness to engage in future actions, which is often influenced by their current experiences and intentions. According to the Theory of Planned Behavior, when customers have a strong intention to participate in activities (such as digital events), they are more likely to exhibit behaviors that contribute to long-term loyalty (Umashankar et al., 2023). As the data shows a strong positive relationship between Customer Participation and customer Dynamics, this highlights that customer with higher intentions to engage are more likely to become loyal over time.

On the other hand, customer dynamics refers to the ongoing changes and variations in customer behavior and needs (Foroudi et al., 2018). As customers become more engaged and dynamic in their interactions, their loyalty becomes increasingly shaped by their ability to form deep connections with the service provider. Customer dynamics are a reflection of how customers evolve based on their interactions, preferences, and engagement levels. As indicated in the results, dynamic customers, whose behaviors are shaped through participation and experience, are more likely to develop stronger loyalty. This implies that dynamic engagement is a key component in driving sustained loyalty in the long run.

Both Customer Participation and customer dynamics act as mediating factors in the pathway to customer loyalty (Sarmah & Rahman, 2018). Customer Participation initiates the process by creating the initial commitment to future interactions, while customer dynamics strengthen that commitment by fostering deeper and more meaningful engagement. Together, these factors mediate the impact of other variables, such as customer experience or customer participation, on loyalty.

In practical terms for digital event services, understanding the mediating role of customer participation and customer dynamics can help businesses design more effective strategies. For instance, Customer Participation is the active involvement of customers in service processes or product development, such as providing feedback or using self-service technology. This helps

companies enhance customer experience and create products that better meet their needs (Sarmah & Rahman, 2018; Tavsan & Duran, 2021; Umashankar et al., 2023). Meanwhile, facilitating an environment that nurtures dynamic customer behavior (e.g., personalized event experiences, ongoing engagement opportunities) can deepen customer loyalty. By focusing on these mediating factors, digital event services can create more sustainable, long-term customer relationships.

CONCLUSION

This study emphasizes the importance of customer dynamics and participation in fostering customer loyalty within the digital event services sector. It reveals that customer participation enhances customer dynamics, which mediates the relationship between customer experience and loyalty. While positive customer experiences generally boost loyalty, certain elements may detract from it if they do not meet expectations. The findings highlight the necessity for personalization strategies and technology-driven approaches to adapt to changing customer demands, suggesting that engaging customers through tailored interactions can promote long-term loyalty. Additionally, the study provides an integrative framework for service providers to implement disruptive technologies and adaptive strategies in a competitive market. Future research could explore effective personalization strategies, the role of AI and machine learning in customer experience, the influence of different types of customer participation on loyalty, cultural differences in expectations, and the evolution of customer dynamics over time in response to technological advancements.

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