

國立交通大學

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碩士論文

整體體驗、品牌知名度、品牌聯想、知覺品質、
品牌情感及品牌忠誠度之關係探討

Holistic Experiences, Brand Awareness, Brand
Associations, Perceived Quality, Brand Affect, and
Brand Loyalty

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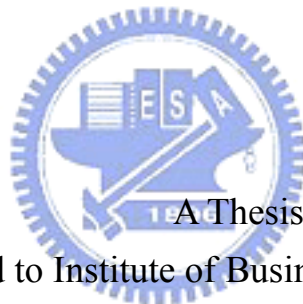
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摘 要

隨著服務商品化及客製化，體驗經濟時代已經來臨。每個人對真實性都有需求。體驗是提供真實性的一種有力方式，因此以顧客體驗為中心的管理哲學已經興起。這可以在 2009 年學術界對顧客體驗此領域的重視看出。本研究順應此研究潮流，欲連結體驗策略與品牌相關構面之間的關係。其中以整體體驗為投入，品牌忠誠度為終極目標(效果)。主要的研究目的如下：第一，整合相關理論釐清整體體驗、品牌情感、品牌權益構面之間的關係。第二，探討體驗策略的效果性。第三，探討體驗策略的效率性。研究的品牌為自 2003 年 9 月後實行體驗行銷的麥當勞。實體調查了十七家麥當勞的顧客，總共 313 位。抽樣方法為立意抽樣。分析方法主要為線性結構模式。研究發現如下：第一，整體體驗、品牌情感與品牌權益構面之間的關係並非可由氛圍學中的認知-情感或情感-認知理論單獨解釋。因為在效應層級模式考量在內時，認知-情感的中介效果及經驗層級皆可達成效果而情感-認知理論的中介效果不成立。第二，體驗策略的效果性而言，顧客對品牌的情感、知覺品質、品牌知名度/品牌聯想扮演完全中介的角色。其中直接訴諸於品牌情感的整體體驗的效果大大超過先訴諸於品牌認知層面再訴諸於品牌情感的效果。第三，就體驗策略的效率性而言，關聯體驗應分最多資源、感官體驗最少。核心管理意涵為宏觀的規劃整體體驗以有效率、有效果的達成體驗目標。最後提出結論、限制與未來研究方向。

關鍵字：整體體驗、效應層級模式、認知-情感理論、情感-認知理論、品牌權益、品牌情感、策略資源安排

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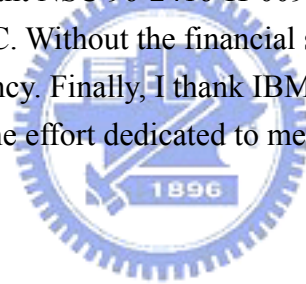
Abstract

As the commoditization and customization of service, here comes the experience economy. Everyone has a quest for authenticity. Staging experiences is one way of offering authenticity. Therefore, management philosophies that have a focus on customer experiences have sprung up as can be seen in academic journals in 2009. We follow these research streams and try to relate experience strategies to relevant dimensions of brand where holistic experience strategies was input and brand loyalty was the final goal. Main research purposes were shown below. First, the relationship among holistic experiences, brand affect, and brand equity dimensions were examined. Second, the effectiveness of experience strategies was examined. Third, the efficiency of experience strategies was examined. The research brand was McDonald's, an experience stager since September 2003. We physically surveyed 313 customers in 17 chain stores of McDonald's. Purposive sampling was performed. Analytical method was SEM. Key research findings were as follows. First, unlike atmospherics context, it is deficient to explain the responses of customers under cognition-emotion or emotion-cognition intervening mechanisms alone in the experience context. More intervening mechanisms should be included such as hierarchy-of-effect model in our study. Second, strategies appealed to the brand affect directly had the larger effectiveness than those appealed to the cognitive dimensions of brand, and then brand affect. Third, to attain efficiency, relate experiences ranked first and should be assigned the most resource while sense experiences ranked the least. Core managerial implication was to urge experience managers holistically planning their experience strategies to attain the experiential goal effectively and efficiently. Conclusion, limitations, and future research directions were presented in the end.

Keywords : Holistic experiences, hierarchy-of-effect model, cognition-emotion theory, emotion-cognition theory, brand equity, brand affect, strategic resource allocation

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Chapter 1. Introduction

The role of customers has changed from traditional to new owing to macro or specific environmental factors, as shown in table 1, giving rise to overwhelmingly disparate traits from their predecessors shown in table 2. The transition will dominate consumers' shopping styles in North America, Europe, and Asia in ten years. Therefore, marketing based on those traits caters to the heart of new consumers and is apt to succeed (Lewis and Bridger 2000). The supreme power of new consumers drive the advent of consumers' realm and so do consumer-focused management philosophies (Austin and Aitchison 2003; Prahalad 2004), including marketing concept, customer satisfaction, customer relationship management , and recently emerging customer experience management. All consumers have a quest for authenticity. The desire for authenticity drives the advent of experience economy (Pine and Gilmore 1998, 2007). One way to offering authenticity is to stage valued experiences. Customer experience management conforms to this trend and becomes a better way to cater to new customers' traits and provide authenticity.

In the experience economy, customers seek impressive shopping experiences in the consumption process, not such fundamental aspects as product attributes, functions, and basic benefits (utilitarian features). Schmitt (1999) presented concepts and theories of experiential marketing including strategic experiential modules and experiential providers by integrating literatures on customer experience, sociology, psychology and the like.

Table1. Drivers from traditional to new customers

Drivers	Descriptions	Impact on customers	References
Society	<ul style="list-style-type: none"> • Consumption for desires above physiological needs • Change of consumer sensitivity 	Treasuring the value added brought from the brand or product, authenticity	Lewis and Bridger 2000; Pine and Gilmore 2007
Economy	<ul style="list-style-type: none"> • The evolution of economic values to experiences • Commercialization of service • Economic depression 	Wanting valued experiences or choices of dollar value (low cost, fashion, prestige, or trend)	Pine and Gilmore 1998 Grewel et al. 2009
Technology	Rapid developments of the Internet, virtual simulation, integrated electronic media, media fragmentation	More accessible to acquire and share information	Austin and Aitchison 2003; Lewis and Bridger 2000; Schmitt 1999, 2004; Pine and Gilmore 1998
Competition	Aggravating competition due to commercialization of brands and media bombarding	More choices of consumers and more resistance to mass media	Schmitt 1999, 2004; Pine and Gilmore 1998
Pressure groups	The rise of organizations for consumers' rights, anti-media, and brand communities	The rise of consumerism and resistance to mass media	Austin and Aitchison 2003

Table2. Comparison of traits between traditional and new consumers (Pine and Gilmore 2007; Lewis and Bridger 2000)

Traditional consumers	New consumers
Seeking convenience	Seeking authenticity
More passive	More active
Conforming to the public	Seeking personal styles
Less participatory	More participatory
Compliance	The right to control
Dependent	Independent and autonomous
Little consumption knowledge	More consumption knowledge

Schmitt urged enterprise operators designing brilliant customer experiences to create value for customers by elaborately combining strategic experience modules and experience providers. Building on these spirits, other process perspectives of experiential design such as time dimensions of physical experiences, experience engagement process, and experience bow complemented with experiential matrix to refine customer experience management. Followers including academicians and practitioners agree on experience value creation both for customers and enterprises. By staging valued experiences, customers get indulged in the sweet spot, states of multiple sensory pleasure (Pine and Gilmore 1998), become a wholly person- the ultimate goal of human beings (Lasalle and Britton 2004). With staging sweet experiences enterprise operators will benefit from customers' loyal behaviors, inclusive of repeated purchase, positive WOM, long-term partnership-being a partner in staging experiences and/or active in defining and implementing their experience motives for enterprises. At that time, customers are employees, and vice versa (Pine and Gilmore 1998, 2007; Schmitt 1999, 2003, 2004; Smith and Wheeler 2003; Carbone 2004; Lasalle and Britton 2004). The aforementioned enhanced the long-term financial performance for enterprises. In addition, it is due to the complex and original nature of experiences that generates inimitability, rareness, and further competitive advantage for enterprises (Smith and Wheeler 2002). Therefore, enterprises must take the initiative to manage customer experience to obtain their gifts.

As to the applications of customer experience to the business management, it serves as means to building brand equity in experiential marketing (Schmitt 1999 2003). Customer experience revitalizes and enhances the original brand assets (Carbone 2004). Brand equity is either coined by wholly new experience designs or reinforced by

integrating new experience designs to the old brand (Smith and Wheeler 2002). The power of brand consists in the hearts of customers, inclusive of all the experiences and feelings by interacting with the brand on a long term basis (Leone et al. 2006). The aforesaid stresses it is of abundant value for enterprises to apply customer experiences to the creation of brand value. Enterprise players need to assess the relationship between their customer experiences and brand values continuously to ensure customer experiences can enhance brand values.

Brand equity is the most important and comprehensive brand asset set, used for measurement of the enterprise's brand value for itself. Not until David Aaker put forward the term brand equity in 1990 had this vague term been clearly defined. In addition to measurement of value, brand equity can benefit enterprises in many ways. High brand equity creates a powerful strategic asset, and barriers to entry for competition (Aaker 1991), increases cash flows, reflecting in the increase of market share, profit and in the decrease of marketing costs (Simon and Sullivan 1993), adds value to the firm's asset (Kamakura and Russell 1993), makes follow-up effective marketing programs possible such as successful brand extensions (Blackston 1992; Bridges 1992), enhanced efficiency (Smith 1991), makes good permanent, cumulative sales effect (Slotegraaf and Pauwels 2008), attracts human capital for job applicants' expectations of higher training, promotion, learning opportunities (Delvecchio et al. 2007), leaves much response elasticity for firms to confront marketing activities of competitors (Kish, Risky, and Kerin 2001), and resists service failure regardless of the practice of service recovery (Brady et al. 2008). The aforementioned benefits indicate the importance of effectively manage your brand to create brand value. In response to this need, some enterprises have seat for brand equity managers to make it a core focus to increase brand value. As for individual consumers, brand equity can simplify the

decision-making process, or express a person's traits or self-image especially important for new consumers (Keller 1993). Therefore, brand equity is also both symbolically important and time-saving tools for consumers.

In sum, consumers attain the very experience motifs or get the sense of authenticity whereas enterprises benefit from staging experiences around the experience value promise made in response to motifs in terms of gifts. That is, experience management can create value both for consumers and enterprises. Despite the quest for customer experience management, there are few quantitative researches in this field. Qualitative studies designed for understanding the basic essence and descriptions of experiences are numerous, making it possible to understand customers' inner world of experiences. However, knowing the why, how questions without a scientific examination is perilous. More research on the evaluation of the effect of experience strategies planned by the stagers is suggested by Schmitt to complement qualitative researches such as focus groups, in-depth interviews, or ethnographies, especially for the experience strategies on the creation of brand equity. In 2009, the concept of customer experience was formally defined in *Journal of Retailing* along with some suggested research directions. It is important to understand the relationship between customer experience and perception of the retailing brand. There is a gap which suggests empirically testing the relationship between experience-based retailing strategies and the corresponding retailing performance metrics (Virhoef et al. 2009). Evaluation of metrics of brand value and customer retention is necessary for retailers to further improve their performance (Petersen et al. 2009; Grewal et al. 2009). Following this research stream, filling the gap, we empirically test a conceptual framework of experience-based brand equity by integrating vital theories and concepts presented by academicians and practitioners in the experience, brand, and consumer psychology fields. In this study, experience-based

brand equity creation framework is to use experience strategies perceived by customers to create brand equity. Our research purposes are as follows.

The first purpose is to connect experience strategies to brand equity and simultaneously clarify possible relationship among relevant dimensions, which can create value both for consumers and enterprises. In response to experience stewardship suggested by Carbone (2004), to better understand customer experiences as the basis of experience planning, more understanding on the relationship among customer cognition, affect, and physical action toward the brand is indispensable. Brand researchers suggested possible relationship among brand equity dimensions (Aaker 1991; Yoo and Donthu 2001). Experience researchers suggested the possibility that experience strategies influence consumers' cognitive, affective, and conative responses toward the brand, with no clear relationship identified among them (Schmitt 1999; Carbone 2004). Also, knowing the relationship can serve as the main focus of customer experience management systems as shown in managerial implication. As you can see in literature review, we will integrate relevant theories to construct two integrated models that will be compared. In turn, we will select a better one to further clarify the relationship among relevant dimensions.

The second purpose is to examine the effectiveness of experience-based strategies. Based on the relationship mentioned above, we suggest possible routes and the best route to attain the final goal of experiential marketing-brand loyalty in this study. Knowing them will benefit experience managers to plan experience strategies. They will have to ascertain customers exhibit corresponding responses after perception of different experiences to attain the goal of experiential marketing.

The third purpose is to present the way for resource allocation under holistic experiences strategies. The success of experience-based strategies lies in the control of procedural efficiency (Verhoef et al. 2009). Strategic resource allocation may subsequently affect corresponding efficiency of touchpoint arrangements. Enterprises all have limited resources. Hence, efficiency of experience-based strategies is desired. To the best of the author's knowledge, this topic has not been discussed in the customer experience field. In our study, we will allocate strategic resources of different experience modules based on customers' perception of experiences.

Experience-based brand equity differed from traditional brand management systems in that customers' experience motifs prioritize. Traditionally brand building process follows strategic brand analysis, brand identity, consistent unique selling propositions and positioning, integrated marketing communication, and finally brand equity creation and controls (Aaker 1991, 1996; Keller 1993). In the process, customers never or seldom rank first (Carbone 2004; Schmitt 2003; Smith and Wheeler 2003). The problem lies in the alignment between the ideal value proposed by managers and the experiences perceived by customers (Nasution and Mavondo 2008). Traditional brand building is to the manipulation of customers' perception by company's considerations what experiential brand building is to the manipulation of business strategies by customers' inner world (Blackwell, Miniard, and Engel 2006). Under the experience economy, the active role of customers justifies traditional brand building process may fade away in attaining company's goals (Lewis and Bridger 2000; Austin and Aitchison 2003; Carbone 2004). Therefore, experience-based brand building may emerge. It is the experiences perceived by customers that create brand-related responses, not the evaluation of strategic effect by experts or top managers. The point will be always on customers' experiences, which we will stress in the conclusion.

Chapter 2. Literature Review

Customer experiences

Experiences occur when customers directly or indirectly respond to events (Schmitt 1999). Events are probably direct, fictitious. However, experiences are authentic due to the fact they are perceived by customers. Experiences are the result or response after all the interactions of customers with the company, company representatives, and the products (Lasalle and Britton 2004; Gentile, Spiller, and Noci 2007). Customer experiences are the bridge, byproduct through which customers contact the company (Carbone 2004). Customer experiences are the subjective, internal responses through direct and indirect interactions between customers and the company (Meyer and Schwager 2007). In the light of provision of experiences, companies stage out experience providers to induce customers' experiences toward their brands or products (Schmitt 1999). Experiences are customers' feelings, cognition, and behaviors toward all planned or unplanned clues (Carbone 2004). It is planned experiences that create value both for customers and companies. Hence, customer experiences are customers' responses to all the company-planned enclosed experiences carried out by the experiential media during the consumption process.

Service-dominated economy put emphasis on maximizing customer satisfaction whereas experience economy stressed customer loyalty that can mirror the level to which companies create value for customers (Pine and Gilmore 1998; Schmitt 2003; Smith and Wheeler 2003; Carbone 2004). In terms of customer satisfaction, many researchers admit its inadequate role for prediction of customer behaviors to ensure profitability (Schmitt 2003; Smith and Wheeler 2003; Keiningham et al. 2008). Satisfaction is not one of the brand equity dimensions. Thus, customer satisfaction is

excluded from our study. The performance of experience management reflected on loyalty (Pine and Gilmore 1998).

The most relevant to customer experiences is the atmospheric research stream (Virhoef et al. 2009). Atmospherics put emphasis on the manipulation of atmospheric elements to stimulate positive consumption affect of customers and further attain positive consequences such as approach behaviors, purchase intentions, customer satisfaction, and so on (Kotler 1973). Clues are categorized as design (interior, exterior), ambience (light, music, scent), and social ones (crowding, employee attributes) (Turley and Milliman 2000); Customers are defined as passive roles in atmospheric context as Behaviorism of psychology claims. They respond passively to marketers' manipulated clues. Although follow-up researchers have added cognition components and discussed the exact mediating sequence along with affect components to attain behavioral components, the sheer fact is what counts is the experience or meaning enclosed with clues, not the clues themselves (Donovan and Rossiter 1982). In actuality, experiential forms are quite a lot according to experiential researchers claim in Table 3. Overtly stressing the importance of clues on customer responses may possibly assume the equivalence of experience clues brings to customers. Henceforce, atmospherics have shifted to enumerate all the important clues to better manipulate them to stimulate desired responses of customers or have extended to the Internet context. However, atmospherics reviewers presented the constrained view of researches and requested subsequent researchers to develop much more holistic theories (Turley and Milliman 2000). Therefore, researches in atmospherics will be well complemented with more researches to the heart of customer experience. As for the methodology, experimental approach dominates in the atmospheric field in which interested clues are manipulated to influence cognition, affect, behavior intention, and

even real behaviors of customers (Turley and Milliman 2000). However, experimental approach excludes the authenticity of the consumption contexts, and other factors influencing customer in the customer experience, therefore resulting in low external validity in the real retailing context. Experiences are likely distorted in experiments unless good simulation technology such as virtual reality emerges, which is costly. In addition, it is hard to manipulate all the experiences especially under holistic experiences context. Also, the more authentic the research contexts are, the more inappropriate the experiments can be conducted (Ruane 2005).

It is due to the holistic nature of customer experiences that make it contain broad dimensions. According to our review, customer experiences can be broadly divided into scope-based and strategy-based experiences. Under scope-based experiences, we can further subdivide it into medium-based such as brand, product, and service experiences and process-based such as consumption experiences. The construct brand experience was conceptualized and scale-validated in Journal of Marketing (JM) along with some review of experiences in different contexts. Brand experiences are all the sensory, affective, cognitive, and behavioral responses induced by brand-related stimuli. Product experiences are all the direct, indirect interactions consumers have with products. Service experiences are mostly created by atmospheric, and personnel variables. The aforesaid experiences are medium-based. Consumption experiences occurred when consumers use, consume products, which are mostly concerned with hedonic goals and process-based (Brakus, Schmitt, and Zarantonello 2009). Consumer decision making process was used to explain customer experience by Puccinelli et al. (2009), which was process-based. However, the aforementioned experience contexts are only parts of customer experiences due to the holistic nature of customer experience. Customer experience was a complete mediator for macro and

company-controlled factors to influence marketing and financial metrics (Grewal 2009). The construct customer experience was formally conceptualized in Journal of Retailing (JR) by Virhoef et al. (2009). It is due to the late formal conceptualization of customer experience that delays the previous efforts to unveil this field. Based on the latest scope definition of customer experience in JR, the scope contains social environment, service interface, retailing atmospherics, product display, pricing, other channels, retailer's brand, and previous experience. However, unfortunately there is still no measurement metrics for this scope-based customer experience conceptualization (Virhoef et al. 2009). Experiential value measures can serve as better measure in the Internet and catalog shopping context (Mathwick, Malhotra, and Rigdon 2001). Strategic experiential modules measure can evaluate the effect of experience strategies especially for the creation of brand equity (Schmitt 1999), which is strategy-based experiences. Survey has been the main method of experience-related researches. Theme park experience is examined to better understand the relationship among cognitive disconfirmation, affect dimensions such as pleasure and positive arousal, and consequent dimensions such as satisfaction, futuristic loyal intention and willingness to spend without the input of experience perception (Bigne, Andrea, and Gnoth 2005). In this manner, marketers are hard to arrange their experience strategies. A research to cross-culturally examine the effect of shared and individual experiences on brand image, brand associations, brand attitude, brand personality (the aforesaid brand dimensions being the brand meaning), and brand relation was conducted to understand the effect of customer experiences on the establishment of brand relations, indicating the role of brand meaning as a complete intervening mechanism (Chang and Chieng 2006). According to the finding, customers' implicit aspects toward a brand were understood. However, not deeming shared experience and individual experience higher level factors may lower fit and bias the result. Further, although it was lucrative

for marketers to understand the process of relationship building, it was of little help for them to examine the performance of experience strategies. Based on the previous review, we know that experience management mostly in practice has also been valued by academics. Studying the experiential marketing field can fill the chasm between practice and academics (McCole 2004). Thus, it would be of much value to conduct research following this stream.

Customer experience management systems

The definition of customer experience management systems was proposed as series of steps to integrate activities in the company to attain experience value promise and company goals simultaneously, which was practical in nature (Schmitt 2003).

Different systems were shown in table 3. We induct a more complete system in which steps are experience goal-setting, experience exploration, experience strategy, experience design, experience implementation, and experience control. Experience goals are set such as enhancement of loyalty, emotional value, brand equity or customer equity. SMART principle is the goal-setting basis. Goals should be specific, measurable, attainable, responsive to changes, and time bound. The aim in experience exploration is to collect ample data, information from inner world of experiences of customers, experiences offerings of competitors, and internal current and past experiences offered to customers for the establishment of following strategic platform. In addition, these data can be collected simultaneously. Building on the result of the experience exploration, the step of experience strategy is to lay the foundation of customer values creation. In addition, it serves as guidelines for subsequent design, implementation. Therefore, the role of the strategy is a bridge to ensure activities can live up to customers' valued experiences. The strategy elements contain experiential positioning, experience value promise, and overall implementation theme.

Table 3. Summary of customer experience management systems

System	presenter	Schmitt 2003	Carbone 2004	Smith and Wheeler 2003	MacMillan and Mc Groth 1997	Meyer and Schwager 2007
Experience goal-setting		Goal-setting				
Experience exploration		Customers' inner world of experience	Experience evaluation, Experience audit	Defining customer values	Mapping the consumption chain	Past pattern, Current relationship, Futuristic potential
Experience strategy		Strategic experience platform				
Experience design			Experience design	Designing branded experience for customers	Analyzing your customer's experiences	
Experience implementation		Brand experiences, Customer interface, Continuous innovation	Experience implementation	Equipping people, delivering consistently		
Experience control		Control	Experience stewardship	Sustaining and enhancing performance		

Experience design is the intervening step between experience strategy and experience implementation. Design teams are comprised of members from multiple backgrounds. Experience value promise is the screening mechanism of experience design to ensure no deviations of experiences designed. Also, clues, experiences and timing issues should be addressed in this step. Experience implementation is to deliver experience value promise-based experience designs to customers and employees. Also, organizational culture, leadership of top management, cross-functional collaboration, and human resource management should all reflect experience value promise. The aim of experience control is to ascertain the consistency of experience value promise of all activities, and in this way attain the goal of experience management. The system will hopefully assist enterprises attain the effectiveness of customer experience

management. The core of customer experience management system lies in customer experiences, making it usual to track customer experiences on a continuous basis. Both innovation, and analysis, strategy and implementation, holistic views were required for the system to perform well. The strength points of this system are the focus on what customers value, the ease of coordinating marketing elements to attain synergy, and the cost-effectiveness (Schmitt 2003). In addition, participatory market orientation (PMO) helped the integration effort a lot, making internal and external customers of the company collaborate as a whole to enhance their valued experiences. The effect of participatory market orientation will be reflected on the increment in brand equity. The steps of customer experience management may contain dimensions of PMO-organizational culture, marketing, human resources, leadership, and evaluation (Ind and Bjerke 2007).



Holistic experiences under experiential marketing

In experiential marketing, companies stage five strategic experience modules to make customers connect to their brands cognitively, affectively, and behaviorally. Holistic experiences as the ultimate goal of experiential marketing is the synergy of five Strategic experience modules. If we define holistic experiences strategically, the holistic experiences planned by the company will reflect on the actual perception of experiences in the consumption process. Sense experiences appeal to sensory pleasures and excitement. Affective experiences (Feel) induce customers' feelings, emotions, and moods. Cognitive experiences (Think) stimulate convergent, divergent thinking of customers, tempting to change thoughts or opinions of customers on some issues and even the evaluation of the focal brand. Act experiences stimulate customers' certain behaviors or intentions by appealing to physical experiences, lifestyles, long-term behavioral patterns, or interactions with other people. Relate experiences satisfy

people's needs for self-actualization, self-respect, esteem, and affinity by connecting both customers and companies to the brand or something meaningful (Schmitt 1999; Smith and Wheeler 2003). Two or more combination of the aforesaid strategic experiential modules forms the experiential hybrid with different categories of shared/shared, individual/individual, and individual/shared experiences. Holistic experiences are the ultimate state of individual/shared experience hybrids. Customers' perception of the holistic experiences is cognitive, affective, and physical in nature (Schmitt 1999; Chang and Chieng 2006). Staging holistic experiences was theoretically proclaimed by Schmitt to attain the final goal of experiential marketing. Planning single experiences respectively without a holistic sense risked reducing the effect of other planned experiences (Schmitt 1999, 2003; Carbone 2004). The key to successful integrated marketing communication consists in the synergy of brand activities, which consists of main effects and various interaction effects, not marginal effects of single experiences (Keller and Lehmann 2007). Practitioners stage holistic experiences to customers and customers perceive them holistically (Smith and Wheeler 2003; Carbone 2004). In essence, customer experiences are holistic including broader dimensions (Verhoef et al. 2009). Therefore, we focus on holistic, not single experiences strategic input. According to Gestalt psychology, experiences must be analyzed holistically to take interactive effects of experience modules into account. That is, it is meaningless analyzing the effect of marginal experiences in the lack of synergy created by their combinations. The nature of holistic experiences justifies its broad influences on customers' cognition, affect, and behavioral intention. Sense experiences tend to engage customers' attention. Feel experiences build affective bonds. Think experiences are related to cognitive activities. Act experiences stimulate behavioral commitment, loyalty, and intentions. Relate experiences transcend individual level to create bonds with social cultures or something meaningful, inclusive

of the scope of other experiences (Schmitt 1999).

Experiences are implicit attitudes formed through direct interaction with events. Implicit attitudes may impact explicit attitudes (Wilson and Lindsey 2000). Both implicit and explicit attitudes can be broadly relevant to cognition, affect, and behavior intention components. Associative network theory states nodes of cognition, emotion, and proposition interact to determine corresponding behaviors when outside events stimulates schema (Erevelles 1998). The aforementioned all indicates holistic experiences influences cognitive, affective, behavioral intention of customers from the consumers' perspective. What if we see from the companies' perspective? Experiential managers seek to plan holistic experiences based on experience motifs of customers to influence cognitive, affective, conative responses of customers (Carbone 2004). Cognition-emotion theory and emotion-cognition theory all indicated atmosphere perceived in the consumption environment gave rise to customers' cognitive, affective, and behavior responses in which the mediating order of cognitive, affective dimensions differs. Cognition and affect should coexist to examine environment effects (Lazarus 1991; Bitner 1992; Chebat and Michon 2003). In terms of the combination of attitudes, affective and cognitive dimensions are all important (Ajzen 2001). Under the experience context, the importances of independence hypothesis is not totally excluding cognition, but includes both cognition and affect simultaneously (Solomon 2009). Both consumer and company perspectives of experiences indicate the importance of including cognition, affect, and behavior intentions in the research related to experiential marketing.

Table 4. Summary of experience types

Author	Holbrook and Hirschman (1982)	Padgett and Allen (1997)	Pine and Gilmore (1999)	Ellwood (2000)	Rooley (1990)	Evard and Aurier (1996)	Dube and Le Bel (2003)	Lasalle and Britton (2004)
Experience Types	Individual experiences	Sense Fantasy, Multiple sensory	Feel Feelings	Aesthetics	Identify, inform, immerge,	Sensory	Sense experience	Physiological experience
		Think Fantasy	Think	Education, escapism	Imagine intrigue	Curiosity	Affect	Emotional pleasure
						Intellectual Knowledge	Intellectual pleasure	Affect experience
Shared experiences	Act	Entertainment	Act	entertainm ent	immerge	Study, Learning	Physical pleasure	Spiritual, Physiological
	Relate			education Escapism		Love	Social pleasure	Spiritual

Holistic value provision approaches can produce sustainable loyalty, and should be focused by the companies to succeed in the long run (O'Malley 1998). Under the holistic experience strategies, it is more likely for companies to attain sustainable loyalty of customers to their brands in which the role of loyalty is of much importance. Therefore, we deemed brand loyalty ultimate goal of holistic experience strategies. The aforesaid mainly addressed the main advantage of this study to empirically test the effectiveness of experience-based strategies on brand equity and the possible relationship among relevant dimensions. However, only retrospective effects of experience-based strategies in brand equity creation are examined, which conforms to the claim that experience matters in the long-term memory of customers accumulated by series of marketing efforts, not temporary one (Pine and Gilmore 1998;Brakus,

Schmitt, and Zarantonello 2009). Also, measuring retrospective effects correspond to the nature of consumer-perceived brand equity, which has been long built in customers' mind.

Strategy-based customer experiences defined by Schmitt conforms to the most important experiential value promise of the customer experience management for experience value promise serves as guiding principles for experiential design, implementation, and controls. Therefore, that strategy-based customer experience plays a key role in customer experience management drives us adopting it as the input variable (Schmitt 2003). Different researchers had disparate views on experiential types, media, and consumption process. Extant experiential types were presented in table 4 while experiential media, consumption process in the experience context in table 5, and table 6, respectively. Strategic experiential modules served as the most complete typologies of experiential types, as the most representative and adopted scale in the experience research (McCole 2004; Chang and Chieng 2006) with firm theoretical basis. Also, the research purpose of this study is to examine the effectiveness of experience strategies. Therefore, we adopted its strategic view of customer experience to examine the brand equity creation. In addition, experiential providers (Experience providers) defined by Schmitt as experiential media have broader scope and detailed descriptions. Experience engagement process defined by Lasalle and Britton have specific decompositions and depictions of consumption process, and broader scope, which two helps a lot for marketers to plan their experiential design.

Table 5. Summary of experiential media

Nomination of experiential tools	Environmental stimulation (Holbrook and Hirschman 1982)	Delivery of experience (Lasalle and Britton 2004)	Experiential aspects (Smith and Wheeler 2002)	Experiential clues (Carbone 2004)	Experiential providers (Schmitt 1999)
Categories of experiential media	Product Communication	Service Product Situation	People Product /service Process	People clues Functional clues Mechanic clues	People Product presence Spatial environment Electronic media Visual identity and signs Cobranding Experiential communication

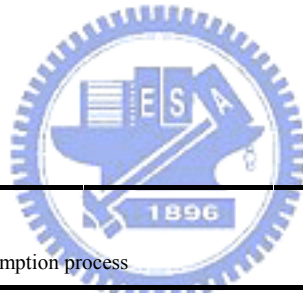



Table 6. Summary of experience consumption process

Experience consumption process	Brand experience model (Petromilli and Michalczyk 1999)	Experiential bow (Carbone 2004)	Touch lines (Smith and Wheeler 2002)	Experience engagement process (Lasalle and Britton 2004)
timing	Prior experience Experience Posterior experience	Cognition Interaction Memory	First impression Entertaining Waiting Finishing Leaving	Discovery, Evaluation Procurement Integration Development

Brand equity

Literatures on brand equity indicated the brand experience trend and its research value. More researches on the process and ways strategy-based experience influence brand equity and on the positive or negative effect of experience on brand equity were requested (Keller and Lehmann 2007). The measurements of brand equity varied as perspectives and schools as shown in table 7. The definitions of brand equity also varied as perspectives. In marketing, it is created in consumers' mind, real action, loyalty behaviors, or brand's performance in the marketplace whereas it is reflected on the financial value that the brand accrues. However, Brand equity can be broadly defined as the value added brought by the brand.



There are perspectives of finance, marketing, and the combination of both. Given the focus of customer experience management on customers, evaluation of the experience may precede financial performance of company (Schmitt 2003; Smith and Wheeler 2003; Carbone 2004). Financial data on customers in the company were less available. The effect of financial performance metrics was short-run (Cobb-Walgren et al. 1995). However, customer experience management is a long-term process to constantly track experience motifs and integrate the changes into the strategy to boost their loyalty. Therefore, we focus on marketing perspective of brand equity. In the subsequent paragraphs, we review different subdivisions of brand equity of marketing perspective to further subdivide and clarify their contents.

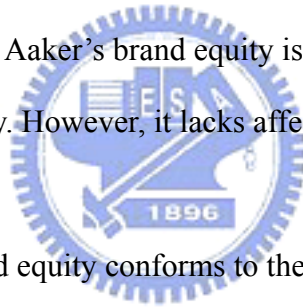
Table 7. Summary of perspectives on brand equity and corresponding schools

Perspectives	Scope	Schools	Measurements of brand equity
Marketing perspective	Marginal	Customer perception	Brand images and brand loyalty (Shocker and Weitz 1988).
			Combinations of evoked thoughts, feelings, cognition, and associations in consumers' mind (Kim 1990).
			The functional and nonfunctional values in consumers' mind endowed by the brand to physical product (Farquhar 1990).
			Fundamental equity plus value added equity-mostly brand relationship (Blackston 1992).
			Perceived value, brand leadership, intangible value (Kamakuma and Russell 1993).
			Brand knowledge of customers to a certain brand (Keller 1993).
			The overall preference of customers toward a brand, not explained by objective attributes. Price premium determined by customers (Park and Srinivasan 1994).
			Variables on perceived quality, brand associations, brand awareness (Cobb-Walgren et al. 1995).
			Cognitive utilities and benefits added on product by the brand name (Lasser, Mittal, and Shama 1995).
			Overall quality and choice intention.(Agarwal and Rao 1996)
		Product-market	Market position and the potential for brand extension (Tauber 1988).
			Price premium compared to competitors (Mullen and Mainz 1989).
			Share of category requirements, market share, relative market price, and channel coverage(Aaker 1996).
			Market share, relative price added by the brand (Chaudhuri and Holbrook 2001).
			Revenue premium estimated by product-market data (Ailawadi et al. 2003).
			Brand intercept measures by store-level quarterly sales data (Sriram et al. 2007).
			Real repurchase behavior as shown in brand loyalty(Aaker 1996).
	Holistic	Gestalt	The weighted combination of perceived quality, brand awareness, brand associations, and brand loyalty (Aaker 1991, 1992)
			Brand equity ten contains scopes from consumer-perceived and product-market sources (Aaker 1996).
Financial perspective	Micro		The added credibility due to brand names(Bonner and Nelsen 1985)
			The increment of discounts of cash flows in the future by the brand name(Simon and Sullivan 1993)
			Value added from acquiring a certain brand(Mahajan, Rao, and Srivastava 1994)
			The cash flow increments due to the brand(Leuthesser 1988)
			The change of stock price(Simon and Sullivan 1993)
	The demand for launching a new brand plus the probability of success(Simon and Sullivan 1993)		
	Holistic		
Financial World's yearly evaluation of brands(Ourusoff 1993)			
Mixed perspective			The combinations of brand associations and behaviors of customers, channel members, company, which can produce higher profitability, competitive advantage compared to those unbranded.(A.M.A 1988)
			Brand equity ten, combined with other financial measures such as stock price, reallocation cost, approaches. (Aaker 1991, 1992, 1996)
			Measurable financial values attributed to relevant brand building activities(Smith 1991)
			Customers' knowledge of customer-based brand assets plus financial brand values (Allard, Jos, and Hans 2001)

Aaker's Brand equity as Gestalt Brand Equity

Brand equity is comprised of brand awareness, brand associations, perceived quality, brand loyalty, and proprietary assets. The first four is customer perceived and created by the product whereas the last one is to coin competitive advantage for the company. These dimensions of brand equity are correlated. However, the respective importance of brand equity dimensions differs from industries (Aaker 1991 1992 1995 1996). Brand associations is a cognitive variable (Dobni and Zinkhan 1990; Blackston 1992). Brand associations is a differentiated belief (Blackwell, Miniard, and Engel, 2006). Perceived quality was the middle degree of evaluation of all the intrinsic and extrinsic cues of the product, with intrinsic cues evaluated more during consumption, and more cognitive quality when consumers are more able to assess attributes before purchase (Zeithmal 1988). Perceived quality was mainly about the evaluation of brand function (Aaker, 1996). It was the overall subjective evaluation of the quality of brand (Olshavsky 1985). Perceived quality is an inferential belief (Blackwell, Miniard, and Engel 2006). Perceived quality in the service context was mostly cognitive evaluations in nature, lacking affective evaluation (Klaus and Maklan 2007). Therefore, perceived quality is cognitive in nature. Brand loyalty can reflect futuristic behavioral intention (Aaker 1996; Zeithaml 1996). The direct experiences of customers give rise to attitudes that better predict true behaviors across all experiential contexts than indirect experiences (Ajzen 2001; Blackwell, Miniard, and Engel 2006). Thus, only behavior-intentioned brand loyalty was analyzed. Other assets of brand equity may influence brand loyalty, which should be empirically tested (Aaker 1996). Focusing on loyalty as the final strategic goal benefited marketers in the increased revenues, market share, lowered cost of acquiring new customers, which can creates a benign circle.

Increased resources will make it possible for company to invest vehicles for the purpose of satisfaction of employees to lower turnover rates. Lowered turnover will retain employees for a long run, with their abilities, and experiences enhanced continuously, which further triggers customer satisfaction and loyalty. Positive word-of-mouth will attract both new customers, and employees as strategic, and the most valuable assets for the company (Reichheld 1993). Therefore, the core of strategy lies in the customer' loyalty to your brand. Overall, brand equity defined by Aaker has a broad scope, including customer perception, customer behavior, and some measures of market position of the company such as market share, profit. Therefore, Aaker's brand equity contains customer-based brand equity, company's perspective of brand equity, and behavior-based brand equity. Compared to other definitions of brand equity of marketing perspective, Aaker's brand equity is holistic or gestalt. We call it gestalt brand equity subsequently. However, it lacks affective nature.



Aaker's gestalt brand equity conforms to the school of Gestalt psychology. Gestalt psychologists indicated the importance to include the overall facets when analyzing human behaviors. In this manner, the more holistic, the better. In this way, stimuli, cognitive, affective, and behavior states must be put into analysis simultaneously. To neglect one of them is unwise. To assemble individual researches to better understand the whole phenomenon is also problematic. It is meaningless to study partial phenomenon for addition of parts are not equal to the whole (Foxall 1996; Benjamin 2006). As Aaker claimed, brand equity ranges across customer's cognitive evaluation, behavioral intention, true behaviors, and strategy input. Therefore, the broader scope of elements complies with Gestalt psychologists.

In addition, the dimension of other proprietary assets attributed itself to reflecting market competition without much correlation with consumers. It is of much value to companies for the creation of competitive advantage. However, given high relevance of experiences to customers, the dimension of other proprietary assets is less important for experience-based researches, thus excluded (Pine and Gilmore 1998; Schmitt 1999; Carbone 2004; Lasalle and Britton 2004) . Also, dimensions of market performance were excluded from our research because customer experiences are highly related to customer's inner world (Pine and Gilmore 1998; Lasalle and Britton 2004). Without satisfaction of inner world, it is impossible to have good enterprise performance.

Aaker's brand equity has a broader scope that includes cognition and behavioral intention to correspond to what Strategic experience modules claims, views customer experiences as the highest level of brand associations to reflect its importance and put brand loyalty as the final goal that corresponds to the final goal of customer experience management, as indicated in table 8. In addition, to the best of author's knowledge, Aaker's definition is the mostly adopted one. Different industries result in different importance of brand equity dimensions, the relationship among relevant dimensions. Therefore, it is much better to discuss them with a broader brand equity scale to lower the risk of neglecting important dimensions. We can clarify important dimensions of brand equity through empirical test (Aaker 1996). Also, broader dimensions ensure posterior diagnoses, which are vital for formulation of experience strategies, and conform to broad nature of experiences. Thus, we adopted Aaker's brand equity as criterion of experience strategy.

Table 8. The comparison of scope of perception between Aaker's brand equity and customer-based brand equity

	Gestalt brand equity		Customer-based brand equity		
Researchers	Aaker 1991 1992 1995 1996	Keller 1993	Park and Srinivasan 1994	Cobb-Walgren et al. 1995	Lassar et al. 1995
Cognition	Brand awareness Brand associations Perceived quality	Brand awareness, Brand associations	Multi-attribute attitude models	Brand awareness, Brand associations, Perceived quality	Brand values, Brand performance, Social images
Affect					Brand identification/ attachment, brand trust
Behavioral intention	Brand loyalty				



Product-market schools of brand equity

Brand equity comes from the leadership of the brand in the market or from the potential for brand extension. These measures should reflect brand performance in the marketplace (Aaker 1996). Enterprises create values by lending their brand power by brand extension to different product categories or acquiring powerful brands in the market and then extending them. Brand extension can benefit enterprises from increased advertising efficiency, customer acceptance rate, brand synergy, barriers to entry for competitors, opportunities for market entry, and decreased risk of failure (Tauber 1988). Brand equity is also the degree of the price premium (Mullen and Mainz 1989). The above put stress on the company's comparative strength over its competitors based on market competition, but not on customers. It is what company's perspective of brand equity is all about. Therefore, the point is to manage and leverage

the powerful brand for the purpose of profitability. Brand equity defined from the perspective of company is largely defiant from the spirit of experiential marketing or customer experience management for the superiority of company's interests over customers' inner world. Thus, it is not well suited as the criterion of experience-based strategies.

Customer behavior-based brand equity

Sometimes, brand equity can be measured by real customer purchase data. In this manner, mostly it is brand loyalty (Aaker 1996). Scanner data can be used to track customer behaviors (Kamakura and Russell 1993). Behavior data such as frequency of repurchase, quantity of purchase, and purchase probability were collected and analyzed. The strength was the objectivity compared to other customer perceived brand equity components. Too emphasized on the behavioral aspect of customers may ascribe itself to behaviorism of psychology. In this manner, the emphasis was put on stimuli and the response. However, in the customer experience research, customers were not so stupid to do the response desired by the marketers. Few brand researchers adopted this view. This definition of brand equity may not apply.

Customer-based brand equity

Customer-based brand equity (CBBE) has been the mainstream of brand equity researches. The most recognized has been the Keller's (1993) view of CBBE, which defined it as consumers' differential responses to the same marketing stimulus owing to the brand knowledge. Individual customers are level of analysis. Differential effects were customer-perceived. According to the associative network model, customer-based brand equity is mainly composed of brand images (sets of brand associations) and brand awareness. Brand awareness was measured as cued recognition and not cued

recall. Brand associations were categorized according to their levels of abstraction. Brand attributes, benefits, and attitudes listed in ascending abstraction. Other dimensions of brand associations included the strength, favorability, and uniqueness.

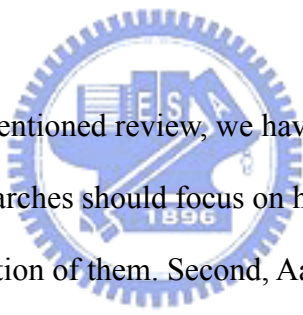
Customer-based brand equity was composed of brand associations. It was subdivided as brand value, brand performance, social images, brand identification and attachment, and brand trust (Lassar et al. 1995). In this manner, affective and cognitive components of customers were included. However, the scale lacks discriminant validity for some higher correlations among factors. Customers' evaluation of functional and nonfunctional product attribute benefits was also defined as CBBE. Fundamental equity and value-added equity also comprised CBBE. Fundamental equity, inclusive of strategic marketing mix, brand image planning of the company, was the planning facet of company. Value-added equity was brand relationship. Brand equity was mainly comprised of brand relationship between consumers and companies, cognitive, affective, behavioral aspects included (Blackston 1992). However, relationship is at least bilateral, making it inappropriate for experience-response model as in this study. Scholars in customer-based brand equity considered brand knowledge triggered subsequent behaviors. Cognitivism in psychology holds the role of cognition to determine people's attitudes and propositions toward others (Foxall et al. 1996; Benjamin 2006). Therefore, customer-based brand equity corresponds to cognitivism. As to the measurement of customer-based brand equity, direct and indirect methods are existent for the measurement of brand associations. Direct method acquired customer's knowledge toward a brand by asking customers directly, resulting in possible concealment of true fact. Criteria for brand knowledge induced by direct method included brand extendibility, brand loyalty, price premium, and revenue premium. On the other hand, indirect method probed customers' knowledge toward a brand by

projective techniques such as sentence completion, elaboration of pictures or free association. Brand Concept Map dividing brand associations into core associations and related direct associations and indirect associations also emerged to understand association networks of consumers (John et al. 2006). Brand awareness is measured by reminded recognition or unaided recall toward the brand. All in all, the very aim of customer-based brand equity creation process is to strategically build desired knowledge structure in customer's mind. In this manner, strategic input such as brand identity planning, and measurement of customer knowledge are deemed a continuing brand building process. Brand equity is created in the mind of customers. Therefore, continuous measurement of knowledge structure of customers is a premise for well-planned brand identity strategies to happen. CBBE put much emphasis on the cognitive part of brand perception. However, brand loyalty as the final goal of experience-related researches does not justify using CBBE as the criterion. Also, sometimes experiences can influence full scopes of customer perception simultaneously as Strategic experience modules claims.

Brand affect

Brand affect is the overall liking or disliking of a brand (Foxall et al. 1996). Brand affect is a brand's potential to elicit positive affect in the average consumer as a result of its use (Chaudhuri and Holbrook 2001). Experiences sensed in the product or brand use result in the brand affect that was hedonic in essence (Voss et al. 2003). Therefore, there are three approaches to define brand affect. The first one is overall, the second one is directional, and the third one is specific. Based on Strategic experience modules, customers' affect toward the brand may be influenced when they perceive the holistic experiences. Customer's consumption affect may mostly reflect experiences, which put emphasis on the importance of affect dimension in experience context (Holbrook and

Hirschman 1982). Affective literature stressed the importance of simultaneous including cognitive and affective dimensions to complement the deficiency of cognition alone in explaining consumer behavior (Erevelles 1998). Literature in the online atmospherics field indicated atmosphere did not impact various consumption consequences unless it was mediated by the affective dimension (Eroglu et al. 2003). Literatures on customer experience put emphasis on the importance of affect in the retailing environment (Puccinelli et al. 2009). Experiential values perceived in the environment can influence the affective dimension toward the brand (Voss et al. 2003). Therefore, we included affective dimension toward the brand into experience-based brand equity framework. In order for the consideration of formulation of experience value promise and experiential design, the more specific the brand affect is, the better.



Based on the aforementioned review, we have the following conclusions. First, customer experience researches should focus on holistic experiences, not single experiences or a combination of them. Second, Aaker's customer-perceived brand equity is used as the criterion under holistic experiences strategy. Third, affect should be taken into account in the study related to experiential marketing, in this study, specific hedonic brand affect owing to our interest. Fourth, improving brand loyalty is the final goal of experiential marketing if it is used to increase brand equity.

The relationship among holistic experiences, brand equity dimensions and brand affect

The experience-response model indicates experiences can stimulate consumers' cognitive, affective, and physical responses (Carbone 2004). Also, the relationship among these responses may be correlated, though not identified. We propose the

complexity of experiences justifies explaining the relationship among cognitive, affective, and behavioral dimensions by integrating more intervening mechanisms.

Hierarchy-of-effect model has been applied to the discussion of attitude formation of consumers when encountering marketing stimuli such as advertising. There are three categories of hierarchies. Standard learning hierarchy features high involving processing of information. In this manner, stimuli influence cognitive states first, affective states the next, and the last behavioral intention. Low involvement hierarchy features behaviors triggered by low level cognition of the stimuli or simply stimuli. Only after purchase can affective evaluation occur. The last is the experiential hierarchy featuring the affective states triggered in the consumption may induce corresponding behaviors. After the consumption, consumers recalled the event (Solomon 2009). In this study, brand loyalty was deemed the final goal of our framework, thus, the final impact criterion always being brand loyalty to reflect behavioral intention. In this manner, affect and cognition responses under experience strategies may work as complete or incomplete mediators in forming brand loyalty. In environmental psychology, **S(Stimulus)-O(Organism)-C(Consequences) framework** dominated (Donovan and Rossiter 1982) where different theories claimed disparate intervening sequences of affective and cognitive responses in the organism.

Cognition-emotion (affection) theory(C-E theory) indicates the consideration of relationship between the person and the environment is the necessary, sufficient condition for a person to form emotions in experiences perceived in a consumption environment (Lazarus 1991). When customers perceived various experiences, cognition impacted first, followed by emotions, and in the end induced behavior intentions. In atmospherics researches, researchers suggested applying this theory to explain the impact of atmospheric cues on consumers' cognition, affect, and behavior outcomes. In the experience researches, this theory was suggested to discuss the

relationship among customers' cognition, affective, and consequent variables without the input of experiences. **Emotion (affection)-cognition theory (E-C theory)** also addresses the intervening sequence of affect and cognition responses under a consumption environment (Bitner 1992). In response to servicescape model, the theories proposed emotions formed without the cognitive input for customers mostly thought they had just experienced, not giving much thought to the experiences. Experiences perceived in the consumption environment triggered emotions first, then cognition, and the last behaviors. Both C-E and E-C theories work as intervening mechanisms of cognition and affect of consumers under a certain environment, claim the simultaneous inclusion of affective and cognitive dimensions, and clarify the complete mediating role of cognition and affect between the environment and behavioral intention. Thus, under the experience context formed by holistic experience strategies to create brand equity, consumers' affective dimension toward the brand as affective responses of consumers, perceived quality, and brand awareness/association as cognitive responses of consumers may function as complete mediators. Based on the aforementioned review, brand awareness/associations, perceived quality, and brand affect may work as complete or incomplete mediators for holistic experiences to influence brand loyalty in which the possible intervening relationship may be cognition to affect or affect to cognition.

In turn, we further integrate other theories. According to the nature of **Strategic experience modules**, they will influence cognition, affect, and behavioral intention simultaneously or in a certain route defined by the hierarchy-of-effect model. However, customers themselves are active participants in the experiential process, not the passive roles as they were in the face of traditional advertisements. Hence, experience may stimulate complex internal responses for customers. Customers are able to deal with

cognitive and affective resonance synchronically (Keller 1998; Carbone 2004). Thus, Schmitt suggested interdependence of impact routes defined by hierarchy-of-effect model under the experiential context. Experiential wheels serve as the planning tool for Strategic experience modules. Staged holistic experiences can be related to dimensions of brand equity. According to **branded experience**, holistic experiences could be coined by product/service, people, and process clues, further cultivating customer's loyalty toward the brand. In this end, higher loyalty gives rise to financial performance. Customer's satisfaction cannot predict customer's loyalty, though. Therefore, the strategic role of brand loyalty was ascertained (Smith and Wheeler 2002). The model also proposes brand asset can be revitalized by staging valued experiences. As to **the relationship between the brand and the experience**, brand values rested on brand assets. Holistic customer experiences play focal role in creation of brand assets. Meanwhile, customer experiences can trigger customer loyalty, advocacy, bringing about short-run or long-run financial success, and competitive advantage for the company. In this study, that holistic experiences create brand equity includes the proposition that holistic experiences create brand assets. Also, brand loyalty's role is stressed by viewing it as the final goal (Carbone 2004). **Brand experience model** indicated all the experiences from interaction between the person and the brand influence the person's perception toward the brand and create brand value. The model shows the viability to discuss the process of holistic experiences to creating customer-perceived brand equity (Petromilli and Michalczyk 1999). **Systematic model of the predecessors and the consequences of brand** presented a system in which the brand building activities such as strategies, tactics will contribute to customer's thinking, feelings toward a brand, in turn make them perform purchase behaviors or related decisions, and in the end reflect on the financial performance of the company such as the increase of stock price. In terms of strategies and tactics, there are

quantitative, qualitative measurements used to evaluate their effects of successfully building the right attitudes in consumer's mind. The former includes budget or expenditures whereas the latter contains judgment from managers or experts about the uniqueness, consistency, relevancy, specificity of strategies and tactics. Therefore, the framework to discussing the creation of brand equity under experience strategies is viable. However, the effect of experience strategies cannot be measured based on expenditures or judgments of insiders in that the very point is what customer perceived about the experiential modules planned by the company as holistic experiences. Even if insiders deem the strategy effective, customers will not agree to. Therefore, what company planned as holistic experiences must be perceived before they are effective. The systematic model indicates the viability that strategy-based customer experiences build what customers feel, think about the brand, and then corresponding behaviors conducted to reflect them (Keller and Lehmann 2006). Good service delivery increases the efficiency of memory retrieval for customers. Good service delivery also strengthens customers' impression of the brand experience (Chase and Dasu 2001). Advertising, word of mouth, experiences of product built brand awareness (Kotler 2006). Experience is the highest level of brand associations (Aaker 1996). Brand associations can be built on experiential benefits (Keller 1993, 1998). Associations constituting brand images included experiential ones (Park, Jaworski, and MacInnis 1986). When consumers consume product, they base their evaluation on intrinsic and extrinsic cues. Perceived quality is further formed based on the evaluation (Zeithmal 1988). The evaluation of functional clues forms perceived quality (Carbone 2004). Perceived quality is part of the result of interactions with the brand in the consumption, suggesting experiences can impact perceived quality (Holbrook and Corfman 1983). Customers predict quality of the product based on cues of brand or product (van Osselaer and Alba 2000). Experiences in a certain atmosphere triggered pleased and

aroused moods (Donovan and Rossiter 1982). Emotions can be evoked by physical, sensory, or cognitive events, which contain the experience nature (Zajonc and Markus 1984). Sense experiences attain excitement and pleasure. Feel experiences trigger changes of emotions, inclusive of pleasure and arousal. Think experiences surprise, and intrigue customers. Act and relate experiences are means of value expression (Schmitt 1999). Customer experiences induce affective engagement of customers (Smith and Wheeler 2002). The consequence of all interactions with the company will be evaluated affectively based on the experience preference model (Carbone 2004). Brand attachment occurred if consumers were satisfied about previous interactions with the brand (Aaker 1991). Authenticity should be offered by companies to create brand loyalty (Lewis and Bridger 2000; Pine and Gilmore 2007). Experiences are one presentation of authenticity. Good service design will attract customers for patronage (Chase and Dasu 2001). Consumers' long-term memories of experiences give rise to loyalty (Brakus, Schmitt, and Zarantonello 2009). Frequency marketing as an experience creates loyalty toward the brand (Foxall et al. 1996). Hence,

H₁: Holistic experiences positively influence brand awareness/associations.

H₂: Holistic experiences positively influence perceived quality.

H₃: Holistic experiences positively influence consumers' affect toward a brand

H₄: Holistic experiences positively influence brand loyalty

High brand awareness makes it easier for a brand to be in the consideration set, and further serves as a commitment for product quality (Aaker 1991). Brand awareness influences the cognition of the product quality for consumers, further forming purchase intention (Dodds, Monroe, and Grewal 1994; Richardson, Dick, and Jain 1994; Grewal et al. 1998; Zeithaml 1988). **Quality signaling theory** proposed brand awareness may influence consumers' perception of quality toward the object. Product signal indicates

the perceived high quality of an aware brand (Solomon 2009). Brands work as signals of product position. Credible brands provide more values to collectivist consumers for consumers deem them of high quality (Erdem, Swait, and Valenzuela 2006). Brand associations and brand awareness can influence the total evaluation of the brand (Keller 1993). Brand awareness/association influences perceived quality and further, brand loyalty (Yoo and Donthu 2001). Hence,

H₅: Brand awareness/associations positively influence perceived quality

Positive awareness creates positive behaviors toward the brand. Brand awareness is used to simplify decision making process when consumers are less involved in the consumption or have no knowledge (Aaker 1991; Keller 1993). Positive brand associations give rise to positive behaviors especially when consumers lack motives (Keller 1993). Brands with high awareness lowered the switching intention of customers (Petromilli and Michalczyk 1999). Hence,

H₆: Brand awareness/associations positively influence brand loyalty

Positive moods, affect can increase brand loyalty (Dick and Basu 1994). Consumers will repurchase due to the love for a brand (O'Malley, 1998). The emotional bond with a brand through interactions forms their loyalty (Chaudhuri and Holbrook 2001). Affect stimulated under delighted experiences forms futuristic repurchase intention (Arnold et al. 2005). **M-R theory** in environmental psychology claimed the mood of consumers stimulated by clues may induce approach/avoidance behaviors. Under the experience context, affect toward the brand may have the same effect. According to operant conditioning of Behaviorism, good consumer affect toward the brand may reproduce patronage for consumers have learned. **Experience preference model** works here for customers will evaluate the affect under experiences


and determine whether to repurchase (Carbone 2004). **Extended experiences** justify repatronage of consumers if they feel good under experiences (Pine and Gilmore 1998).

Hence,

H₇: Consumers' affect toward a brand positively influences brand loyalty

Consumers' evaluation of perceived quality of product directly influences their purchase decisions (Bhuyan 1991). Brand awareness/association influences perceived quality and further, brand loyalty (Yoo and Donthu 2001). Perceived quality directly influence consumers' purchase decisions and brand loyalty, especially when consumers lack motives and analytical abilities (Aaker 1991). Hence,

H₈: Perceived quality positively influences brand loyalty.



According to the brand exposure effect, customers favor familiar brands (Aaker 1991; Schmitt 1999). Familiar brands are favored for they convey trust, and simplify purchase-decision process (Holden and Vanjuele 1999). Brand associations create corresponding attitudes and affects (Aaker 1991). Mere exposure effect justifies aroused affect if consumers expose to a brand and form familiarity. Emotion attribution theory indicated the possibility that consumers attributed the higher brand affect to higher brand familiarity or higher brand associations. Hence,

H_{9,1}: Brand awareness/associations positively influence consumers' affect toward a brand under integrated model 1.

Good evaluation toward a product or brand gave rise to good affect in the decision-making process of consumers (Solomon 2009). Hence,

H_{9,2}: Perceived quality positively influences consumers' affect toward a brand under integrated model 2.

Affect triggered during excellent experiences impresses customers in memory (Pine and Gilmore 1998). Hence,

H_{10.1}: Consumers' affect toward a brand positively influences brand awareness/associations under integrated model 2.

Affective states may influence evaluations toward product and service (Cohen et al. 2008). According to extreme evaluation, moods of consumers in a retailing environment influence their evaluations of product (Adaval 2003). If consumers experience higher brand affect under experience strategies, they may overestimate perceived quality. Hence,

H_{10.2}: Consumers' affect toward a brand influences perceived quality under integrated model 2.



Based on the aforementioned hypotheses, for holistic experiences to influence brand loyalty, the relationship may be direct or indirect, with brand affect, brand awareness/association, and perceived quality working as mediators. We have two integrated models. In integrated model 1, brand awareness/association and perceived quality as cognitive variables of brand precede brand affect but brand cognition variables and brand affect not really work as the exact complete mediators as C-E proposed. In integrated model 2, brand affect precedes brand cognition variables but brand cognition variables and brand affect not really work as the exact complete mediators as E-C proposed. The competing research frameworks of integrated model 1 and 2 are shown in Figures 1 and 2 respectively.

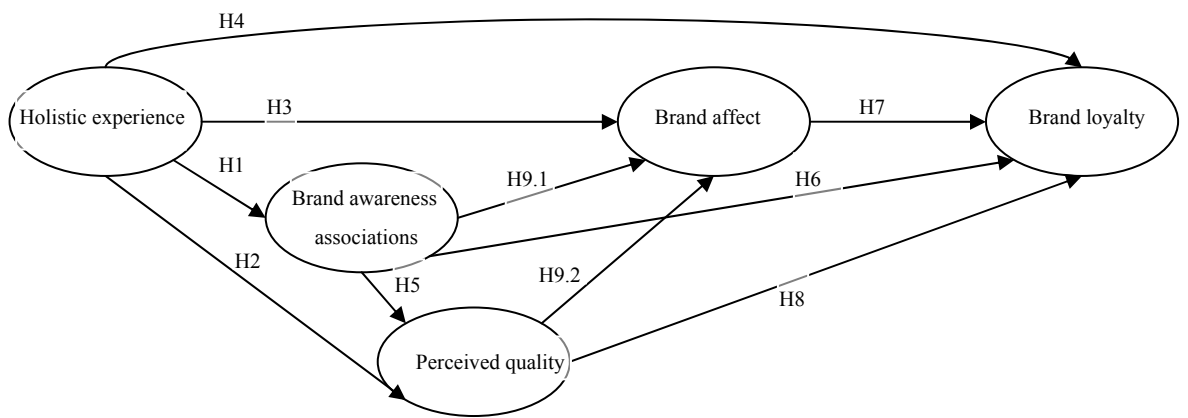


Figure1. Integrated framework of model 1 for experience-based brand equity creation

Note. Holistic experiences is a 2nd order factor which reflects on 1st order factors of sense, feel, think, act and relate.

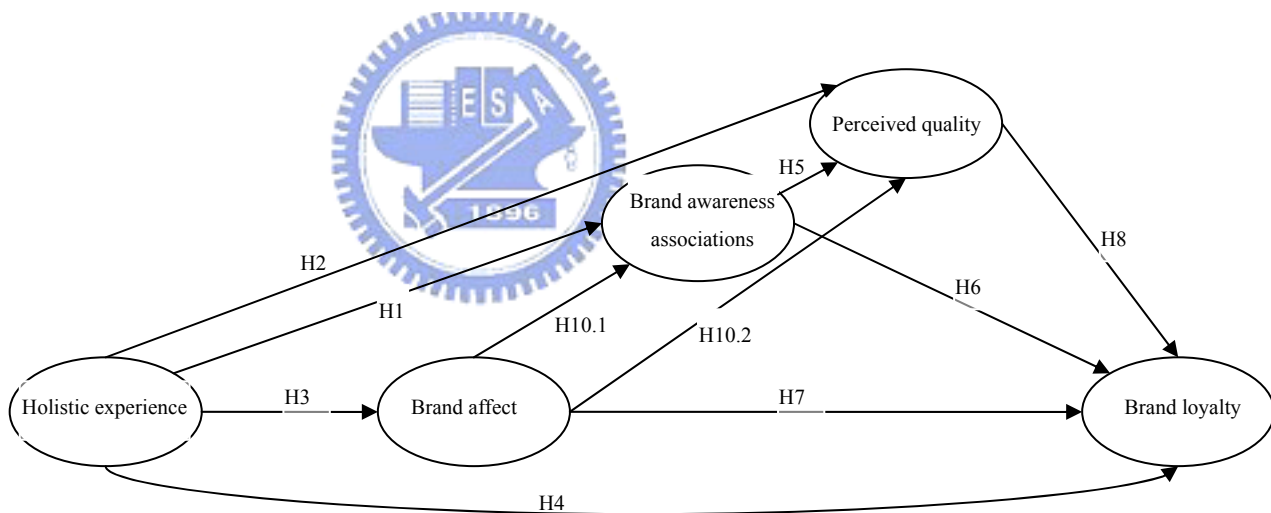


Figure2. Integrated framework of model 2 for experience-based brand equity creation

Note. Holistic experiences is a 2nd order factor which reflects on 1st order factors of sense, feel, think, act and relate.

Chapter 3. Methodology

Sampling

We focused on the creation of brand equity through strategically formed holistic experiences. Therefore, holistic experience stagers should be the research target.

McDonald's Corp. was then chosen because of its implementation of experiential marketing on September 2003. Experience stagers should have specific experience positioning, experience value promise, theme and memorabilia (Pine and Gilmore 1998; Schmitt 2003). McDonald's experiential marketing focused on the experiential positioning "forever young" within the implementation theme of "i'm lovin' it".

Specific themes on sports, hip music, entertainment and fashion have been dedicated to the experiential value creation for customers. Forever young positioning came from the customers' point of view from consumer insight collected through focus group, Internet panel, or blogging, not from the company's. The marketing appeal has shifted from you to I. The new strategy comes from brand journalism. Contemporary designs corresponded to sense strategy with providers such as bright lights, stylish interior designs. Offerings of dollar value corresponded to think strategy with providers such as dollar-valued meals, your combos in which you think the most dollar-valued meal choice. Vigor and happiness conform to feel strategy in which employees play the role of pleasing customers by smiles, joyful pictures, signs on the interior wall, and recruiting information reads the happiest enterprise to partner with and the desire for employees who can bring happiness to people. Act strategy is manifest in terms of the company's continuous efforts in promoting i-attitude, customer-focused ads to identify lifestyles of customers in McDonald's. As for the relate strategy, customers and the company as a whole bond with the themed culture through the brand. All the elements

of integrated marketing communication were arranged with the focus of forever young (Gibson 2006; Sowa 2006; Arun 2007; Quinton 2008). The Mc Chronicles is a consumer community dedicated to discussion and sharing of experiences in McDonald's. That customers actively discussed experiences implied McDonald's role as experience stagers. In addition, discussing whether experiential approaches revitalize McDonald's brand that has long been traditional marketers is of much value. McDonald's has been the brand leader in the fast food chains with the strategic focus on brand loyalty to reflect long-term growth of the brand. Strongly positioned brands can be better suited for such consumer-based measures as Aaker's brand equity (Sriram et al. 2007). The following dimensions of sampling procedure suggested by international corporation researchers were reported (Short et al. 2002; Yang et al. 2006). Sampling method was in-store personal interview by filling out questionnaires to reflect the importance of real situation in the experience researches and avoided distorted experiences (Schmitt 2003). Most of experiences occur during consumption (Lasalle and Briton 2004 ; Carbone 2004), which supersedes the influences of other phases (Petromilli and Michalczk 1999). Strategic experience modules scale is appropriate for the survey of the effect of experience strategies. 7 trained interviewers performed the data collection, which lowers bias as more interviewers involved (Ruane 2005). Interviewers were recruited and carefully selected according to their background. We offered high financial impetus to interviewers to stimulate their efforts. During the interview with customers, confused items were neutrally explained; missing values were solved by reminding customers of the neglected items, thus no deletion of data. They were taught to avoid selecting respondents on personal preference to reduce bias (Ruane 2005). Level of analysis is individuals as customers in McDonald's. Previous researches indicated vague sampling frame of experience research, therefore we following their purposive sampling (Chang and Chieng 2006). The main target of

experiential marketing strategy for McDonald's is customers between 18 to 34 years old. Hence, we selected them as our main target, following other customers. Sample representativeness was improved by disseminating questionnaires in 17 stores of northern and central Taiwan. The final sample consisted of 313 customers, which surpass the minimum requirement of SEM of at least 200 (Hatcher 1994). Response rate was around 80 percent reported by interviewers. Data collection duration is two months with no non-response bias detected under the multivariate test (Wilk's $\lambda=0.9763, p\text{-value}=0.1923$). Finally, it is discreetly stated that the representativeness may suffer in nonprobabilistic sampling. The research findings only apply to those interviewed. However, as we show later, the robust result of hierarchical linear modeling complemented this limitation by making the findings generalizable to the population in Taiwan.

Research constructs and measurement

Holistic experiences



The complete, holistic nature of experience forms presented by Schmitt (1999) served as a better measure of holistic experiences. The scale had expert validity now that Schmitt was the presenter and guru of experiential marketing. The scale also passed the validity and reliability thresholds. Strategic experience modules are the focal key to success of customer experience management. Operationalized as the total effect of Strategic experience modules planned by the company, the effect will reflect on customer-perceived Strategic experience modules. Therefore, it is the customer experience from the strategic perspective. Experience forms are measured by three items respectively. Holistic effect planned by the company must be perceived by customers to justify its effectiveness. Holistic experience is an experience hybrid, justifying its second order factor role in the analysis.

Brand equity

10 items of scale of multi-dimensional brand equity was cross-culturally developed to measure customer-perceived brand equity (Yoo and Donthu 2001). The scale was appropriate for Chinese people to use compared with other scales in that samples included Americans, Koreans, and American-Koreans. Aaker's view of customer-perceived brand equity dominates the core concept of the scale development process, more suited for our research issues. One of product categories used in the scale developing process concerned sports, which matches the theme of McDonald's. The scale had gone through high validity, reliability assessment plus parsimony, taking effectiveness and efficiency into account. There are 2 items for perceived quality, 3 items for brand loyalty, and 5 items for brand awareness and associations. Original scale indicated problems of high correlation between some constructs in the 4 dimension factor structure, thus making brand awareness and brand associations combined to solve this problem, with validity and reliability passing. We followed suit to conform to their 3 dimension factor structure. We added one item of perceived quality to solve possible low reliability under only two items. The item is proposed by Yoo and Donthu in their previous empirical testing of marketing elements on brand equity (Yoo et al. 2000). The operationalization of all dimensions is listed as follows. Brand awareness is consumer's recognition and recall toward a brand. Brand associations are anything related to the brand in consumer's mind. Perceived quality is the overall evaluation of consumers toward the excellence of the brand. Brand loyalty is the loyal intention of consumers toward a brand to prioritize the purchase of the brand over the other brands. We deem it strong intention.

Consumer's affective dimension toward a brand

Functional clues delivered functional benefits whereas people, mechanic clues delivered affective benefits in the experience context (Carbone 2004). Perceived quality is predominantly functional evaluation toward an object (Aaker 1996). Therefore, adding the evaluation of consumers on the affective benefit is a must to enhance the completeness of experience research. We select the affective dimension of consumers toward a brand to complement the utilitarian evaluation of perceived quality with the soft part (Voss et al. 2003). Under consumer's attitude toward the brand, there are affective and utilitarian dimensions. Perceived quality reflects utilitarian dimensions due to the focus on functional parts. Therefore, we added affective dimensions into our framework to reflect affect in response to the experiences as Voss proposed. Operationalizaion is the affect occurring through experience with a brand or product. 5 items are for this construct. In addition, according to focus group discussion and affective strategy of McDonald's, we discovered these items of fun, exciting, delighted, thrilling, and enjoyable corresponded well.

Back translation was used to ensure translation validity. Two bilingual students mastering marketing field were chosen. One is Canadian-Taiwanese, and the other is Taiwanese. According to self-report, both of them were fast food lovers themselves and they were familiar with fast food chains, thus appropriate candidates for translation. During the translation process, disagreements were solved through discussion to reach consensus. The agreed translated scale was further examined through pretest with the other 10 consumers of McDonald's.

Pretest and focus group

Focus group interview was conducted to ensure the quality of the back-translated scale and lower the bias due to different cultural backgrounds (Wolff et al. 1993). 10 loyal customers of McDonald's were selected based on their self-reported experiences with the company and fast food chains. They were brought into a fleet store of McDonald's in Taipei city where focus group interview was conducted to creation of authentic sense. The real experience motifs can be better reflected in the authentic situation (Foxall 1996; Schmitt 2003). Seats were arranged without much noise to avoid possible intervention. Interview procedures were as follows. Participants interacted as normal before they finished their meals. After all participants finished meals, back-translated questionnaires were distributed, and filled out. In turn, interviewers addressed the research objectives and procedures. Think aloud method was conducted to each item respectively to ascertain the consistency of the meaning for each item between interviewers and respondents (Patten 2001). Disagreements were solved by consensus on the appropriate translation of confused items. In the end, we inquired other potential demographic, psychographic, and behavioral variables that may influence brand equity based on their knowledge as fast food consumers. They were candidates of control variables in this research. Frequent motives, age should be included. When the interview was over, gratitude accompanied them home. The questionnaire modified after pretest was discussed with people in charge of the back translation to ensure double checking.

Control variables

Marketing activities are the antecedents of brand equity (Aaker 1991; Keller 1993; Simon and Sullivan 1993; Keller, Heckler, and Houston 1998). Though it is

not inclusive of all dimensions of marketing activities, marketing elements of 4P must be the paradigm of traditional marketing. They are representative of the past marketing activities (Yoo et al. 2000). Traditional marketing activities must be controlled for before the pure effects of experience strategies emerge. McDonald's main brand-building marketing element before the inclusion of new experience positioning has been all about advertising. Advertising expenditure had positive effect on all dimensions of brand equity (Yoo et al. 2000). It has been the main, traditional way of building brand equity. McDonald's had been the heavy mass media performer before the introduction of the new experience positioning. It is suggested that ads invoke consumers' affect toward the given product or brand (Solomon 2009). Advertising expenditure is measured by 3 items and perceived by customers in that ads should be perceived before take effect. Higher price indicated signals of higher quality (Yoo et al. 2000). According to the inferential belief of price to quality, higher price indicates higher quality (Blackwell, Miniard, and Engel 2006). Price is perceived by customers and measured by three items. Real price levels are reflected and determined by customer perception. According to the focus group pretest, respondents suggested advertisement, price to be included for compared to others, McDonald's ads have been intensive, and McDonald's offered the lowered price, but price deals, channel density not included, for all the fast feeders do the same. Channel density is the fundamental of fast food chains with lower strategic change room. Consumers have deemed it basic, thus little potential for boosting brand equity. Price deals focus on short-term behavior learning to boost sales. In terms of long-term strategic focus of experiential marketing related researches, price deals are excluded. Also, evidence showed sales promotions had no influence on brand equity (Sriram Balachander and Kalwani 2007).

Loyalty segments were divided into true loyals, split loyals, and brand switchers (Kotler and Keller 2006). Different loyal levels may influence perceived quality and brand loyalty (Aaker 1996). Gender had been taken into account when developing their parsimonious brand equity scale (Yoo and Donthu 2001). Different levels of age and race may result in different perceptions of forms of experiences and different corresponding effects (Arnold et al. 2005). The types of motives may influence perception of experiences for consumers (Foxall et al. 1996). Levels of motives may impact attitudes toward an object for consumers (Solomon 2009). However, motives should change with different situations. Vital types of motives were extracted through the focus group interview, resulting in three types-just dining, being with friends, and reading. The option denoting other choices was included to satisfy infinity rule of items. Some of the respondents indicated brand equity were long-run metrics, making it important to measure frequent motives to reflect long-term motives, not just motives. The above summarized gender, age, frequent motives, and loyalty segments should be included in the categorical control variables in our study. Race was excluded for Taiwan consisted of mostly Taiwanese people.

Analytical method

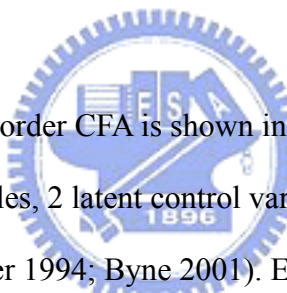
Two-step analysis was conducted as procedures of covariance-based structural equation modeling. The sheer advantage of SEM is simultaneously estimating parameters, resulting in a more accurate, reliable result. Measurement model as first step to test model fit, data reliability, and data validity was to ensure data quality (Anderson and Gerbing 1988). Measurement model was performed based on second-order confirmatory factor analysis, with construct validity,

composite reliability, variance-extracted estimates, Cronbach' Alpha examined to attain respective thresholds. Structural models empirically test hypothesized latent path relationship under integrated models 1 and 2, respectively. Three-step comparison method was used to select a better model (Rust et al. 1995; Huh et al. 2009). The decomposition of mediating effects is to be discussed to understand which route dominates in boosting brand loyalty-the final goal of brand equity and experiential marketing. We present possible strategic resource allocations for McDonald's based on the empirical result by performing Chi-square difference tests. Mostly, the results will be confirmed by conducting cross validation among eight random subsamples to avoid data-driven analysis. All the subsequent analyses will base on the whole sample.



Chapter 4. Results and discussion

Descriptive statistics showing the composition of sample and proportions were presented in table 9. The sample was predominantly composed of young people suggested by McDonald's strategy target in terms of age and job. Disproportion of demographic variables according to time conducted by Chi-square tests indicated mostly no problem ($p\text{-value} > 0.05$) except for income and job proportions. In addition, summary statistics indicated in general all constructs were above average in table 10. In terms of correlation coefficients, traditional marketing elements were less correlated with experiential modules, indicating their distinctiveness.



The result of the 2nd-order CFA is shown in table 11 and appendix 1, with 4 categorical control variables, 2 latent control variables. Fit statistics were at their acceptable levels (Hatcher 1994; Byne 2001). Examination of construct validity shows all constructs are significantly converged including first- and second-order ones ($p\text{-value} < 0.001$), which ensures good convergent validity, and that all constructs are correlated but distinct in that the population correlation for all pairs of constructs do not include one under 95% confidence interval, which ensures discriminant validity. Also, average variance- extracted estimates are all larger than the square of correlation coefficients of corresponding factors, which further confirms discriminant validity. Reliability indices exhibit acceptable results with $VE > 0.5$, $CR > 0.7$, Cronbach's $\alpha > 0.7$ for most of constructs recommended by Hatcher (1994). The aforesaid results are cross-validated.

Table 9. Descriptive statistics

Descriptive Statistics		
Demographics	Level	Sample Proportion
Gender	Male	43.77%
	Female	56.23%
Job	Students	69.23%
	Office workers	22.44%
	Others	8.33%
Education	Junior high schools	8.33%
	Senior high schools	27.24%
	Vocational schools	5.45%
	Undergraduates	43.27%
	Graduates	15.71%
Family size	Below 2	5.50%
	Among 3~5	85.44%
	Above 6	9.06%
Monthly Income	Below 10000	59.03%
	10001~20000	13.55%
	20001~30000	7.74%
	30001~40000	9.86%
	40001~50000	4.19%
	Above 50001	5.81%
Age	Below 15	10.96%
	16~20	34.62%
	21~25	30.77%
	26~30	11.86%
	Above 31	12.49%
Behavioral		
Loyal segment	True loyals	7.03%
	Brand switchers	68.37%
	Split loyals	24.60%
Psychographics		
Frequent motives	Party with friends	27.80%
	Just dine	47.92%
	Reading	5.11%
	Others	19.17%

Table 10. Summary statistics and correlations between constructs (n=313)

Constructs	Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11
1 HE	3.2756	0.5154											
2 S	3.5698	0.5701	0.6362***										
3 F	3.2854	0.6930	0.7747***	0.4191***									
4 A	3.0011	0.7422	0.7699***	0.3344***	0.4501***								
5 RE	3.2354	0.6993	0.7760***	0.3227***	0.5356***	0.5176***							
6 T	3.2865	0.6995	0.8027***	0.4360***	0.5185***	0.5393***	0.5163***						
7 BAWS	4.3749	0.4995	0.3210***	0.2543***	0.3289***	0.1477*	0.2399**	0.2530***					
8 BA	3.5693	0.6229	0.5735***	0.3791***	0.4505***	0.3878***	0.4974***	0.4489***	0.3390***				
9 PQ	3.6731	0.7444	0.4272***	0.2692***	0.3506***	0.2714***	0.3303***	0.3891***	0.3726***	0.4695***			
10 BL	3.0341	0.8322	0.4000***	0.2487***	0.2659***	0.3730***	0.3717***	0.2401***	0.1959**	0.5139***	0.2992***		
11 ADS	4.0437	0.6160	0.0048	0.0212	0.0525	-0.025	-0.0347	0.0097	0.1199**	0.0458	0.0747	0.002	
12 PR	3.6805	0.8107	-0.1808**	-0.1343*	-0.230***	-0.096	-0.1204**	-0.1066*	-0.081	-0.0918	-0.1914**	-0.0899	0.0932*

Table 11. Comparison of Competitive theoretical models (CTM)

	Measurement	Model 1	Model 2
Explanatory Power(R²)			
SMC Brand Awareness/Association		19.92%	22.79%
SMC Perceived Quality		32.75%	36.42%
SMC Brand Affect		51.87%	46.93%
SMC Brand Loyalty		43.15%	54.71%
Model Fit Measures			
Absolute Fit Measures			
χ^2	1289.5688	1289.5689	1564.4791
d.f.	753	753	753
p-value	<0.0001	<0.0001	<0.0001
Normed χ^2	1.7126	1.7126	2.0777
GFI	0.8269	0.8269	0.8027
NNFI	0.8846	0.8846	0.8255
CFI	0.8991	0.8991	0.8474
RMSEA	0.0479	0.0479	0.0589
RMR	0.0357	0.0357	0.0453
Incremental Fit Measures			
AGFI	0.7924	0.7924	0.7634
NFI	0.7912	0.7912	0.7467
Parsimony Fit Measures			
PGFI	0.7232	0.7232	0.7020
PNFI	0.6920	0.6920	0.6531



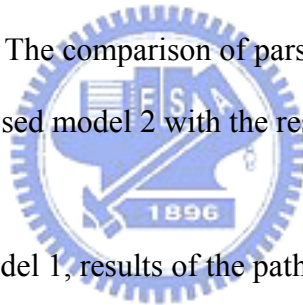
Table 12 standardized path coefficient estimates for the structural models under model 1 or 2

Dependent constructs	Brand awareness/association		Perceived quality		Brand affect		Brand loyalty	
	Model 1	Model 2	Model 1	Model 2	Model 1	Model 2	Model 1	Model 2
Research Variables								
Holistic experiences	0.3616***	0.1815+	0.2814***	0.0999	0.5629***	0.6833***	0.1367	0.3411**
Brand awareness/association			0.2886***	0.2469*	0.1012		-0.0652	-0.0615
Perceived quality					0.2071**		0.0351	0.0387
Brand affect		0.2522		0.2792+			0.4201***	0.3534***
Latent Controls								
Ad spending	0.2115**	0.1935+	0.012	0.0001	0.0399	0.0792	0.0310	-0.0259
Price	-0.0497	-0.0569	-0.1149+	-0.1238**	0.0494	0.0153	-0.0575	-0.0361
Categorical Controls								
Gender	-0.0269	-0.0262	0.0347	0.0340	-0.0029	0.0033	-0.0652	-0.0565
Age	0.1392*	0.1279	-0.1197*	-0.1258*	0.0401	0.0353	0.0605	-0.0774
Frequent motives	0.0108	0.0081	0.00003	0.0036	0.0125	0.0240	0.095+	0.1212
True Loyalty	0.0422	0.0344	0.0832	0.0761	0.0135	0.0305	0.2360***	0.2027***
Split Loyals	0.0629	0.0611	0.0408	0.0409	-0.0059	0.0138	0.1981***	0.1942*

Note. Dependent constructs are shown on the column; independent constructs are on the row. Significance claims: p-value<0.1 as +; p-value<0.05 as *; p-value<0.01 as **; p-value<0.001 as ***.

The satisfactory result of measurement model justified the execution of structural models. Fitting respective structural models under integrated models 1 and 2 allowed the comparison of models to select a better model in the experience-based brand equity framework. Non-nested models disabled Chi-square difference test. Therefore, three-step approach was here to play with results shown in table 11 and 12 (Huh et al. 2009; Rust et al. 1995). The first step compared model fit statistics of different models. It appeared that integrated model 1 outperformed model 2, indicating model 1 worked better, which was cross-validated in all subsamples. The superiority of model 1 to model 2 ends the model comparison process. However, we show the whole comparison process for severe purpose.

The second step of three-step comparison addresses the SMC and significance of path coefficients. Structural models based on integrated models 1 and 2 were used to test hypotheses. $H_1, H_2, H_3, H_5, H_7, H_{9,2}$ were supported under integrated model 1 whereas H_3, H_5, H_7, H_4 were supported under integrated model 2, all with 5% level of significance. The significance of integrated model 1 was mostly cross-validated by subsamples. However, the significance of integrated model 2 was unstable, not cross-validated. Therefore, we learn integrated model 1 outperforms 2 in terms of significance of path coefficients. SMC results show integrated model 2 outperforms 1 in the explanation of brand awareness/associations, perceived quality, and brand loyalty. However, given the unstable result of cross-validation of model 2, the result is questionable. The comparison of parsimony is the last step. It appears that integrated model 1 surpassed model 2 with the result cross-validated.



Under integrated model 1, results of the path analysis indicated brand awareness/associations, perceived quality, and consumers' affect toward the brand worked as complete mediators in experience-based brand equity framework, with results cross -validated. Therefore, appropriate strategic experiences are to be arranged to enhance corresponding mediating variables and further to enhance brand loyalty. Further analysis under integrated model 1 was performed to identify the most effective route of holistic experiences on the increase of brand loyalty as shown in table 13. The result indicated the largest effect lies in the route in which experiences impact affect toward the brand, and then further brand loyalty. McDonald's holistic experiences strategy appealed to the enhancement of customers' affect toward their brand and then further prompted brand loyalty. Experience hierarchy worked here, which was cross-validated. Therefore, we learned that strategies appealing to customers' affect can

retain customers much better than those appealing to customers' cognition (Ajzen 2001). As experience hierarchy outperformed the others, we knew that relationship between attitudes and behaviors were better predicted if customers were in the direct experiences (Ajzen 2001). Therefore, the conative dimension of brand loyalty had higher predictive validity of true behaviors in the future. Standard learning hierarchy, in which holistic experiences impacted customers' cognition, followed by affect, and in turn brand loyalty, was viable but of smaller effect, which was mostly cross-validated. Low effect of standard learning hierarchy indicated few customers were high-involved when making decisions under experience contexts (Solomon 2009). The effect of holistic experiences on perceived quality, then on consumers' affect toward the brand, and last on brand loyalty ranked second. The effect of holistic experiences on brand awareness/associations, then on perceived quality, then on consumers' affect toward the brand, and last on brand loyalty ranked third. In terms of low involvement hierarchy, that holistic experience had no direct effect on brand loyalty and/or had no indirect effect on brand loyalty through brand awareness/associations or perceived quality justified no effect of low involvement hierarchy. Therefore, behavioral learning was not effective to stimulate loyalty under experience context. Consumers came to consume not on a habitual basis in McDonald's. Under integrated model 1, consumers' cognitive and affective dimensions all worked well as complete mediators in the experience-based brand equity creation framework, supporting the claim of C-E that cognitive and affective dimensions are complete mediators. In addition, this kind of holistic processing indicated customers thought experiences as self-expressive or sensory-pleasing (Solomon 2009). In addition, to be quantitative, 87.56 % of holistic experience appealed to experiential hierarchy to attain its goal whereas only 12.44% of holistic experience appealed to standard hierarchy or C-E route to attain its goal. Our claim that C-E theory alone is deficient for explaining the relationship among holistic

Table13. Comparisons among indirect effects under the integrated model 1

Sequence of variables	Hierarchy-of-effect route	Hierarchy type	Effect size
Experience→ Brand affect→ Brand loyalty	Affect →Behavior	Experiential	0.2365
Experience →Brand awareness/ associations →Perceived quality →Brand affect →Brand loyalty	Cognition →Affect →Behavior	Standard learning	0.0091
Experience→ Perceived quality →Brand affect →Brand loyalty	Cognition →Affect→ Behavior	Standard learning	0.0245

Table14. Comparisons among direct and indirect effects under the integrated model 2

Sequence of variables	Hierarchy-of-effect route	Hierarchy type	Effect size
Experience→Brand affect→Brand loyalty	Affect→Behavior	Experiential	0.2415
Experience→Brand loyalty	Behavior	Low involvement	0.3411

experiences, Aaker’s brand equity dimensions, and brand affect is supported.

Under integrated model 2, the result of path analysis indicated that experiential hierarchy and low involvement hierarchy worked in the experience-based brand equity framework in table 14. The effects were all large. However, the model was questioned because cognitive dimensions failed to work as mediators and cross-validated results were unstable. Also, it was nonviable to attain the effectiveness by path defined by E-C theories. Thus, integrated model 2 was not appropriate for the examination of experience-based brand equity framework. However, the result of the model further indicated the possibility that experiential hierarchy worked better, which bypassed the cognition toward the brand of consumers to influence brand loyalty. This result was cross-validated. In model 2, it is still deficient to explain experience-based brand equity framework only by E-C intervening mechanism in that experience hierarchy works but E-C fails if an integrated model is analyzed.

We also empirically tested hypotheses by using hierarchical linear modeling (HLM), in which there were no level two predictors under the integrated model 1 to reflect the sampling structure in which different customers in the same store may produce dependent responses. The HLM result was shown in appendix 2. Variance-component types for level 2 errors were compound symmetry for perceived quality and brand loyalty, and variance components for brand awareness/association and brand affect due to better fit. All the constructs were computed as factor-based scores in which responses of items for the first order factors were averaged to obtain scores of the first order factors whereas scores of the first order factors were averaged to obtain the score of the second order factor. SEM and HLM results had the same result under 5% level of significance. Brand awareness/associations, perceived quality, consumers' affect toward the brand all worked as complete mediators, corresponding to the C-E proposition that cognition, affect should be included when studying relationship between experience-response. Also, further analysis indicated that experiential hierarchy ranked first in terms of the effectiveness of experience strategies. Standard learning was of smaller effect. Significant path coefficients under SEM were also significant under HLM. However, the very aim of our study was to empirically test the theoretical framework. SEM outperformed HLM to take the whole research framework into account simultaneously. Therefore, SEM result was more rigorous and reliable than HLM result. In sum, the same result of SEM and HLM would justify the robustness of our study.

In integrated model 1, we performed a series of Chi-square difference tests to understand the best way of resource allocation under holistic experiences strategy, as shown in table15. The result indicated two possible ways of resource allocation. One way indicates the most important resource was the relate module (standardized

Table15. Series of Chi-square difference tests for strategic resource allocation

Hypotheses for resource allocation	p-value of χ^2 statistics	Meaning for arrangements of strategic experiece modules	supported/not supported
H ₀₁ : S=A=T=F=RE	0.00215***	No need for resource allocation	Not supported
H ₀₂ :S=A=T=F	0.0094**	Equivalence of modules except Relate	Not supported
H ₀₃ :S=A=T=RE	0.0028**	Equivalence of modules except Feel	Not supported
H ₀₄ :S=A=F=RE	0.0012**	Equivalence of modules except Think	Not supported
H ₀₅ :S=T=F=RE	0.00256**	Equivalence of modules except Act	Not supported
H ₀₆ :A=T=F=RE	0.0598+	Equivalence of modules except Sense	Not supported
H ₀₇ :S=A=T	0.0498*	Relate, Feel are different	Not supported
H ₀₈ :S=A=F	0.0081**	Relate, Think are different	Not supported
H ₀₉ :S=A=RE	0.0021**	Think, Feel are different	Not supported
H ₁₀ :S=T=F	0.0021**	Relate, Act are different	Not supported
H ₁₁ :S=T=RE	0.0020**	Act, Feel are different	Not supported
H ₁₂ :S=F=RE	0.0008***	Think, Act are different	Not supported
H ₁₃ :A=T=F	0.1564	Relate, Sense are different	Supported
H ₁₄ :A=T=RE	0.0322*	Sense, Feel are different	Not supported
H ₁₅ :A=F=RE	0.0246*	Sense, Think are different	Not supported
H ₁₆ :T=F=RE	0.3500	Sense, Act are different	Supported

loading=0.8769), followed by feel, act, and think modules (standardized loading=0.7895), and sense module ranked the least (standardized loading=0.6477).

The second way indicates relate, feel, and think modules rank equally first (standardized loading=0.8325), followed by the act module (standardized loading=0.7344), and sense module ranked the last (standardized loading=0.6589).

It was noteworthy to indicate that when traditional marketing variables such as ad and price were in the model, the standardized pure effects of holistic experiences on brand equity surpassed traditional marketing elements in table 1. Therefore, the enhancement of brand equity for McDonald's consisted in the arrangement of holistic experience strategies, not traditional marketing elements such as ad spending and price. In addition, the result indicated that customer experience management can revitalize

the brand, not traditional elements.

Under model 1, we discussed the effects of control variables in table 12. As for control constructs for traditional marketing elements, they were ineffective in terms of brand equity, representing marketing elements were in their saturated state. Ad expenditures only had effect on brand awareness/associations, which corresponded to previous literatures. Price had negative effect on perceived quality against literatures. McDonald's chose delivering on dollar value as their experience value promise, making it reasonable for a lower price to enhance perceived quality. As for demographics, gender failed as a control variable. Age succeeded partially. Customers less than 30 years old had higher brand awareness/association compared to those above 30. Now that the strategic target of McDonald's is those below 30, this result seems reasonable. However, customers less than 30 years old had lower perceived quality toward McDonald's compared to those above 30. Therefore, it is desirable for the company to boost perceived quality for those below 30. In terms of behavioral variables, loyalty segment worked as powerful controls under brand loyalty, corresponding to Aaker's proposition. Compared to brand switchers, true loyals and split loyals all had higher brand loyalty. As for psychographic variables, frequent motives had partially controlled. Compared to others, customers who just came to dine had higher brand loyalty. In addition, an alternative model where cognitive and affective responses do not influence each other was also considered (Blackwell, Miniard, and Engel 2006). However, the fit was significantly worse than both the model 1 and the measurement model learned from Chi-square difference tests (both $p\text{-value} < 0.001$). Thus, it was not considered in the analysis of this study. Under integrated models 1 and 2, the resulting framework was shown on Figures 3 and 4, respectively.

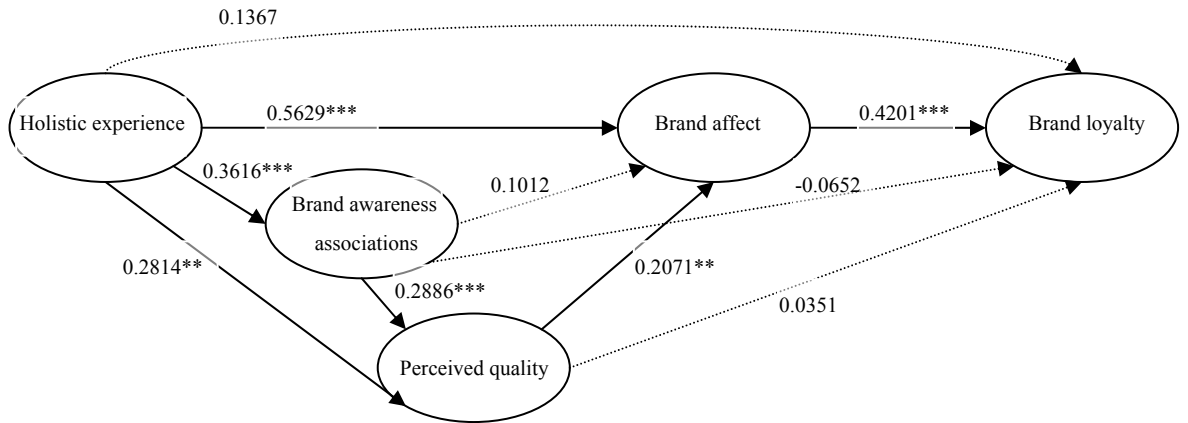


Figure3. Consequent framework for experience-based brand equity creation under model 1.

Note. Dotted line indicated insignificant path coefficients under 5% level of significance.

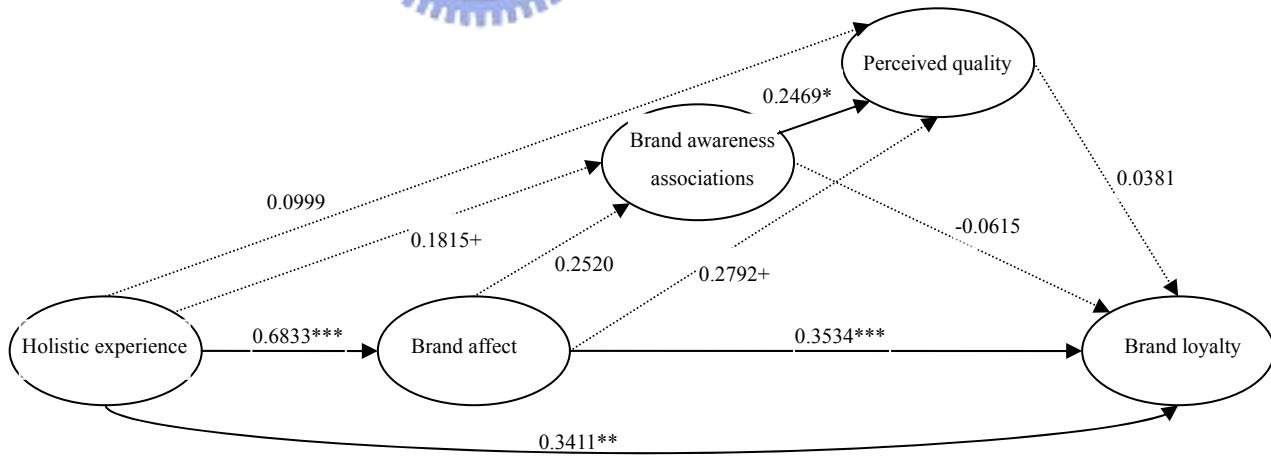


Figure4. Consequent framework for experience-based brand equity creation under model 1.

Note. Dotted line indicated insignificant path coefficients under 5% level of significance.

Chapter 5. Managerial implications

Holistically planning of experience strategies


Five experience strategies should be taken into account simultaneously, not independently in the planning stage to create the synergy. We suggest the following issues to follow when managers plan their experience strategies. First, experience managers should identify experiential value promise in the form of five Strategic experience modules specifically for the subsequent focus of experiences delivered by certain experience providers (Schmitt 2003). Second, experiential grid can identify timing, experience providers, and experience types of all touchpoints, which helps a lot for all the planners knowing the basics (Schmit 1999). Third, experiential wheel can be used as a tool to the sequence of experiences for a certain experience providers. The point should be the evaluation of the fit among different kinds of experiences. Fourth, experience blueprint can help evaluate whether there is a fit among different experience providers, inclusive of the enclosed experiences (Carbone 2004). The aforementioned tools can help experience planners think holistically. Fifth, after completion of the planning of experience strategies, customers are to be invited to experience the new design. Experience managers should seek customer feedback on whether there are any conflicts among experiences or any violations of experience value promise. Sometimes, mystery shoppers can work the same as an introspective method to learn the effect of experience strategies (Smith and Wheeler 2002).

The effectiveness of experience strategies

Experience planners should take into consideration the influence of holistic experience strategies on customers' cognitive, affective, and behavioral responses toward the brand. Also, the relationship among holistic experiences, brand equity

dimensions, and brand affect should be understood for the accumulation of experience knowledge-a strategic asset used for creating competitive advantage (Carbone 2004). More experience knowledge can help arrange holistic experience strategies and design and further the effect of holistic experience strategies.

In this study, experience strategies can improve perceived quality, brand awareness/association of brand equity directly. However, experience strategies can not attain brand loyalty, the final goal of brand equity or experience management, directly but indirectly by the enhancement of brand affect. That is, without a final enhancement of brand affect, more experiences appealing to cognitive dimensions or behavioral dimension toward the brand are futile.



In the different routes to attain brand loyalty, efforts should be directed toward the enhancement of brand affect in the experiential hierarchy. Companies should enact 2 or 3 affective endnotes known from the tracking of customers' affect toward the brand to better the effect of experience strategies on brand affect. In our study, specific brand affect justifies candidating such affective endnotes as fun, exciting, delightful, thrilling and enjoyable. Zaltman metaphor elaboration techniques (ZMET) can extract real components of affect toward the brand from customers. It is noted that selected hedonic affect should comply with real affect from ZMET. Transformational ads can work here to show customers ways to experience the brand or product of the company and to attain the corresponding affect toward the brand. In addition, efforts should be directed toward the enhancement of brand awareness/association or perceived quality in the standard learning hierarchies or C-E mechanism. To further enhance brand awareness, the point should be on the breadth by more experience strategies recommending customers to more usage situations. In terms of the enhancement of

brand associations, companies should encourage customers to share experience stories on the brand online communities to build more experience knowledge and integrate extant knowledge with the new experience knowledge (McWilliam 2000). Also, fit between the new and old knowledge should be examined by image analysis. To improve perceived quality, setting the standard of performance in every touchpoint is required. However, the standards set should follow the opinion of customers.

Argumentary ads are appropriate for delivering functional benefits brought by the brand to customers. The product offered should satisfy functional benefits. Given the nature of experience strategies is customer-led, the improvement of these complete mediators should follow customer insights and be tracked on a long run basis. Most importantly, under experience contexts, consumers prefer both functional and symbolic meanings (Padgett and Allen 1997). Also, our research findings indicated it was possible for experiential and standard learning hierarchies to attain brand loyalty. Therefore, narrative ads carefully reflected the theme of the company can be set forth to communicate experiences to customers effectively, with more weights on affect, less on functions. In terms of the content and format of narrative ads, brand journalism can apply. The different routes for brand loyalty in this research can be used to edit the plot of the experience show to consolidate goal attainment. In addition, brand-centered festivals can be acted out according to the different routes and serve as live shows for loyal customers to participate in. The plot of the narrative ad or the show should appeal to the brand affect of consumers or appeal to the brand awareness/association, in turn perceived quality and then affect of consumers or appeal to the perceived quality toward the brand, in turn corresponding brand affect, and finally brand loyalty.

However, the former is better than the latter two if there is only one appeal adopted. As for the arrangement of experiential clues, now that experience hierarchy dominates in the attainment of loyalty, compared to functional clues, more people, mechanic clues

are suggested to deliver the planned holistic experiences to customers. For example, employees in McDonald's should be equipped with the ability to convey authentic brand affects to customers (Thorsten et al. 2006). In this research, the impact of experience strategies is mostly reflected on the affective dimension toward the brand, which in turn produces brand loyalty. Hence, implications such as lower promotion activities, lower cognitive retrieval cues in the point of purchase, more planned obsolescence, and more mechanisms for triggering word-of-mouth (WOM) are proposed. Experience stagers should ensure the affect promised is more than or equal to the affect perceived (Desai and Mahajan 1998). Due to the smaller effects of standard learning hierarchy and zero effects of low involvement hierarchy, campaigns appealing to rational thinking alone may fail. In this way, systematic analysis or marketing heuristics are less adopted by consumers, indicating experience stagers lower their think strategy resources on appeals to consumers' convergent thinking but more on their divergent thinking.



The efficiency of experience strategies

As for McDonald's, it is important to manage five strategic experiences holistically but discriminate resources according to their importance. The result of the Chi-square difference test indicated two possible ways of resource allocation. We discuss them below. The first way indicates relate experiences rank first, followed by equal importance of feel, think, and act experiences, and sense experiences in the least. For experience stagers, they can adjust their weights of experiences strategies to reflect customers' perceived ones, and attain efficiency of customer experience management. In the McDonald's case, weights are 22.52 percent for relate strategy, equally 20.28 percent for feel, act, and think strategies, and 16.64 percent for sense strategies. The second way indicates relate, feel, think experiences rank first equally, followed by act

experiences, and sense experiences in the least. In this case, weights are 21.40 percent equally for relate, feel, and think strategies, 18.88 percent for the act strategy, and 16.93 percent for the sense strategy. The two ways all indicate relate experiences ranks first. More weight on relate strategy corresponds to the fact that relate is the most important strategic resource that requires large and long-term investment (Schmitt 1999). Now that the company has attained the effectiveness of holistic experience strategies, an improvement of relate strategy can make internal and external customers bond to the brand. Based on Understand/ Provide/ Dialogue/ Relate (UPDR) model proposed by Schmitt (2004), McDonald's has to offer mechanisms to allow for more dialogues among employees, between customers and employees, and among customers. Customer deep insight delved from dialogues can help the attainment of relate in the end. As for dialogues among employees, internal shows integrated with experience value promise can be utilized. Cascading technique is well-suited for companies with plenty employees just like McDonald's when important roles in each store are selected and experience the show. Later, they come back to share the show with other partners. McDonald's has done this with its experience camp. In terms of dialogues between customers and employees, interactive show-and-tell, product play, and just dialogue can be considered. The latter two involve more human interaction when employees share the new product or activities with customers without hard sell or just talk about the glory to be one of the employees of the company. Given the importance of people clues discussed above, they can be added to the current show. As for dialogues among customers, companies should motivate them by incentives corresponding to experience value promise. In addition, enterprise operators should choose a way of strategic resource allocation that can mostly follow the effectiveness of experiences strategies in that only when effectiveness is attained can we pursue efficiency. In this manner, we should choose the second allocation because feel and think experiences can mostly

attain the effect of experiential marketing in this study.

Implications for customer experience management(CEM) systems

The largest effect of experience strategies reflects on brand affect. Therefore, every step in customer experience management system should center on brand affect of consumers. In experience goal-setting, other than brand loyalty, brand affect is to be considered because it serves as the possible antecedent to brand loyalty. However, affective goals toward the brand have to base on ZMET result to reflect the true affect consumers have with the focal brand. In experience exploration, gap between the actual brand affect of customers and the real one should be filled. Also, if there are exemplars of similar brand affect, company should benchmark their practices to learn more about the experience knowledge of brand affect and to improve the subsequent effectiveness of customer experience management. In the experience strategy formulation, positioning is to contain the implicit components of brand affect, experience value promise is to include the specific components of brand affect in addition to the other forms of experiences, and the overall implementation theme is to be the city affective tone. In experience design, planners should put more emphasis on people and mechanic clues. Music can integrate all clues and reflect the overall implementation theme if it is carefully selected. All the clues cannot deviate from the affective endnotes we mentioned before. When organize experience design teams, more people with a drama major are required because their profession of endnotes can help ensure no deviation of experience design from real brand affect. In experience implementation, top managers should lead by example, and perform transformation leadership and management by walking around to deliver the real brand affect to internal and external customers. Also, we have to address human resource management in the implementation. In the recruitment phase, the traits, capabilities, and attitudes required for the delivery of real

brand affect should be included in the role specification. In addition, role specification must be put where prospective internal customers can have easy access. In the selection phase, companies can choose people who deliver desired brand affect by role playing under situation simulation. In the education phase, companies can equip employees with the ability to express brand affect authentically by deep acting, not surface acting. Specifically, once the real components of brand affect are identified, employees can recall their emotional memory related to the brand affect and have better ability to deep act the desired brand affect. Relevant deep acting techniques can refer to Russian director Constantin Stanislavski (1965). Also, experience camps in which games designed for brand affect can be an interesting tool to educate people. Notably, if there are good performers who deliver brand affect well, their deeds of delivering brand affect can be publicly shown on any communication media to make others follow suit. In the retention phase, managers should extol good affect performers, or allow them to participate in the experience design for the delivery of brand affect. Needless to say, activities rich in desired brand affect will motivate those who are proficient in delivering the same affect, which corresponds with experience-based motivators. In the experience control, the extent to which employees convey the desired brand affect should be taken into account in the performance evaluation. Also, to maintain the most effective route of experience strategies, important customers found by net promoting scores are to be invited (Keiningham et al. 2008). In turn, customers should identify the most influential touch points regardless of positive or negative ones by experience event grid (Lasalle and Britton 2004; Hogan et al. 2005). Once influential touch points are identified, companies have to examine whether in any of the touch point there are deviation from the desired brand affect promise. The aforementioned are recommended practices if the most powerful effect of holistic experience strategies reflects on the affective response of customers toward a brand.

Chapter 6. Conclusions

Theoretical confirmations

We empirically tested an experience-based brand equity framework developed by integrating relevant theories and propositions in experience, brand, and consumer psychology fields. The framework filled the gap presented in the atmospherics, brand experiences, and customer experiences arena and followed the recent trend in JM and JR about customer experience management. We also empirically clarified the relationship among relevant dimensions. Findings indicated experience strategies brought about the growth of enterprises in terms of brand loyalty through routes of experiential hierarchy and standard learning hierarchies. Most importantly, we stressed the role of affect toward the brand in this framework in attaining the final goal brand loyalty. Therefore, other than cognitive variables, subsequent researches on experience-based brand equity framework should include affect toward the brand to avoid loss of important information. We proposed the importance to analyze the synergy rather than marginal effects of holistic experience strategies. We verified the second order nature of holistic experiences in which strategic experience modules were significantly reflected, making a basis of the operationalization of the construct for subsequent researchers. We suggested integrating more intervening mechanisms to fulfill the complicated influence of experiences on customers' responses. Taking the view of cognition-emotion theory or emotion-cognition theory alone is not sufficient as the appropriate intervening mechanism in the examination of relevant dimensions of experience-based brand equity in that the effect is minimal or none given experience hierarchy. More intervening mechanism should be integrated and compared in the future. The study differed from researches of atmospherics or retailing environment in

the active role of customers to perceive various forms of experiences in response to the proposition that the point is what customers subjectively perceived. In this manner, customers correspond to roles defined in the experience economy. The study differed from past in the view of strategy effect. Experience-based strategies are effective only when they are perceived well by customers. That is, the effect of holistic experiences planned by the company will be known from the customers' perception. Finally, we stress managing experience-based brand equity a continuing process in which we begin with experience motifs from customers, make customers perceive the holistic experiences, and end with customers' loyalty to our brand. Yes, the focus will be and will have been on external and internal customers, not company or competition before we can win their loyalty.

Practical contributions

The main contribution suggested practitioners holistically planning experience strategies to attain goals effectively and efficiently. In terms of holistically planning experience strategies, five Strategic experience modules should be taken into account simultaneously. Experience-based brand equity framework which served as an assessment tool for effectiveness and efficiency of experience strategies was presented for practitioners' use. The tool is, to be brief, all about whether experience value promise chosen can increase the brand value. Also, the tool can inform experience planners of possible routes for the attainment of effectiveness, and of the most effective one. Both the effectiveness and relationship among relevant dimensions of customer responses toward the brand under experience strategies are to be understood by practitioners for cultivation of experience knowledge-a competitive advantage for the focal company. The knowledge makes internal customers know their role in the customer experience creation and lay the foundation for subsequent experience

stewardship. We presented a more complete system of customer experience management for practitioners to follow in the literature review. Understanding the steps and key issues of the system can help experience stagers attain the effectiveness of their experience strategies. In addition to the effectiveness, a resource allocation way that can enhance efficiency was presented. The research target was McDonald's Corp. of fast food industry, which worked as a paradigm of experiential stagers just like Disney of recreational park. The relationship of experience strategies on the creation of brand equity for McDonald's cannot be replicated by other companies, but can serve as the reference as a successful experience stager for companies in the same or different playing grounds.

Limitations and future research directions

Though we examined the relationship among relevant dimensions in experience-based brand equity framework, it is suggested that futuristic efforts exploring the creation process of experience-based brand equity. More researches on the determination of experience value promise were suggested to help experience stagers have a right focus, later attaining the effectiveness. We chose McDonald's as research target. Therefore, findings may not be generalized or copied to players even in the same industry. To increase external validity, futuristic efforts can extend the experience-based brand equity framework to other industries, choosing respective exemplar experience stagers. Although the result of the study indicated cognition-emotion theory or emotion-cognition worked worse as an intervening mechanism in our framework given experience hierarchy in the model, some researchers suggested examining customers' cognitive, affective responses simultaneously (Chebat and Michon 2003). Therefore, future goers will have to include cognitive and affective dimensions in the model for empirical testing under experience

context. Future goers can apply holistic experiences to the creation of brand relation, with brand meaning working as complete mediators. As shown in 2009 literature, future goers can develop scope-based scale of holistic experience based on known conceptualization, and further test our framework. Brand experiences scale was developed with high validity, reliability, and parsimony, making it possible to further explore our framework in terms of brand experiences, not holistic ones. To satisfy the systematic brand model of antecedents and consequences, future goers can extend current model to include real purchase variables, and financial performance variables in the model. Given that brand equity is the front end of marketing efforts whereas customer equity is the back end, it is suggested that researchers extend our framework to customer equity to incorporate a more long-term effect (Leone et al. 2006). It is glad to see more and more concepts on customer experience management or related concepts being developed in marketing- and retailing-related journals. With more scales developed, hopefully more empirical researches will be conducted to gain more insight in best practices. Gap between theory and practice can be filled.

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Appendix 1.

Reliability and convergent validity for 2nd order CFA of measurement model

Constructs/Items	α	CR	VE	Standardized loading
Holistic experience				
Sense experience	0.6633	0.6738	0.4148	0.6522*** ^a
X1 McDonald's experiences try to engage my senses.				0.6486***
X2. McDonald's experiences are perceptually interesting.				0.7601***
X3. McDonald's experiences lacks sensory appeal for me.				0.4959***
Act experience	0.7683	0.7845	0.5532	0.7342*** ^a
X4. McDonald's experiences tries to make me think about my lifestyles.				0.7201***
X5. McDonald's experiences remind me of activities that I can do.				0.8721***
X6. McDonald's experiences do not try to make me think about actions and behaviors.				0.6170***
Think experience	0.7805	0.7929	0.5642	0.7973*** ^a
X7. McDonald's experiences tries to intrigue me.				0.7705***
X8. McDonald's experiences stimulate my curiosity.				0.8400***
X9. McDonald's experiences do not try to appeal to my creative thinking.				0.6271***
Feel experience	0.7339	0.7338	0.4794	0.8405*** ^a
X10. McDonald's experiences tries to put me in a certain mood.				0.7126***
X11. McDonald's experiences make me respond in an emotional manner.				0.6441***
X12. McDonald's experiences do not try to appeal to feelings.				0.7181***
Relate experience	0.6849	0.6871	0.4243	0.8748*** ^a
X13. McDonald's experiences tries to get me to think about relationship.				0.7020***
X14. I can relate to other people through this Expro				0.6693***
X15. McDonald's experiences do not try to remind me of social rules and arrangements.				0.5762***
Consumer's affect dimension to a brand	0.8634	0.8697	0.5740	
X16. The brand is fun.				0.8148***
X17 The brand is exciting.				0.7970***
X18 The brand is delightful.				0.8264***
X19 The brand is thrilling.				0.6494***
X20 The brand is enjoyable.				0.6828***

Appendix 1. (Continued)

Constructs/Items	α	CR	VE	Standardized Loading
Brand loyalty	0.8152	0.8226	0.6094	
X21. I consider myself to be loyal to McDonald's				0.7905***
X22. McDonald's would be my first choice.				0.8621***
X23. I will not buy other brands if McDonald's is available in the marketplace.				0.6783*
Brand awareness/association	0.8075	0.8157	0.4732	
X24. Some characteristics of McDonald's come to my mind quickly.				0.6204*
X25. I have difficulty in imagining McDonald's in my mind.				0.5495*
X26. I can recognize McDonald's among other competing brands.				0.7334*
X27. I am aware of McDonald's.				0.7552*
X28. I can quickly recall the symbol or logo of McDonald's.				0.7555*
Perceived quality	0.8185	0.8336	0.6330	
X29. The likelihood that McDonald's would be functional is very high.				0.5910*
X30. The likely quality of McDonald's is extremely high.				0.8308*
X31. The likelihood that McDonald's is reliable is very high.				0.9271*
Advertising spending	0.8624	0.8640	0.6794	
X32. McDonald's is intensively advertised.				0.8205*
X33. The ad campaigns for McDonald's seem very expensive, compared to campaigns for other brands.				0.7956*
X34. The ad campaigns for McDonald's are seen frequently.				0.8556*
Price	0.8439	0.8702	0.6914	
X35. The price of McDonald's is high.				0.8927*
X36. The price of McDonald's is low.				0.7814*
X37. McDonald's is expensive.				0.8166*

Note. ^a denotes Standardized loadings for the second-order CFA. *** denotes significance with p-value<0.001.

Appendix 2.

HLM results under integrated model 1-unconditioned model

Dependent constructs	Brand awareness/associations	Perceived quality	Brand affect	Brand loyalty
Level 1 predictors				
Holistic experiences	0.2582*	0.2808**	0.4987***	0.1883+
Brand awareness/associations		0.3549***	0.1241+	0.0041
Perceived quality			0.1910***	0.1158
Brand affect				0.5165***
Latent controls				
Advertising spending	0.1835*	0.0732	0.0194	-0.0823
Price	-0.0412	-0.1072+	0.0177	-0.0257
Manifest controls				
Gender	-0.0410	0.0089	-0.0037	-0.0920
Frequent motives	-0.0109	0.0089	-0.0366	0.0123
True loyals	0.1388	0.3160+	0.1718	0.7215**
Split loyals	0.0224	0.1204	0.0105	0.3066***
Age	0.2014*	-0.3173*	0.0630	-0.0059
Fit Statistics				
-2 RES Log likelihood	430.4	635.3	495.6	643.9
AIC	440.4	641.3	507.6	649.9
AICC	440.6	641.3	507.9	650.0
BIC	444.5	643.8	512.6	652.4

Notes: + p-value<0.1, * p-value<0.05, ** p-value<0.01, *** p-value<0.001.

Appendix 3.

SAS codes for measurement model

PROC CALIS DATA=MC3 COVARIANCE MODIFICATION;

TITLE2 'MEASUREMENT MODEL';

LINEQS

X1=L1 F1+E1, X2=L2 F1+E2, X3=L3 F1+E3, X4=L4 F2+E4, X5=L5 F2+E5, X6=L6 F2+E6, X7=L7 F3+E7, X8=L8 F3+E8,

X9=L9 F3+E9, X10=L10 F4+E10, X11=L11 F4+E11, X12=L12 F4+E12, X13=L13 F5+E13, X14=L14 F5+E14,

X15=L15 F5+E15, X16=L16 F6+E16, X17=L17 F6+E17, X18=L18 F6+E18, X19=L19 F6+E19, X20=L20 F6+E20, X21=L21

F7+E21, X22=L22 F7+E22, X23=L23 F7+E23, X24=L24 F8+E24, X25=L25 F8+E25, X26=L26 F8+E26,

X27=L27 F8+E27, X28=L28 F8+E28, X29=L29 F10+E29, X30=L30 F10+E30, X31=L31 F10+E31, X32=L32 F11+E32,

X33=L33 F11+E33, X34=L34 F11+E34, X35=L35 F12+E35, X36=L36 F12+E36, X37=L37 F12+E37,

F1=L38 F13+E38,

F2=L39 F13+E39,

F3=L40 F13+E40,

F4=L41 F13+E41,

F5=L42 F13+E42;

COV

F6 F7=COVBABL, F6 F8=COVBABAS, F6 F10=COVBAPQ, F6 F11=COVBAAD, F6 F12=COVBAPR, F6 F13=COVBABW,

F7 F8=COVBLBAS, F7 F10=COVBLPQ, F7 F11=COVBLAD, F7 F12=COVBLPR, F7 F13=COVBLW,

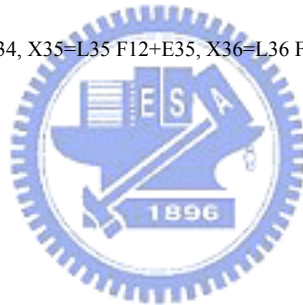
F8 F10=COVBASPQ, F8 F11=COVBASAD, F8 F12=COVBASPR, F8 F13=COVBASW,

F10 F11=COVPQAD, F10 F12=COVPQPR, F10 F13=COVPQW,

F11 F12=COVADPR, F11 F13=COVADW,

F12 F13=COVPRW,

S1 F6=COVS1F6, S1 F7=COVS1F7, S1 F8=COVS1F8, S1 F10=COVS1F10, S1 F11=COVS1F11, S1 F12=COVS1F12,



S1 F13=COVS1F13, S1 M1=COVS1M1, S1 A1=COVS1A1, S1 L1=COVS1L1, S1 L2=COVS1L2,
M1 F6=COVM1F6, M1 F7=COVM1F7, M1 F8=COVM1F8, M1 F10=COVM1F10, M1 F11=COVM1F11,
M1 F12=COVM1F12, M1 F13=COVM1F13, M1 A1=COVM1A1, M1 L1=COVM1L1, M1 L2=COVM1L2,
A1 F6=COVA1F6, A1 F7=COVA1F7, A1 F8=COVA1F8, A1 F10=COVA1F10, A1 F11=COVA1F11,
A1 F12=COVA1F12, A1 F13=COVA1F13, A1 L1=COVA1L1, A1 L2=COVA1L2,
L1 F6=COVL1F6, L1 F7=COVL1F7, L1 F8=COVL1F8, L1 F10=COVL1F10,
L1 F11=COVL1F11, L1 F12=COVL1F12, L1 F13=COVL1F13, L1 L2=COVL1L2,
L2 F6=COVL2F6, L2 F7=COVL2F7, L2 F8=COVL2F8, L2 F10=COVL2F10, L2 F11=COVL2F11, L2 F12=COVL2F12,
L2 F13=COVL2F13;

STD

F13=1, F6=1, F7=1, F8=1, F10=1, F11=1, F12=1, E1-E37=VARE1-VARE37, E38-E42=5*1;

VAR

X1-X37 M1 S1 L1 L2 A1; RUN;

SAS codes for structural model under C-E intervening mechanism

PROC CALIS DATA=MC3 COVARIANCE MODIFICATION;

TITLE2 'STRUCTURAL MODEL';

TITLE3 'COGNITION EMOTION THEORY';

LINEQS

X1=1 F1+E1, X2=L2 F1+E2, X3=L3 F1+E3, X4=1 F2+E4, X5=L5 F2+E5, X6=L6 F2+E6, X7=1 F3+E7,

X8=F8 F3+E8, X9=L9 F3+E9, X10=1 F4+E10, X11=L11 F4+E11, X12=L12 F4+E12, X13=1 F5+E13,

X14=L14 F5+E14, X15=L15 F5+E15, X16=1 F6+E16, X17=L17 F6+E17, X18=L18 F6+E18,

X19=L19 F6+E19, X20=L20 F6+E20, X21=1 F7+E21, X22=L22 F7+E22, X23=L23 F7+E23,

X24=1 F8+E24, X25=L25 F8+E25, X26=L26 F8+E26, X27=L27 F8+E27, X28=L28 F8+E28,

X29=1 F10+E29, X30=L30 F10+E30, X31=L31 F10+E31, X32=1 F11+E32, X33=L33 F11+E33,

X34=L34 F11+E34, X35=1 F12+E35, X36=L36 F12+E36, X37=L37 F12+E37,

F1=1 F13+E38, F2=L39 F13+E39, F3=L40 F13+E40, F4=L41 F13+E41, F5=L42 F13+E42,

F8= PF8F13 F13+PF8F11 F11+PF8F12 F12+PF8A1 A1+PF8L1 L1+PF8L2 L2+PF8M1 M1+PF8S1 S1+D1,

F6=PF6F13 F13+PF6F8 F8+PF6F10 F10+PF6F11 F11+PF6F12 F12+PF6A1 A1+PF6L1 L1+PF6L2 L2+PF6M1 M1+PF6S1
S1+D2,

F10=PF10F13 F13+PF10F8 F8+PF10F11 F11+PF10F12 F12+PF10A1 A1+PF10L1 L1+PF10L2 L2+PF10M1 M1+PF10S1
S1+D3,

F7=PF7F13 F13+PF7F10 F10+PF7F8 F8+PF7F6 F6+PF7F11 F11+PF7F12 F12+PF7A1 A1+PF7L1 L1+PF7L2 L2+PF7M1
M1+PF7S1 S1+D4;

COV

F11 F12=COVADPR, F11 F13=COVADW, F12 F13=COVPRW,

S1 F11=COVS1F11, S1 F12=COVS1F12, S1 F13=COVS1F13, S1 M1=COVS1M1, S1 A1=COVS1A1,

S1 L1=COVS1L1, S1 L2=COVS1L2, M1 F11=COVM1F11, M1 F12=COVM1F12, M1 F13=COVM1F13,

M1 A1=COVM1A1, M1 L1=COVM1L1, M1 L2=COVM1L2, A1 F11=COVA1F11, A1 F12=COVA1F12,

A1 F13=COVA1F13, A1 L1=COVA1L1, A1 L2=COVA1L2, L1 F11=COVL1F11, L1 F12=COVL1F12,

L1 F13=COVL1F13, L1 L2=COVL1L2, L2 F11=COVL2F11, L2 F12=COVL2F12, L2 F13=COVL2F13;

STD

F13=VARF13, F11=VARF11, F12=VARF12, S1=VARF1, M1=VARM1, A1=VARA1, L1=VARL1,

L2=VARL2,

E1-E37=VARE1-VARE37, E38-E42=VARE38-VARE42, D1-D4=VARED1-VARED4;

VAR

X1-X37 M1 S1 A1 L1 L2 ;

RUN;

SAS codes for structural model under C-E intervening mechanism

PROC CALIS DATA=MC3 COVARIANCE MODIFICATION;

TITLE2 'STRUCTURAL MODEL';

TITLE3 'EMOTION COGNITION THEORY';

LINEQS

X1=1 F1+E1, X2=L2 F1+E2, X3=L3 F1+E3, X4=1 F2+E4, X5=L5 F2+E5, X6=L6 F2+E6, X7=1 F7+E7,

X8=L8 F3+E8, X9=L9 F3+E9, X10=1 F4+E10, X11=L11 F4+E11, X12=L12 F4+E12, X13=1 F5+E13,

X14=L14 F5+E14, X15=L15 F5+E15, X16=1 F6+E16, X17=L17 F6+E17, X18=L18 F6+E18,

X19=L19 F6+E19, X20=L20 F6+E20, X21=1 F7+E21, X22=L22 F7+E22, X23=L23 F7+E23,

X24=1 F8+E24, X25=L25 F8+E25, X26=L26 F8+E26, X27=L27 F8+E27, X28=L28 F8+E28,

X29=1 F10+E29, X30=L30 F10+E30, X31=L31 F10+E31, X32=1 F11+E32, X33=L33 F11+E33,

X34=L34 F11+E34, X35=1 F12+E35, X36=L36 F12+E36, X37=L37 F12+E37,

F1=1 F13+E38, F2=L39 F13+E39, F3=L40 F13+E40, F4=L41 F13+E41, F5=L42 F13+E42,

F8= PF8F13 F13+PF8F6 F6+PF8F11 F11+PF8F12 F12+PF8A1 A1+PF8L1 L1+PF8L2 L2+PF8M1 M1+PF8S1 S1+D1,

F6=PF6F13 F13+PF6F11 F11+PF6F12 F12+PF6A1 A1+PF6L1 L1+PF6L2 L2+PF6M1 M1+PF6S1 S1+D2,

F10=PF10F13 F13+PF10F8 F8+PF10F6 F6+PF10F11 F11+PF10F12 F12+PF10A1 A1+PF10L1 L1+PF10L2 L2+PF10M1

M1+PF10S1 S1+D3,

F7=PF7F13 F13+PF7F10 F10+PF7F8 F8+PF7F6 F6+PF7F11 F11+PF7F12 F12+PF7A1 A1+PF7L1 L1+PF7L2 L2+PF7M1

M1+PF7S1 S1+D4;

COV

F11 F12=COVADPR, F11 F13=COVADW, F12 F13=COVPRW, S1 F11=COVS1F11, S1 F12=COVS1F12,

S1 F13=COVS1F13, S1 M1=COVS1M1, S1 A1=COVS1A1, S1 L1=COVS1L1, S1 L2=COVS1L2,

M1 F11=COVM1F11, M1 F12=COVM1F12, M1 F13=COVM1F13, M1 A1=COVM1A1,

M1 L1=COVM1L1, M1 L2=COVM1L2,

A1 F11=COVA1F11, A1 F12=COVA1F12, A1 F13=COVA1F13, A1 L1=COVA1L1, A1 L2=COVA1L2,

L1 F11=COVL1F11, L1 F12=COVL1F12, L1 F13=COVL1F13, L1 L2=COVL1L2,

L2 F11=COVL2F11, L2 F12=COVL2F12, L2 F13=COVL2F13;

STD

F13=VARF13, F11=VARF11, F12=VARF12, S1=VARF1, M1=VARM1, A1=VARA1, L1=VARL1,

L2=VARL2, E1-E37=VARE1-VARE37, E38-E42=VARE38-VARE42, D1-D4=VARED1-VARED4;

VAR

X1-X37 M1 S1 A1 L1 L2 ;

RUN;

SAS codes for HLM

PROC MIXED;

CLASS STORE;

MODEL BAWS=CW CAD CPR S1 M1 L1 L2 A1 /SOLUTION;

RANDOM INTERCEPT CW CAD CPR S1 M1 L1 L2 A1 /SUB=STORE TYPE=VC;

RUN;

PROC MIXED;

CLASS STORE;

MODEL PQ=CW CBAWS CAD CPR S1 M1 L1 L2 A1 /SOLUTION;

RANDOM INTERCEPT CW CAD CPR S1 M1 L1 L2 A1 /SUB=STORE TYPE=CS;

RUN;

PROC MIXED;

CLASS STORE;

MODEL BA=CW CBAWS CPQ CAD CPR S1 M1 L1 L2 A1 /SOLUTION;

RANDOM INTERCEPT CW CBAWS CPQ CAD CPR S1 M1 L1 L2 A1 /SUB=STORE TYPE=VC;

RUN;

PROC MIXED;

CLASS STORE;

MODEL BL=CW CBAWS CPQ CBA CAD CPR S1 M1 L1 L2 A1 /SOLUTION;

RANDOM INTERCEPT CW CBAWS CBA CPQ CAD CPR S1 M1 L1 L2 A1 /SUB=STORE TYPE=CS;

RUN;

