

Chapter Five

Conclusion

5.1 Results of the Research

There are two objectives approached in this research. First, this study is interested in comprehensively exploring the essence of customers' experiences from the customer's perspective. A qualitative study is performed to discover the elements that constitute customers' experiences, and a model that describes the essence of customers' experiences is thereby proposed. Second, this research attempts to probe customers' emotional perceptions of experience quality and to develop an instrument to measure experience quality. Although academic studies of experience quality are relatively few, this study specifies the domain of experience quality based on the literature review and the results of a qualitative study. This study further performs a procedure to develop an instrument that is used to measure customers' emotional perceptions of experience quality. The procedure includes the generation of items, data collection (pre-test of scale), scale purification, and a further stage of testing.

With regard to studying the essence of customers' experiences, a conceptual model of customers' experiences is proposed from the findings of a qualitative study. In this model, customer experience is made up of five elements (dimensions): the customers themselves and customers' interactions with physical surroundings, service providers, other customers, and companions. The customers themselves can be

conceptually regarded as an internal element whereas the other four elements (physical surroundings, service providers, other customers, and companions) are regarded as external.

As for the investigation of experience quality, this study clarifies this construct by reviewing the literature, conducting a qualitative study, performing a procedure of scale development, testing the relative importance of dimensions, and examining the effect of experience quality on customer satisfaction and loyalty. For a start, experience quality is defined as customers' emotional judgment about the entire experience with an elaborately designed service setting. The dimensions to be evaluated are the five dimensions that constitute customers' experiences. Next, the results of developing and assessing the instrument reveal that construct validity, convergent validity, discriminant validity, and predictive validity are achieved. Third, this study examines the relative importance of dimensions associated with experience quality across three samples (Easy Shop, Starbucks, and KTV). The findings show that customers' experiences with companions and atmosphere (which are derived from customers' experiences with physical surroundings) are consistently the most critical elements of experience quality. Across service companies, customers emotionally perceive various weights of dimensions. For example, when customers evaluate the experience quality of staying in a KTV store, cognitive learning and having fun are relatively more important while imagination and surprise are relatively less important. Lastly, this research tests and verifies the effect of external elements of experience quality on internal elements and also confirms the relationship among experience quality, satisfaction, and loyalty. The results demonstrate that the external elements of experience quality have a *direct* effect on the internal element. The findings additionally reveal that experience quality, as a

higher-order construct, has a positive effect on customer satisfaction and loyalty.

5.2 Relating to Other Research and Contributions

Generally speaking, this research is different from other research in four respects. First, this research adopts a qualitative study to investigate customers' perspectives on experiences and thereby performs a quantitative study to comprehensively clarify the concept of experience quality. The methodology of this research is quite different from that used by Grove and his colleagues (Grove and Fisk, 1992; Grove, Fisk and Bitner, 1992; Grove, Fisk and John, 2000) in their research on the service experience. Their contentions regarding the service experience are commonly conceptual viewpoints and are not empirically verified except in one qualitative study in 1998 (Grove, Fisk and Dorsch, 1998). At the same time, compared to Grove and his colleagues' argument on the service experience, this research obtains parallel findings. The results of this study not only confirm that customers' interactions with physical surroundings and service providers constitute customers' experiences, but also demonstrate that three customer-related factors (other customers, customers' companions, and customers themselves) are critical in capturing customers' experiences. Moreover, structural equation model (SEM) analysis reveals that customers themselves, categorized as an internal element of experience quality, are influenced by external elements including physical surroundings, service providers, other customers, and customers' companions.

Next, relative to the managerial perspective that is taken by existing research on

experiential marketing (e.g., Pine and Gilmore, 1998, 1999; Schmitt, 1999), this study explores experiences from the customer's perspective. Through in-depth interviews with customers, this research obtains more insight into customers' experiences. Respondents are encouraged to use their own words to describe their whole experiences with the service company in question. This method helps to investigate how customers perceive experiences in the beginning, and it helps to reveal the elements that constitute experiences from customers' own descriptions. Furthermore, such findings from in-depth interviews with customers are verified by a quantitative study.

Third, this study focuses on exploring the *emotional aspects of customers' experiences* underlying the context of deliberately designed service settings. This focus is quite parallel to many researchers' arguments on experience (Pine and Gilmore, 1998, 1999; Schmitt, 1999; Zaltman, 2003; Holbrook and Hirschman, 1982). Due to the characteristic of satisfying customers' intrinsic needs, the emotional aspects of experiences tend to catch customers' attention and even "dazzle their senses, touch their hearts, and simulate their minds." (Schmitt, 1999, p.22) In addition, the findings of in-depth interviews conform to the research focus. Several emotional or subjective words are revealed in the verbatim interview transcripts. For instance, when respondents describe their experiences with physical surroundings, they frequently use words like "relieved," "comfortable," "warmth," "thoughtful," "leisurely," and "carefree." These are relatively emotional or subjective words. Additionally, customers' descriptions of having experiences with service providers contain subjective statements like "I feel that she cares about me and I am viewed as important" and "They are active when introducing the products to me." For these reasons, this study stresses the importance of investigating the emotional aspects of

customers' experiences.

Fourth, this research conceptually proposes that the evaluation of experience quality is quite different from the assessment of service quality. Customers' evaluation of service quality is relatively *cognitive* whereas the assessment of experience quality is comparatively *emotional*. Such a difference can be found in Parasuraman et al.'s (1988) study and this dissertation. For the five dimensions (tangibles, reliability, responsiveness, assurance, and empathy) constituting the evaluation of service quality, *reliability* and *assurance* are the first two critical dimensions in predicting overall quality, and empathy is the least important dimension. As for the five dimensions of experience quality in this study, customers' experiences with *companions* and *atmosphere* (which are derived from customers' experiences with physical surroundings) are consistently the most important dimensions. In addition, the items developed to measure experience quality and service quality are quite dissimilar. In this study, because the instrument for measuring experience quality is developed to measure how customers "emotionally" evaluate the quality of experience, the items for measuring experience are designed with emotional or subjective words and adjectives such as "relaxed," "comfortable," "warmth," "thoughtful," "easy," and "carefree." In SERVQUAL, the statements are more cognitive and are more related to whether the service has achieved customers' requirements or a company's standards. Take dimension of reliability, for example: exemplars are "XYZ is dependable," "XYZ keeps its records accurately," and "XYZ provides its services at the time it promises to do so." Hence, experience quality is distinct from service quality in emotional evaluation. Since customers are not completely rational, customers' emotional assessment of experience quality is an interesting issue for academic research and managerial practice.

5.3 Applications, Future Research, and Limitations

For academic research, this study clarifies the conceptualizations of experience and experience quality underlying the context of service settings. A conceptual model of customers' experience is proposed, and an instrument of experience quality is developed and tested. This instrument is quite different from Schmitt's (1999) assessment tools for experiential marketing. In his book, he mentions that he has developed easy-to-administer assessment tools to measure the five proposed types of customer experiences—sensing, feeling, thinking, acting, and relating. His instruments have been used in consulting projects, including auditing a company's experiential marketing approach in its entirety, assessing the experiential aspects of various experiential providers, planning experiential providers and strategic experiential marketing for company brands, and making strategic and implementation recommendations. That is, Schmitt's (1999) instruments are generally used to evaluate the performance of experiential marketing and to test whether the practices of experiential marketing have achieved the five types of experiences from the manager's perspective. However, the measurement of experience quality developed in this dissertation provides a measurement for researchers who are interested in exploring customers' perceptions of experiences in service settings. This study reviews literature and conducts in-depth interviews to discover customers' experiences and thereby proposes and examines an instrument to measure customers' perceptions of experience quality in the context of service settings. This research therefore conceptually regards customer experience as a composition that is made up of customers' interactions with physical surroundings, service providers, other customers, customers' companions, and themselves. In order to improve construct validity, future research should replicate a more comprehensive model. Further

study could also examine the relationship between experience quality, service quality, and outcome variables (such as satisfaction, loyalty, and purchase intention).

For marketing practice, this research identifies critical elements of experience quality. It is helpful in managing and designing excellent experiences for customers. The results of this study show that customers' experiences with companions and atmosphere are the most important elements of experience quality. Creating elaborate physical surroundings to derive customers' emotional perceptions of experience quality is consequently significant for experience design. Customers are commonly more impressed by service settings with atmosphere, and they enjoy getting along with companions for some service categories. In addition, the proceedings of this study reveal the importance of managing customers' experiences. Since customers are educated to ask for excellent product and service quality, providing customers with perfect quality of experience in service environments is increasingly significant.

There are limitations of this study, however. First, this study focuses on investigating experiences underlying the context of deliberately designed service settings. Such a focus limits the application of the findings to other service situations. However, this focus makes sense for the existing concern of experience. Because many academic researchers and managers emphasize creating experiences for customers, experiences that happen in a designed setting are relatively worthy of exploration. Second, the findings of this study are comparatively applicable to the situation in which customers stay in the service setting with companions. As the results demonstrate, customers' interactions with companions constitute their perceptions of experience quality. At this stage, the findings are therefore not

suitable for the situation in which customers go to the store alone. Future research can collect other samples in which customers usually shop alone to explore experience quality. Customers' experiences with bookstores or museums are good samples for further study. Third, this study merely conceptually discusses the difference between experience quality and service quality. To investigate the difference further, one could compare these two constructs by dimension. Such a comparison could empirically verify whether the *cognitive* dimensions of service quality are distinct from the *emotional* dimensions of experience quality. Fourth, the items for measuring experience quality (total of 38 items, see Appendix B) are relatively general. When replicating this instrument with different samples, the adjustment of statements is suggested.