Modelling the Relationship between Brand Experience Dimensions and the Antecedents of Happiness within the Context of Dining Services

A thesis submitted for the degree of Doctor of Philosophy

By

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June 2016
Abstract

Existing studies on happiness in consumer research argued that brands should contribute to consumers’ happiness through experiences, yet they have failed to discuss how individual brand experience dimensions could contribute to consumer happiness, leading to increased brand loyalty and price premium. Bridging brand experience and consumers’ orientation to happiness literature together, this thesis theoretically argues and empirically proves that brand experience could influence brand loyalty and price premium through the mediating effect of consumer happiness.

Survey data collected from 1086 participants based on their restaurant dining experiences in the UK show that each brand experience dimension affects consumer behaviour outcomes differently. Relational brand experience contributes the most to happiness, brand loyalty and price premium, followed by emotional brand experience. The findings support the mediating role of happiness and its orientations between brand experience dimensions and consumer behaviour outcomes. Further, the result validates the three different orientations to happiness in a consumption context, and demonstrates that pleasure is the dominant route to happiness, compared to meaning and engagement. The thesis aids new light to existing understanding on brand experience and happiness. Marketers are recommended to focus their effort on delivering certain brand experience dimensions more effectively. For restaurant brand managers, relational and emotional brand experience dimensions are considered most important to acquire customers brand loyalty and price premium.

Keywords: Brand Experience Dimensions, Happiness, Orientations to Happiness, Brand Loyalty, Price Premium.
Dedication

I dedicate this thesis to God, the Compassionate, the Merciful, for having made everything possible by giving me the strength and health to the end of this research.

Also, I dedicate my work to my parents, Afaf and Hussein; to my brothers, Hassan, Mohamed and Husam; and to my sister Nahla.
Acknowledgement

First and foremost, I would like to express my deepest gratitude to my supervisor, Dr Dorothy Yen, for her unstinting guidance, care and patience she has given throughout this journey. I would also like to thank my second supervisor, Dr Maged Ali, for his unwavering support and unrelenting confidence in me.

A great deal of gratitude goes out to Professor Joško Brakus for his considerable advice and constructive feedback which enriched my research. Also, I would like to record my appreciation and thanks to Professor TC Melewar and Dr Ying Fan for their advice in particular at the start of my study.

Last but not least, I would like to thank University of Aleppo for supporting this project financially, and all the colleagues and friends who have been on my side during the course of years.
Declaration

I declare that this thesis is wholly my own work and it does not incorporate, without proper acknowledgement, any material previously submitted for a degree at any university or similar institution. To the best of my knowledge and belief, no material is included that has been previously published or written by another individual, group or organisation without full and proper citation being made in the text.

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1 CHAPTER ONE: INTRODUCTION

1.1 Research Background

Since the advent of the 21st Century, the overemphasis on the utilitarian aspects of products has shifted the interest to the hedonic facets of consumption (Pine and Gilmore, 2011). The emergence of experience economy and its proposal of the progress of the economic offering, as well as the value associated with it from commodities, to products, to services, to experience, all have ushered in the new consumer who expects marketers to stage experiences full of feelings fun and fantasies (Pine and Gilmore, 1999; Holbrook and Hirschman, 1982).

As a response to this novel trend, marketers have to adapt to the new changes in the environment, and the need for a greater degree of differentiation has been prominent, and more so has been insisting for survival like never before (Carbone and Haeckel, 1994). Within this view, experience marketing presents a drive to achieve long and lasting competitive advantages (Gentile, Spiller and Noci, 2007) and loyalty (Smilansky, 2009), especially in modern societies, where experience is considered a driver for the purchase decision; this plays an essential role when choosing a certain brand (Berridge, 2007). Further, branding—which, in essence, is an effective tool signalling identities for products and services (Schembri, 2009)—is relevant to the experiential marketing perspective; this is because the understanding of brands, as holders of identities, entails that brands transcend the functional view of consumption into an experiential view that tells more about the story of the brand–consumer relationship (Schembri, 2009).
1.2 Need for Happiness

The central notion of experiential marketing is that the value of economic offerings does not only involve the utilitarian value concerned with the functional attributes of products and services, but also includes the hedonic value residing in the experiential attributes of such products and services (Schmitt and Zarantonello, 2013; Gentile, Spiller and Noci, 2007; Pine and Gilmore, 1999). Accordingly, marketing managers have come to realise that the successful execution of marketing activities depends on providing outstanding experiences as opposed to merely concentrating on the functional attributes of their offerings (Goode, Dahl and Moreau, 2010). In this regard, brand experience constitutes a unique approach of investigating the interactions with customer at the level of brands and their encounters. Within this perspective, brand experience can be defined as ‘subjective, internal consumer responses (sensations, feelings, and cognitions) and behavioural responses evoked by brand-related stimuli that are part of a brand’s design and identity, packaging, communications, and environments’ (Brakus, Schmitt and Zarantonello, 2009, p. 53). This new approach will equip academics and marketers with the necessary tools to analyse brand-consumer interactions in a more extensive manner. Further, viewing the marketing activities through this new lens has been fundamental for numerous strong and successful brands, such as Apple, Nike, Disney, BMW and The Body Shop (Brakus, Schmitt and Zarantonello, 2009).

The ongoing transition towards experiential marketing has been encouraged by the growing interest of consumers for seeking meaningful experiences, on the one hand, and by the companies’ continuous search for unique differentiating and positioning strategies in the competitive environments, on the other hand (Goode, Dahl and Moreau, 2010). Unlike the more conventional ways of enhancing the functional benefits of products and services, holistic experiences staged by companies constitute very difficult ways for competitor to imitate
Therefore, grasping a better understanding of brand experience and its dimensions in different settings, as well as at a variety of brand touchpoints, has become a priority for marketers (Schmitt and Zarantonello, 2013).

Despite the fact that the number and quality of articles addressing marketing research on experience has proliferated significantly throughout the last two decades, this research area remains underdeveloped and not as well-established as other marketing constructs, such as consumer attitudes, consumer satisfaction and brand equity (Schmitt and Zarantonello, 2013). It was only recently that the construct of brand experience was developed for the first time in the Journal of Marketing by Brakus, Schmitt and Zarantonello (2009); therefore, Schmitt (2009) calls for further research on the relation between brand experience and consumer behaviour outcomes.

The existing studies about brand experience address its influence on different branding constructs and consumer behaviour outcomes, such as satisfaction (Morgan-Thomas and Veloutsou, 2013; Nysveen, Pedersen and Skard, 2013; Lee and Kang, 2012; Brakus, Schmitt and Zarantonello, 2009), brand loyalty (Nysveen, Pedersen and Skard, 2013; Lee and Kang, 2012; Iglesias, Singh and Batista-Foguet, 2011; Brakus, Schmitt and Zarantonello, 2009), brand equity (Shamim and Butt, 2013; Zarantonello and Schmitt, 2013), and brand relationship (Chang and Chieng, 2006). Nonetheless, little is known about how brand experience affects price premium; the latter is one of ten famous measures of brand equity, which is heeded as being the most useful measure amongst the others due to its ability to serve as a realistic diagnose of the strength of a brand and of consumer commitment to that brand (Aaker, 1996b).

Additionally, when scanning the aforementioned studies examining the impact of brand experience on consumer behaviour outcomes, it seems that this concept is investigated either
as a one-component construct or otherwise as a multiple dimension construct, dealt with as a one-component construct. However, this method stops short of being able to provide the unique influences of the sub-dimensions of brand experience on other variables. One exception is a study that explores the individual effects of brand experience dimensions on satisfaction and brand loyalty (Nysveen, Pedersen and Skard, 2013). Further, the need for further research on the influence of brand experience not only in an aggregated form, but also at the individual dimension level, and its relationships with specific outcome variables is called for and emphasised by Schmitt (2011). The knowledge of the effects of the individual dimensions of brand experience will definitely help brand managers in designing experiences that maximise a certain consumer behaviour outcome in line with the adopted marketing strategy.

On the other hand, the concept of happiness, its importance and measurements, and the ways of maximising happiness, all have received great attention from psychologists (Carter and Gilovich, 2012; Diener, Kahneman and Helliwell, 2010; Gilbert, 2006; Van Boven and Gilovich, 2003; Ryan and Deci, 2001; Csikszentmihalyi, 1990), economists (Frey and Stutzer, 2002; Frank, 1985), public policy theorists (Easterlin, 1995), sociologists (Veenhoven, 2000; Veenhoven, 1999; Veenhoven et al., 1993; Lindenberg, 1986), and political scientists (Lane, 2000; Inglehart, 1990).

More recently, happiness has received attention from marketers, and studies examining happiness in consumer research also have begun to appear (Schmitt, Brakus and Zarantonello, 2015; Bhattacharjee and Mogilner, 2014; Schmitt, 2012; Bettingen and Luedicke, 2009). Several issues have been examined, including happiness stemming from ordinary and extraordinary experiences (Bhattacharjee and Mogilner, 2014), and happiness resulting from experiential versus material purchases (Gilovich, Kumar and Jampol, 2015; Schmitt, Brakus
and Zarantonello, 2015). Further, in a world where social concerns are garnering more insistence, it is argued that brands should contribute to consumers’ happiness through experiences, and the latter should be linked to the positive psychology movement (Schmitt, Brakus and Zarantonello, 2014).

Given the gamut of marketing messages sent to consumers each and every day, advertisers have begun to connect with customers by promising happiness in their communications (Mogilner, Aaker and Kamvar, 2012). Some examples of these practices include products launched with happiness clues, such as Hugo Boss presenting ‘Orange, the fragrance of happiness’, Nivea promoting a bath care line called ‘Happy Time’ (Nivea, 2016), and Clinique offering a fragrance named ‘Clinique Happy’ (Clinique, 2016), just to name a few. Not only products contained happiness messages, but also marketing campaigns as well, such as Coca-Cola’s campaign ‘Open Happiness’, which encourages customers to share happiness with others through its brand (Coca-Cola, 2016), and BMW’s campaign ‘The Story of Joy’, which associates brand use with spreading joy and happiness (Boeriu, 2009).

However, a well-defined understanding of how happiness stems from brand purchase and consumption is scarce, and empirical evidence on how brand experience influences happiness is limited, despite the increasing trend of happiness adoption by practitioners in their marketing communications (Mogilner, Aaker and Kamvar, 2012). More specifically, little is known about how a specific brand experience contributes to the episodic happiness of consumer (Nicolao, Irwin and Goodman, 2009). Further, clearly, more work is needed centred on the impacts of the episodic or momentary consumer happiness on happiness outcomes, such as brand loyalty and price premium.
The debate on what contributes to the optimal experience of happiness, and the good life in general, has long been the thought foci for many centuries (Russell, 1930). Two traditional perspectives or views have been identified: hedonic (pleasure) and eudaimonic (meaning) perspectives (Ryan and Deci, 2001). In his Theory of Authentic Happiness in psychology, Seligman (2002) suggests extending the two orientations by combining engagement as a third view or route to happiness. The latter describes being absorbed and immersed in activities which are worth doing for their own sake.

There is limited evidence in the literature relating the three orientations to happiness (pleasure, meaning, and engagement) to the subjective judgment of episodic happiness resulting from brand experience in consumption contexts, despite their importance in comprehending how happiness is reached. In addition, further work on the various effects of the three orientations to happiness and how they influence happiness is called for by Vella-Brodrick (2014). In contrast to the dearth of empirical studies on the three orientations to happiness in consumption contexts, a considerable amount of research has been done linking these three orientations to happiness to general life satisfaction in non-consumption contexts (e.g.: Chan, 2009; Park, Peterson and Ruch, 2009; Vella-Brodrick, Park and Peterson, 2009; Peterson et al., 2007; Peterson, Park and Seligman, 2005; Seligman, 2002). One exception investigating how brand experience dimensions impact the three orientations to happiness is a conference paper by Brakus, Schmitt and Zarahonello (2012). However, this paper lacks the depth and details in conceptualising the link between brand experience dimensions and the three orientations to happiness. Further, the small sample size of this study (N=163) limits the significance of the findings of the research.
The increasing interest in food and dining experience has transcended the common understanding of food as just a means of subsistence into a broader understanding viewing these activities as a sort of entertainment, and as a way to display status and distinction (Warde and Martens, 2003), which echoes the transition from utilitarian to more experiential consumption (Pine and Gilmore, 1999). This is consistent with the concept that social classes employ different elements, such as in terms of tastes in clothes, art, music, home decoration, and dining, to express their identities (Seymour, 2004). On the other hand, the competition amongst the major restaurant brands in the UK is high (Passport, 2016a), which emphasises the importance of differentiating their experiences and connecting with their customers on multiple levels in a way that is difficult to copy or otherwise imitate by competitors.

The existing research on dining experience focuses on different attributes and aspects of a dining experience, like the important quality attributes (Namkung and Jang, 2008), the role of affect and sensual delight (Arora, 2012), and brand loyalty (Mattila, 2001). Nonetheless, scanning these studies reveals that they are fragmented in terms of the conceptualisation of dining experience; they do not sufficiently delineate between utilitarian and experiential aspects of this experience, and they lack the proper comprehension of the holistic hedonic quality of consumption. It is evident that the current studies on dining experience at restaurants show little evidence of a well-established understanding of the multidimensionality of this experience. Despite the fact that the present research addresses consumer and brand experience in multiple contexts, such as coffee shops (Chang and Chieng, 2006), groups of products (Iglesias, Singh and Batista-Foguet, 2011; Brakus, Schmitt and Zarantonello, 2009), and telecommunications services (Nysveen, Pedersen and Skard, 2013), to the best of the researcher’s knowledge, thus far, no study has investigated brand experience in the context of dining experience in restaurants.
In short, the gaps this study pointed out in the literature include:

- The lack of studies that address the relationship between brand experience and price premium.
- Addressing the construct of brand experience in the aggregate, not at the individual dimension level.
- The lack of studies examining the influence of brand experience dimensions on the three orientations/antecedents to happiness (pleasure, meaning, and engagement).
- The dearth of studies investigating the impact of the three orientations to happiness on happiness in consumption contexts.
- The scarcity of studies addressing the contribution of episodic or momentary consumer happiness on brand loyalty and price premium.
- The lack of a well-established understanding of the experiential dimensions of dining experience at restaurants.

Therefore, the current research represents a unique meeting point between brand experience and happiness—two unique areas in marketing and psychology that are being afforded more importance nowadays (Brakus, Schmitt and Zarantonello, 2012; Carter and Gilovich, 2010; Brakus, Schmitt and Zarantonello, 2009; Peterson, Park and Seligman, 2005).

**1.3 Research Question**

Based on the gaps highlighted in the literature, the following research question is proposed in a representation of the research problem and gaps, in mind of helping in assessing the extent to which this study managed to answer this question.
• How the individual dimensions of Brand Experience impact Price Premium and Brand Loyalty differently through the three orientations/antecedents to happiness (Pleasure, Meaning, and Engagement) and Happiness?

### 1.4 Research Aim and Objectives

Within the view of the highlighted gaps in the literature and the relevant studies, the main intent of this thesis is:

*To model the relationship between brand experience dimensions on the one hand and happiness on the other hand through the three antecedents to happiness (pleasure, meaning, and engagement), and to examine the influence of happiness on brand loyalty and price premium.*

Towards achieving this aim, a group of objectives are presented:

1. To explore the concepts of experience, happiness and antecedents of happiness in consumer research, and to identify their role in the context of dining services.
2. To develop a conceptual framework that models the relationships between brand experience dimensions, happiness, and its antecedents; and the outcomes of happiness: brand loyalty and price premium.
3. To empirically examine the relationships between the different constructs in the conceptual framework of the study by employing the several statistical tests, such as structural equation modelling.
4. To discuss the empirical results and findings, and to present academic implications and managerial recommendations to restaurant brand managers on how to fine-tune
the various dining experience dimensions to maximise happiness, brand loyalty and price premium.

1.5 Context of the Study (Dining Experience at Restaurants)

Defining the research context starts from the main aim of the study which is examining the relationships between brand experience on one side, and happiness and the outcomes of happiness on the other side. Experience has been investigated in different contexts and at different stages of the customer life cycle (Nysveen, Pedersen and Skard, 2013). This investigation resulted in the emergence of some concepts such as consumption experience (Holbrook and Hirschman, 1982), service experience (Hui and Bateson, 1991), product experience (Hoch, 2002), customer experience (Gentile, Spiller and Noci, 2007), and brand experience (Brakus, Schmitt and Zarantonello, 2009).

1.5.1 Product vs. Service Brand Experience

To examine the experiential influence of brands, the context of this study would be chosen from the service sector. It is argued that brand experience built around products tend to be simpler than brand experience evoked by services, which can be attributed to the operational and interpersonal complexity (Nysveen, Pedersen and Skard, 2013; Mosley, 2007). While the former refers to the number of different services offered under the same brand name, the number of steps involved in a typical service transaction, and the number of products used related to the services offered; the latter denotes the expected personal interaction between a customer and a service provider (Mosley, 2007).

This fundamental distinction between the complexities of product brand experience and service brand experience leads to the differentiating characteristics of services. These characteristics
are: *intangibility* and the lack or the lower degree of physical component of services when it is compared to products; *inseparability of production and consumption* where services need to be produced and sold at the same time and customers co-create the service; *heterogeneity* which refers to the variability of the performance of services; and * perishability* which means that services cannot be stored (Zeithaml, Parasuraman and Berry, 1985). Additionally, one significant classification of services reveals that services can be differentiated from products along a utilitarian-experiential continuum corresponding with Hirschman and Holbrook’s (1982) concept of hedonic consumption (Stafford and Day, 1995). In other words, services seem to bridge the transition between products and experiences. Along this continuum, the level of employee contact, the degree of personality or subjectivity, and customisation seem to increase when moving from utilitarian to experiential offerings (Stafford and Day, 1995).

The operational and interpersonal complexity and the aforementioned characteristics of services demonstrate that they entail more interactions with consumers on multiple levels. These interactions are the core of the concept of experience (Brakus, Schmitt and Zarantonello, 2009; Schmitt, 1999). Also, the suggestion of utilitarian-experiential classification of services (Stafford and Day, 1995) validates the progress of the economic offering from products to services to experiences (Pine and Gilmore, 1999); therefore in order to reveal the experiential impact better, choosing brand experience built around services, as a context of the study, would be more relevant than brand experience evoked by products.

### 1.5.2 Dining Experience at Restaurants

The general social scientific interest in the different aspects of food, such as the practical, social and cultural aspects, was insignificant before the 1990s (Warde and Martens, 2003). However, the increasing interest in food and dining experience has transcended the common
understanding of food as just a means of subsistence into a broader understanding viewing these activities as a sort of entertainment, and as a way to display status and distinction (Warde and Martens, 2003), which echoes the transition from utilitarian to more experiential consumption (Pine and Gilmore, 1999). This is consistent with the concept that social classes employ different elements, such as the tastes in clothes, art, music, home decoration, and dining to express their identities (Seymour, 2004).

Functioning as a symbol of civility, the restaurant has been linked with multiple changes in sensibilities and pleasures in modern societies, and in numerous cases, it has been recognised as a sign of the dissemination of luxury and the democratisation of fashion (Elias, 2000). Given the nature of dining experience at restaurants where people display themselves in public, it turns to be an occasion for individuals to gain social advantage, and it demonstrates the complicated interdependencies between individuals and their socio-economic conditions (Finkelstein, 2004). Therefore, the minimal definition of restaurant as a place for food provision at the request of a paying customer has been insufficient; instead, it can be seen as a space that embraces innovation, identity and experimental social engagements (Finkelstein, 2004). Accordingly, dining at a restaurant is expected to address the multidimensionality of experience.

The existing research on dining experience focuses on different attributes and aspects of a dining experience. For example, in a study identifying the important quality attributes of a dining experience, it was found that attributes, such as: appealing food presentation, tasty food, fascinating interior design, spatial seating arrangement, pleasing background music, responsive service, reliable service and competent employees are highly related to great customer satisfaction (Namkung and Jang, 2008). In another study, the role of affect and sensual delight
in a dining experience was explored (Arora, 2012). This research revealed that sensual delight and emotions impact satisfaction and purchase intentions strongly (Arora, 2012). Investigating loyalty in restaurants suggests that loyalty is not a simple construct; rather, it is a complex phenomenon with affective facets since a considerable number of customers’ emotional experiences are evoked by interactions with the experience providers (Mattila, 2001). Yet, scanning these studies shows that they are fragmented in terms of the conceptualisation of dining experience. They do not sufficiently delineate between utilitarian and experiential aspects of this experience, and they lack the proper comprehension of the holistic hedonic quality of consumption.

In an attempt to address the different qualities of a dining experience, an exploratory paper developed an analysis of the multidimensionality of this experience (Andersson and Mossberg, 2004). This study highlighted the relative importance of the various aspects of restaurant service from the view of human needs which comprise physical, social, and intellectual needs; and it measured this importance based on the willingness to pay a premium (Andersson and Mossberg, 2004). Despite the fact that this research taps on the several levels of service in restaurants through conceptualising few elements from these different levels in concentric rings including: cuisine, restaurant interior, service, company, and other guests; it falls short of providing a clear indication about these levels or dimensions.

Based on the aforementioned studies, it is evident that the current research on dining experience at restaurants shows little evidence of a well-established understanding of the multidimensionality of this experience. On the other hand, the present research on consumer and brand experience addresses this concept in multiple contexts, like coffee shops (Chang and Chieng, 2006), groups of products (Iglesias, Singh and Batista-Foguet, 2011; Brakus, Schmitt
and Zarantonello, 2009), telecommunications services (Nysveen, Pedersen and Skard, 2013), and tourism industry (Rageh, Melewar and Woodside, 2013). To the best of the researcher’s knowledge, however, no study has investigated brand experience in the context of dining experience in restaurants.

On the other hand, happiness was examined in a variety of contexts and studies such as; the general life satisfaction (Peterson, Park and Seligman, 2005), happiness from experiences vs. material possessions (Carter and Gilovich, 2012; Carter and Gilovich, 2010; Van Boven and Gilovich, 2003), happiness from ordinary and extraordinary experience (Bhattacharjee and Mogilner, 2014). However, there is scarcity in the studies addressing happiness in real consumption contexts.

Considering the previous factors, such as the complexity of services, their characteristics, their quality of bridging the transition between products and experiences, the ability of restaurants to offer multidimensional experience, and the dearth of studies on brand experience in restaurant industry; dining experience at restaurants constitutes a rich context for testing the relationships in the model of study. Therefore, it is adopted as a context for this research.

1.5.3 Restaurants Industry

There are numerous types of places in the UK where people can eat out, such as in restaurants, cafés, steakhouses, diners, brasseries, bistros, pizzerias, kebab-houses, grill rooms, coffee bars, teashops, ice cream parlours, food courts, service stations, buffets and canteens, to name a few (Warde and Martens, 2003). Also, there are other places where food provision is not the main priority, such as in taverns, pubs, and hotels (Warde and Martens, 2003).
Several terms can define the different types of restaurants, like tearoom, family-style, upscale, casual, theme, and quick-service; and the characteristics of each type overlap with the traits of other types; therefore, types of establishments can be categorised along a continuum (Dahmer and Kahl, 2009). Restaurants which have minimum service fall on one end of the continuum. In these restaurants, no covers are on the tables, the pace of the work is quick, the fast foods are prepared easily, and the main theme is the informality (Dahmer and Kahl, 2009). On the other end of the continuum are the types of establishments which have an unhurried pace, foods which are well-prepared, and well-presented, and luxurious surroundings, like: table linens, china, skilled servers, crystal glassware, soft music, and flowers (Dahmer and Kahl, 2009). Accordingly, family-style restaurants and some chain restaurants would fall on the minimum service end of the continuum; trattoria, bistros, and supper clubs would fall in the middle of the continuum; and classic gourmet, upscale, and fine-dining restaurants would be placed on the other end of the continuum (Dahmer and Kahl, 2009).

According to the report of Mintel (2015), the restaurant market in the UK is sizeable market (£29.19) billion in 2013 and it is expected to reach (£33.15) billion in 2018. Furthermore, this report demonstrates that the retail market spend by capita was (£459.3) in 2013 and it is forecasted to become (£504.9) in 2018. Also, it is estimated that this market will grow by (2.8%) in 2018. While chained foodservice accounted for (40.6%), independent foodservice accounted for (59.4%) of the market share in the UK in 2015 (Passport, 2016b). These considerable numbers and estimates unfold the importance of this sector in the British economy. In terms of the foodservice market share in the specific context of the UK, the major players in 2015 are: McDonald’s (4.1%), KFC (2.3%), Burger King (1.2%), Domino’s Pizza (1.1%), Nando’s (0.8%), and Pizza Express (0.7%) (Passport, 2016a) (see Table 1-1). The brand shares retrieved from the industry demonstrate the high competition among the major
players in the sector, and they express the need for better brand differentiation that might help in securing a wide base of loyal customers.

<table>
<thead>
<tr>
<th>Brand</th>
<th>Market Share %</th>
<th>Brand</th>
<th>Market Share %</th>
</tr>
</thead>
<tbody>
<tr>
<td>McDonald's</td>
<td>4.1</td>
<td>Jamie's Italian</td>
<td>0.2</td>
</tr>
<tr>
<td>KFC</td>
<td>2.3</td>
<td>Zizzi</td>
<td>0.2</td>
</tr>
<tr>
<td>Burger King</td>
<td>1.2</td>
<td>Chiquito</td>
<td>0.2</td>
</tr>
<tr>
<td>Domino's Pizza</td>
<td>1.1</td>
<td>Ask</td>
<td>0.2</td>
</tr>
<tr>
<td>Nando's</td>
<td>0.8</td>
<td>EAT</td>
<td>0.2</td>
</tr>
<tr>
<td>Pizza Express</td>
<td>0.7</td>
<td>Yo! Sushi</td>
<td>0.1</td>
</tr>
<tr>
<td>Frankie &amp; Benny's</td>
<td>0.6</td>
<td>Bill's</td>
<td>0.1</td>
</tr>
<tr>
<td>Pizza Hut</td>
<td>0.6</td>
<td>Byron</td>
<td>0.1</td>
</tr>
<tr>
<td>Prezzo</td>
<td>0.4</td>
<td>Bella Italia</td>
<td>0.1</td>
</tr>
<tr>
<td>TGI Friday's</td>
<td>0.3</td>
<td>Café Rouge</td>
<td>0.1</td>
</tr>
<tr>
<td>Wagamama</td>
<td>0.3</td>
<td>Wasabi</td>
<td>0.1</td>
</tr>
</tbody>
</table>

Source: (Passport, 2016a)

1.6 Structure of the Thesis

This thesis is organised into six chapters. The first chapter introduces a background pertaining to the research topic, and suggests the research problem and research questions. Further, it states the main aim of the study and the objectives necessary in order to achieve this aim. Lastly, it presents the dining experiences at restaurants as the context of study, and provides an overview of the structure of the thesis.

Chapter Two is designated to review the literature of experience and happiness in consumer research. The first part addresses the rise of experiential marketing and hedonic consumption, and the emergence of experience economy. Next, experience in consumer research is reviewed through multiple levels of analysis to include customer experience, product and service experience, retailing and online experience, and brand experience. Following, the
dimensionality of brand experience is discussed and four dimensions of brand experience are identified: sensory, affective, cognitive, and social experiences. The second part of this chapter explores the concept of happiness in consumer research, beginning from its origination from the positive psychology movement. Building on this movement, an integrated model of the three orientations/antecedents to happiness (pleasure, meaning, and engagement), comprising the hedonic, the eudaimonic, and the flow view on happiness, is proposed and employed to attain a better understanding of how customers follow multiple routes to reach happiness.

In Chapter Three, the conceptual framework of the study is developed and a group of hypotheses is proposed. Furthermore, the model of study is structured around four levels: brand experience dimensions, orientations to happiness, happiness, and consumer behaviour outcomes. Next, eighteen hypotheses are proposed based on several theories and theoretical foundations, such as the Hedonic Consumption Theory and the hedonic principle of approach-avoidance.

Chapter Four addresses the methodological choices of the study. It begins by determining the adopted research philosophy and paradigm. In order to achieve the aim of this study, the deduction approach was employed in the research design. To collect the data, British consumers who are living in the UK are identified as the main targeted population of the study. Following, based on multiple criteria, the question of the sample size is considered, and 1,000 participants are targeted. In order to collect the data, the sampling technique of quota sampling that meets the objectives of feasibility and generalisability is deployed. Subsequently, the process of questionnaire development and scale operationalisation is detailed, and the pilot study is described. A self-completion questionnaire is selected as the approach to survey data collection. Finally, the ethical considerations of the process of data collection are examined.
Chapter Five will be presented in four parts. With the help of SPSS 20, the first part commences with a preliminary data analysis that screens the data and describes the demographics of the sample. Following, the missing data analysis is conducted, and the outliers in the sample are checked for. Prior to proceeding with the various inferential statistical tests, the reliability coefficient is assessed. Testing of the assumptions underlying the multivariate analysis is undertaken, such as the assumptions of normality, linearity, no multicollinearity, and homoscedasticity. The second part of Chapter Five addresses the factor analysis, which establishes coherent subsets or clusters, and factor rotation, which produces clearer factors. In the third part, the structural equation modelling SEM in AMOS 21 is employed to test the hypotheses of the study in two stages: the measurement (CFA) and structural model. Having criticised the approach of Baron and Kenney (1986), the tests of mediation and moderation were performed according to the steps of Hayes (2013) and with the help of his Macro PROCESS, which was added to SPSS 20. Following, the indirect effects of the mediators in the study (happiness and its orientations) are obtained, and the moderation test is executed so as to substantiate the conditional effect of the moderators (gender, age, and income), if any, on the different influences between the variables in the conceptual model.

Chapter Six compares the results of hypotheses-testing in Chapter Five with the relevant studies in the previous research, and it further discusses these findings.

Chapter Seven displays the research contribution, and presents a group of theoretical and managerial implications. Finally, it depicts the limitations of the current study, suggesting routes for further research based on the results of the study.
1.7 Summary of Chapter One

This chapter intends to introduce the content of this thesis with the necessary information for the reader so as to attain initial understanding of the research aim and plan. It commences with setting up the venue of the marketing environment at the beginning of the new century, which preluded the emergence of experiential marketing. Next, the research problem and gaps are discussed, highlighting the importance of the current research and the need for a better understanding of happiness in consumption contexts. Based on the existing gaps, the main aim of this study is stated, and a group of objectives are presented towards achieving this aim. Lastly, the research context is reviewed, its importance and relevance are highlighted, and a brief preview of the seven chapters of the thesis is presented.
2 CHAPTER TWO: LITERATURE REVIEW ON BRAND EXPERIENCE AND HAPPINESS

‘That all our knowledge begins with experience there can be no doubt... But, though all our knowledge begins with experience, it by no means follows that all arises out of experience.’

(Kant and Guyer, 1998, p. 17)

2.1 Introduction

This chapter commences with the rise of experiential marketing and hedonic consumption (Hirschman and Holbrook, 1982). Accordingly, the associated seminal works of its scholars are revised. Having explored the multiple definitions of experience, the research areas on this topic are reviewed, including customer experience (Arnould, Price and Zinkhan, 2002), and brand experience (Brakus, Schmitt and Zarantonello, 2009). The latter is considered to be the focal research topic in this study, and it is discussed separately. Following, the dimensionality of brand experience is explicated. Building on the previous research, four dimensions are addressed in greater detail. These dimensions are sensory, affective, cognitive, and social experiences (Schmitt, 1999).

The next section addresses additional levels of experience, particularly product and service experience (Helkkula, 2011; Desmet and Hekkert, 2007), and retailing experience (Turley and Milliman, 2000). Following, the emergence of experience economy (Pine and Gilmore, 1999) discusses the venue of marketing with the advent of the 21st Century; which has led to a rapid embracing of experiential marketing in the diverse fields and niches of marketing.
The second part of the review starts with recognising the need for happiness studies in consumer research. Therefore, the concept of happiness is investigated. Moreover, the debate of the absolute and relative happiness is probed (Hsee et al., 2009). Explaining the positive psychology movement (Seligman and Csikszentmihalyi, 2000) sheds some light on the historical necessities which facilitated its birth. Building on this movement, the several positions on happiness are reviewed, comprising the hedonic, the eudaimonic, and the flow view on happiness (Peterson, Park and Seligman, 2005). Finally, an integrated model of the three orientations to happiness—the Happiness Sphere—is proposed and employed in the study to attain a better understanding of how customers tread multiple routes in order to reach happiness.

2.2 The Rise of Experiential Marketing

In 1982, Hirschman and Holbrook (1982) made the first efforts to criticise the dominance of the traditional information-processing theory and suggested the experiential aspects of consumption. Further, they contrasted the prevailing information processing model with an experiential model (Holbrook and Hirschman, 1982). This information processing model views the purchasing decision process as a logical thinking process which is followed by consumers to solve the encountered purchasing problems (Bettman, 1979). However, in order to decipher the multi-faceted phenomena of consumption experience and building on the work of Levy (1959) on the symbolic aspects of products, Hirschman and Holbrook (1982) present the concept of hedonic consumption, which is closely connected to the part of consumer behaviour that focuses on the multi-sensory, fantasy and emotive sides in consumers’ experience with a product. These new subjective-based experiential realms have been described as the three Fs, namely fantasies, feelings and fun (Tynan and McKechnie, 2009; Holbrook and Hirschman, 1982). For example, the information processing perspective focuses on the objective features
of products, like calories for food and drinks or mile per gallon for cars. Yet, the experiential perspective probes the subjective and symbolic meanings of product’s characteristics, such as cheerfulness, sociability, and elegance (Holbrook and Hirschman, 1982). Such experiential aspects are well manifested in entertainment, art and leisure experiences.

However, Holbrook and Hirschman (1982) do not substitute the information-processing paradigm; rather, they consider their approach as complementary, and recommend that future research should address the imbalance between the two paradigms. Despite the fact that Holbrook admits the discovery of the consumption experience in their seminal paper, in order to forestall the dispute over the origin of this new trend, he acknowledges that earlier writings at the mid-century emphasised the importance of consumption experience (Holbrook, 2006). Examples of these writings include the book of Marketing Behavior and Executive Action (Alderson, 1957), and the book of Quality and Competition (Abbott, 1955).

The work of Hirschman and Holbrook (1982) stimulated the need for a better understanding of consumer behaviour through the holistic consumption experience (Tynan and McKechnie, 2009). The subsequent empirical research explored the consumption activities of playful consumer behaviour and the experiences it can incite (Holbrook et al., 1984). In the 1990s, this work was followed by studies that expanded the measurement of consumer attitude into hedonic and utilitarian dimensions (Batra and Ahtola, 1991), incorporated the experiential view with the consumer decision-making process (Pham, 1998), extended the three Fs into a broader view of the four Es, namely experience, entertainment, exhibition and evangelising (Holbrook, 2000), and began to cover neglected variables that cannot be addressed through the traditional view of buying as a reasoned action (Addis and Holbrook, 2001). Some examples of these
variables are the role of emotions in behaviour, the significance of symbolism in consumption, and the consumer’s need for fun and pleasure (Addis and Holbrook, 2001).

At the advent of the new millennium, businesses are facing three prevailing trends, the decline in the power of the traditional advertising; serving customers who are becoming more informed and independent; and the emergence of experience culture (Schmitt, Rogers and Vrotsos, 2003). In addition, consumers are expecting to live experiences and enjoy entertainment, not only at a movie theatre or a theme park, but also at coffee shops, restaurants and retail environment (Schmitt, Rogers and Vrotsos, 2003).

It has long been stated that brands constitute a great value to businesses because they provide them with a dependable and on-going stream of revenues in a way that is difficult to copy by competitors (Smith and Milligan, 2002). In addition, brand building is a successful choice when undertaking business in the constantly changing marketing environment (Pappu, Quester and Cooksey, 2005), and brands, as assets, are considered sustainable competitive advantages for firms (Hunt and Morgan, 1995; Aaker, 1989).

Nowadays, marketing practitioners are constantly put under pressure to display and demonstrate the impact of their activities on firm performance (O'Sullivan and Abela, 2007). They admit that ‘lead’ measures, which help in predicting customer behaviour, such as brand equity and customer satisfaction, are as important as ‘lag’ measures, which give an image concerning past activity, such as the increase in sales and profits (Smith and Milligan, 2002). However, the value of a brand is not only an economic one, but also customer value; that is, the value offered by creating something meaningful and relevant for customers. Hence, brand is not an image protected by a trademark, but a process of delivering a distinctive experience promised by a brand name (Smith and Milligan, 2002).
In order to probe the concept of experience in marketing, it is always constructive to commence with reviewing the meanings of the term experience in dictionaries at the outset in order to forestall any subsequent confusion. The Chambers Dictionary (2003, p. 527) defines the noun experience as ‘practical acquaintance with any matter gained by trial; long and varied observation, personal or general; wisdom derived from the changes and trials of life; the passing through any events or course of events by which one is affected; such an event; anything received by the mind, such as sensation, perception or knowledge, test, trial or experiment.’ Moreover, the Collins Concise Dictionary (2001, p. 507) provides the following definition to the term experience ‘1: direct personal participation or observation. 2: a particular incident, feeling etc. that a person has undergone. 3: accumulated knowledge especially of practical matters.’ The last two definitions offer two dimensions: the accumulated episodes of particular incidents in the past and the ongoing passing through events, or the encounter of sensations perceptions or knowledge in the present.

2.3 Experience in Marketing Literature

The literature on experience in marketing is rich and extensive; however, it is fragmented (Tynan and McKechnie, 2009). In the late 1990s and early 2000s, the experiential literature adopted the steps of Hirschman and Holbrook (Schmitt, 2011), engaging customer experience as a means of creating value for both customers and companies (Gentile, Spiller and Noci, 2007). The transformation towards experiential marketing has become the new approach (Schmitt, 1999), and customer experience has been employed in order to offer a better personalised products and mass customisation (Addis and Holbrook, 2001), to deliver a genuine value to customers (Prahalad and Ramaswamy, 2004; Smith and Milligan, 2002), and to create a competitive advantage (Shaw and Ivens, 2005). Additionally, the approach of customer experience has been followed to turn customers into brand advocates (Smith and
Wheeler, 2002), to maintain interactions between a customer and a product, and a company or its representatives (LaSalle and Britton, 2003), to connect with customers (Schmitt, 2003), to create experiential brandscapes (Ponsonby-Mccabe and Boyle, 2006), and to engage customer on multiple levels and across various dimensions (sensory, emotional, cognitive, physical and relational) (Brakus, 2001; Schmitt, 1999).

Carù and Cova (2007; 2003) suggest that consumers go through a continuum of experiences, ranging from experiences that consumers create around small items, which shape the texture of their everyday life, to experiences that are co-created by companies and consumers, to experiences created by companies with a high level of immersion; therefore, the role of companies differs in each and every stage of the continuum. This role either can be nearly a traditional approach of product and service marketing, or can be levitated to the co-development stage, where companies offer the platform for customers to shape their own unique experiences with the companies (Carù and Cova, 2003). This conceptualisation of the role of customer in experience staging echoes the concept of co-creation addressed by Prahalad and Ramaswamy (2004). In terms of comprehensiveness, experience can be upgraded to a holistic detailed experience, created and designed by companies (Gentile, Spiller and Noci, 2007).

2.3.1 Definitions of Experience in Marketing

The following table presents multiple definitions of the concept of experience by different authors:
### Table 2-1: The Different Definitions of the Concept of Experience

<table>
<thead>
<tr>
<th>Author</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Definitions of experience from other disciplines which have been employed in consumer research</strong></td>
<td></td>
</tr>
<tr>
<td>Maslow (1964, p. 62)</td>
<td>Peak experience is ‘a self-validating, self-justifying moment which carries its own intrinsic value with it. It is felt to be a highly valuable—even uniquely valuable—experience, so great an experience sometimes that even an attempt to justify it takes away from its dignity and worth.’</td>
</tr>
<tr>
<td>Denzin (1992, p. 26)</td>
<td>Epiphanic experiences rupture routines and lives and provoke radical redefinitions of the self. In moments of epiphany, people redefine themselves. Epiphanies are connected to turning-point experiences.'</td>
</tr>
<tr>
<td>Arnould and Price (1993, p. 25)</td>
<td>Extraordinary experience ‘entails a sense of newness in perception and process’ and it is ‘triggered by unusual events and is characterised by high levels of emotional intensity and experience.’</td>
</tr>
<tr>
<td>Csikszentmihalyi (1997, p.30)</td>
<td>Flow experience 'tends to occur when a person's skills are fully involved in overcoming a challenge that is just about manageable.'</td>
</tr>
<tr>
<td><strong>Definitions of experience in consumer research</strong></td>
<td></td>
</tr>
<tr>
<td>Holbrook and Hirschman (1982)</td>
<td>Experience is 'a personal occurrence, often with important emotional significance, founded on the interaction with stimuli which are the products or services consumed’ as cited in Carù and Cova (2003, p. 270).</td>
</tr>
<tr>
<td>Hirschman and Holbrook (1986, p. 219)</td>
<td>Consumption experience is 'an emergent property that results from a complex system of mutually overlapping interrelationships in constant reciprocal interaction with personal, environmental, and situational inputs.'</td>
</tr>
<tr>
<td>Carbone and Haeckel (1994, p. 1)</td>
<td>Experience is the 'takeaway impression formed by people's encounters with products, services, and businesses—a perception produced when humans consolidate sensory information.'</td>
</tr>
<tr>
<td>Pine and Gilmore (1999, p. 12)</td>
<td>‘Experiences are events that engage individuals in a personal way.’</td>
</tr>
<tr>
<td>Schmitt (1999, p. 60)</td>
<td>Experiences are private events that occur in response to some stimulation (e.g., as provided by marketing efforts before and after purchase). Experiences involve the entire living being. They often result from direct observation and/or participation in events—whether they are real, dreamlike, or virtual.'</td>
</tr>
<tr>
<td>Source</td>
<td>Definition</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Robinette and Brand (2001, p. 60)</td>
<td>Experiences are ‘the collection of points at which companies and consumers exchange sensory stimuli, information and emotion.’</td>
</tr>
<tr>
<td>Shaw and Ivans (2005, p. 6)</td>
<td>The customer experience is a blend of a company’s physical performance and the emotions evoked, intuitively measured against customer expectations across all moments of contact.</td>
</tr>
<tr>
<td>LaSalle and Britton (2003, p. 30)</td>
<td>Customer experience is ‘an interaction or series of interactions between a customer and a product, a company or its representative that leads to reaction. When the reaction is positive, it results in the recognition of value.’</td>
</tr>
<tr>
<td>Poulsson and Kale (2004, p. 270)</td>
<td>A commercial experience is ‘an engaging act of co-creation between a provider and a consumer wherein the consumer perceives value in the encounter and in the subsequent memory of that encounter.’</td>
</tr>
<tr>
<td>Gentile, Spiller and Noci (2007, p. 397)</td>
<td>‘The Customer Experience originates from a set of interactions between a customer and a product, a company, or part of its organization, which provoke a reaction (LaSalle and Britton, 2003; Shaw and Ivens, 2002). This experience is strictly personal and implies the customer’s involvement at different levels (rational, emotional, sensorial physical and spiritual) (LaSalle and Britton, 2003; Schmitt, 1999). Its evaluation depends on the comparison between a customer’s expectations and the stimuli coming from the interaction with the company and its offering in correspondence of the different moments of contact or touch-points (LaSalle and Britton, 2003; Shaw and Ivens, 2002).’</td>
</tr>
<tr>
<td>This study</td>
<td>A series of direct or indirect personal interactions between a customer and the touchpoints of a company and its branded products and services that engage customers at sensorial, emotional, physical, cognitive and relational levels.</td>
</tr>
</tbody>
</table>

The early definitions of experience, as subsequently employed in consumer research, appeared in other disciplines of knowledge, namely psychology. These definitions were characterised as being fundamental in the construction of the individual, such as the peak experience (Privette, 1983; Maslow, 1964), epiphanic experience (Denzin, 1992), extraordinary experience (Arnould and Price, 1993) and flow experience (Csikszentmihalyi, 1997). The latter concept, for example, has been researched in consumer studies: the work of Novak, Hoffman and Yung (2000), which investigated consumer experience in the online environment, effectively
employed the construct of flow experience of Csikszentmihalyi (1997) in order to understand the components and the dynamics of the compelling online shopping experience.

The definitions of consumer experience that emerged in consumer research are numerous. In their definition, Holbrook and Hirschman (1982) introduce the concept of interactions with products or services’ stimuli, and focus on the personal nature of this interaction. This very nature is re-stated in the definitions of Carbone and Haeckel (1994), Pine and Gilmore (1999; 1998), Robinette and Brand (2001), and LaSalle and Britton (2003). Yet, Poulsson and Kale (2004) differentiate between commercial and non-commercial experiences and extend the understanding of an experience to cover the memory of commercial encounter. Taking into consideration the major academic contributions of previous research on experiential marketing, Gentile, Spiller and Noci (2007) offer an extensive definition adding the idea of customer’s evaluation and expectations and the touchpoints of the company.

The important aspects of consumer experience, as manifested in these definitions and summarised in Table 2-2, are interactionism, personal nature of experience, experience touchpoints or encounters which serve as sources of experience, and multidimensionality of experience.
Building on the important aspects of customer experience highlighted in the aforementioned definitions, this study suggests that customer experience can be defined as: *a series of direct and indirect personal interactions between a customer and the touchpoints of a company and its branded products and services that engage customers at sensorial, emotional, physical, cognitive and relational levels.*

### 2.4 Consumer Experience

Consumer experience or customer experience is considered to be the broadest area in research on experience in marketing (Arnould, Price and Zinkhan, 2002). According to the consumption interactions that might potentially occur between a customer and a company’s touchpoints, consumer experience can be divided into: (1) *anticipated consumption*, which addresses the pre-purchase experience including daydreaming, budgeting and fantasising; (2) *purchase experience*, which indicates to choice, payment, bundling products, service encounter, and atmospherics in store environment; (3) *consumption experiences*, which refer to sensory experiences (such as: feel, touch, sight, and sound), satiation, satisfaction/dissatisfaction, arousal/flow, and transformation; and (4) *remembered consumption and nostalgia*, which
regard, reliving past experiences, telling stories about them, comparing old and new times, talking with friends of days gone by, playing ‘what if’ daydreaming, and sorting through memorabilia (Arnould, Price and Zinkhan, 2002). Researchers in marketing are particularly interested in anticipated consumption and purchase experiences; however, more recently, this interest has been extending towards consumption experience and remembered consumption (Schmitt and Zarantonello, 2013).

This research stream spawned publications and trade writings that focused on producing satisfactory customer experiences and the associated practical frameworks that help to manage such experiences (Schmitt and Zarantonello, 2013), such as those of Shaw, Dibeehi and Walden (2010), Chattopadhyay and Laborie (2005), Shaw (2007), Shaw and Ivens (2005), and Smith and Wheeler (2002). For example, Smith and Wheeler (2002), reflecting on the practice of world-class companies like Virgin, Harley Davidson and First Direct, explore how to achieve a long-term competitive advantage through delivering distinctive customer experience that is consistent, differentiated and valuable. On the other hand, Shaw, Dibeehi and Walden (2010) present a diagnosis of the current case of customer experience and its future trends. In addition, away from the rational customer behaviour, they further delve into the experience psychology and discuss the results of experience psychology research.

2.5 Brand Experience

Experiences can be viewed from a different perspective when a brand is employed as the main level of analysis. Brand experience is one of the relatively novel research areas on experience (Schmitt and Zarantonello, 2013). As discussed earlier, prior research on experience had focused on the utilitarian aspects of products and category experiences (e.g.: consumption,
product, service, retailing, or online); consequently, the experiential and comprehensive nature of brands was ignored (Brakus, Schmitt and Zarantonello, 2009).

One important quality of brand experience is that it comprises interactions with both goods and services; therefore, understanding how consumers experience brands will contribute to a better formulation of marketing strategies for goods and services, and facilitate staging appealing brand experience (Brakus, Schmitt and Zarantonello, 2009). Further, brand experience covers interactions in different venues, contexts and channels, such as in retailing stores and in online shopping. It also covers these interactions with a brand at numerous touchpoints when consumers search, shop and consume a brand (Schmitt and Zarantonello, 2013). In addition, given the nature of brand experience and the fact that both customers and non-customers have brand experience, it is argued that this type of experience expands the lifecycle and the context of experiences (Nysveen, Pedersen and Skard, 2013). The comprehensiveness of brand experience and its ability to capture the experiential qualities of brands yields additional importance to this construct at a theoretical level.

From a practical point of view, the heavy reliance on functional and utilitarian attributes of products and services led to increasing commoditisation, which in turn, resulted in lack of competitive advantages and the emergence of price wars (Pine and Gilmore, 1999). Further, marketing managers have come to realise the importance of the integrative facets of experience in marketing (Holbrook, 2007). Hence, brand experience falls in line with the emphasis on brand management in marketing, as well as on the competitive advantages stemming from providing outstanding brand experience (Schmitt and Zarantonello, 2013). Examples of companies which have embraced this approach at the outset of the 21st Century include brands
in consumer electronics, automotives, airlines, and retailing, such as Apple, Nintendo, Mini Cooper, Jet Blue, and Abercrombie & Fitch (Schmitt, 2011).

Therefore, incorporating brand experience into consumption research is essential since brands are becoming lifestyles that tell the stories of consumers and the meanings behind their symbolic consumptions (Schmitt, Brakus and Zarantonello, 2014). Building on the importance of this level of analysis, in this study, brand experience is employed as a focal construct. In order to review this construct in greater detail, the following main section is designated for brand experience and its conceptualisation.

2.6 Brand Experience and Its Conceptualisation

Unlike the prior articles on experience that focused on category experience, the article of Brakus, Schmitt and Zarantonello (2009) that appeared in the Journal of Marketing constitutes the first work that made brands and the experiences occurring from encountering them the core of attention. They presented a conceptual analysis of brand experience and developed a brand experience scale. The concept of experience in this regard covers the interactions with and the exposures to the various stimuli a brand might incite in consumers. These stimuli include multiple elements, such as colour, shapes, typefaces, slogans, mascots and brand characters (Brakus, Schmitt and Zarantonello, 2009). For example, in the past, many studies have focused on the importance of colour and its effects on purchase likelihood in shopping environments (Bellizzi and Hite, 1992), on feelings and on ad likability (Gorn et al., 1997), and on attitudes towards full-colour, black-and-white and colour-highlighted ads (Meyers-Levy and Peracchio, 1995). In terms of shapes as essential visual aspects of product design, Veryzer and Hutchinson (1998) investigated the influence of unity and prototypicality on aesthetics responses. Further, Mandel and Johnson (2002) found out that even slight changes in the Web environment
pertaining to typefaces and background design elements can significantly affect purchase choice. Consequently, brand-related stimuli are regarded as part and parcel of the brand’s identity and design, packaging, marketing communications, and environments in which brands are marketed, sold or consumed (Brakus, Schmitt and Zarantonello, 2009). Therefore, brand experience can be defined as ‘subjective, internal consumer responses (sensations, feelings, and cognitions) and behavioural responses evoked by brand-related stimuli that are part of a brand’s design and identity, packaging, communications, and environments’ (Brakus, Schmitt and Zarantonello, 2009, p. 53). The following section discusses the origin of the notion of experience dimensionality and reviews several conceptualisations of experience.

2.7 The Dimensionality of Brand Experience

In order to grasp a better understanding of the dimensionality of brand experience, the relevant sources of experience dimensions are reviewed in the following. This review commences with the more general dimensionality of customer experience and ends up with the dimensionality of brand experience as the latter was suggested building on the prior work on experience dimensionality. Criticising the Kantian view of experience as knowledge, Dewey (1929) contends that people’s experiences with their environment encompass sensory perception, feelings, and actions. More recently, in an attempt to understand how the mind works, Pinker (1999) proposes that our minds are sets of modules; they are said to be formless psychological faculties or mental modules that sense, think and perform the various activities in life.

Several books and writings on psychology and behavioural research, as highlighted by Gentile, Spiller and Noci (2007), reveal three fundamental systems that have distinctive structures, principles, and mutual interactions. These systems embrace sensation, cognition and affect (Anderson, 2010; Fiske, Gilbert and Lindzey, 2010). The ideas proposed by Dewey (1929) and
by Pinker (1999) concerning the different sources of experience and the modularity of mind have sparked an interest in empirically identifying and measuring these experiences in marketing research and involving customers holistically and consistently at different levels (Schmitt and Zarantonello, 2013; Gentile, Spiller and Noci, 2007).

Multiple dimensions of experience have been suggested in the literature of experiential marketing (see Table 2-3 for a summary of the dimensions of experience in different studies in a chronological order manifesting the development of these dimensions throughout the time). For instance, Holbrook and Hirschman (1982) construct a general framework in a conceptual article viewing the consumption experience as a phenomenon that seeks to satiate fantasies, feelings, and fun. For the first time, Holbrook and Hirschman (1982) extend the consumption situation to include the emotive and cognitive aspects of experience. However, they did not highlight other relational and physical aspects of experience.

Arnould and Price (1993) discern several experiential themes in their study in the context of river rafting and extraordinary experience. These themes or dimensions of extraordinary experience include personal growth and self-renewal, communitas, and harmony with nature. However, Arnould and Price (1993) over-emphasise the experience of a certain individual in a specific context. Moreover, these dimensions are considered to be non-generic, which limits the application of these dimensions in other contexts. In a construct development paper, Otto and Ritchie (1996) recognise four factors underlying the concept of service experience in tourism: hedonics, peace of mind, involvement, and personal recognition. However, such dimensions highlight some extent of theoretical overlapping when considering the sensorial and emotional aspects of an experience. Furthermore, they are particularly context-specific in relation to the tourism industry. The conceptualisation of experience in the aforementioned
research does not share many aspects; however, it emphasises the hedonic facets of consumption.

Table 2-3: A Summary of the Dimensions of Experience in Different Studies

<table>
<thead>
<tr>
<th>Author</th>
<th>Dimensions</th>
<th>Criticism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holbrook and Hirschman (1982)</td>
<td>Fantasies, feelings, and fun.</td>
<td>Primitive conceptualisation, and lack of physical and relational aspects</td>
</tr>
<tr>
<td>Arnould and Price (1993)</td>
<td>Personal growth and self-renewal, communitas, and harmony with nature.</td>
<td>Over-emphasis on the experience of a certain individual in a specific context, and non-generic dimensions</td>
</tr>
<tr>
<td>Pine and Gilmore (1999)</td>
<td>Entertainment, educational, escapist, and aesthetic elements</td>
<td>Lack of empirical validation and measurement in multiple contexts</td>
</tr>
<tr>
<td>Schmitt (1999)</td>
<td>Sensory experience, affective experience, cognitive experience, bodily experience, and social identity experience.</td>
<td>Lack of well-validated measurement instruments</td>
</tr>
<tr>
<td>Mascarenhas, Kesavan, and Bernacchi (2006)</td>
<td>Physical moments, emotional moments and value chain moments</td>
<td>Combining utilitarian and experiential aspects</td>
</tr>
<tr>
<td>Gentile, Spiller and Noci (2007)</td>
<td>Sensorial component, emotional component, cognitive component, pragmatic component, lifestyle component, and relational component.</td>
<td>Mixed components</td>
</tr>
<tr>
<td>Brakus, Schmitt and Zarantonello (2009)</td>
<td>Sensory experience, affective experience, intellectual experience, and behavioural experience.</td>
<td>Lack of relate experience dimension</td>
</tr>
</tbody>
</table>

35
Ushering into the experience economy, Pine and Gilmore (1999) discuss how four experience realms (entertainment, educational, escapist, and aesthetic) emerge on two axes: the level of consumer involvement (passive vs. active) and the kind of connection or environmental relationship (absorb vs. immerse) (see Figure 2-1). Passive consumers do not influence directly the creation of experience, such as symphony goers or people who watch a football event. At the other end of the axis is the active consumer who participates directly and influences the creation of his/her own experience, such as skiers. At one end of the second axis that describes the environmental connection, lies absorbed consumers. Here, the experience is brought to the mind of consumers from a distance in a way that occupies their attention, like when watching TV. At the other end are immersed consumers, who become a part of the experience itself, such as through playing a virtual game or participating in chemistry lab experiments.

Source: Adapted from (Pine and Gilmore, 2011, p. 46)
Accordingly, Pine and Gilmore (1999) distinguish four emerging experiences: entertainment, educational, escapist, and aesthetic. They explicate these four realms with multiple examples. When people are passively absorbed, entertainment experience occurs. On the other hand, the educational experience happens when consumers are actively absorbed. In this case, they participate actively in the events that are being unfolded before them. People in escapist experiences are completely immersed and actively participating in the events, like in the case of the visitors of a theme park. Finally, aesthetic experiences occur when consumers are immersed in an event with little or no effect on it, like when visiting a museum or beholding a painting in a gallery. With few exceptions, the attempts of measuring the four realms of customer experience in multiple contexts, however, are sparse, and further validation of this dimensionality is required (Oh, Fiore and Jeoung, 2007).

Schmitt (1999) proposes five types of experiences: sensory experience (Sense) that appeals to the visual, auditory, tactile, gustative, and olfactory sensations a customer receives through his/her senses; affective experience (Feel) that appeals to the emotions and feelings of customers that range from simple positive moods associated with a brand to strong emotional connections and feeling of pride and joy; cognitive experience (Think) that appeals to the intellect in an attempt to creatively engage customers’ convergent and divergent thinking through surprise, intrigue and provocation; bodily experience (Act) that targets the customers’ physical aspects and interactions, and motivates them to adopt different ways of doing things and alternative lifestyles; and social-identity experience (Relate) that relates the individual to the ideal self, to a reference group or to a culture or subculture, and satiates their need to become a part of a social context (Schmitt and Zarantonello, 2013; Zarantonello and Schmitt, 2010; Schmitt, 1999).
This categorisation of experiences shares some similarities with the model of Pine and Gilmore (1999): for example: the sensory experience corresponds with the aesthetic dimension; the cognitive experience matches the educational dimension; and the emotional experience corresponds with the entertainment dimension. This shows consensus on the importance of the trio: sense, emotion, and cognition. However, the dimensions suggested by Schmitt (1999) lacks well-validated measurement instruments tested in several contexts and on both products and services. In line with Schmitt’s (1999) dimensionality, Dubé and Le Bel (2003), who conducted a study that maps the content and structure of the concept of pleasure, differentiate four pleasure dimensions: intellectual, emotional, social, and physical pleasures. This approach is closely related to the four strategic experiential modules of Schmitt (1999), specifically: think, feel, relate and act respectively.

In a study by O’Loughlin, Szmigin and Turnbull (2004) in the context of retail financial services, three dimensions of experience are identified after discussions with suppliers and customers. These dimensions are: brand experience, transactional experience, and relationship experience. Here, the overall customer experience is determined by the individual dimensions or components and the inter-relatedness of these components (O’Loughlin, Szmigin and Turnbull, 2004), which echoes the idea of the holistic experience created and designed by companies (Gentile, Spiller and Noci, 2007). Despite the attempt to include the relational dimension of customer experience, this dimensionality, however, shows some levels of overlapping: for example, brand experience dimension overlaps with both transactional and relational experience dimensions; that is, all transactional and relational experiences entail elements of brand experience and its sub-dimensions. Additionally, brand experience is oversimplified through its nature as comprising corporate values and brand image of financial services ignoring its holistic nature and its sub-dimensions.
Mascarenhas, Kesavan and Bernacchi (2006) view what they refer to as the total customer experience (TCE), which is explained as a combination of physical moments, emotional moments and value chain moments of the search, purchase, use and post-use stages. They argue that, when companies offer experiences that have strong physical-based satisfaction, high levels of emotions, and a high perceived value, the total customer experience would be high, and it would contribute to lasting customer loyalty, and vice versa (Mascarenhas, Kesavan and Bernacchi, 2006). At this level, the study of Mascarenhas, Kesavan and Bernacchi (2006) attempts at linking the construct of consumer experience with the outcomes of consumer behaviour represented by lasting customer loyalty. However, this conceptualisation of customer experience dimensions combines the utilitarian and experiential aspects, which is contrary to the original concept of experience suggested by Hirschman and Holbrook (1982) who contend that the experiential attributes of an experience transcends the utilitarian value of a product or service and add hedonic value to these offerings.

Building on the previous work on experiential marketing (Schmitt, 2003; Brakus, 2001; Schmitt, 1999), Gentile, Spiller and Noci (2007) conceptualise customer experience assuming six dimensions:

1. **Sensorial component** directed towards the five senses of sight, smell, hearing, touch, and taste, and it aims to produce aesthetical pleasure, excitement, satisfaction, and sense of beauty.

2. **Emotional component** targeting the affective system of consumers in order to generate an affective relationship with the company and its brands.

3. **Cognitive component** concerning with stimulating customers’ convergent and divergent thinking with the intention of revising the typical ideas and the assumptions about a brand, and the uses of a brand.
4. **Pragmatic component** that addresses the human-object interaction and the experience coming from the practical act of doing something, and includes the usability during all stages of the product life-cycle.

5. **Lifestyle component** that originates from the affirmation of values and personal beliefs of an individual that attempts to adopt a lifestyle and behaviours.

6. **Relational component** that implicates associating an individual with a different self, a certain social context, or a specific group of people. This experience might motivate individuals to consume a brand together or even to form a brand community.

The conceptualisation suggested by Gentile, Spiller and Noci (2007) separates the physical aspects from the values in the Act experience proposed by Schmitt (1999), considering that the physical experience should be merged with the sensorial experience. Further, they extend the five strategic experiential modules of Schmitt (1999) by adding a pragmatic component addressing the human-object interaction. This article, however, does not empirically test the dimensionality and the discriminant validity of the pragmatic component (Schmitt and Zarantonello, 2013), and a cross-loading of these components or mixed components are observed. Despite the fact that this is an exploratory study, this research offers significant insights regarding the complex experiences that could arise on more than one dimension for different brands depending on the characteristics of the brands themselves. It also highlights the importance of the interactive nature of complex holistic experiences (Schmitt and Zarantonello, 2013).

Brakus, Schmitt and Zarantonello (2009) based their conceptualisation of brand experience on the previous research in the philosophical investigation, cognitive science, and the applied writings on experience marketing and management (e.g.: Dubé and Le Bel, 2003; Pinker, 1999; Schmitt, 1999; Dewey, 1929). They adopted the five strategic experiential modules of Schmitt
(1999) (*Sense, Feel, Think, Act, and Relate*). For Brakus, Schmitt and Zarantonello (2009), who are known to follow a consumer perspective, the *Sense* experience involves the experience gained from the senses and the aesthetic qualities. On the other hand, the *Feel* experience addresses the consumption related to emotions (Richins, 1997) that result during the multiple stages of consuming a brand and interacting with its encounters. The *Think* experience tackles: the creative and imaginative thinking represented by the divergent thinking; and the critical and analytical thinking represented by the convergent thinking (Baker, Rudd and Pomeroy, 2001; Guilford, 1956). Lastly, while, the *Act* experience is mainly concerned with the bodily and physical actions, the *Relate* experience shows how consumers connect with a certain reference group or a social context through a brand (Schmitt and Zarantonello, 2013; Zarantonello and Schmitt, 2010; Schmitt, 1999).

Table 2-4: A Summary of the Important Experience Dimensions in Marketing Studies

<table>
<thead>
<tr>
<th>Experience Dimensions</th>
<th>Sensory</th>
<th>Affective</th>
<th>Cognitive</th>
<th>Relational</th>
<th>Act</th>
<th>Pragmatic</th>
<th>Lifestyle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holbrook and Hirschman (1982)</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schmitt (1999)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>O’Loughlin, Szmigin and Turnbull (2004)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mascarenhas, Kesavan, and Bernacchi (2006)</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
Brakus, Schmitt and Zarantonello (2009) constructed a brand experience scale that was internally consistent and reliable, and passed multiple validity tests; however, the final scale comprised only four dimensions, rather than five. These dimensions are sensory, affective, intellectual, and behavioural. The fifth dimension, the Relate experience, which was part of the early theoretical conceptualisation, did not pass the validity test in the empirical studies because it had emotional aspects.

In summary, most of the reviewed studies agreed on the three central systems when it comes to the conceptualisation of experience. The three systems of sensation, cognition and affect (Anderson, 2010; Fiske, Gilbert and Lindzey, 2010) and their mutual interactions are amongst the most frequent elements and dimensions discussed. As can be seen in Table 2-4, a summary of the most common dimensions of experience in consumer research studies is displayed. The first five dimensions are among the most common ones. However, this study adopts only the first four dimensions of experience: sensory experience (sense), affective experience (feel), cognitive experience (think), and social experience (relate). These four dimensions are consistent with the three systems of sensation, cognition and affect (Anderson, 2010; Fiske, Gilbert and Lindzey, 2010), and more suitable in terms of capturing the different elements of dining experiences. This study also excludes the physical or bodily experience (act) because of the lack of relevance to the context of the study, restaurant industry.
Therefore, in the following sub-sections, a more detailed review is provided about sensory, affective, cognitive, and relational/social brand experience.

2.7.1 Sensory Experience (Sense)

Sense marketing refers to the activities directed towards the visual, auditory, tactile, gustative, and olfactory sensations a customer receives through his/her senses (Zarantonello and Schmitt, 2010). Marketing aesthetic aims at creating a corporate or brand identity, motivating customers, adding value, and differentiating the brand through embedding sensory experiences into marketing strategy, using experience providers (Schmitt, 1999). Examples of these providers comprise: communications, visual and verbal identity and signage, product presence, co-branding, spatial environments, electronic media, and people (Schmitt, 1999). The importance of this type of experience stems from the fact that its encounter is the first thing that attracts potential customers, and all the subsequent evaluations and judgments follow the sensory experience (Bloch, Brunel and Arnold, 2003). Further, in many cases, customers base their purchase decisions on the aesthetic value and visual experience (Simonson and Schmitt, 1997; Dumaine, 1991).

Starting from Kotler’s (1973) introduction of the term ‘store atmospherics’, several studies have attempted to address the different levels of sensory stimuli or experience; such studies were undertaken at either an elementary or aggregated level (Baker et al., 2002; Lam, 2001). The elementary level examines the individual environmental elements or stimuli, such as music (Yalch and Spangenberg, 2000; Hui, Dube and Chebat, 1997; Areni and Kim, 1993; Milliman, 1982), colour (Degeratu, Rangaswamy and Wu, 2000; Gorn et al., 1997; Meyers-Levy and Peracchio, 1995; Crowley, 1993; Bellizzi and Hite, 1992; Bellizzi, Crowley and Hasty, 1983), shapes (Veryzer and Hutchinson, 1998) and scent (Bone and Ellen, 1999). At an elementary
level, Yalch and Spangenberg (2000), for example, extend the research on this topic by relating shopping behaviour to environmental factors. This is carried out by studying the effect of music in retail setting. Also, Crowley (1993) investigates the influence of colour and consumer responses to it in shopping stores. In terms of olfaction, the notion that the sense of smell can have strong impacts on consumer responses in retailing stores motivated Bone and Ellen (1999) to assume that odours have persuasive powers and can provide a competitive advantage for retailers. Lastly, these studies are not exclusive to the physical store but they extend to the online settings and the sensory stimuli associated with them (Wang, Minor and Wei, 2011; Parsons and Conroy, 2006).

On the other hand, the aggregated level groups the individual elements or cues to form factors, such as the ambience, design and social factors proposed by Baker (1986). The ambient factor involves the background characteristics, such as temperature, lighting, noise, music and ambient scent; the design factor refers to the ability of a space or an object to perform the goals of its occupants or users, such as architecture and materials; and the social factor includes the social conditions that denote to the number, type and behaviour of employees and other customers (Baker et al., 2002; Bitner, 1992; Baker, 1986).

In line with the preceding analysis and at a more practical level, Schmitt (1999) divides the sensory experience into primary elements, styles and themes. The primary elements are numerous and contained within the major domains of sight, sound, touch, taste, and smell (see Figure 2-2). When combining the primary elements, styles are produced, and they can be analysed according to various style dimensions, such as complexity (minimalism vs. ornamentalism), representation (realism vs. abstraction), movement (dynamic vs. static), and potency (loud/strong vs. soft/weak) (Schmitt, 1999; Simonson and Schmitt, 1997).
When employed, experiential themes are vehicles for the expression of meaning and content about the company and its brands, and they provide narratives and stories that activate imagination and thoughts, and offer associations beyond functionality in the mind of the consumer (Schmitt and Zarantonello, 2013; Gottdiener, 2006; Schmitt, 1999). Schmitt and Simonson (1997) contend that themes can be borrowed from history, fashion, popular cultures, or physical places and spaces.

Staging the right experiential theme is a critical process that should take into account putting together all the design elements to create a compelling story that captivates customer’s attention (Schmitt and Zarantonello, 2013), and consider their motivational orientation and their shopping goal (Kaltcheva and Weitz, 2006). In a study addressing the store atmospherics, the findings revealed that: customers were not pleased with arousal resulting from the elements of the sensory experience in stores when customers had task-oriented motivational orientation.
because of a mismatch; however, they were pleased with the arousal when they had recreational motivational orientation (Kaltcheva and Weitz, 2006). On the other hand, irritating environmental stimuli have a negative effect on the likelihood of purchase (d’Astous, 2000). These examples illustrate the importance of this process in producing a relevant theme that does not distract information processing and decision making.

### 2.7.2 Affective Experience (Feel)

Emotion can be defined as ‘a mental state of readiness that arises from cognitive appraisals of events or thoughts; has a phenomenological tone; is accompanied by physiological processes; is often expressed physically (e.g., in gestures, posture, facial features); and may result in specific actions to affirm or cope with the emotion, depending on its nature and meaning for the person having it’ (Bagozzi, Gopinath and Nyer, 1999, p. 184). An essential quality of human beings, emotion enhances and impacts our behaviour, thought, and motivation (Desmet, 2008). Further, our interactions with the world and its social or material components are fundamentally affective (Desmet, 2008). Emotional experiences are sets of feelings that differ in terms of intensity, ranging from slightly positive or negative mood states to deep and strong emotions (Schmitt, 1999). According to Wessman and Ricks (1966), as cited in Izard (1978, p. 266), moods are defined ‘as a basic expression of the individual's continuing total life condition, as a characteristic of the individual that is intimately related to feelings and behaviour’. Emotions, in contrast to moods, are affective states that are characterised of being intense and stimulus-specific (Schmitt, 1999) or referent-associated (Bagozzi, Gopinath and Nyer, 1999). Furthermore, emotions can be either basic or complex in nature (Schmitt, 1999). However, moods last longer and are less intense, and they are less coupled with action (Bagozzi, Gopinath and Nyer, 1999). Despite the lack of consensus on their number or nature,
basic emotions, according to one approach, are biologically based and universally experienced (Richins, 1997). The early work of Plutchik and Kellerman (1980) and Izard (1978, p. 266) identifies ‘eight primary emotions comprising: fear, anger, joy, sadness, acceptance, disgust, expectancy and surprise’. On the other hand, complex emotions consist of a combination of the basic elements of emotions, such as pride, nostalgia, embarrassment, guilt, and shame (Schmitt, 1999).

The role of emotions in the literature of consumer behaviour has been significant and central (Williams, 2014; Richins, 1997). Numerous studies established the significance of emotions in consumer response. These studies have examined the role of emotions as mediators of consumer responses to advertising (Derbaix, 1995; Olney, Holbrook and Batra, 1991; Wiles and Cornwell, 1991; Edell and Burke, 1987; Holbrook and Batra, 1987), and the relationship between emotions and satisfaction response (Phillips and Baumgartner, 2002; Mano and Oliver, 1993; Westbrook and Oliver, 1991; Westbrook, 1987). In addition, several studies addressed emotions resulting from; consuming a certain product (Holbrook et al., 1984), or service (Chou et al., 2016); from developing attachment to a possession (Schultz, Kleine and Kernan, 1989), or to a brand (Whan Park et al., 2010; Whan Park and MacInnis, 2006; Thomson, MacInnis and Whan Park, 2005); from addressing multiple consumption situations and scenarios (Richins, McKeage and Najjar, 1992; Derbaix and Pham, 1991; Havlena and Holbrook, 1986b); or even online (Mazaheri, Richard and Laroche, 2012).

Two levels of emotion conceptualisation can be identified, general and specific (Laros and Steenkamp, 2005). They can be viewed either; as a general dimension that involves a wide-ranging set of emotions (Ruth, Brunel and Otnes, 2002; Richins, 1997), that for instance can include positive or negative emotions; or as a more specific emotion, such as: sympathy and
empathy responses (Escalas and Stern, 2003), evoked embarrassment (Verbeke and Bagozzi, 2003), surprise (Derbaix and Vanhamme, 2003), and anger (Bougie, Pieters and Zeelenberg, 2003).

In terms of the theories that explicate emotions, two major schools of thought can be recognised: psychophysiological and psychosocial theories (Chaudhuri, 2006). Psychophysiological theories view arousal as a necessary and sufficient condition for the primary emotions, and for them, the cause of emotions lies within the individual him/herself (Chaudhuri, 2006). Contrary to this, psychosocial theories see emotions as malleable states that are the product of cognitive appraisal of the stimulus, so that arousal alone is a necessary but not sufficient condition for the production of emotion, and they consider that the cause of emotions lies in the emotional relationship with others and with the social environment (Chaudhuri, 2006; Smith and Kirby, 2001).

The essential difference between the two approaches has a significant implication in consumer behaviour, in that; the psychosocial theorists argue that emotions are based on social interactions, and not on automatic arousal alone (Chaudhuri, 2006). This led to the famous Lazarous-Zajonc controversy (Chaudhuri, 2006). To Lazarous (1984), people must understand the emotion in order to experience it. On the other hand, Zajonc (1980) contends that people can have preferences without inferences; consequently, a successful execution of affective experience might result in a better attitude towards the brand in the total absence of rational beliefs and product features and attributes (Chaudhuri, 2006).
2.7.3 Cognitive Experience (Think)

The core of cognitive experience is to appeal to customers’ creative thinking about a company and its brands in a way that motivates them to engage in creative and analytical thinking that might lead to re-evaluation of this company and its brands (Schmitt, 1999). Pertinent to the concept of cognitive experience and its operations, two types of thinking that people engage in are identified by the American psychologist Guilford (1956). In **convergent thinking**, there is usually one conclusion or answer, and the mental focus is directed towards that conclusion or answer (Guilford, 1956). It focuses on speed, logic and accuracy, and it emphasises recognising the familiar and gathering information (Cropley, 2006). Further, convergent thought is closely linked to knowledge as it concentrates on systematically manipulating existing knowledge and on growing this knowledge (Cropley, 2006). On the other hand, in **divergent thinking**, the search for the answer, which is not unique, goes in different directions (Brophy, 2001; Guilford, 1956). It involves distinguishing links among seemingly unrelated concepts, and transforming information into a novel sort of knowledge (Cropley, 2006), and, it has frequently been described as creative problem solving (Brophy, 2001).

Once seen as bad and undesirable, convergent thinking has recently gained more recognition, and has been viewed as a main contributor to creativity (Cropley, 2006). Further, nowadays the very two types of thinking are considered as foundations for the cognitive theories of creativity (Kozbelt, Beghetto and Runco, 2010). The single element that defines creativity is production of novelty (Morgan, 1953). However, the type of novelty that matters is effective novelty that satiates technical, professional, aesthetic or scholarly criteria (Cropley, 1999). In addition, Maslow (1971) differentiates between two types of creativity: primary creativeness and secondary creativeness. The former comes out of unconsciousness, the key source of
newness and uniqueness discovery or real novelty; and the latter departs from unconsciousness and employs logic and reasoning on the work of primary creative people. In line with this meaning, while divergent thinking implicates production of variability, convergent thinking involves production of singularity (Cropley, 1999). Therefore, generation of effective creativity comprises generation of novelty via divergent thinking, and evaluation of novelty via convergent thinking (Cropley, 2006), or what is called divergent ideation and convergent judgment.

Pertaining to marketing, divergent cognitive experience occurs when an experience is charged with creative, novel, different, or unusual ideas; and when marketers induce such element in the different messages they send to consumers through the multiple communication channels and the brand-related stimuli (Smith and Yang, 2004). This type of experience can extend and reach a paramount state of fantasy and daydreaming (Brophy, 2001). It entails staging associative think campaigns that, for example, make use of abstract concepts and diffused visual imagery (Schmitt, 1999). However, there are pitfalls associated with the use of divergent thinking. As divergent thinking counts on knowledge of a certain domain, it is not expected that these experiences will be successful in the formational markets where customers do not have the same brand knowledge (Schmitt, 1999).

Contrary to divergent cognitive experience, convergent cognitive experience is the one that is characterised of being relevant, systematic, meaningful, appropriate and effective (Smith and Yang, 2004). It implies that experiences become *directional* with a clear objective about how customers are supposed to think about the alternatives put before them (Schmitt, 1999). Yet, embedding an experience with convergent thinking might pose some threats to the overall liking of this experience; for example, when asking people to analyse thoroughly what they
like about a certain experience, they will suddenly have a tendency to like it less (Schmitt, 1999).

2.7.4 Social Experience (Relate)

Social experience relates customers to other people, other social groups (such as: occupational, ethnic, or lifestyle), or a broader abstract and cultural context (such as: a nation, a society, or a culture) reflected in a brand (Schmitt, 1999). In order to attain a better understanding of consumer behaviour, Belk (1988) contends that marketers should decipher the meanings consumers attach to their possessions. And an important step towards this understanding lies in the fact that consumers establish relationships with their possessions and consider these possessions as parts of themselves. Purposive in their nature, relationships enrich people’s lives with meanings and extend the self-concept into new domains (Fournier, 1998). For example, adopting brand endorsement strategies has become a traditional practice among marketers to establish meaningful relationships that relate a brand to a certain reference group or to a celebrity (Hung, 2014; Dean, 1999; Schmitt, 1999).

Employing relationships and their meanings, in the context of consumer behaviour and brands, facilitated the emergence of the concept of communal consumption that highlights the relationships among a group of consumers resulting from consuming a certain brand (Muniz and O’Guinn, 2001). The study of subcultures of consumption (Schouten and McAlexander, 1995), as one form of communal consumption, is an insightful work that reflects this notion and reveals the symbolic behaviour of consumption-oriented subcultures based on ethnographic fieldwork with Harley-Davidson motorcycle bikers. Another significant contribution to the study of communal consumption is propounded by Muniz and O’Guinn (2001) via what they properly call brand communities. In their perspective, Muniz and O’Guinn
(2001, p. 412) define brand community as ‘a specialised, non-geographically bound community, based on a structured set of social relationships among admirers of a brand. It is specialised because at its centre is a branded good or service. Like other communities, it is marked by a shared consciousness, rituals and traditions, and a sense of moral responsibility. Each of these qualities is, however, situated within a commercial and mass-mediated ethos, and has its own particular expression’.

It is worth noting that numerous dimensions differentiate brand communities, comprising geographic concentration, social context, and temporality (McAlexander, Schouten and Koenig, 2002). In terms of geographic proximity, brand communities can be concentrated, scattered (McAlexander, Schouten and Koenig, 2002), or even online (Brodie et al., 2013). Further, social context can play a significant or trivial role in the formation of brand community, as the members of this community might know about each other such information as: age, sex, attractiveness and personal history or not. This depends on the type of communication taking place; face to face, virtual, or mass media dependent (McAlexander, Schouten and Koenig, 2002). Temporality, as another dimension of brand community, defines the time scale of the life of this community. It varies between being temporary and enduring. When stable and long term, brand community serves as an asset for marketers who value the benefits of long-term relationships (McAlexander, Schouten and Koenig, 2002).

The key implication for branding is the proposition of the model consumer-brand-consumer as a substitute to the more conventional dyad of consumer-brand (Muniz and O’Guinn, 2001). This implication is advantageous when comparing brand community to relationship marketing. The classic relationship marketing model emphasises attracting, maintaining, and enhancing long-term customer relationships instead of focusing on single transactions (Berry, 1995).
However, the new model adds a link between customers through a brand, and performs more efficiently (Muniz and O’Guinn, 2001).

2.8 Experience in Consumer Research at Two Other Levels of Analysis

For the purpose of providing a useful framework that forestalls the fragmentation of the way experience has been approached and studied in consumer research, the level of analysis is employed to classify experience into multiple levels other than consumer and brand experience (Schmitt and Zarantonello, 2013). Some of these levels are broader and more comprehensive than the others (Schmitt and Zarantonello, 2013). The next section discusses two additional levels: product and service; and retailing experiences.

2.8.1 Product and Service Experience

This research area is interested in understanding consumers’ subjective experience, as provoked by a series of interactions with products that can be instrumental or non-instrumental (Desmet and Hekkert, 2007). One aspect of these interactions occurs when consumers search for and choose products, as well as when they judge and evaluate them (Hoch, 2002). Further, product experience can be either direct with a product or indirect when consumers learn about products and gain their experiences from a virtual touchpoint with them, like in advertisement (Hoch and Ha, 1986).

Product experience can be defined as ‘the awareness of the psychological effects elicited by the interaction with a product, including the degree to which all our senses are stimulated, the meanings and values we attach to the product, and the feelings and emotions that are elicited’ (Hekkert and Schifferstein, 2008, p.1). From this particular definition, three major components

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of product experience can be identified, namely aesthetics experience, experience of meaning, and emotional experience (Hekkert, 2006).

At the aesthetics level, the product experience can be enhanced by the visual appearance of objects (Nefs, 2008), the experience of product sound (Egmond, 2008), the tactual experience (Sonneveld and Schifferstein, 2008), or the olfactory experience (Cardello and Wise, 2008). At the level of meaning, cognition becomes the main player in reaching the desired product experience, and through interpretations, memory retrieval and associations, products can gain personality, expressive characteristics and symbolic significance (Boess and Kanis, 2008; Desmet and Hekkert, 2007). Finally, at the emotional level, human-product interaction has the capacity to incite pleasant emotions and pull consumers to products, or to incite unpleasant emotions that push consumers away from those products (Richins, 2008; Desmet and Hekkert, 2007).

According to Helkkula (2011), the studies on the concept of service experience—which is closely related to product experience—can be classified under three key characteristics: (1) phenomenological service experience that is dealt with as a holistic phenomenon concerning a specific individual in a specific context (e.g.: Berry and Carbone, 2007; Millard, 2006; Prahalad and Ramaswamy, 2004; Pine and Gilmore, 1998; Arnould and Price, 1993; Holbrook and Hirschman, 1982); (2) process-based service experience, which views service as set of sequential processes (e.g.: Bassi and Guido, 2006; Edvardsson, Enquist and Johnston, 2005; Ha and Perks, 2005); and (3) outcome-based service experience that handles measurable service attributes and variables and their causal relationships with behavioural outcomes and/or antecedents (e.g.: Nysveen, Pedersen and Skard, 2013; Aurier and Siadou-Martin, 2007; Menon and Bansal, 2007; Doolin et al., 2005; Flanagan, Johnston and Talbot, 2005).
2.8.2 Retailing Experience

When experiences are analysed according to the place where it is generated, two essential venues can be discussed: retailing experience and online experience (Schmitt and Zarantonello, 2013). In his early work on atmospherics in retailing, Kotler (1973) not only emphasises the importance of the place where products are bought and consumed, but also foresees the significance of atmosphere and experience when considering that, in some cases, the atmosphere becomes the primary product and more substantial than the product itself. By atmospherics, Kotler (1973) means the conscious designing of space and settings to elicit certain effects and emotional responses in consumers and buyers in order to increase purchase probability.

Following the stream of research of Kotler on shopping environment (1973), many studies examined this area, such as in consideration to the impact of physical surroundings on the behaviours of customers and on meeting the marketing objectives (Bitner, 1992), the influence of atmospherics on buyer behaviour (Turley and Milliman, 2000), the effect of retail atmosphere on developing long-term relationships with customers (Iyer and Kuksov, 2012), and the competitive role of retail shopping experience in markets with consumer search costs (Iyer and Kuksov, 2012). In addition, the effect of shopping experience on the behavioural responses was addressed in terms of the physical environment of retail stores, the value it bears, and consumer density (Kerin, Jain and Howard, 1992; Hui and Bateson, 1991). On the other hand, the models that substantiated this research area were diverse and changing over time, such as in regards Cognition-Affect-Behaviour (C-A-B), Consciousness-Emotion-Value (C-E-V) (Fiore, 2008), and Pleasure-Arousal-Dominance (P-A-D) (Mehrabian and Russell, 1974).
The C-A-B model explained the shopping experience reflecting the old information-processing approach that facilitates taking the purchase decision and determining the brand choice (Fiore, 2008). The rise of the experiential marketing (Hirschman and Holbrook, 1982), however, resulted in a shift towards the C-E-V model (Havlena and Holbrook, 1986a) where new dynamics were introduced, and the consciousness did not only involve cognition of C-A-B, but also it included a variety of mental events, such as fantasies, imagery, memories, subconscious thoughts, and unconscious processes that ensue during the consumption experience (Fiore, 2008). The third model of this group is the P-A-D model. This model, much like C-E-V, relates purchase and consumption to their social and physical settings, and it proposes that three emotional responses to these settings and environments can be recognised: pleasure, arousal and dominance (Soriano, Foxall and Pearson, 2002; Russell and Mehrabian, 1977). Accordingly, marketing managers can achieve the desired changes, approach or avoidance in consumer behaviour when they manipulate the environment and reinforce certain aspects that result in a specific emotional reaction (Soriano, Foxall and Pearson, 2002). The ability of the P-A-D model to explain the emotive nature of consumption experience and the consequences of this experience makes it relevant to justify several relationships in the model of this study.

The second venue, where experience can be generated, is online experience (Schmitt and Zarantonello, 2013). With the introduction of new and rapid technological advances in the digital economy at the advent of the new millennium (Henry et al., 1999) and the quick and growing smartphone markets around the world (Holmes, Byrne and Rowley, 2013; Wagner, 2011), the shopping experience has extended its settings to cover this emergent area of commercial online environment (Pappas et al., 2014; Novak, Hoffman and Yung, 2000). As a result of the ongoing penetration of this sort of experience, and due to the transformation of the nature of the touchpoint consumers encounter, especially on smartphones, Kim Spielmann and
McMillan (2012) assert the importance of online experience and propose examining the impact of different levels of this experience on the main factors that influence the behavioural outcomes of consumers.

Before reviewing the literature on happiness and its orientations in consumer research, it is worth discussing the transformation of the offerings presented by marketers which ended up with the experience offering in the experience economy at the beginning of the 21st Century.

2.9 From the Service Economy to the Experience Economy

In their book, the Experience Economy, Pine and Gilmore (1999) argue that experiences are a unique economic offering, and they cannot be lumped in with services and consequently they should be separated from services and goods. Their research launched a new academic stream on experience (Schmitt and Zarantonello, 2013). According to their views, the natural progression of the economic value has moved from commodities to goods to services, and finally, to experiences (see Figure 2-3). Adding value to the economic offering has been the main driver of this progression, and this is what differentiates the experience economy from the service and good economy (Pine and Gilmore, 2011).
Figure 2-3: The Progression of Economic Value

Source: Adapted from (Pine and Gilmore, 1998, p. 98)

Pine and Gilmore (1999) explicate this progression in the following: in the commodity economy, the extraction of various substances and trading them was the major concern. In the following stage throughout the industrial revolution in the 19th Century, manufacturing goods on mass scales established the goods economy (Pine and Gilmore, 2011). Next, in the 20th Century, delivering services was the new economic value (Pine and Gilmore, 2011). Each economy built its new offering on the previous one, and did not replace it completely (Pine and Gilmore, 2011). Finally, in the experience economy at the beginning of 21st Century, developed society began to immerse in staging memorable events and experiences, which have entertaining, educational, escapist and aesthetic dimensions (Pine and Gilmore, 2011; Schmitt, 2011). Consequently, it can be argued that an experience is not an amorphous concept, rather it is a true manifestation of a real economic offering built on top of a service (Pine and Gilmore, 2011). The interest in creating experiences has increased considerably especially in the service
sector (Pullman and Gross, 2004). The recent shift towards experience economy is: a normal reaction to the growing commoditisation of products and services through competing on the basis of price or functional attributes; and a new and sustainable source of value creation for businesses (Bille, 2012; Oh, Fiore and Jeoung, 2007).

Pine and Gilmore (1999) suggest that, at present, customers tend to ask for more experiences, and businesses have begun to respond competitively to this tendency through staging experiences, by turning delivered services into a stage, and reinforcing it with goods. The final result of this combination would be a memorable event (Pine and Gilmore, 2011) and, for companies, it would be a sustainable competitive advantage over most competing offers (Gilmore and Pine, 2002). For example, at themed restaurants, such as Hard Rock Café, Benihana, and Rainforest Café and Dans Le Noir, food becomes a tool to turn guests’ visit into a memorable entertainment experience (Pine and Gilmore, 2011). One distinct feature of this new offering is that experiences are inherently personal and formulated in the mind of the customer after involving emotional, physical, intellectual, or even spiritual aspects of this formulation. Therefore, there are no two identical experiences (Pine and Gilmore, 2011). However, more research is needed to understand value creation in an experience-based economy (Bille, 2012). Furthermore, adopting the experience economy generates a measurement problem on the macro level (Bille, 2012); in other words, it is almost impossible to quantify experiences through recognising accurately the companies which choose to associate their products and services with experience at any given time (Bille, 2012).

2.10 Happiness Studies in Consumer Research

The increasing fragmentation and proliferation of media channels and the ongoing bombardment of consumer with marketing messages have made consumers overloaded with
information (Jaffe, 2005). On the other hand, as a response to these new changes, marketers have to adapt to the new trend in the marketing environment (Mogilner, Aaker and Kamvar, 2012). Further, the need for more differentiation has been prominent and insisting for survival like never before (Carbone and Haeckel, 1994). More recently, happiness has received attention from marketers, and studies examining happiness in consumer research have started to appear as well (Schmitt, Brakus and Zarantonello, 2015; Bhattacharjee and Mogilner, 2014; Schmitt, 2012; Bettingen and Luedicke, 2009; Mogilner and Aaker, 2009).

However, a well-defined understanding of how happiness stems from brand purchase and consumption is scarce, and the empirical research on how brand experience influences happiness is limited despite the increasing evidence of happiness adoption by practitioners in their marketing communications (Mogilner, Aaker and Kamvar, 2012). In particular, little is known about how a specific brand experience contributes to the episodic happiness of consumer (Nicolao, Irwin and Goodman, 2009), and how a certain type of brand experience impacts the different orientations of happiness (Seligman, 2002). Further, clearly more work is needed on the impact of the episodic or momentary consumer happiness on consumer behaviour outcomes, such as brand loyalty and price premium.

In the following sections, the concept of happiness and the associated philosophical and psychological origins will be discussed in greater detail.

### 2.11 The Concept of Happiness (or Subjective Well-Being)

As defined by the Encyclopaedia of Quality of Life and Well-Being, happiness is ‘the degree to which a person evaluates the overall quality of his/her own life as a whole positively. In other words, how much one likes the life one lives’ (Veenhoven, 2014, p. 2637). Another
definition is proposed by Edgeworth who defines ‘the happiness of an individual during a period of time as the sum of momentary utilities over that time period; that is, the temporal integral of the momentary utility’ (Kahneman and Krueger, 2006, p. 5). These definitions draw on the perspectives according to which these scholars viewed happiness. For example, the last definition emphasises the transient and utilitarian value of happiness, which is consistent with the hedonic view of happiness.

The pursuit of happiness has been the main interest of a numerous number of religious scholars, thinkers and philosophers who have long been searching for the secrets of the good life and happy life (Russell, 1930) (see Appendix A for a short review of the history of happiness). One of the very few goals in life that commands a high degree of consensus is that all people pursue happiness (Frey and Stutzer, 2002). According to the famous American positive psychologist Ed Diener, subjective well-being is a self-evaluation of the extent to which a person’s life is worthwhile (Diener, 2000). People experience high levels of subjective well-being when they aggregate the many pleasant feelings and few unpleasant emotions or pains; when they get involved in interesting activities; and when they express satisfaction with their lives (Diener, 2000). The interest in customer happiness and its implications in business has emerged as a new trend in the field of business-to-customer in a fashion similar to the previous famous trends in business research, like branding in the 1990s, and customer experience in the early 2000s (Schmitt, 2012).

Researchers in different disciplines have progressively been engaged in research about how to pursue and attain the good life (Delle Fave et al., 2011). Further, understanding and measuring human happiness have received sizeable attention from psychologists (Carter and Gilovich, 2012; Diener, Kahneman and Helliwell, 2010; Gilbert, 2006; Van Boven and Gilovich, 2003;
Ryan and Deci, 2001; Csikszentmihalyi, 1990), economists (Frey and Stutzer, 2002; Frank, 1985), public policy theorists (Easterlin, 1995), sociologists (Veenhoven, 2000; Veenhoven, 1999; Veenhoven et al., 1993; Lindenberg, 1986), and political scientists (Lane, 2000; Inglehart, 1990). And more recently happiness has received attention from marketers as well (Schmitt, Brakus and Zarantonello, 2015; Bhattacharjee and Mogilner, 2014; Schmitt, 2012).

The interdisciplinary of the research stream on happiness is distinctive, as scholars in every discipline emphasise one aspect of this multi-faceted concept (Frey, 2008). For example, psychologists, especially in the subfield of positive psychology, are particularly interested in the mental process of happiness and revealing the different factors that affect subjective well-being (Diener and Biswas-Diener, 2002). On the contrary, economists focus on the economic policy and isolate the economic determinants of happiness (such as income, unemployment, inflation and inequality), and its consequences (Frey, 2008). Nevertheless, the current contributions to this field are highly intertwined to the extent that sometimes it is difficult to tell if a certain contribution is propounded by a psychologist, a sociologist, a political scientist, or an economist (Frey, 2008).

It is highlighted that the two terms of happiness and subjective well-being (Emmons and Diener, 1985) are used interchangeably especially in psychology (Delle Fave et al., 2011; Nicolao, Irwin and Goodman, 2009). Some researchers contend that these two terms are highly inter-related (Seligman, 2002), and it is found that scores of happiness on the one hand and the other measures of psychological and physiological well-being on the other hand are highly correlated together (Sutton and Davidson, 1997). Therefore, in this thesis, the two terms are employed interchangeably as well. However, when measuring the concept at the consumer level, only the term happiness is used to eschew any confusion since this is the way adopted in
most of the studies on happiness in consumer research (e.g.: Schmitt, Brakus and Zarantonello, 2015; Bhattacharjee and Mogilner, 2014; Schmitt, 2012; Bettingen and Luedicke, 2009; Mogilner and Aaker, 2009).

### 2.11.1 Absolute vs. Relative Happiness

The quest of absolute vs. relative happiness comprises significant implications for marketers and practitioners related to meaning and differentiation. In an attempt to recognise the importance of absolute or relative income, wealth, and consumption in determining happiness, two views can be proposed (Hsee et al., 2009). While the first view claims that absolute wealth and consumption levels are the main determinants of happiness (Veenhoven, 1991), the second view maintains that what matters is the relative wealth and consumption levels compared to others (Blanchflower and Oswald, 2004; Easterlin, 1974). The importance of this issue stems from the essential social implications it bears. In other words, resolving this debate will provide an answer to whether improving the levels of income and consumption of one generation will lead to more happiness or not (Hsee et al., 2009).

One important study tries to reconcile this dispute by distinguishing between two types of consumption variables, inherently valuable and inherently inevaluable (Hsee et al., 2009). Whereas inherently valuable variables include the following examples: ambient temperature, amount of sleep, presence or absence of orgasm, degree of social isolation, and fatigue level; inherently inevaluable variables depend on external reference information, such as: a brand of a purse and the specifications of a car (Hsee et al., 2009). The findings of this study reveal that happiness is absolute for inherently valuable consumption and relative for inherently inevaluable consumption (Hsee et al., 2009). Considering that the vast majority of brands are inherently inevaluable, one significant implication of this research for marketers is that the
mere consumption is not necessary a guarantor for happier consumers. In order to increase happiness, consumers should consume meaningful products and services which differentiate them from others.

2.11.2 The Positive Psychology Movement

Closely related to the scientific study of happiness, the positive psychology movement was the reason behind the emergence and proliferation of happiness research. This is justified by the historic frame within which the movement developed. Reviewing the introduction of this movement illustrates the increasing importance given to the scientific investigation of happiness at the beginning of the 21st Century. In the period of post-World War II, psychology over-focused on the disease model, illness ideology, and healing, resulting in ignoring the positive human experiences, fulfilled individuals, and thriving communities (Seligman, 2009).

The end of the last millennium witnessed the official birth of positive psychology, as an integrated body of knowledge, with Martin Seligman’s 1998 Presidential Address to the American Psychological Association (Linley et al., 2006). In the following years, Seligman (with a group of expert psychologists, including Mihaly Csikszentmihalyi, Ed Diener, Kathleen Jamieson, Chris Peterson, and George Vaillant) established the foundations and the early development of this research movement (Linley et al., 2006). Further, numerous positive psychology books and journal articles were published, and a dedicated positive psychology journal, The Journal of Positive Psychology, was founded (Linley et al., 2006).

According to The Encyclopaedia of Quality of Life and Well-Being, positive psychology can be defined as ‘a subfield of general psychology in which the scientific method is used to research and explain positive aspects of life and in which clinical interventions that promote
wellbeing are developed based on this research’ (Carr, 2014, p. 4921). A more integrative
definition of positive psychology is proposed by Linley et al. (2006, p. 8) stating that ‘positive
psychology is the scientific study of optimal human functioning. At the meta-psychological
level, it aims to redress the imbalance in psychological research and practice by calling
attention to the positive aspects of human functioning and experience, and integrating them
with our understanding of the negative aspects of human functioning and experience. At the
pragmatic level, it is about understanding the wellsprings, processes and mechanisms that lead
to desirable outcomes’. From this definition, it can be inferred that the field of positive
psychology is conceptualised at two levels: the meta-level (aim and objectives) and pragmatic
level (the practice and research). Another conceptualisation of positive psychology highlights
the valued subjective experiences in terms of time. It is about ‘well-being, contentment, and
satisfaction (in the past); hope and optimism (for the future); and flow and happiness (in the
present)’ (Seligman and Csikszentmihalyi, 2000, p. 5).

What these definitions offer in common is the recognition that positive psychology recognises
happiness as the core to promote well-being. In addition, these definitions emphasise the
scientific nature of positive psychology by empirically adopting a systematic scientific
approach that involves, among others, measurement, evidence, and statistical methods. Further,
in a world where social concerns are getting more insisting, it is argued that brands should
contribute to consumers’ happiness through experiences, and the latter should be linked to the
positive psychology movement (Schmitt, Brakus and Zarantonello, 2014). At the same time,
this new trend presents numerous opportunities for marketers since it suggests new ways of
connecting with customers. A thorough review of the multiple views, positions, and
perspectives on how to achieve the good life and happiness is explicated in the coming section.
2.12 Orientations to Happiness

Reviewing the current state of studies on happiness in consumer research reveals that the understanding of what makes people happy falls short of providing a well-established conceptualisation of happiness and it ignores the different routes to happiness (e.g.: Gilovich, Kumar and Jampol, 2015; Bhattacharjee and Mogilner, 2014; Mogilner, Aaker and Kamvar, 2012). Contrary to this, the notion of happiness orientations has received considerable attention from psychologists in the context of general life satisfaction (Schueller and Seligman, 2010; Chan, 2009; Park, Peterson and Ruch, 2009; Vella-Brodrick, Park and Peterson, 2009; Peterson et al., 2007; Peterson, Park and Seligman, 2005; Seligman, 2002). One exception to this is a conference paper by Brakus, Schmitt and Zarantonello (2012) investigating how brand experience dimensions impact the three orientations to happiness. However, this paper lacks the depth and details in conceptualising the link between brand experience dimensions and the three orientations to happiness. Further, the small sample size of this study (N=163) limits the significance of the findings of the research.

One recent study suggests departing from the unitary concept of happiness; rather, this research proposes that happiness should be viewed as an outcome of both hedonic (pleasure-related happiness) and eudaimonic (meaningful goals and fulfilment-related happiness) routes (Schmitt, Brakus and Zarantonello, 2015). In addition, more research on how certain types of brand experiences can influence happiness through different orientations to happiness is called for (Schmitt, Brakus and Zarantonello, 2014).

The debate on what contributes to the optimal experience and the good life in general has long been the thought foci for many centuries (Russell, 1930), and two perspectives or views have been identified: hedonic (pleasure) and eudaimonic (meaning) perspectives (Ryan and Deci,
2001). In the following, these two views combined with the third view represented by flow (engagement), and the Three Orientation Model are discussed in greater detail.

2.12.1 The Hedonic View of Happiness (Pleasure)

The term hedonism originates from the Greek word ‘hêdonê’ meaning pleasure (Brülde, 2014). The hedonic view of happiness maintains that the goal of life is, on the one hand, to avoid pain and, on the second hand, to indulge the self in the maximum amount of pleasures; and happiness thus is represented by the aggregation of these hedonic moments (Ryan and Deci, 2001). Evidently this perspective exalts pain and pleasure as the only motives for individuals to pursue the good life. This type of hedonism is referred to as motivational hedonism or psychological hedonism (Brülde, 2014). Moreover, in the name of hedonic psychology, which focuses on what makes life pleasant or unpleasant, hedonism is still viable today (Kahneman, Diener and Schwarz, 1999). Typically, the research on hedonic happiness is interested in the study of life satisfaction (Pavot and Diener, 2008; Diener, 2000; Diener et al., 1985).

Generally, the use of the word pleasure by hedonic psychologists is not exclusive to the common meaning of bodily pleasure (Brülde, 2014). The range of expressions of hedonism varies from the fairly narrow emphasis on bodily pleasure to a broader emphasis on appetites and self-interests (Ryan and Deci, 2001). These pleasures rather comprise a huge variety of pleasant experiences such as sensations, emotions and moods (Brülde, 2014). An example of a pleasant sensation is the warmth of a coat in a cold weather. While pleasant emotions include infatuation, pride, hope, and gladness; pleasant moods encompass joy, harmony, and elation (Brülde, 2014). Further, these expressions can be extended to additionally involve the preferences and the pleasures of the mind, and these pleasures of the mind are explained as a collection of emotions distributed over time that occur when expectations are violated, arousal
arises, and a search of interpretations begins (Kubovy, 1999). In line with the pleasure/pain conceptualisation, psychological hedonism views experiences on a continuum of hedonic tone that has two opposing anchors; for instance, like vs. dislike, aversive vs. desirable, joy vs. sorrow, or good vs. bad (Vittersø, 2011).

The transitory, mundane, superficial and deceiving nature of pleasure-induced happiness prevented many philosophers from adopting the hedonistic stance on happiness (Schmitt, 2012). Further, this very nature makes marketers compare pleasure-induced happiness with what is called the hedonic treadmill (Schmitt, 2012). The hedonic treadmill model suggests that pleasant and unpleasant events influence happiness only temporary; however, individuals have the tendency to go back to a set point of happiness (Diener, Lucas and Scollon, 2006). Consequently, consumers seeking pleasure-related happiness seem to be running harder on a treadmill to only stay in the same place (Schmitt, 2012). Nonetheless, this consumer behaviour should not be always viewed as an addiction for impulsive purchase; it can be seen as a psychologically rewarding and meaningful process that attempts to perceptually differentiate customers and engage them in cognitive learning (Schmitt, 2012). This opinion draws on the neuroscientific study of pleasure and happiness (Kringelbach and Berridge, 2010). This study reveals that higher pleasures are connected to the brain’s default networks, particularly in terms of coordinating cognitive facets of the meaningfulness necessary to happiness (Kringelbach and Berridge, 2010). Subsequently, the higher pleasure-oriented happiness approach is the one that stages experiences which are sensory, creative and full of discovery at once (Schmitt, 2012).

This approach, according to Schmitt (2012), can be implemented through three steps:
1. Enriching step: this entails meticulously designing rich and complex experiences full of experiential cues and touchpoints that will lead to small positive and pleasurable moments.

2. Savouring step: this involves getting customers to notice, to focus, and to attend to the designed experience. This can be achieved by: making customers mindful during the experience, facilitating sharing and celebrating the positive experiences with others, and helping customers to remember positive emotions and expect more of them.

3. Expanding step: this includes extending the original experience via creating new, innovative and pleasurable experiences through new channels, or through partnership, or through extending product lines.

However, these steps need to be validated based on empirical studies examining how such techniques influence consumer behaviour.

2.12.2 The Eudaimonic View of Happiness (Meaning)

As discussed earlier, this route has been ignored in studies addressing happiness in consumer research. Referring to happiness in classical Greek terminology, eudaimonia, once popular among Greek and Roman philosophers, means the rich human life that continuously questions the nature of human fulfilment or virtue (Russell, 2014). As a rejection to hedonic happiness that turns human beings into slavish seekers of mundane pleasures, Aristotle’s eudaimonia extols the true happiness through doing what is worth doing (Ryan and Deci, 2001). This view is still the main lens in understanding happiness for several modern philosophers (LeBar, 2013; Russell, 2012; Kraut, 2009; Nussbaum and Sen, 1993). Compared to the objective aspect of Aristotle’s perspective, the current mainstream research on eudaimonia is more subjective and
more psychological (Tiberius and Mason, 2011). While subjective well-being includes an affective constituent of positive and negative emotions, and a cognitive constituent of evaluative judgment of the life satisfaction; psychological well-being comprises six dimensions, including positive relations with others, autonomy, mastery, self-acceptance, purpose in life and personal growth (Linley et al., 2009; Ryff and Singer, 2008).

Largely, human beings base their actions and interactions on a system of meanings (Baumeister, 2005). The eudaimonic view employs this principle and maintains that the key components of happiness are: meaning, self-actualisation and personal growth at the individual level; and commitment to socially shared goals and values at the social level (Delle Fave et al., 2011). It calls upon people to identify and live with their domain (or their true selves) to reach personal expressiveness, a feeling that appears when individuals perceive to try their best in pursuing the objectives which stand in line with their purposes in life (Waterman, 1993). Numerous studies in the field of positive psychology and well-being established the importance of meaning for achieving well-being (Delle Fave et al., 2011; Steger, Oishi and Kesebir, 2011; Linley et al., 2009). Furthermore, Peterson and Seligman (2004) highlight the significance of virtues and values in contributing to the good life. In short, maintaining happiness through meaning requires identifying consumers’ values and connecting with them within the frame of these values and virtues.

The increasing importance of cultivating consumers’ value leads to the need to recognise these values. In an attempt to present a theory of potentially universal aspects in the content of human values, Schwartz (1994, p. 21) defines values as ‘desirable trans-situational goals, varying in importance, that serve as guiding principles in the life of a person or other social entity’. Based on this definition, the following attributes of values can be identified: (1) they are established
on the interests of a certain entity; (2) they have a motivational nature charged with affective intensity; (3) they serve as standards for judgement, evaluation, and justifying action; and (4) they are developed when learning from the experiences of individuals and when interacting with other influential social groups (Schwartz, 1994). Having examined 97 samples in 44 countries, Schwartz (1994) managed to unravel 10 essential values that exist across cultures; these values are: self-direction, stimulation, hedonism, achievement, power, security, conformity, tradition, benevolence, and universalism. From this set of cross-culturally important and validated values, a more complex and context-oriented set might arise. For instance, pertaining to the context of consumption, some of the values that are of a special importance are the value of environmental awareness and simplicity (Schmitt, 2012). In other words, if marketers address these values when designing brand experiences, it is expected that they will connect better with customers at a eudaimonic level contributing to their happiness.

In a three-step process, Schmitt (2012) devises a method that connects companies’ brands to the wider set of values which the targeted consumers hold in order to create meaningful happy experiences, and to relate to those customers deeply and permanently. These steps are: (1) value-identifying; (2) value-focusing; and (3) contextualisation. Value identifying can be undertaken through a process called laddering, according to which, linkages between the consequences resulting from consumer choice and the personal values that might be associated with that choice (Gutman, 1991). Value focusing insures that customer’s attention is directed towards the special values they individually appreciate in order to support positive feelings and avoid negative ones (Schmitt, 2012). Lastly, contextualisation lends more credibility to companies and their brands through positing these brands in a broader context, and by showing that the company is sensitive to the values customers hold (Schmitt, 2012). However, the
effectiveness of these steps and individuals’ responses to such connection with values require further investigation and validation.

### 2.12.3 The Flow View of Happiness (Engagement)

In his seminal work on flow, Csikszentmihalyi (1999) argues that it is possible for human beings to use their consciousness and its self-organising ability to achieve a positive mental state, or happiness. This experience is characterised of being so engaging, absorptive and joyful that it becomes worth doing for its own sake (Csikszentmihalyi, 1999). Some creative activities, in particular, are evident examples of flow experience, like music, sports, games, and religious rituals (Csikszentmihalyi, 1999). As a dynamic equilibrium, flow experience requires striking a balance between perceived action capacities and perceived action opportunities (Nakamura and Csikszentmihalyi, 2009). This balance is inherently delicate, as imbalance is destined to lead to an aversive state. In other words, too challenging experiences breed anxiety, and too unchallenging experiences result in relaxation first then boredom second (Nakamura and Csikszentmihalyi, 2009).

According to Csikszentmihalyi (1999), modern psychology has managed to direct individuals to a better life quality through several solutions which start from the assumption that cognitive techniques, attributions, attitudes, and perceptual styles have the ability to instil change and facilitate a process of restructuring of individuals’ goals and objectives to reach happiness. Such solutions include self-actualisation (Maslow, 1971), ego-resiliency (Block and Block, 1980), positive emotions (Diener, 2000), autonomy (Ryan and Deci, 2000), and learned optimism (Seligman, 2011). Csikszentmihalyi’s addition to these solutions is the flow experience (Csikszentmihalyi, 1999; Csikszentmihalyi, 1997; Csikszentmihalyi, 1996; Csikszentmihalyi, 1977).
Deemed as a component of eudaimonic well-being (Delle Fave and Bassi, 2014), the term of flow is equated with personal expressiveness; yet a more thoughtful understanding of flow maintains that it is a mixed component that holds hedonic and eudemonic qualities (Waterman, 1993). However, it is suggested that flow is a distinctive component of happiness that is not emotional and to some extent not conscious (Peterson, Park and Seligman, 2005). Flow differs from hedonism because the nature of the relationship between flow and happiness is different from the emotionally charged one in hedonism (Csikszentmihalyi, 1999). This can be justified by the following argument: during the flow experience people’s attention is focused, and the sense of self is lost; hence, people are not necessarily happy when they are experiencing a certain event because they are so absorbed in the event, but when the experience finishes, they reflect on it and tend to report enhanced joy and happiness (Csikszentmihalyi, 1999); that is, emotions and feelings do not co-exist with, but follow the state of flow. Also, flow experience is different from eudaimonia because although pursuing meaningful happiness might lead people to experience flow when doing certain activities, it is not necessary that all flow activities are meaningful and connecting people to greater values and virtues (Peterson, Park and Seligman, 2005). On the other hand, not all meaningful activities are regarded flow experiences (Peterson, Park and Seligman, 2005).

Marketers have always benefited from the advances in psychological research and taken it to a different level. The research on flow or engagement experience was no exception (Hoffman and Novak, 2009; Novak, Hoffman and Duhachek, 2003; Novak, Hoffman and Yung, 2000; Hoffman and Novak, 1996). With a focus on the concept of flow as a thorough engagement and immersion in a specific activity or event, these studies propounded key insights for the following research. Relevant to this research stream, the concept of customer engagement
refers to the element of interactivity of a certain customer experience that arises when interacting with an engagement object, such as a brand (Brodie et al., 2013; Brodie et al., 2011).

Customers can get more engaged when they go through direct and passive experiences (Schmitt, 2012). While creating multiple touchpoints with customers, like in live events and direct interactions, enhances direct experience; passive experience through traditional mass and online media fosters brand immersion (Schmitt, 2012). This leads to a three step method to get customers engaged with a company and its brands (Schmitt, 2012): (1) customer activation: this refers to shifting the brand to the foreground in the mind of customer, and can be implemented by applying changes that range from small tweaks to the design and to the communication campaigns, to a drastic brand relaunch; (2) customer immersion: the main interest here is to create a brand experience that is extensive, immersive and holistic (Addis and Sala, 2007; Arnould, Price and Zinkhan, 2002; Pine and Gilmore, 1999). This absorption is characterised by focus and flowing effortless action, balancing between anxiety and boredom within a frame of an engrossing environment and a transient stimulation (Schmitt, 2012); (3) sharing: this can be online, by word-of-mouth, or by recommendations (Schmitt, 2012; Trusov, Bucklin and Pauwels, 2009; Chevalier and Mayzlin, 2006).

2.12.4 The Three Orientation Model of Happiness

The traditional distinct views of happiness, especially hedonism and eudaimonia are not the only two positions adopted by researchers (Ryan and Deci, 2001). Delle Fave (2014) argues that numerous investigators follow a multidimensional approach that acknowledges the unique importance and practical insights of the aforementioned views. For example, in a study investigating the indicators of mental health, the findings indicate that hedonic and eudaimonic dimensions coexist, and a better understanding of well-being requires addressing the two
dimensions (Compton et al., 1996). Further, emphasising that they overlap and operate together, Kashdan, Biswas-Diener and King (2008) propose integrating both hedonism and eudaimonia. They also refer to the cost of delineating strict lines between these two positions and to the confusion associated with such delineation. Several empirical studies follow the same tradition of the two lenses for viewing happiness and highlighted their correlation and their distinctive features (Delle Fave et al., 2011; Huta and Ryan, 2010; Gallagher, Lopez and Preacher, 2009; Linley et al., 2009).

One of the first and significant attempts, which combines the two approaches and broadens them, is Seligman’s (2002). In his Theory of Authentic Happiness in psychology, Seligman (2002) suggests three dimensions for happiness: pleasure, meaning and engagement. A subsequent empirical research that follows this conceptualisation reveals that the three orientations are not incompatible and can be pursued simultaneously (Peterson, Park and Seligman, 2005). In addition, the findings show that meaning and engagement are better indicators of life satisfaction than pleasure.

![Figure 2-4: The Happiness Sphere](image)

Source: This Study
A review of the current studies on happiness in consumer research, however, reveals that they ignored the different routes to happiness (e.g.: Gilovich, Kumar and Jampol, 2015; Bhattacharjee and Mogilner, 2014; Mogilner, Aaker and Kamvar, 2012). This gap makes the concept of happiness ambiguous and synonymous to pleasure. The view of Seligman (2002) and the happiness sphere (see Figure 2-4) or the three orientations to happiness underlie the conceptualisation of happiness for the current study. This is justified by its comprehensiveness and its relevance to brand experiences, and by the gap identified in the literature. Undertaking this research validates the importance of pleasure, meaning and engagement in consumer research.

It is worth noting that, when positive experiences occur in an individual’s life, the resulting happiness accumulates and the general happiness level of this individual increases (Csikszentmihalyi and Hunter, 2014). This episodic nature of happiness is supported by Schwartz and Strack (1999) who found that even the unimportant everyday events, such as learning cheerful news about a winning football team or having good weather compared to the weather in the surrounding area contribute to the general level of individuals’ happiness. This view is aligned with that of Kahneman and Krueger’s (2006) who called this experienced utility, and they postulated that an assessment of an individual’s happiness over a certain period of time is the sum of the quality experience at each and every point of time. Therefore, measuring state-like happiness facilitates a better understanding of the effects of immediate environmental circumstances, which are brand-related stimuli in this study.

Having reviewed the different positions on happiness and building on the aforementioned definitions and views of happiness, the following definition of happiness is presented to reflect its momentary nature and immediate environmental circumstances:
The happiness of an individual during a period of time is the sum of momentary episodes of happiness over that time period that are evoked by brand-related stimuli and the resulting experience; that is, the integral of the momentary happiness that results from any orientation to happiness.

2.13 Summary of Chapter Two

The aim of this chapter was to present a comprehensive review of the literature of brand experience, happiness and the three orientations to happiness. At the outset, the rise of the experiential marketing was introduced through the work of Hirschman and Holbrook (1982) which proposed the theory of hedonic consumption. Next, the meanings of the term experience in dictionaries were displayed. The following section demonstrates the proliferation of studies on experience in consumer research which represents a clear shift in interest towards experiential marketing (Schmitt, 1999). These studies offered a variety of definitions to the concept of experience in marketing. Based on the important aspects of these definitions, this study suggested its definition of customer experience.

The subsequent section was designated to address experience in consumer research at two important levels of analysis. These levels are consumer experience, and brand experience. Building on the importance of brand level of analysis, brand experience was employed as a focal construct in this study. Therefore, a conceptualisation of the concept of brand experience was propounded based on the article of Brakus, Schmitt and Zarantenello (2009) which appeared in the Journal of Marketing.

The dimensionality of brand experience was investigated within a review commencing with the more general dimensionality of customer experience and ending up with the dimensionality
of brand experience. Most of the reviewed studies agreed on the three central systems when it comes to the conceptualisation of experience. The three systems of sensation, cognition and affect (Anderson, 2010; Fiske, Gilbert and Lindzey, 2010) were among the most frequent elements and dimensions discussed. This study adopted four dimensions of experience: sensory experience (Sense), affective experience (Feel), cognitive experience (Think), and social experience (Relate). The following sections discussed these four dimensions in greater details and with relevant examples. Next, experience was discussed at two additional levels of analysis: product and service experience, and retailing experience.

Before proceeding to the second part of the review, the research on experience economy was highlighted. This work by Pine and Gilmore (1999) constitutes another turning point proposing that the natural progression of the economic value has moved from commodities to goods to services, and finally, to experiences.

Later, happiness studies in consumer research was emphasised, the concept of happiness was presented, and the interdisciplinary of the research stream on happiness was underlined. The quest of absolute vs. relative happiness (Hsee et al., 2009) was discussed due to its significant implications for marketers and practitioners in relation to meaning and differentiation. Following, the positive psychology movement and its role in the commencement of the scientific study of happiness were explicated. After reviewing the current state of studies on happiness in consumer research, a gap was identified regarding the lack of a well-established conceptualisation of happiness and the different routes customers follow to reach happiness. These routes were represented with three views of happiness, the hedonic view (Pleasure), eudaimonic view (Meaning), and flow view (Engagement). Finally, the Three Orientation Model of happiness combined the three previous views together.
3  CHAPTER THREE: CONCEPTUAL FRAMEWORK
AND RESEARCH HYPOTHESES

3.1  Introduction

Having reviewed the literature on brand experience and happiness, a conceptual framework is
developed and a group of hypotheses are suggested in this chapter. The key constructs of the
model of this study are Sensory Brand Experience, Emotional Brand Experience, Relational
Brand Experience, Think Brand Experience, Pleasure, Meaning, Engagement, Brand Loyalty,
and Price Premium. Further, the model of study is structured centred on four levels: brand
experience dimensions, antecedents of happiness, happiness, and outcomes of happiness.

This chapter is organised into two sections: the first section addresses the conceptualisation of
relationships in the model, based on the theoretical foundations underpinning these
relationships. Whilst the first sub-section covers the relationships between every dimension of
brand experience and the three orientations to happiness, the following sub-section establishes
the relationships between the three orientations to happiness and happiness. Next, the
relationships between happiness and the outcomes of happiness are discussed, and the influence
of demographic variables on the model is suggested in the final sub-section. In the second
section, a summary of the chapter is presented.

3.2  Model Development and Research Hypotheses

The proposed model of this study conceptualises the relationships between the evoked
dimensions of brand experience and the reported happiness resulting from this experience. This
relationship is mediated by the three orientations to happiness (Peterson, Park and Seligman, 2005) with one difference: such orientations to happiness are expressed as states stemming from a specific consumption experience, as opposed to chronic orientations to happiness (Brakus, Schmitt and Zarantonello, 2012).

By and large, consumers get involved in an ongoing behaviour of experience seeking which encompasses sensation, cognition, and novelty seeking (Hirschman, 1984). On the other hand, sensory deprivation can lead to severe psychological consequences on people (Grassian and Friedman, 1986). Besides pursuing experiences, individuals seek stimulation (Hirschman, 1984). According to Zuckerman (1979), individuals are attributed of being sensation seekers. This trait is defined by ‘the need for varied, novel, and complex sensations and experiences and the willingness to take physical and social risks for the sake of such experience’ (Zuckerman, 1979, p. 10). This definition implies the inclination to look for reasonably new and stimulating situations (Oishi, Schimmack and Diener, 2001; Hirschman, 1984; Zuckerman, 1979). Further, people are in an ongoing search for the optimum level of stimulation when encountering environmental stimuli (Raju, 1980). When stimulation is overdosed, individuals reduce it; and when it is below the optimal level, they tend to increase stimulation (Raju, 1980).

This study makes use of the hedonic consumption theory (Hirschman and Holbrook, 1982; Holbrook and Hirschman, 1982). As a reaction to the hegemony of the cognitive models, such as the information processing theory, the multi-attribute model (Wilkie and Pessemier, 1973) and the expectancy-value models (Fishbein, 1967a; Fishbein, 1967b; Fishbein and Middlestadt, 1995), the hedonic consumption theory provides a broader explanation to consumer behaviour from an experiential point of view (Hirschman and Holbrook, 1982). Hedonic consumption refers to the aspects of consumer behaviour that are closely associated with the multi-sensory,
fantasy, and affective facets of product experience (Hirschman and Holbrook, 1982). This theory extends the unidimensional cognitive view of consumer behaviour to additional levels, like the affective ones. Further, this theory bears a subjective nature as the feelings and sensations evoked by consumption experiences differ from one consumer to another. The hedonic consumption theory draws on the concepts of symbolic aspect of products and what they mean for consumers (Levy, 1959), the congruence between the purchased product and consumer lifestyle (Levy, 1963), the aesthetic consumption (Holbrook, 1980), and the intangible and subjective aspects of consumption (Hirschman, 1980).

Despite the acceptance of the non-cognitive aspects of consumption (Desai and Mahajan, 1998; Zaltman, 1997; Aaker, 1996a; Hudson and Murray, 1986; Holbrook and Hirschman, 1982; Zajonc and Markus, 1982), Fishbein and Middlestadt (1995) question these aspects and claim that they are merely methodological artefacts stemming from following inappropriate attitudinal predictors and/or criteria. However, Fishbein and Middlestadt (1997) appeal later for more empirical research testing the value of non-belief-based emotional information. Therefore, the current empirical study provides supplementary evidence of the importance and the value of the non-cognitive or non-belief-based information resulting from experiences and their potential outcomes. Furthermore, this study does not only investigate the affective aspects, questioned by Fishbein and Middlestadt (1997), but also it extends these aspects to comprise sensory, intellectual, and relational dimensions (Brakus, Schmitt and Zarantonello, 2009; Schmitt, 1999).

Another important theoretical foundation that explains the core conception of brand experience is adding value to the economic offerings presented by marketers (Pine and Gilmore, 1999; Porter, 1985) through experiences and hedonic interactions with brands. The value adding-
attributes are of great importance for customers when they choose between competing brands and when they take purchase decisions (Ravald and Grönroos, 1996). The idea that trivial product attributes can leave substantial influence on the purchase decision taken by consumers constitutes a deviation from the traditional judgment based on functional attributes (Brown and Carpenter, 2000). These functionally trivial attributes can be called unnecessary, meaningless, task-trivial, irrelevant, or even non-valued (Brown and Carpenter, 2000). Further, these trivial attributes have subjective relationship to perceived quality and to the utilitarian aspects of a product (Brown and Carpenter, 2000). Consequently, a better valuation of a brand can result from these trivial attributes and meaningless differentiation (Carpenter, Glazer and Nakamoto, 1994).

This study examines the potential outcomes of happiness by measuring brand loyalty and customers’ overall readiness to pay more for the experience in the future. The seventeen relationships amongst the ten constructs are displayed in Figure 3-1. Moreover, Table 3-1 provides a summary of the associated research hypotheses. The constructs of the study, as depicted in Figure 3-1, are: Sensory Brand Experience, Emotional Brand Experience, Relational Brand Experience, Think Brand Experience, Pleasure, Meaning, Engagement, Brand Loyalty, and Price Premium.
Figure 3-1: The Conceptual Framework of the Current Study
Table 3-1: A Summary of the Hypotheses of the Study

<table>
<thead>
<tr>
<th></th>
<th>Hypotheses</th>
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<tbody>
<tr>
<td>H1a</td>
<td>Sensory brand experience is positively related to pleasure</td>
</tr>
<tr>
<td>H2a</td>
<td>Emotional brand experience is positively related to pleasure</td>
</tr>
<tr>
<td>H3a</td>
<td>Relational brand experience is positively related to pleasure</td>
</tr>
<tr>
<td>H4a</td>
<td>Think brand experience is positively related to pleasure</td>
</tr>
<tr>
<td>H1b</td>
<td>Sensory brand experience is positively related to meaning</td>
</tr>
<tr>
<td>H2b</td>
<td>Emotional brand experience is positively related to meaning</td>
</tr>
<tr>
<td>H3b</td>
<td>Relational brand experience is positively related to meaning</td>
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<tr>
<td>H4b</td>
<td>Think brand experience is positively related to meaning</td>
</tr>
<tr>
<td>H1c</td>
<td>Sensory brand experience is positively related to engagement</td>
</tr>
<tr>
<td>H2c</td>
<td>Emotional brand experience is positively related to engagement</td>
</tr>
<tr>
<td>H3c</td>
<td>Relational brand experience is positively related to engagement</td>
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<tr>
<td>H4c</td>
<td>Think brand experience is positively related to engagement</td>
</tr>
<tr>
<td>H5a</td>
<td>Pleasure is positively related to happiness</td>
</tr>
<tr>
<td>H5b</td>
<td>Meaning is positively related to happiness</td>
</tr>
<tr>
<td>H5c</td>
<td>Engagement is positively related to happiness</td>
</tr>
<tr>
<td>H6</td>
<td>Happiness is positively related to brand loyalty</td>
</tr>
<tr>
<td>H7</td>
<td>Happiness is positively related to price premium</td>
</tr>
<tr>
<td>H8</td>
<td>Age, gender and income moderate the relationships of the model of study</td>
</tr>
</tbody>
</table>
3.2.1 Brand Experience

According to this thesis, brand experience is defined as a series of personal interactions between a customer and the touchpoints of a company and its branded products and services that engage customers at sensorial, emotional, relational and cognitive levels. The following sub-sections present all the hypotheses proposed, brand experience dimensions, and the three orientations to happiness.

3.2.1.1 Sensory Brand Experience and the Three Orientations to Happiness

Sensory experience can be defined as the sum of the visual, auditory, tactile, gustative, and olfactory sensations a customer receives through his/her senses as a direct result of the interactions with brand-related stimuli (Zarantonello and Schmitt, 2010). Similar to trivial attributes, experiential attributes (Schmitt, 1999) entail value and can compensate for functional inferiority of a product (Brakus, Schmitt and Zhang, 2008). The experiential attributes include the sensory cues of a brand, such as colour (Degeratu, Rangaswamy and Wu, 2000; Gorn et al., 1997; Meyers-Levy and Peracchio, 1995; Crowley, 1993; Bellizzi and Hite, 1992; Bellizzi, Crowley and Hasty, 1983), shapes (Veryzer and Hutchinson, 1998), and scent (Bone and Ellen, 1999).

Sensory marketing that targets customers’ senses and influences their perceptions, judgments and behaviours (Krishna, 2011) is a crucial determinant in how a brand is perceived and experienced with regards to sensory experience (Hultén, Broweus and Van Dijk, 2009). Marketers deploy sensory expressions in an effort to trigger experiences so as to make the brand imprinted closer and deeper in the customer’s mind (Hultén, 2011). In a later stage, such subconscious triggers convey the abstract notions of a brand, such as sophistication, quality, elegance, innovativeness, modernity, and interactivity (Krishna, 2011).
On the other hand, the experience and seeking of pleasure are considered crucial motivational drivers of decisions and behaviour (Biswas-Diener et al., 2015). Pleasure is defined by the Oxford English Dictionary as ‘the condition of consciousness or sensation induced by the enjoyment or anticipation of what is felt or viewed as good or desirable’ (Simpson and Weiner, 1989, p. 1031). When considering this definition, it can be seen that the affective nature of pleasure is evident via the emotions and sensations involved in its phenomenology. The issue of differentiating diverse sources of pleasure and its expressions has been the mainstream perspective when addressing the quest of the nature of this concept (Dubé and Le Bel, 2003; Le Bel and Dubé, 1997; Dissanayake, 1996).

Brülde (2014) argues that certain sensory qualities characterise all pleasant experiences. This view is described as the simple conception of pleasure or what Tännsjö (2007) refers to as narrow hedonism; in other words, pleasure can be obtained from sensory experiences (Duncker, 1941). The English philosopher Bentham (1781/2000) discerns multiple sources of what he calls the pleasures of sense, such as: the pleasure of palate and satisfying hunger, the pleasure of smelling, the pleasure of touch, the pleasure of the ear, and the simple pleasure of the eye. In the same vein, the modern thinker Duncker (1941) identifies different types of pleasure; one of them is the sensory pleasures which are derived from the sensations.

Furthermore, the research in the field of neurological science has identified a biological mechanism mediating behaviour. This mechanism is motivated by sensory stimuli, commonly linked with pleasure in humans (Bozarth, 1994). Some examples include the sensation of pressure when having a massage, the sensation of warmth of the sun when sunbathing, the taste of a freshly squeezed fruit juice, and the olfactory sensations of smelling freshly baked bread in a restaurant—all of which are typical examples of sensory pleasures (Heathwood, 2007).
This stance on pleasure is advocated by several scholars (Sumner, 1996; Nozick, 1989; Griffin, 1986; Parfit, 1984; Brandt, 1979). Based on the previous argument, the following hypothesis can be suggested:

**H1a: Sensory Brand Experience is positively related to Pleasure.**

Moreover, it is argued that sensory brand experience not only influences pleasure, but also positively impacts meaning as an antecedent to happiness. Serving as extra differentiators, symbolic values of brands are gaining more and more importance (Hultén, Broweus and Van Dijk, 2009). Such experience communicates what is considered culturally meaningful to consumers, and further reinforces branding (McCracken, 1986).

The symbolic function of brand consumption is widely accepted (Wattanasuwan, 2005; Thompson and Haytko, 1997; Levy, 1959). Consumers’ possessions are key contributors and major indicators of their identities (Belk, 1988), and brand choice, in the majority of cases, is concerned with the meanings brands add to consumers’ lives (Fournier, 1998). Also, consumption in contemporary societies is far from being solely utilitarian (Wattanasuwan, 2005); instead, it symbolically creates self-identity and expresses consumers through their brand choices in a way that locates them in the wider society (Wattanasuwan, 2005; Edson Escalas and Bettman, 2003). Further, associations are formed between the reference groups that consumers admire and the brands they purchase in order to transfer meanings consistent with their self-concept or their ideal-self (Escalas and Bettman, 2005). Therefore, iconic brands succeed not owing to functional superiority, although they may offer this functionality, but rather through the deep connections they establish with the prevailing culture and its values (Holt, 2003).
The sensory expressions a brand might employ make the brand imprinted closer and deeper in the customer’s mind (Hultén, 2011). Throughout this process, the abstract notions of the brand and associated values, such as sophistication, quality, elegance, innovativeness, modernity, interactivity (Krishna, 2011), being green and healthy, and simplicity (Schmitt, 2012), are expressed. Otherwise stated, the sensory experience of a brand is the vehicle of the values and the meanings which this brand intends to transfer. In addition, sensorial strategies generally aim at differentiating the experiences revolving around the brands through the meanings transferred by the brand identity and values (Hultén, 2011). For example, the Leon restaurant brand renovated the concept of fast food by associating between their offerings and the value of healthiness (Leon, 2016). A rich sensory experience through this link is expected to cultivate consumer value of being healthy. Rainforest Café constitutes another example, where the brand promotes the value of being green and eco-friendly via designing a dining experience that brings to the forefront exotic tropical forests and endangered environments (Rainforest Café, 2016). When designed properly, the sensory experience should contribute to the meanings and values of targeted customers; consequently, they will live consistently with such values and meanings. Accordingly, the following can be hypothesised:

**H1b:** Sensory Brand Experience is positively related to Meaning.

It is postulated that the sensory brand experience positively impacts engagement as an antecedent to happiness. The Theory of Authentic Happiness proposes a new distinct route to happiness, which concerns pursuing it through engagement (Seligman, 2002). The term engagement emerged from the research on flow experience (Csikszentmihalyi, 1999; Csikszentmihalyi, 1997; Csikszentmihalyi, 1996; Csikszentmihalyi, 1977). In short, flow refers to the holistic sensation experienced when people act with total involvement and complete
absorption (Csikszentmihalyi, 2014b). This condition has four characteristics: control, attention, curiosity, and intrinsic value (Trevino and Webster, 1992).

Within the broader frame of interactionism theories that suggest that an individual’s development is not separate from the surrounding environment in which he/she lives and functions (Magnusson and Stattin, 1998), the flow model underscores the dynamic system of the phenomenology of person–environment interactions (Nakamura and Csikszentmihalyi, 2009). These interactions generate what are referred to as emergent motivations, where what occurs at a certain moment is responsive to what occurs instantaneously before, within the interaction (Csikszentmihalyi, 2014). This condition is evident, particularly when getting engaged in creative thinking (Richards, 2007). Although the most common types of flow experience are play, creativity, and religious activities; several experiential states in everyday life share with flow numerous unique qualities, and they make it possible to the experience of flow to happen (Csikszentmihalyi, 2014b); for example, active leisure, including hobbies, getting involved in exercise, playing music, or visiting a restaurant can be a source of positive flow experience (Csikszentmihalyi, 1997).

Nakamura and Csikszentmihalyi (2009) explicate how to get into a flow state with its experiential rewards out of experience. The latter generally is used to provide information (Pham, 2004). Nakamura and Csikszentmihalyi (2009) adopt the view that consciousness functions as a complex system, which selects, processes and stores this information. At a later stage, attention makes this information salient, and it enters awareness. Within awareness, all the processes, such as thinking, willing and feeling about this information, occur, and the memory system retrieves the information as subjective experience; therefore, reaching flow is highly dependent on how attention is focused in the past and in the present, and on how interests
guide attention to certain challenges. This situation of proximal goals, instant feedback and acceptable challenge creates a state of immersion and absorption (Nakamura and Csikszentmihalyi, 2009).

Empirically, engagement, in the sense of flow experience, has been studied in the context of information technologies and online shopping, benefiting from the research stream on flow (Csikszentmihalyi and Csikszentmihalyi, 1988; Csikszentmihalyi, 1977; Csikszentmihalyi, 1975). Amongst the most widely cited authors in the field of online user experience, Novak, Hoffman and Yung (2000) investigated consumer experience in the online environment, and effectively employed the construct of flow experience, as advocated by Csikszentmihalyi (1997), in understanding the components and the dynamics of the compelling online shopping experience.

According to Csikszentmihalyi (2014b), the person–environment interactions primarily can be physical, emotional or intellectual; this falls in line with the very core of the concept of brand experience (Brakus, Schmitt and Zarantonello, 2009), which addresses the multiple levels of interactions with a specific brand. The unlimited capacities of human senses and all the information that the nerve system can recognise may contribute to the enrichment of flow and engagement experience (Csikszentmihalyi, 1990). It is propounded that the visual harmony and arts which provide access to enjoyable experiences; the music that minimises the psychic entropy and reduces boredom and anxiety; and the eating which provides enjoyment and pleasure can facilitate a state of engagement (Csikszentmihalyi, 1990). The key argument presented here is that the holistic brand experience—particularly with the sensory elements—cooperates to produce a sense and a state of immersion. In other words, the physical settings and sensory elements of an experience work together in harmony so as to generate a flow and
engagement experience. For example, the spaces of famous brands, such as Apple Store, Nike Town, Audi Forum, Ducati Motorcycles Stores, and Ask Italian Restaurants, provide consumers with outstanding décor and sleek appearances (Carù and Cova, 2007). Such settings emphasise the great attention directed to details in order to stage such an immersive experience. Based on the aforementioned argument, the following hypothesis can be presented:

**H1c: Sensory Brand Experience is positively related to Engagement.**

### 3.2.1.2 Emotional Brand Experience and the Three Orientations to Happiness

Sensory pleasure resulting from encountering sensory stimuli is only one type of pleasure (Biswas-Diener *et al.*, 2015; Heathwood, 2007; Dubé and Le Bel, 2003). The emotional experience a brand might evoke constitutes another major player in generating pleasurable feelings. Further, hedonism has an emotionally charged nature (Csikszentmihalyi, 1999). Because pleasure and emotions have shared affective qualities, pleasure is conceptualised here building on the literature of emotions.

In everyday life, emotions are considered drivers of human actions and behaviour (Desmet, 2008), whilst the consumption context is not an exception (Shaw, 2007). Unambiguously, emotions result as reactions to the appraisals individuals make for things that are of relevance to their well-being (Bagozzi, Gopinath and Nyer, 1999). This personal appraisal explains the subjective nature of emotions, where such appraisal can be deliberative, purposive, and conscious or unreflective, automatic, and unconscious (Bagozzi, Gopinath and Nyer, 1999). Hence, emotional branding may be described as a consumer-centric, relational and story-driven approach to creating affective relations between consumers and brands (Thompson, Rindfleisch and Arsel, 2006). Establishing strong emotional brand bonds and attachments with consumers is recognised as promising high levels of brand loyalty and increasing company’s
financial performance (Whan Park et al., 2010). Such emotional proximity between a consumer and a brand is expected to lead to comfort and happiness (Whan Park et al., 2010). One way of building this attachment is undertaken by matching a brand’s personality with the customer’s self (Malär et al., 2011).

Evidence from the emotions literature demonstrates that people’s emotional experiences of the objects and events in their lives lead to pleasure (Higgins, 1997). Similarly, Russell (1991) argues in his theory of emotions that emotional experiences bear a hedonic quality. This quality is expressed by the resulting pleasure from experiencing positive emotions or affective states, and people vary in terms of the extent to which they express this pleasure outcome (Russell, 1991). Discerning the hedonic quality of the shopping environment, Donovan and Rossiter (1982) emphasise that the encounter with a positive affective stimulus in a shopping experience will generate a state of pleasure. In addition, Ferguson (1990) proposes that consumption and its positive emotions dissolve into an access of pleasure. Finally, it is advocated that positive emotions in branded restaurants can incite pleasurable feelings (DiPietro and Campbell, 2014). In line with the preceding argument, the following hypothesis can be proposed:

**H2a:** Emotional Brand Experience is positively related to Pleasure.

It is argued that emotional brand experience also can play a positive role in formulating meaning as an antecedent to happiness. The emotional component in meaning transfer is fundamental (Batey, 2008). When experienced, emotional memories are kept in individuals’ unconsciousness; however, when these memories are evoked, the associated emotions will reassemble every brand-related stimulus in a way that imprints brand meanings in the psyche (Batey, 2008). Moreover, brands communicate emotional messages and meanings that tap into the emotional complexity of consumers, and brand strength stems from connecting these
messages to the set of cultural values and meanings consumers hold (Gobé, 2007). The emotional bonds of a brand are created through telling the targeted customers compelling stories that captivate their lifestyle, dreams and goals (Kevin, 2004). At the same time, customers expect that brands become meaningful, positive and proactive part of their life’s stories and memories (Thompson, Rindfleisch and Arsel, 2006; Gobé, 2002). In line with the essential objective of emotional branding which advocates that through instilling meanings in the established, strong and affective bonds with people; brands become part and parcel of their memories, life stories, and social networks (Thompson, Rindfleisch and Arsel, 2006; Gobé, 2002). Based on the aforementioned argument, the following hypothesis is presented as follows:

$H2b$: Emotional Brand Experience is positively related to Meaning.

It is argued that emotional brand experience positively influences engagement as an antecedent to happiness. Such a relationship can be justified based on the work of Csikszentmihalyi (2014b), who contends that, within the view of flow experience, the person–environment interactions primarily can be physical, emotional or intellectual. More specifically, emotions embedded in an experience play an important role in making this experience engaging and resembling flow (Gnoth et al., 2000). Moreover, it is considered that emotional involvement is an essential factor in immersion (Jennett et al., 2008), which is a key component in a flow state (Csikszentmihalyi, 2014b). In this vein, emotional-branding concentrates on telling stories that enchant customers and captivate people, with true understanding of their lifestyles, goals, and dreams (Kevin, 2004). For example, Ed’s Easy Diner stages nostalgic emotions via a classic American retro diner theme from the 1950’s (Ed’s, 2016). These nostalgic feelings incited at the restaurant create a sense of immersion for consumer.
This conceptualisation of flow with emotional elements corresponds with the emotional dimension of the concept of brand experience (Brakus, Schmitt and Zarantonello, 2009), which is concerned with the multidimensionality nature of interactions with a certain brand. The fundamental proposal advocated here is that the holistic brand experience, complete with its emotional aspects, instils a state of immersion in a way involving a sequence of responses facilitated by interactivity, enjoyment, and self-reinforcement (Henke, 2013); in other words, the emotions and affective aspects embedded in an experience collaborate to produce a flow state and an engaging and immersive experience. According to the aforementioned argument, the following hypothesis can be proposed:

**H2c: Emotional Brand Experience is positively related to Engagement.**

3.2.1.3 Relational Brand Experience and the Three Orientations to Happiness

Relational and social brand experiences are argued as separate sources of pleasurable feelings (Biswas-Diener et al., 2015; Frijda, 2010; Dubé and Le Bel, 2003). Social experience relates customers to other people, other social groups (such as occupational, ethnic or lifestyle), or a broader abstract and cultural context (such as a nation, a society, or a culture), as reflected in a brand (Schmitt, 1999). The notion of relationships with brands and with other people via brands that arise through coming across brand-related stimuli is central to the concept of relational brand experience, and therefore, the literature on these relationships is consulted to delineate the consequences of relational brand experience.

Belk (1988) maintains that consumers establish relationships with their possessions and consider these possessions as parts of themselves. The anthropomorphism of brands, and the relationships associated with them, facilitate interactions with the inanimate world (Fournier, 1998). Brands with a strong image and a lengthy and rich history—particularly the ones that
are publicly consumed—are expected to form brand communities around them (Muniz and O’Guinn, 2001); in these, relationships emerge that connect consumers with each other through a brand (Muniz and O’Guinn, 2001). The concept of brand communities can be compared to tribal marketing, where individuals are linked by a shared passion or emotions, and are capable of collective actions towards a product or a service (Cova and Cova, 2002). This emotionally charged state and warm feelings of community amongst brand users arise when an empathetic understanding of customers’ inspirations, aspirations and life circumstance is heeded (Thompson, Rindfleisch and Arsel, 2006). Further, consumer researchers addressing brand communities and their linkages draw conclusions in line with the principles of emotional branding (Thompson, Rindfleisch and Arsel, 2006; Muniz and O’Guinn, 2001). Lastly, Kubovy (1999) advocates that pleasure can result from belonging to a certain social group, which echoes the socio-pleasures expressed by Tiger (1992). In similar vein, Jordan (2000) argues that individuals’ relationships with other people and other objects are an essential source of socio-pleasures.

Examples of relational brand experience at restaurants are numerous. In many cases, branded restaurants that promote certain lifestyles, cultures or celebrities provide relational experience links customers to such lifestyles, cultures or celebrities in a way that makes customers feel they are members of a specific social group. The Olive Garden is an example of a brand associated with the Italian lifestyle (Gottdiener, 2006). Another example, which is linked to celebrity endorsement, is Gordon Ramsay high street high-end restaurants endorsed by the British chef Gordon Ramsay (Gordon Ramsay, 2016). A dining experience at one of these restaurants is expected to relate to the prestigious culinary experience of a three Michelin stars promoted by the celebrity chef, and to the diners who opt to have a dining experience there. This emotionally charged state resulting from the membership of such communities and their
relationships may enhance and reinforce the pleasurable feelings of consumers. Accordingly, the following can be hypothesised:

**H3a: Relational Brand Experience is positively related to Pleasure.**

Relational brand experience is expected to influence meaning as an antecedent to happiness. The brands themselves imply collections of symbols which help to represent and embody the set of values underpinning customers’ experiences (Schouten, McAlexander and Koenig, 2007). These identifiable values and meanings pursued by consumers occupy an essential position in the notion of relational experience (Schouten, McAlexander and Koenig, 2007; Hollenbeck, Peters and Zinkhan, 2006; McAlexander, Schouten and Koenig, 2002; Muniz and O’Guinn, 2001; Hinde, 1995; Schouten and McAlexander, 1995). Relationships instil people’s lives with meaning and purposiveness, which is central to their nature (Fournier, 1998). Three sources of meaning—which serve as frames circumscribing the importance of the relationship for a certain individual—can be identified: psychological, sociocultural and relational sources (Fournier, 1998). When addressing brands as relationship partners, the idea of meaning-provision is widely acknowledged by consumer researchers who investigate the issues of possessions and their impact on how consumers define themselves (Belk, 1988; Sirgy, 1982). In this regard, relationships with brands may help consumers to define their key life roles, and to resolve life themes which are deeply rooted in their personal history and highly related to their understanding of the concepts of identity and self (Fournier, 1998).

The well-established customer-brand relationships are expected to produce positive results for both: customers who meet their social needs, and for brands which benefit from brand loyalty and customer advocacy (Stokburger-Sauer, 2010). Closely related to consumer-brand relationship and relational brand experience is the concept of brand community within the view
of shared values and meanings (Muniz and O’Guinn, 2001). The affective and relational associations binding together members of a brand community revolve around their shared way of life, their common values, and the concept of symbolic consumption (Schembri, 2009). Brand meanings and values, in these communities, are forged collectively, and they enable their diverse members to experience deeply satisfying feelings of solidarity and a meaningful sense of community (Thompson, Rindfleisch and Arsel, 2006). Accordingly, a relational brand experience along with the relationships it encourages is expected to promote the group of consumers’ shared values which are shaped and pursued collectively; therefore, it is expected that this type of experience will impact meaning as an antecedent to happiness. Following the previous argument, the next hypothesis can be suggested:

**H3b: Relational Brand Experience is positively related to Meaning.**

It is postulated that relational brand experience positively influences engagement as an antecedent to happiness. The sense of engagement and immersion cannot be separated from experience (Carù and Cova, 2007). Firat and Dholakia (2005, p. 99), the postmodern consumption advocates, argue that ‘consumption is made up of episodes of immersion into experiential moments of enchanted, multifaceted and spectacular encounters with life’. The notion of immersion entails an embodied experience, implying the concept of a complete and utter elimination of the distance between the consumer and the situation. Regardless of the type of situation or the experiential context, the experience provider needs to make sure that the context is enclavised and thematised in a way that leads to engagement and immersion (Carù and Cova, 2007).

The relational elements in a thematised brand experience establish the links between the customer and the experiential environment that is characterised of being saturated with
symbols—the connotative dimension of experience (Gottdiener, 2006). Thematised environments provide a space where fantasies blend with realities, and they turn the imaginary into a desired form (Martin, 2004). Themed restaurants and cafés present a great example of experiences that are both relational and engaging. The experiential environment here provides a space for customers where they step outside of their daily lives, and minimise the intrusion of elements that do not belong to the theme (Carù and Cova, 2007). This may enhance the intensity and immersion of the experience. Hard Rock Café, as an example, effectively employs the rock and roll music memorabilia in their décor, utilising more than 80,000 pieces, mounted on their walls (Hard Rock, 2016). Such practices, along with others, guarantee strong associations and relationships between customers and a certain social group that identifies itself with hard rock music. The successful thematising of spaces is highly likely to produce a flow state and a sense of immersion. Based on the aforementioned argument, the following hypothesis can be presented:

**H3c: Relational Brand Experience is positively related to Engagement.**

### 3.2.1.4 Think Brand Experience and the Three Orientations to Happiness

Think brand experience is argued as being capable of evoking pleasurable feelings (Biswas-Diener et al., 2015; Dubé and Le Bel, 2003). The essence of cognitive brand experience is to appeal to customers’ creative thinking concerning a company and its brands in a way that motivates them to engage in creative and analytical thinking (Schmitt, 1999). These two types of thinking might lead to the positively re-evaluation of this company and its brands (Schmitt, 1999).

In social psychology, theories emphasising the need for cognition are numerous (Petty et al., 2009; Cacioppo and Petty, 1982). These theories maintain that, when encountering their social
environment, individuals not only get involved in effortful problem-solving activities, but also tend to enjoy them (Cacioppo and Petty, 1982). Information-seekers are individuals who seek a certain type of cognitive experience that is capable of being activated thought processes (Hirschman, 1984). Addressing the proclivity to engage in and enjoy thinking is valuable when investigating areas such as attitudes and persuasion, judgment and decision making, and interpersonal and group interactions (Petty et al., 2009). Such areas are particularly relevant to consumer behaviour research. This approach reconceives the old notion that individuals’ behaviour occurs most of the time without heeding the essential details of the informative environment (Langer, Blank and Chanowitz, 1978). In some settings, the attitudes formed by consumers, with a high need for cognition, responding to strong and positive cognitive cues, can be equal to or even more positive than the attitudes developed based on argument elaboration (Cacioppo et al., 1996).

Cognitive experiences encompass two types of thinking that underlie the structure of intellect: convergent thinking which implies creativity, and divergent thinking which includes problem-solving and evaluation of creativity and novelty (Cropley, 2006; Guilford, 1956). Several scholars have long acknowledged the existence of pleasure resulting from pursuing intellectual activities (Dubé and Le Bel, 2003; Kubovy, 1999) and from creative thinking (Csikszentmihalyi, 1996). Based on theoretical and empirical evidence, the integrated model presented by Russ (1999) links the cognitive processes to the affective processes, and contends that getting involved in positive thinking activities is likely to generate affective pleasure. Additionally, Russ (1999) argues that this pleasure may occur when encountering divergent patterns of thinking and creative cognitive experiences full of excitement and enjoyment. Building on the previous argument, think experience triggered by brand-related stimuli is expected to contribute to pleasure, and the following hypothesis can be provided:
**H4a: Think Brand Experience is positively related to Pleasure.**

It can also be contended that think brand experience is likely to impact meaning as an antecedent to happiness. The main argument here is that, when the thinking patterns evoked by a brand are related to the values consumers hold and cultivate, they will make them happier through meaning. This demonstrates the significance of values and meanings promoted by the thinking patterns of brand experience. Some of these patterns, as discussed earlier, include consumer creativity, novelty, and innovation (Hirschman, 1980b).

The need for cognition is a widely-accepted driver (Petty et al., 2009; Cacioppo and Petty, 1982). In addition, cognitive experience entails two types of thinking that underpin the structure of intellect: convergent and divergent thinking (Guilford, 1956). Divergent cognitive experience occurs when an experience is charged with creative, novel, or unusual ideas, and when marketers induce this element and these values via the staged experiential attributes and brand-related stimuli (Smith and Yang, 2004). This type of experience can extend and reach a paramount state of fantasy and daydreaming (Brophy, 2001). On the other hand, convergent cognitive experience generally can be considered as relevant, systematic, meaningful, appropriate, effective (Smith and Yang, 2004), and directional (Schmitt, 1999). Further, the generation of effective creativity includes the generation of novelty through divergent thinking, and the evaluation of novelty through convergent thinking (Cropley, 2006).

Novelty, innovativeness, and consumer creativity are recognised as insightful values sought out by consumers in a way that maintains constructive purpose to them (Hirschman, 1980b). Such guiding principles are useful in several scenarios, such as in experiencing unfamiliar consumption situations, improving performance, adopting new products, and effectively dealing with consumption environments (Hirschman, 1980b). Examples of practice from the
restaurant industry related to evoking thinking experiences through innovation range from blending cuisines, and presenting communal dining settings (Smith, 2013), to employing digital innovative solutions, such as the telepresence of celebrities in a participatory dining experience (Jennings, 2015; Nicholls, 2012). Therefore, it is predicted that the cognitive experiences, induced when encountering brand-related stimuli—which promote the values of novelty and creativity—may impact meaning as an antecedent to happiness. Accordingly, the following can be hypothesised:

**H4b: Think Brand Experience is positively related to Meaning.**

It is hypothesised that think brand experience impacts engagement as an antecedent to happiness. This proposal starts from and builds on the Theory of Authentic Happiness, which proposes engagement as a new distinct route to happiness (Seligman, 2002). Within the broader frame of interactionism theories (Magnusson and Stattin, 1998), the engagement or flow model highlights the dynamic system of the phenomena of person-environment interactions (Nakamura and Csikszentmihalyi, 2009). Such interactions primarily may be physical, emotional or intellectual (Csikszentmihalyi, 2014). The latter constitutes a separate consumer’s response, amongst other responses, such as perceptual, emotional and relational responses, as demonstrated in the work on flow in aesthetic experience (Csikszentmihalyi and Robinson, 1990). This corresponds to the multidimensionality of brand experience (Brakus, Schmitt and Zarantonello, 2009).

The different thinking patterns encompassing consumer creativity, novelty, and innovation (Hirschman, 1980b) may support growing deep immersion and engagement. Within this creative experience the sense of time is distorted and consumers forget themselves in the consummation of the moment (Mainemelis, 2002). For example, regarding the restaurant
brands, getting engaged in intellectual activities when interacting with the digital innovative solutions, like the telepresence of celebrities in a participatory dining experience (Jennings, 2015; Nicholls, 2012), is a route towards a state of flow and immersion. In other words, brand experience, with its intellectual element of incited curiosity, and the creativity, are capable of generating a state of flow and an engagement experience that will lead to happiness. Based on this argument, the following hypothesis can be suggested:

\[ H4c: \text{Think Brand Experience is positively related to Engagement.} \]

### 3.2.2 Orientations to Happiness

The movement of positive psychology has revived interest in investigating happiness, well-being and the quality of life (Seligman and Csikszentmihalyi, 2000). Historically, pursuing happiness has followed disparate routes and orientations (Ryan and Deci, 2001). The traditional conceptualisation of these orientations was delineated according to the hedonic and eudaimonic dichotomy (Delle Fave \textit{et al.}, 2011). Repeatedly associated with hedonism, the concept of seeking pleasure refers to minimising the pain and maximising the positive states that normally result from the positive stimulation of the senses (Vella-Brodrick, 2014).

On the other hand, meaning, as a eudaimonic orientation to happiness, emphasises attaining happiness through meaning, self-actualisation and personal growth at the individual level; and commitment to socially shared goals and values at the social level (Delle Fave \textit{et al.}, 2011). Consistent with the Authentic Theory of Happiness, engagement recently has been introduced to constitute a distinct orientation to happiness that can be added to pleasure and meaning (Peterson, Park and Seligman, 2005; Seligman, 2002). Emerging from the research on flow,
engagement refers to the holistic sensation experienced when people act with total involvement and complete absorption (Csikszentmihalyi, 2014b).

Integrating hedonia, eudaimonia and flow, a happy life is the one that is pleasant, meaningful and engaging; that is, a life that encompasses a high number of pleasurable and enjoyable experiences, plenty of fully immersive activities and an ongoing pursuit of meaning through serving a greater good and maintaining personal and social values (Vella-Brodrick, 2014). Several studies individually addressed the relationship between pleasure, meaning or engagement on one side, and happiness or subjective well-being on the other side. For example, regarding pleasure, Kahneman and Krueger (2006) argue that happiness comprises the sum of momentary pleasures over a certain period of time. Furthermore, Diener (2000) links between positive affect/ or pleasure and life satisfaction. When viewing happiness from a eudaimonic lens, the relationship between having meaning in life and well-being has long been advocated (Frankl, 1984). It is found that meaning in life is positively related to psychological well-being (Fry, 2000; Zika and Chamberlain, 1992). In line with these studies, Ryff (1989) stresses the importance of purpose in life as a dimension of psychological well-being. On the other hand, engagement experience fosters happiness in the here and now (Moneta, 2004). Moreover, engagement is proven as a predictor of life satisfaction at work (Hakanen and Schaufeli, 2012) and in community-dwelling (Jang et al., 2004).

However, it was not long before the single theoretical framework was abandoned (Guingnon, 1999) to the hedonic-eudaimonic dichotomy (Ryan and Deci, 2001) and to the Three Orientation Model (Peterson, Park and Seligman, 2005; Seligman, 2002). The model developed by Peterson, Park and Seligman (2005) demonstrates that individuals can follow the three orientations simultaneously, with all of these three orientations contributing to life
satisfaction; however, in their study, they could not confirm how far pleasure-oriented respondents did have sensually satisfying experiences or how far meaning-oriented participants did perform service to the greater good (Peterson, Park and Seligman, 2005).

Consistent with Peterson, Park and Seligman’s (2005) findings, the research undertaken by Peterson et al. (2007) related the Three Orientation Model to the happiness and strengths of character, and further examined the same model in samples from the United States and Switzerland. In addition, this model was further examined across nations in different studies, such as in the works of Vella-Brodrick, Park and Peterson (2009) in the United States and Australia, and that of Chan (2009) in China. Both studies found supporting evidence to suggest that the three orientations predict happiness. Furthermore, the work of Park, Peterson and Ruch (2009) in 27 nations further validated the importance of this model on an international scale. Likewise, Schueller and Seligman (2010) confirmed that pleasure, meaning and engagement all are distinctive predictors of happiness expressed by means of subjective well-being. However, there is no evidence of research on the three orientations of happiness linked to happiness in consumption contexts. Reviewing the current studies on happiness in consumer research indicates that the different routes to happiness are overlooked (e.g.: Gilovich, Kumar and Jampol, 2015; Bhattacharjee and Mogilner, 2014; Mogilner, Aaker and Kamvar, 2012). The conceptualisation of happiness in the current study makes the concept less ambiguous and less synonymous to the narrow understanding of happiness as pleasure. This conceptualisation acknowledges that consumer happiness might arise not only from the immediate fulfilment of bodily pleasure; but also from cultivating a set of values and meanings that promote their identities and their desired lifestyle, and from getting involved in immersive moments, absorptive situations, and engaging experiences. On the other hand, the previous studies undertaken in the context of general life provide enough support to the notion that happiness
attainment can be sought through different orientations. Consequently, the following hypotheses can be presented:

**H5a:** Pleasure is positively related to Happiness.

**H5b:** Meaning is positively related to Happiness.

**H5c:** Engagement is positively related to Happiness.

### 3.2.3 Outcomes of Happiness

The importance of making customers happy lies in not only cultivating happiness as an end-state (Higgins, 1997), but also in the favoured consumer behaviour or consequences stemming from such a state as well (Fredrickson, 2001). In other words, it is a practical need that marketers are required to demonstrate the impact of their activities on firm performance (O'Sullivan and Abela, 2007); this is why it is fundamental to include variables measuring the outcomes of consumer behaviour in the model of study so that indicators can be identified in relation to how brand experience and happiness can benefit the overall performance of company and how they can serve the adopted marketing strategy.

Within the view that happiness is an emotional state, ensuring that customers are happy entails action tendency and behavioural outcome (Frijda, Kuipers and Ter Schure, 1989). Emotions imply not only reactions to appraisal of situations and events, but also transcend that to include action tendency (Frijda, 2004; Frijda, 1986). Action readiness is what provides the link between emotional experience and behaviour (Frijda, Kuipers and Ter Schure, 1989). It is suggested that happiness is not only related to action readiness, but also to the inclination to satisfy the self-enrichment drives, such as affiliation, achievement, competence, and esteem (Bagozzi,
Gopinath and Nyer, 1999). In the subsequent section, two of the important consumer behaviour variables—as outcomes of happiness—brand loyalty and price premium, are discussed, and their importance is highlighted.

3.2.3.1 Brand Loyalty

A central subject in academic and practical research in marketing, sustaining brand loyalty has been the focus to achieve viable competitive advantage for companies (Gommans, Krishnan and Scheffold, 2001; Amine, 1998). At the beginning of the 20th Century, the term ‘customer insistence’ that matches customer loyalty nowadays appeared in an article published in Harvard Business Review (Copeland, 1923). This early appearance is the first expression of customer loyalty as a customer’s attitude when he or she accepts no alternative to a branded article that is characterised by speciality and unique quality. With attitudinal and behavioural elements, Oliver (1999, p. 34) defines loyalty as ‘a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour’.

In order to capture the true brand loyalty, the psychological conceptualisation of loyalty should imply the alignment of this term with the attitude-based framework of cognition-affect-conation (Oliver, 1999). This alignment results in four stages of loyalty: (1) cognitive loyalty: involving brand belief only, this step entails preferring a certain brand based on cognitive knowledge. Yet, loyalty that has only a cognitive aspect is not the best loyalty desired by marketers as it is weak, unless it moves on to become affective; (2) affective loyalty: in this phase, a liking of the brand is established and an attitude towards it is formed. Affective loyalty is stronger than the cognitive one since it involves customer’s cognition and emotions; (3)
conative loyalty: this type of loyalty is a dispositional commitment to repurchase a specific brand. Here a behavioural intention is developed as a result of obtaining a non-transient positive attitude; however, this intention might not be transformed into an action; and (4) action loyalty: this step is achieved when behavioural intentions are converted into readiness to act with a clear willingness to eliminate impediments that might hinder the purchase. All of these four stages or components of brand loyalty form the foundations for operationalising and measuring the concept in this study.

The importance of brand loyalty stems from the fact that several empirical studies prove that loyalty is essential when discussing costs (Dowling and Uncles, 1997; Fornell and Wernerfelt, 1987) and profits (Reichheld and Teal, 1996). For instance, the relative costs associated with retaining customers are dwarfed when compared to the costs involved with the process of customer acquisition (Reichheld and Sasser, 1990; Fornell and Wernerfelt, 1987). Also, brand loyalty is a key driver of a greater market share (Assael, 1998). This appears to happen since loyal customers show less price sensitivity (Krishnamurthi and Raj, 1991), more spending, and better peer recommendations and promotions (Dowling and Uncles, 1997). Further, brand loyalty is a valuable asset and a fundamental component of brand equity (Dekimpe et al., 1997).

Researchers have long been addressing the construct of brand loyalty; examining its associations with other marketing constructs and variables, such as customer satisfaction (Oliver, 1999), trust (Chaudhuri and Holbrook, 2001; Doney and Cannon, 1997), value perception (Yi and Jeon, 2003), brand symbolism, price consciousness (Ramesh Kumar and Advani, 2005), and service quality (Zeithaml, Berry and Parasuraman, 1996). In addition, more recently, the impact of brand and customer experience has been demonstrated using the construct of brand loyalty (Nysveen, Pedersen and Skard, 2013; Iglesias, Singh and Batista-
Lastly, it is argued that positive consumption emotions play a significant role in enhancing brand loyalty and commitment (Richins, 2008).

This abundance of studies on brand loyalty, as a consumer behaviour outcome, underscores the significance of this construct for the purposes of measuring the impact of a certain construct or marketing variable on the firm performance. By following the hedonic principle of approach-avoidance (Higgins, 1997), it is expected that happy customers tend to repeat pleasurable experiences and avoid unpleasant ones; in other words, customers who become happy when interacting with brand-related stimuli are expected to feel inclined to decide to purchase experiences from this brand in the future. This also can be justified by the desire to maintain the various positive consequences of happiness such as personal meaning and higher productivity (Judge, 2011).

Furthermore, relevant to explaining the loyalty of happy customers, the Broaden-and-Build Theory of Positive Emotions (Fredrickson, 2006; Fredrickson, 2001; Fredrickson, 1998) proposes that positive emotions have the ability to broaden people’s momentary thought-action repertoires and to facilitate building lasting resources, which may be physical, intellectual, social or psychological resources. Research on positive emotions confirms that some of the consequences of these emotions comprise wider search patterns, unique and creative thoughts and actions, more flexible thinking (Cohn et al., 2009) and enhanced performance on several cognitive tasks, such as episodic and working memory and creative problem-solving (Ashby and Isen, 1999). Employing the Broaden-and-Build Theory of Positive Emotions (Fredrickson, 2006; Fredrickson, 2001; Fredrickson, 1998) leads to anticipating that happy customers have a tendency to maintain happiness, as an end-state, and the desirable outcomes of happy
experience as well. This behaviour is predicted as expressed through demonstrating brand loyalty. Consequently, the following hypothesis can be suggested:

\[ H6: \text{Happiness is positively related to Brand Loyalty.} \]

### 3.2.3.2 Price Premium

Another important and frequently used measure examining the outcome of marketing activities is price premium. According to Aaker (1996b, p. 106), this simple indicator refers to ‘the amount a customer will pay for the brand in comparison with another brand (or set of comparison brands) offering similar benefits’. The principal assumption underlying price premium is that consumers will report its value as a percentage rather than an absolute difference, which will make it comparable and interpretable across markets, brands, consumers, and categories (Monroe, 1973).

Constituting one of ten famous measures of brand equity, price premium is heeded as the most useful measure amongst all others (Aaker, 1996b). Since a certain brand might be compared to a pricy one, the price premium could end up on the negative side (Aaker, 1996b). It is argued that, when attaining the value of price premium, this value serves as a realistic diagnose of the strength of a brand, and one significant financial implication in this process is that the value of a brand can be obtained from the price premium of that brand multiplied by unit sales (Aaker, 1996b). In addition, Ailawadi, Lehmann and Neslin (2003) demonstrate empirically that this measure is reliable, reflects the brand health over time, and correlates well with other equity measures.

However, this measure does not come without its own problems. For instance, as price premium is highly dependent on competitors in the market, any inaccuracies in defining these
competitors and the markets where they function might lead to unreal and non-reflective estimations of price premium (Aaker, 1996b).

Numerous studies employed this indicator in order to gain useful insights concerning the impacts of marketing activities (Steenkamp, Van Heerde and Geyskens, 2010; Anselmsson, Johansson and Persson, 2007; Palmatier, Scheer and Steenkamp, 2007; Aaker, 1996b): for example, price premium was used to investigate the differential value paid for national brands over private labels (Steenkamp, Van Heerde and Geyskens, 2010). Moreover, it was adopted as the main measure in terms of understanding customer-based brand equity for grocery products; the results revealed that, in order to maintain higher price premium, it is important for brand managers to instil uniqueness and value within their brands (Anselmsson, Johansson and Persson, 2007). Consequently, considering its simplicity and deep implications for brands, this measure is employed as a behavioural outcome to probe the impacts of brand experience and happiness. Adopting the hedonic principle of approach-avoidance (Higgins, 1997) and the Broaden-and-Build Theory (Fredrickson, 2006; Fredrickson, 2001; Fredrickson, 1998), it can be predicted that brand experience provides value for customers, and happy customers will be less sensitive to price increase and will be more willing to pay more to attain happy experiences (Schmitt, 2012) in order to maintain happiness and its aforementioned favoured outcomes.

Accordingly, the following hypothesis can be presented:

**H7**: Happiness is positively related to Price Premium.

### 3.2.4 Demographic Variables

Three of the common demographics used in segmentation in consumer behaviour research are age, gender, and income (Papadopoulos et al., 2011). In order to implement effective and
profitable marketing strategies, such demographics meet the criteria needed, such as identifiability, sustainability, accessibility, and actionability (Wedel and Kamakura, 2012). These criteria guarantee, through their marketing offers, that marketers can reach a customer segment that is large enough to ensure profitability in a way that presents guidance for selecting a specific marketing instrument (Wedel and Kamakura, 2012).

Fundamentally, consumption activities are considered gendered, as consumers view the social world through a gender lens; consequently, their attitudes and behavioural tendencies will differ accordingly (Bristor and Fischer, 1993). Further, age distribution is linked to economic development and prevailing culture; therefore, it impacts the purchasing patterns of societies (Mooij, 2010). Income, on the other hand, constitutes an organising and classifying factor with an underlying assumption that disposable income increases when income rises, which, in turn, shifts the interest from subsistence consumption into material and experiential consumption (Keillor, D'Amico and Horton, 2001). Consequently, it can be assumed that potential differences might arise in the behaviour of the consumer when considering the demographic factors of age, gender, and income as moderators to the relationships in the model of study between brand experience, happiness and its orientations, and outcomes of happiness. Based on the previous argument, the following is hypothesised:

**H8: Age, Gender, and Income moderate the relationships of the model of study.**

### 3.3 Summary of Chapter Three

This chapter was designated to conceptualise the seventeen relationships of the model underpinning the study. The theoretical model examines the relationships between the dimensions of brand experience and the outcomes of happiness. However, this
conceptualisation is mediated by happiness and its antecedents. As discussed earlier when reviewing the literature on consumer experience, this study contributes to the body of knowledge by addressing the mediating role of happiness and its antecedents in the relationship between brand–consumer interactions from one side, and what results from these interactions on the other side. This inclusion of happiness in the model of study is consistent with the introduction of the positive psychology movement and its practical implications for marketers.

In order to formulate the research hypotheses, the relationships between brand experience dimensions and orientations/antecedents to happiness were built theoretically in line with several principles, including sensation seeking principle, and experience seeking principle. Moreover, adding value to economic offerings through experiential attributes was an essential starting point in justifying the consequences of brand experience.

At the first level of the model, brand experience dimensions were related to pleasure. Considering the work of Russell (1991) and his theory of emotions, the hedonic nature of affective states was adopted in order to explicate the pleasurable consequences of evoked emotional brand experience. Also, relational brand experience with brands and with the other customers consuming the brand was conceptualised as an essential source of socio-pleasures. The need for cognition principle and the existence of pleasure resulting from pursuing intellectual activities were identified. In addition, meaning as an antecedent to happiness was assumed as a consequence of brand experience. This relationship was hypothesised based on numerous principles, such as: the symbolic value of consumption, brand communities, and the collective cultivation of values. On the other hand, the relationship between brand experience and engagement was structured based on the work on flow.
At the second level of conceptualisation, the orientations/antecedents to happiness were delineated according to the Theory of Authentic Happiness, which transcends the traditional dichotomy of pleasure and meaning, and combines engagement as a separate and distinctive orientation to happiness. These orientations were dealt with as static rather chronic orientations. Several studies adopted the newly introduced model of the three orientations and depicted their contributions to happiness. In order to estimate the effect of viewing the marketing activities from an experiential lens, brand loyalty and price premium, as behavioural consequences of happy consumers, were justified based on the Broaden-and-Build Theory of Positive Emotions and the hedonic principle of approach-avoidance.

Finally, the proposed model of the study offers several contributions; it represents a unique meeting point between brand experience and happiness—two unique areas in marketing and psychology that nowadays are being afforded more importance (Carter and Gilovich, 2010; Brakus, Schmitt and Zarantonello, 2009; Peterson, Park and Seligman, 2005). This model examines the individual effects of the sensory, emotional, relational, and cognitive dimensions of brand experience on the three orientations of happiness (pleasure, meaning, and engagement). Therefore, it challenges the existing models that seek to address the construct of brand experience as a one-component construct or as a multiple-dimension construct, dealt with as a one-component construct (e.g.: Iglesias, Singh and Batista-Foguet, 2011; Zarantonello and Schmitt, 2010; Brakus, Schmitt and Zarantonello, 2009). This delineation is expected to enable researchers and practitioners so as to identify the relative importance of each and every dimension of brand experience, and to demonstrate how each of them influences happiness and the other outcomes of happiness. In the subsequent chapter, the methodological choices of this study will be discussed.
4 CHAPTER FOUR: RESEARCH METHODOLOGY

4.1 Introduction

This chapter discusses the philosophy of the research, which includes the ontological and epistemological postures, and it presents a justification to the adopted research philosophy and paradigm. Subsequently, the deductive and inductive research approaches are explained, and a justification of the research approach of the study is provided. The following section addresses the survey, as the choice of research strategy. Later, the time horizon—including longitudinal and cross-sectional designs—is clarified. Next, the target population of the study is identified, and the question of the sample size is considered. In an effort to gather the data, a quota sample—as a sampling technique—is chosen. Subsequently, the process of questionnaire development and scale operationalisation is detailed, and the pilot study is described. Self-completion questionnaire is selected as the approach to survey data collection. Finally, the ethical considerations of the process of data collection are examined.

4.2 The Research Philosophy and Paradigms

Answering the questions of research philosophy and research paradigms are considered to be the first task to encounter researchers. The debate about the nature of social research is based on the philosophical positions of epistemology and ontology which underpin the development of knowledge in a specific domain (Saunders, Lewis and Thornhill, 2009; Walliman, 2006). Further, Guba and Lincoln (1994) contend that the questions of research methods are of secondary importance to the question of paradigm.
According to Guba and Lincoln (1994) a paradigm can be defined as the basic belief system or world view that guides the research enquiry, not only in choices of methods but in ontologically and epistemologically fundamental ways. In this vein, a paradigm constitutes the world view of a scientific community and it involves a number of specific theories, a set of symbolic generalisations, and a set of values or criteria for theory appraisal (Anderson, 1983). Paradigms in a science provide orientation and criteria of choice, and without these paradigms, all problems, methods and techniques become equally legitimate (Corbetta, 2003).

The origin of the notion ‘paradigm’ goes back to the ancient times in the history of philosophical thoughts. For example, it was used by Plato to mean ‘model’ and by Aristotle to mean ‘example’. Conversely, in the social sciences, its use has been confused by different meanings, ranging from a synonym for theory to an internal subdivision of a theory, from a system of ideas to a school of thoughts, from an exemplary research procedure to the equivalent of a method (Corbetta, 2003).

The importance of understanding the philosophical issues associated with research stems from many facts, which can be summarised as the following: first, this understanding clarifies research designs in terms of the evidence required and how it is gathered; second, it helps to recognise the best research design; and third, it might suggest new designs outside the researcher’s past experience (Easterby-Smith, Thorpe and Jackson, 2008).

According Corbetta (2003), the basic beliefs of inquiry paradigms can be captured through three questions: the ontological question (*essence*: does social reality exist?), the epistemological question (*knowledge*: how can we acquire knowledge?), and the methodology question (*method*: how can social reality be studied?) (Table-4-1).
Table 4-1: Characteristics of the Basic Paradigms of Social Research

<table>
<thead>
<tr>
<th></th>
<th>Positivism</th>
<th>Post-positivism</th>
<th>Interpretivism</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ontology</strong></td>
<td>Naïve realism: social reality is real and knowable (as if it were a thing)</td>
<td>Critical realism: social reality is real but knowable only in an imperfect and probabilistic manner</td>
<td>Constructivism: the knowable world is that of meanings attributed by individuals. Relativism (multiple realities): these constructed realities vary in form and content among individuals, groups, and cultures</td>
</tr>
<tr>
<td><strong>Epistemology</strong></td>
<td>Dualism-objectivity</td>
<td>Modified dualism-objectivity</td>
<td>Non-dualism; non-objectivity. Researchers and object of study are not separate, but interdependent.</td>
</tr>
<tr>
<td>True results</td>
<td>Results probabilistically true</td>
<td>Results probabilistically true</td>
<td>Experimental science in search of meaning</td>
</tr>
<tr>
<td>Experimental science in search of laws</td>
<td>Experimental science in search of laws. Multiplicity of theories for the same fact</td>
<td>Interpretive science in search of meaning</td>
<td>Goal: comprehension</td>
</tr>
<tr>
<td>Goal: explanation</td>
<td>Goal: explanation</td>
<td>Goal: explanation</td>
<td>Generalisation: opportunity structures; ideal types</td>
</tr>
<tr>
<td>Generalisation: natural immutable laws</td>
<td>Generalisation: provisional laws, open to revision</td>
<td>Generalisation: provisional laws, open to revision</td>
<td>Goal: comprehension</td>
</tr>
<tr>
<td><strong>Methodology</strong></td>
<td>Experimental manipulative</td>
<td>Modified experimental manipulative</td>
<td>Empathetic interaction between scholar and object studied</td>
</tr>
<tr>
<td>Observation: observer-observed detachment</td>
<td>Observation: observer-observed detachment</td>
<td>Observation: observer-observed interaction</td>
<td>Observation: observer-observed interaction</td>
</tr>
<tr>
<td>Mostly induction</td>
<td>Mostly deduction (disproof of hypotheses)</td>
<td>Induction (knowledge emerges from the reality studied)</td>
<td>Induction (knowledge emerges from the reality studied)</td>
</tr>
<tr>
<td>Quantitative techniques</td>
<td>Quantitative techniques with some qualitative</td>
<td>Qualitative techniques</td>
<td>Qualitative techniques</td>
</tr>
<tr>
<td>Analysis by variable</td>
<td>Analysis by variable</td>
<td>Analysis by cases</td>
<td>Analysis by cases</td>
</tr>
</tbody>
</table>

Source: (Corbetta, 2003, p. 14)
4.2.1 Positivism Paradigm

When studying the social reality, this paradigm focuses on utilising the conceptual framework, the techniques of observation and measurement, the instruments of mathematical analysis, and the procedures of inference of the natural science (Corbetta, 2003). This perspective maintains the notion that society, much like other subjects of scientific enquiry, can be analysed empirically, where the outcome of the analysis would be social laws and theories established on the bases of psychology and biology (Williams and May, 1996). This perspective makes the society the focus for research and when researchers reach its internal laws and social fact, they can discern how and why individuals behave like they do (Walliman, 2006).

Considering that induction refers to the process of moving from the particular to the general, positivism is fundamentally inductive (Corbetta, 2003). During this process, regularities and recurrences are identified and consequently generalisations and universal laws are generated (Corbetta, 2003).

4.2.2 Post-positivism Paradigm

For a long time, positivist-based science was subject to strong criticism, such as: the rejection of the view that science should only address observable phenomena and not hypothetical and abstract entities, and the inseparability between facts and values (Robson, 2002). Post-positivists offered a different conceptualisation of truth, in that, a realistic stance of science was advocated (Clark, 1998). This paradigm emerged from the developments in the natural science at the advent of the 20th Century which introduced the concepts of probability and uncertainty to critical areas, such as the causal law and the objectivity of the external world (Corbetta, 2003). Established by a group of German philosophers in Vienna (Vienna Circle),
these new views advocate that the inductive reasoning is impermissible, and more certain conclusions can only be reached by means of deductive logic (Hunt, 1991). For post-positivists, triangulation is fundamentals since they reject the assumption of a single causal reality (Hunt, 1991).

According to Robson (2002), an important distinction between positivist and post-positivists is drawn from the role of the researcher. In other words, the observables are not only determined by their characteristics, but also by the characteristics and the perspective of the observer as well. This argument—that observations always involve the theoretical frame of the observer—can be discerned from the anti-positivist philosopher, Friedrich Nietzsche, who famously wrote: ‘facts are precisely what there is not, only interpretations’ (Zammito, 2004, p.10). Further, post-positivism introduced the concept of falsification as a criterion for empirical validation of theoretical hypothesis or a theory, which in turn gave rise to the notion of provisional nature of any theoretical statement, as long as it is never definitely proven (Corbetta, 2003; Anderson, 1983).

4.2.3 Interpretivism Paradigm

The proponents of this perspective refute the claims that scientific methods could present a thorough understanding of the complex network of interrelationships in societies (Walliman, 2011). Also, they demonstrate that there is a difference in the subject matter of natural sciences and social sciences (Walliman, 2011). They argue that social reality and human action have meanings for human beings, and it is the task of the social scientists to comprehend how people think and to interpret their actions from their point of view (Bryman and Bell, 2011; Walliman, 2011). Another feature of this perspective is that the researchers are not observing phenomena
from outside, but they are bound into the human situation they are studying (Bryman and Bell, 2011; Walliman, 2011).

4.2.4 The Reconciliatory Approach

Max Weber (1864-1920) opposes the pure interpretivism, and asserts the necessity to differentiate between; what one can perceive as facts, things that are; and what one can perceive as values, things that may, or may not be desirable (Walliman, 2011). This can be achieved, according to Weber, through understanding of the values involved in the social practices and not making value-based judgments (Walliman, 2011). In this way, researchers can make a meaningful formulation of the elements, causes and effects within an intricate social situation (Bryman and Bell, 2011; Walliman, 2011). Also, it is worth noting that Weber himself admits that it is difficult to maintain an absolute objectivity when analysing social phenomena as all knowledge of cultural reality is always knowledge from a specific point of view (Walliman, 2011).

4.2.5 Justification of the Adopted Paradigm

The relevant paradigm adopted for this research is post-positivism. To define the theoretical basis of this study, the research problem area should be revisited (Walliman, 2011). The main focus of this study is investigating consumer experiences and consumer happiness. This study intends to obtain a better understanding of the social world through a new theory following a scientific approach. The social phenomenon in the model of study is not explained by logical necessity and deterministic laws; but rather it is investigated following probabilistic laws implying the presence of haphazard factors, disturbances, and fluctuations (Corbetta, 2003).
Within the current consumer research study, the view of in-deterministic and probabilistic predictions with uniform regularities is appropriate (Hunt, 1991).

When adopting the positivist agenda, the scientific approach begins by testing a theory through collecting data, which in turn either supports the theory or refines it; however, the epistemological stance of this study moves beyond positivism to post-positivism, in that, the theory resulting from this study is neither finite nor definitely proven, and it might be shown to be incorrect by future research, therefore, it is tentative forever (Robson, 2002). In other words, the theory in this study cannot be positively confirmed by the data, and its empirical validation occurs only in the negative through the non-confutation as long as the positive proof is impossible (Corbetta, 2003). Consequently, no finite number of empirical test can ever guarantee the truth and verification of universal statements; rather, the gradually increasing confirmation of these statements should be prevalent (Anderson, 1983).

In terms of the reality of consumer experiences and the ontological question of what does ‘to be’ ‘to exist’ mean? (Hunt, 1991), the critical realism position is adopted. This refers to the existence of reality external to human beings (Corbetta, 2003). In the past, the theories of consumer research addressing latent, unobservable, and intangible variables, such as experiences, attitudes, beliefs, and intentions, have been successful in explaining, predicting and solving pragmatic problems (Hunt, 1991). This encourages researchers to believe that these psychological states of consumer exist independently of researchers’ labelling them as real (Hunt, 1991). The critical element underpins the notion that the researcher must be ready to question every scientific acquisition during the research process (Corbetta, 2003).

Furthermore, the assumption made here about reality is that it exists independently from the cognitive and perceptive activity of the researcher; however, the act of understanding remains
conditioned by the theoretical frameworks and social circumstances in which it happens. In other words, it is argued that the process of observation and the simple recording of reality, as undertaken by the researcher in this study, is not an objective picture, but rather it is theory-laden and occurs in relation to the researcher’s theoretical frame and understanding. Therefore, the relevant philosophical paradigm here is post-positivism.

4.3 Research Approach: Deductive and Inductive Theory

Researchers employ different scientific methods in order to address a problem or curiosity. These approaches can be outlined as deductive and inductive approaches (Robson, 2002). For the purposes of this study, the deduction approach was employed in the design of this research.

4.3.1 Deductive Approach

Rooted in the development of natural sciences, deduction implies refining theories through a rigorous process of testing (Saunders, Lewis and Thornhill, 2009). Research, within this approach, commences with a universal view of the situations and works back to the particulars (Gray, 2014). Figure 4-1 summarises the logic of the research process and displays it as an ongoing process with two starting points, which can be considered as overlapping tendencies rather than clear-cut approaches (Saunders, Lewis and Thornhill, 2009).
According to Robson (2002), deduction proceeds following five steps:

1. based on the theory, proposing **hypotheses** expressing the relationships between two or more of the constructs or variables;
2. operationalising the hypotheses by specifying how the theoretical concepts are to be measured;
3. testing the hypotheses using one or more of the research strategies such as experiment, survey, and case study;
4. discussing the outcome of testing the hypotheses by confirming the theory or refining it;
5. modifying the theory based on the outcome of the inquiry (see Figure 4-1).
The core notion of this approach is hypotheses falsification (Saunders, Lewis and Thornhill, 2009); that is, presenting hypotheses that can be logically possible to make true observational statements that contradict with these hypotheses. Further, these observations introduce problems in the explanatory power of existing theories and make speculative alternative theories, expressed as hypotheses (Saunders, Lewis and Thornhill, 2009). Based on the process of falsification, science has achieved a significant progress through offering more precise and refined theories (Walliman, 2011). The observation statements are, however, theory-dependent; therefore, two major limitations to the power of falsification can be discussed; first, using a false observation statement can lead to a wrong rejection of a sound theory; and second, rejecting a true observation statement can keep faulty theories unchallenged (Walliman, 2011).

4.3.2 Inductive Approach

The inductive approach implies theory building through data rather than vice versa as with deduction. In other words, once the data are collected and analysed, any pattern, meanings or consistencies of the relationships between variables will be scrutinised, and consequently if any are found, a theory will be formulated (Gray, 2014; Saunders, Lewis and Thornhill, 2009) (see Figure 4-1). This approach became popular upon the emergence of the social sciences in the 20th Century (Saunders, Lewis and Thornhill, 2009). Since then induction proponents have questioned the cause-effect relationships between variables without an understanding of the way according to which researchers construe the social world (Saunders, Lewis and Thornhill, 2009).

Despite the fact that induction starts from observations, it takes note of the pre-existing theories when approaching a particular problem (Gray, 2014). This is manifested when making the judgement about what is an important research question to investigate and when referring to
the values and concepts on which these judgements are made (Gray, 2014). Induction, however, does not tend to falsify or substantiate a theory (Gray, 2014).

Walliman (2011) argues that for generalisations to be made, inductive reasoning requires three conditions to be maintained:

- A large number of observation statements should be obtained.
- These observations should be repeated under a variety of conditions and circumstances.
- No contradictions should be seen between the observations and the derived generalisations.

To meet these conditions, inductivists would encounter two problems; the first is how large the number of observations should be; and the second is how many conditions and circumstances researchers must repeat until so true and sound conclusions could be made (Walliman, 2011).

### 4.3.3 Justification of the Adopted Research Approach

Saunders, Lewis and Thornhill (2009) contend that some essential characteristics of deduction are that it seeks to explain the causal relationships between variables, all the concepts need to be operationalised so it can be measured quantitatively, and, in order to draw sound generalisations, deductionists need to choose samples of statistically sufficient sizes. The main focus of this study is directed towards investigating the causal relationships between the sub-dimensions of brand experience and brand loyalty and price premium as behavioural outcomes. Also, it addresses the meditative role of happiness and its antecedents. Therefore, the relevant approach for examining these causal relationships in this study is deduction, and the start point is the theory instead of data. Based on the theory, a group of hypotheses are proposed and tested. The findings of the research will contribute to refining the theory. In addition, all the
concepts of the study are defined, translated into indicators and operationalised enabling a quantitative data collection. Finally, this study benefits from a big quota sample size of the UK population facilitating drawing conclusions and doing statistics-based generalisations.

Figure 4-1 summarises the logic of the research process and displays it as a one ongoing process with two starting points, which can be thought of as overlapping tendencies rather than clear-cut approaches (Saunders, Lewis and Thornhill, 2009).

4.4 Research Strategy

To answer the research questions, some research strategies might be employed, such as: survey, experiment, case study, grounded theory, ethnography, action research and archival research (Walliman, 2011; Saunders, Lewis and Thornhill, 2009). In this study, the survey is adopted as a research strategy.

4.4.1 Survey

Bryman and Bell (2011, p.54) defines survey research as ‘a cross-sectional design in relation to which data are collected predominantly by questionnaire or by structured interview on more than one case (usually quite a lot more than one) and at a single point in time in order to collect a body of quantitative or quantifiable data in connection with two or more variables (usually many more than two), which are then examined to detect pattern of associations’. The sound establishment of the concept of representativeness gave a great boost to the field of surveys (Corbetta, 2003). That is; in order to figure out the attributes and the characteristics of a specific population, it is not necessary to study the whole population. Instead, a carefully selected sample can produce accurate results (Corbetta, 2003). Usually accompanied with deductive
approach, surveys are the most widely adopted research strategy in business and management research (Saunders, Lewis and Thornhill, 2009; Adams et al., 2007; Corbetta, 2003).

This strategy is used by social scientists to study social phenomena or to investigate opinions, attitudes and behaviours empirically and scientifically through a process that is rigorous and systematic (Lavrakas, 2008). The popularity of surveys stems from their nature which allows researchers to employ them in sizeable population in an economical way to collect large amount of data. These data can be analysed quantitatively using descriptive and inferential statistics (Bryman, 2012). There is a tendency among researchers to adopt polarised views about the importance of surveys (Robson, 2002). Some advocate that surveys provide a reassuring scientific sense of confidence, while others debate that this strategy is prone to yielding large amount of data that is in many cases dubious (Robson, 2002).

Robson (2002) argues that the advantages of survey strategy cover: (1) providing a straightforward approach to measuring attitudes, motives and values; (2) the ability to obtain generalisable information from a huge variety of populations; and (3) high level of standardisation which facilitates statistical testing. However, this approach does not come without disadvantages, such as: (1) data collected by surveys are influenced by the participants’ experience, knowledge, personality, and motivation; and (2) when reporting beliefs and attitudes, respondents might tend to respond to the measures in a way that shows them in a socially desirable situation, which maximises the social desirability response bias. Further, surveys are prone to two general types of errors; random sampling error and systematic error (Zikmund et al., 2012). The first type, random sampling error, is seen to occur when a statistical fluctuation happens because of the chance of variation in the participants chosen for the sample, and this type can be minimised with samples larger than 400 participants (Zikmund et al.,
The second type is systematic error, or non-sampling error, which results as a result of the various flaws in the research design or in the execution of the research (Zikmund et al., 2012).

This research aims to refine the existing theory of hedonic consumption through examining the relationships among a group of variables, and making meaningful generalisations about a certain population. Due to the aforementioned advantages of survey, namely the ability to obtain generalisable information from a huge variety of populations, and the high level of standardisation which facilitates undertaking the various statistical tests, this study adopts survey as a research approach.

4.5 Time Horizon

Independent of the followed research strategy, the time horizon of the study refers to the time in which the study is undertaken (Sekaran, 2003). Two designs can be identified of time horizon: cross-sectional and longitudinal designs (Bryman and Bell, 2011). The time horizon design of this study is cross-sectional.

4.5.1 Cross-sectional Design

This design involves the collection of quantitative or qualitative data at a single point in time (Bryman and Bell, 2011). Cross-sectional design is generally adopted to describe a phenomenon, or to unfold the patterns of association between factors in different organisations at a particular time (Saunders, Lewis and Thornhill, 2009). Finally, the subject of this study was the consumer since that the project intends to examine how consumers experience brands and how this experience affects happiness and the outcomes of happiness.
4.6 Target Population

Choosing a target population, from which the research sample is drawn, is the first step in the sampling process (Sekaran, 2003). The generalisation considerations combined with the feasibility purposes imply the need to determine the target population (Robson, 2002). The research question of this study limits the research context to the restaurant industry in the UK. Therefore, in order to draw more accurate conclusions, the target population is limited to; (1) the British people (2) living in the UK. This guarantees that, on the one hand, the subjects of the sample are exposed to a more homogeneous environment of brand related stimuli; and on the other hand, these subjects will belong to the same cultural group enhancing the generalisability. Further, the target age range of participants is restricted to over 18 years for ethical reasons.

4.7 Sample Size

The sample size indicates to the number of cases that were chosen and from which data were collected (Lavrakas, 2008). Dattola (2007) suggests that certain important criteria should be highlighted when seeking an effective sample design and deciding on the sample size: (1) meeting the research objectives (2) obtaining accurate estimates of sampling variability (3) feasibility, and (4) minimising cost. According to Bryman and Bell (2011), the decisions about the sample size depend on many factors such as the constraints of time and cost, heterogeneity of the population and kind of analysis.

The population of the study is considered heterogeneous as it is meant to represent the British population, which is a large population. Generally, the large sample size would be more likely to be representative to the population drawn from; this is known as the law of large numbers (Saunders, Lewis and Thornhill, 2009). Furthermore, the central limit theorem dictates that if
the absolute sample size is large, its distribution would tend to be more normal and thus more robust (Saunders, Lewis and Thornhill, 2009). Increasing the size of the sample yields a higher power to the statistical test, which is the probability that the statistical significance will be substantiated if it is present (Hair et al., 2014). Also, it needs to be taken into consideration that when the sample is broken into separate subgroups, the size of these subgroups is sufficient, and it should have at least 50 to 100 cases (de Vaus, 2001).

The type of analysis employed in this study is Structural Equation Modelling (SEM), which is a large sample technique (Kline, 2011). Further, analysing small samples using SEM is prone to numerous problems (Kline, 2011).

As a rule of thumb, that considers sample size and model complexity in (SEM), the minimum sample size should be calculated in terms of a ratio of cases (N) to the number of model parameters (q), where ratios of (N/q=20:1, N/q=10:1, and N/q=5:1) are regarded ideal, less ideal and small, respectively (Byrne, 2013; Kline, 2011). Based on this formula where (q=88) for this study, the sample size would be (1760) cases if the ratio is ideal (880) cases if it is less ideal, and (440) cases if it is small. However, Muthén and Muthén (2002) argue that the rule of thumb should be ditched and the sample size required for a study relies on numerous factors such as the size of the model, distribution of the variables, amount of missing data, reliability of the variables, and the strength of the relations among the variables.

Another way of calculating the sample size referred to by de Vaus (2001) is using computerised online calculators. For example, The Survey System (2015), which adopts a simple formula, yields a sample size of (N=1067) based on a confidence level (95%), a confidence interval (3%) and a population of (64600000), which is the population of the UK mid-2014 estimate (Office for National Statistics, 2015a).
In terms of the need for precision, Bryman and Bell (2011) argue that when the sample size increases, the likely precision of the sample increases and the sampling error decreases. However, often at the region of 1000, the increases of the precision become less profound. Therefore, having taken all these factors into consideration, it was decided that the final sample size of this study would be 1000 participants.

Table 4-2: A Summary of the Sample Size Criteria with the Corresponding Sample Sizes

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Suggested Sample Size (N)</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kind of Analysis</td>
<td>1780</td>
<td>The ratio N/q is ideal</td>
</tr>
<tr>
<td></td>
<td>880</td>
<td>The ratio N/q is less than ideal</td>
</tr>
<tr>
<td></td>
<td>440</td>
<td>The ratio N/q is small</td>
</tr>
<tr>
<td>Computerised online calculators</td>
<td>1067</td>
<td>Confidence level (95%), confidence interval (3%) and a population of (64600000)</td>
</tr>
<tr>
<td>The need for precision</td>
<td>1000</td>
<td>At the region of 1000, the increases of the precision become less profound</td>
</tr>
<tr>
<td>The chosen sample size</td>
<td>1000</td>
<td></td>
</tr>
<tr>
<td>The number of model parameters</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.8 Sampling Technique

This research project adopts the quota sampling design. Two major sampling designs can be identified, probability and non-probability sampling (Sekaran and Bougie, 2014). In the former, the elements in a population have some non-zero chance of being chosen as sample
subjects. Where, in the latter, these elements do not have a known probability of being chosen as sample subjects (Sekaran and Bougie, 2014).

4.8.1 Quota Sampling

Widely used in commercial research, quota sampling aims to achieve a sample that is reflective to the population in relative proportions of people in different control dimensions, such as: age groups, ethnicity, gender, region of residence, and socio-economic groups (Bryman and Bell, 2011). This sample can be considered as one type of stratified sample where selection of subjects within each stratum is completely non-random; also, it does not require a sampling frame (Saunders, Lewis and Thornhill, 2009). The problem of this design is that, within each subgroup, the sample will be biased against people who do not show the willingness and readiness to take part in the study (Saunders, Lewis and Thornhill, 2009; Adams et al., 2007).

This study adopts the quota sampling design for several reasons, like: (1) the probability sample is not feasible (Corbetta, 2003), (2) the cost and time involved is reduced (Adams et al., 2007), (3) when the population is large, quota sampling is normally used (Saunders, Lewis and Thornhill, 2009), and (4) some practitioners argue that the quota sample is as good as the probability sample (Bryman and Bell, 2011). Due to these advantages, the quota sampling enhances the ability of the generalisation of the findings. The control dimensions used in this study are age and gender as they are pertinent to consumer research and they have been commonly employed in the field of marketing for the purposes of marketing segmentation (Hernández, Jiménez and José Martín, 2011; Papadopoulos et al., 2011).
The Office for National Statistics (2015b) was consulted to gain representative percentages of the six age categories used in this study. The following table shows these percentages and the corresponding sample size for both males and females for the different age categories:

Table 4-3: The percentages of age breakdown categories according to the Office for National Statistics data for 2015 and a sample size of 1000 participants

<table>
<thead>
<tr>
<th>Age group</th>
<th>UK Population</th>
<th>Rounded</th>
<th>Sample Size</th>
<th>Males</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>0.117801047</td>
<td>0.12</td>
<td>120</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>25-34</td>
<td>0.180628272</td>
<td>0.18</td>
<td>180</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>35-44</td>
<td>0.164921466</td>
<td>0.17</td>
<td>170</td>
<td>85</td>
<td>85</td>
</tr>
<tr>
<td>45-54</td>
<td>0.184554974</td>
<td>0.18</td>
<td>180</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>55-65</td>
<td>0.147905759</td>
<td>0.15</td>
<td>150</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>65+</td>
<td>0.204188482</td>
<td>0.2</td>
<td>200</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>1</td>
<td>1</td>
<td>1000</td>
<td>500</td>
<td>500</td>
</tr>
</tbody>
</table>

Source: Adopted from Office for National Statistics (2015b) and from this study.

4.9 Questionnaire Development

Questionnaire development refers to the process of designing the format and the questions in the survey in order to collect the data about a specific phenomenon (Lavrakas, 2008). Foddy (2001) argues that the successfully designed question should be understood by the participant in the same way proposed by the researcher, and the answer of this question should be understood by the researcher in the same way intended by the participant. Reducing the total amount of measurement error is one important aim in questionnaire development (Lavrakas, 2008). Generated from a flawed question wording, ordering and formatting, a measurement error is likely to introduce variance and bias—which in turn will affect reliability and validity of the collected data and the inferences drawn (Lavrakas, 2008).

Rating scales are immensely popular and widely used in marketing research and commercial market research (Dawes, 2008). This study employs a 7-point Likert scale for all of the questions, as this scale is still the most frequently used procedure in attitude measurement.
Numerical descriptors are used where participants choose the number that corresponds to their level of agreement (Dawes, 2008).

The questionnaire development process was conducted following several steps. First, the domain of constructs was specified by defining each of these constructs in order to delineate what falls within their concepts and what falls out of them (Churchill, 1979). Second, a review of the relevant literature and empirical studies, especially in consumer experience, happiness and positive psychology, and consumer behaviour, was conducted to generate a pool of items (Churchill, 1979). Borrowing items from prior research is not uncommon practice in marketing and brand research (Bryman and Bell, 2011) since it facilitates the development of robust answers to research question which can be generalised (e.g.: Hsu, 2012; Kocak, 2007; Nysveen, Pederson and Skard, 2013). It was made sure that these items address all the dimensions of the constructs of study. Following, the pool of items was edited through adapting the wording of the items to suit the context of the study—the restaurant industry.

The next step was related to face validity. When a questionnaire has face validity, it means that there is subjective agreement among professionals on whether the questions of the survey appear to make sense or not, and on whether the scales capture the measured concept or not (Zikmund et al., 2012; Saunders, Lewis and Thornhill, 2009). The face validity of the questionnaire was checked with the help of two marketing academics—a senior lecturer and a professor—and by a group of five PhD students. Some of the comments provided by the reviewers covered the wording of the items and the structure and layout of the questionnaire.

For example, the brand loyalty item ‘I consider this restaurant as a first choice’ was adjusted to be ‘I consider this restaurant as a first choice when I think of its type of food.’, and the price premium item ‘I would be willing to pay a higher price for dining at this restaurant over other
“restaurants” was edited to become ‘I would be willing to pay a higher price for dining at this restaurant over and above other restaurants offering the same kind of food’. Also, it was suggested to remind the participant, before every group of items, with reporting on the same dining experience they recalled at the beginning of the questionnaire by saying ‘Still thinking about your experience at this restaurant... Please tick the appropriate choice for all the following statements’. Finally, it was recommended to move the demographic questions from the beginning to the end of the questionnaire to reduce the cognitive burden and to get the most out of participants’ energy by posing the main items at the commencement and delaying the easy questions related to the demographics to the end. This is consistent with the idea that the logical and intuitive flow of the layout of questions is expected to minimise the respondent’s fatigue and improve the quality of data collected (Lavrakas, 2008).

4.9.1 The Layout of the Questionnaire

The layout of the questionnaire of study was organised in several parts (see the developed questionnaire in Appendix B); in the first section is an introduction illustrating the purpose and the confidentiality of this research, the voluntary nature of participation, and the time elapsed to answer the questions. Next, participants were posed with one of two conditions. While the first scenario involved the following ‘Please imagine a day when you were busy and worked hard all day. At the end of that day you were very hungry and you wanted to dine out. Which restaurant would you normally pick on that day?’, the second one reads ‘Please imagine a day when you wanted to dine out to celebrate a special occasion (e.g. anniversary, birthday, etc...) with close friends, a spouse or a partner. Which restaurant would you normally pick on that day?’. It is expected that these two conditions will enhance the variability of the responses between all the possible utilitarian and hedonic consumption occasions (Voss, Spangenberg
and Grohmann, 2003; Wakefield and Inman, 2003). The targeted participants were divided equally between these two conditions.

The second part consisted of the items measuring all the constructs of the study. The final part included the demographic variables, such as: age, gender, income, marital status, education, nationality and country of residence. At the end of the questionnaire respondents were given the opportunity to add a comment if they have any. Respondents added a plenty of comments and feedback. Also, this is another indicator of the quality of the data collected by the market research company. In the following, the operationalisation of the constructs of the study is presented in four levels: brand experience dimensions, orientations to happiness, happiness, and consumer behaviour outcomes.

4.9.2 Brand Experience Dimensions

Having reviewed the relevant brand experience literature in chapter two, this study adopted four dimensions to examine the dining experience. These dimensions are: Sensory Experience (Sense), Affective Experience (Feel), Cognitive Experience (Think), and Social Experience (Relate). For Brakus, Schmitt and Zarantonello (2009), the Sensory Experience (Sense) can be defined as the experience gained from the senses and the aesthetic qualities. On the other hand, the Affective Experience (Feel) can be defined as the consumption-related emotions (Richins, 1997) that result during the multiple stages of consuming a brand and interacting with its encounters. The Cognitive Experience (Think), tackles: the creative and imaginative thinking represented by the divergent thinking; and the critical and analytical thinking represented by the convergent thinking (Baker, Rudd and Pomeroy, 2001; Guilford, 1956). Lastly, the Social Experience (Relate) can be defined as how consumers connect with a certain reference group
or a social context through a brand (Schmitt and Zarantonello, 2013; Zarantonello and Schmitt, 2010; Schmitt, 1999).

The measurement items of every dimension of brand experience construct were adapted from two sources: Brakus, Schmitt and Zarantonello’s (2009) paper in Journal of Marketing where the authors presented the first well-developed conceptualisation and scale for measuring brand experience. The measurement scale has been used in several studies which followed the same conceptualisation of Brakus, Schmitt and Zarantonello’s (2009) (e.g.: Nysveen, Pedersen and Skard, 2013; Iglesias, Singh and Batista-Foguet, 2011). In spite of the fact that five dimensions were theoretically identified, the scale addresses only four dimensions: *sensory experience, affective experience, cognitive experience,* and *physical experience.* This study operationalises the three experiences: *sensory experience, affective experience,* and *cognitive experience* with three items each. The three measurement items of *social experience (Relate)* were adopted from the early work of Schmitt (1999) on experiential marketing and the five experiential modules. The measurement items of the dimensions of brand experience are adapted and demonstrated in Table 4-4 after doing some editing to become relevant to the context of the study.

<table>
<thead>
<tr>
<th>Item</th>
<th>Code</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensory Experience (<em>Sense</em>)</td>
<td>BE_S</td>
<td>(Brakus, Schmitt and Zarantonello, 2009)</td>
</tr>
<tr>
<td>This restaurant brand makes a strong impression on my visual senses or other senses.</td>
<td>BE_S1</td>
<td></td>
</tr>
<tr>
<td>I find this restaurant brand interesting in a sensory way.</td>
<td>BE_S2</td>
<td></td>
</tr>
<tr>
<td>This restaurant brand does not appeal to my senses.</td>
<td>BE_S3</td>
<td></td>
</tr>
<tr>
<td>Affective Experience (<em>Emotional</em>)</td>
<td>BE_E</td>
<td>(Brakus, Schmitt and Zarantonello, 2009)</td>
</tr>
</tbody>
</table>
This restaurant brand induces my feelings and sentiments.  
I do not have strong emotions for this restaurant brand.  
This restaurant brand often engages me emotionally.  

<table>
<thead>
<tr>
<th>Social Experience (Relate)</th>
<th>BE_R</th>
<th>(Schmitt, 1999)</th>
</tr>
</thead>
<tbody>
<tr>
<td>This restaurant brand tries to get me to think about relationships.</td>
<td>BE_R1</td>
<td></td>
</tr>
<tr>
<td>I feel that I can relate to other people through this restaurant brand.</td>
<td>BE_R2</td>
<td></td>
</tr>
<tr>
<td>As a customer of this restaurant I feel that I am socially engaged.</td>
<td>BE_R3</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cognitive Experience (Think)</th>
<th>BE_T</th>
<th>(Brakus, Schmitt and Zarantonello, 2009)</th>
</tr>
</thead>
<tbody>
<tr>
<td>This restaurant tries to intrigue me.</td>
<td>BE_T1</td>
<td></td>
</tr>
<tr>
<td>This restaurant stimulates my curiosity.</td>
<td>BE_T2</td>
<td></td>
</tr>
<tr>
<td>This restaurant does not appeal to my creative thinking.</td>
<td>BE_T3</td>
<td></td>
</tr>
</tbody>
</table>

4.9.3 Orientations to Happiness

Reviewing the literature of positive psychology revealed three orientations to happiness: Pleasure, Meaning, and Engagement. The first orientation, Pleasure, can be defined as the aggregation of the hedonic moments of bodily happiness resulting from indulging the senses (Ryan and Deci, 2001). The second orientation, Meaning is defined as the happiness resulting from the continuous pursuit of meaning in life through cultivating a set of values and priorities, such as: caring for friends, community and society. The last orientation is Engagement. This orientation can be defined as the happiness emerging from being engaged and absorbed in a certain activity where attention is focussed and the sense of self is lost (Csikszentmihalyi, 1999). Operationalisation of the three orientations to happiness occurred based on the adaptation of the measurement items of the work of Peterson, Park and Seligman (2005) and based on the work on flow and optimal experience (Csikszentmihalyi, 1990). The items were reworded to fit the context of the study. While Pleasure was operationalised with four items,
Meaning was operationalised with six items. Lastly, Engagement was measured with four items. These items are depicted in Table 4-5.

Table 4-5: Operationalisation of the Three Orientations to Happiness (pleasure, meaning, and engagement)

<table>
<thead>
<tr>
<th>Item</th>
<th>Code</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pleasure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My visit is an opportunity to please my senses.</td>
<td>HAP_PLE1</td>
<td>(Peterson, Park and Seligman, 2005)</td>
</tr>
<tr>
<td>For me, the good restaurant is the one which is sensually exciting.</td>
<td>HAP_PLE2</td>
<td></td>
</tr>
<tr>
<td>In choosing the restaurant, I always take into account whether it</td>
<td>HAP_PLE3</td>
<td></td>
</tr>
<tr>
<td>will be sensually pleasurable.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I go to this restaurant to indulge my senses.</td>
<td>HAP_PLE4</td>
<td></td>
</tr>
<tr>
<td><strong>Meaning</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>What matters in a dining experience is spending time with others.</td>
<td>HAP_MEN1</td>
<td>(Csikszentmihalyi, 1990)</td>
</tr>
<tr>
<td>I only visit restaurants that are in accordance with my set of</td>
<td>HAP_MEN2</td>
<td>(Csikszentmihalyi, 1990)</td>
</tr>
<tr>
<td>values and priorities in life.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caring for others (such as my co-diners) is an important driver of</td>
<td>HAP_MEN3</td>
<td>(Csikszentmihalyi, 1990)</td>
</tr>
<tr>
<td>my visit.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I would only choose restaurants which do good to society.</td>
<td>HAP_MEN4</td>
<td>(Peterson, Park and Seligman, 2005)</td>
</tr>
<tr>
<td>What matters in a dining experience is my co-diners’ happiness.</td>
<td>HAP_MEN5</td>
<td>(Peterson, Park and Seligman, 2005)</td>
</tr>
<tr>
<td>In choosing where to dine, I always consider if it will benefit</td>
<td>HAP_MEN6</td>
<td>(Peterson, Park and Seligman, 2005)</td>
</tr>
<tr>
<td>other people.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Engagement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>During my visit to this restaurant, time passes very quickly.</td>
<td>HAP_ENG1</td>
<td>(Peterson, Park and Seligman, 2005)</td>
</tr>
<tr>
<td>I feel totally absorbed in my experience at this restaurant.</td>
<td>HAP_ENG2</td>
<td>(Peterson, Park and Seligman, 2005)</td>
</tr>
<tr>
<td>In the restaurant, I rarely get distracted by what is going on</td>
<td>HAP_ENG3</td>
<td>(Csikszentmihalyi, 1990)</td>
</tr>
<tr>
<td>around our table.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I get entirely engaged in what I do in the restaurant.</td>
<td>HAP_ENG4</td>
<td>(Csikszentmihalyi, 1990)</td>
</tr>
</tbody>
</table>
4.9.4 Happiness

The construct of happiness was theoretically delineated from the literature of happiness and subjective well-being. Defining happiness was based on the concept of integrating the momentary happiness of Kahneman and Krueger (2006). This thesis offers the following definition of consumer Happiness during a period of time as ‘the sum of momentary episodes of happiness over that time period that are evoked by brand-related stimuli and the resulting experience; that is, the integral of the momentary happiness that results from any orientation to happiness’. In order to operationalise the construct, items were borrowed and adapted from the program of research on happiness attained from experiential versus material purchases (Van Boven and Gilovich, 2003). Also, two items were adapted from the research on happiness from ordinary and extraordinary experiences (Bhattacharjee and Mogilner, 2014). Two other items were derived from the Encyclopaedia of Quality of Life and Well-Being (Michalos, 2014) and from the social indicators of well-being (Andrews and Withey, 2012). The construct was operationalised with six items as illustrated in Table 4-6.

Table 4-6: Operationalisation of Happiness

<table>
<thead>
<tr>
<th>Item</th>
<th>Code</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Happiness</td>
<td>HAPP</td>
<td></td>
</tr>
<tr>
<td>Visiting this restaurant makes me happy.</td>
<td>HAPP1</td>
<td>(Van Boven and Gilovich, 2003)</td>
</tr>
<tr>
<td>Visiting this restaurant contributes to my overall happiness in life.</td>
<td>HAPP2</td>
<td>(Van Boven and Gilovich, 2003)</td>
</tr>
<tr>
<td>My visit to this restaurant is personally fulfilling.</td>
<td>HAPP3</td>
<td>(Bhattacharjee and Mogilner, 2014)</td>
</tr>
<tr>
<td>My experience at this restaurant is meaningful.</td>
<td>HAPP4</td>
<td>(Bhattacharjee and Mogilner, 2014)</td>
</tr>
<tr>
<td>Eating at this restaurant really improves the quality of my life.</td>
<td>HAPP5</td>
<td>(Michalos, 2014)</td>
</tr>
<tr>
<td>When I go to this restaurant I feel delighted.</td>
<td>HAPP6</td>
<td>(Andrews and Withey, 2012)</td>
</tr>
</tbody>
</table>
4.9.5 Outcomes of Happiness

For the purposes of demonstrating the impact of marketing activities on firm’s performance, it fundamental to include variables measuring the outcomes of consumer behaviour in the model of study (O’Sullivan and Abela, 2007). Two of the important consumer behaviour outcomes, brand loyalty and price premium, were discussed, and their importance was highlighted in the literature of consumer research. Brand loyalty can be defined according to Oliver (1999, p. 34) as ‘a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour’. A battery of measures was adapted from three sources (Chaudhuri & Holbrook, 2001; Yi & Jeon, 2003; Zeithaml, Berry, & Parasuraman, 1996). The final scale of brand loyalty consists of seven items as displayed in Table 4-7.

<table>
<thead>
<tr>
<th>Item</th>
<th>Code</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Loyalty</td>
<td>BR_LO</td>
<td>(Zeithaml, Berry and Parasuraman, 1996)</td>
</tr>
<tr>
<td>I consider this restaurant brand as a first choice when I think of its type of food.</td>
<td>BR_LO1</td>
<td>(Yi and Jeon, 2003)</td>
</tr>
<tr>
<td>I give prior consideration to this restaurant brand when I plan to dine out and think of its type of food.</td>
<td>BR_LO2</td>
<td>(Yi and Jeon, 2003)</td>
</tr>
<tr>
<td>I have a strong preference for this restaurant brand.</td>
<td>BR_LO3</td>
<td>(Yi and Jeon, 2003)</td>
</tr>
<tr>
<td>I like this restaurant more than other restaurants offering the same kind of food.</td>
<td>BR_LO4</td>
<td>(Yi and Jeon, 2003)</td>
</tr>
<tr>
<td>I am committed to this restaurant brand.</td>
<td>BR_LO5</td>
<td>(Chaudhuri and Holbrook, 2001)</td>
</tr>
<tr>
<td>I intend to keep visiting this restaurant in the future.</td>
<td>BR_LO6</td>
<td>(Chaudhuri and Holbrook, 2001)</td>
</tr>
<tr>
<td>I will choose this restaurant next time I intend to have food from its cuisine.</td>
<td>BR_LO7</td>
<td>(Chaudhuri and Holbrook, 2001)</td>
</tr>
</tbody>
</table>
On the other hand, the construct of *price premium* is another frequently used measure examining the outcome of marketing activities (Aaker, 1996b). *Price premium*, according to Aaker (1996b, p. 106), is ‘the amount a customer will pay for the brand in comparison with another brand (or set of comparison brands) offering similar benefits’. Operationalisation of price premium occurred based on a single item (Chaudhuri and Holbrook, 2001). According to Rossiter (2002), when a construct is a simple, concrete singularity and when almost everyone in the sample describes that construct identically, multiple-item measures are not necessary to obtain high reliability. Further, when the construct is straightforward and single-faceted, it might be difficult to develop several items that are different but substantiate the same notion of that construct (Poon, Leung and Lee, 2002). Therefore, the construct of price premium was measured with one item as it is illustrated in Table 4-8. In addition, a question was asked regarding the estimation of the percentage of this price premium that they are willing to pay as the following: ‘*How much more (in percentage) as a price premium (average) would you pay for this restaurant over another restaurant offering similar food?*’

<table>
<thead>
<tr>
<th>Item</th>
<th>Code</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price Premium</td>
<td>PP</td>
<td><em>(Chaudhuri and Holbrook, 2001)</em></td>
</tr>
<tr>
<td>I would be willing to pay a higher price for dining at this restaurant over other restaurants offering the same kind of food.</td>
<td>PP</td>
<td><em>(Chaudhuri and Holbrook, 2001)</em></td>
</tr>
</tbody>
</table>

### 4.10 Pilot Test

Pilot test is a refinery operation in which researcher try to eliminate the potential problem when answering the questions of the questionnaire prior to putting it in the field (Saunders, Lewis and Thornhill, 2009; Lavrakas, 2008). Gray (2014) suggests that many issues can be considered
when pre-testing a questionnaire, such as: instruction given to participants, style and wording of cover letters, length of questionnaire, sequence of the questions, quality of individual items in terms of accuracy and unambiguity, and scales and question format. De Vaus (2001) asserts the importance of evaluating the design of the questionnaire regarding the following points:

- **Variation:** Picking the same answer by every participant is not useful for subsequent analysis.
- **Meaning:** Ensuring that the intended meaning by the researcher is communicated and the intended answer by the respondent is understood by the researcher.
- **Non-response:** When participants show hesitation, reluctance, or refusal to answer some or all the questions, it is a good indicator that a high level of non-response or missing data is expected to happen.

The number of people participating in the pilot test varies depending on the time and resources available, the size of the project, and how well the questionnaire is designed (Saunders, Lewis and Thornhill, 2009). However, the minimum number suggested for a pilot study is (10), and for large surveys between (100) and (200) respondents (Saunders, Lewis and Thornhill, 2009).

In September 2014, a pilot study was conducted in Brunel University campus where (42) responses were collected, which meets the minimum number suggested by Saunders, Lewis and Thornhill (2009). The participants of the pilot study met the criteria of being British, living in the UK and over 18, and they covered different age categories. They were instructed to complete the questionnaire and they were asked to highlight any ambiguous, difficult or misunderstood questions. Also, the time spent to complete the questionnaire was recorded, and it fell within the (10) minutes planned. After completing the questionnaire, the highlighted
items, if any, were discussed. The comments of the participants revealed no serious problem with the questionnaire.

4.11 Approaches to Survey Data Collection

Having designed the questionnaire, pilot tested it and chosen a sampling technique, data can be collected using this questionnaire. Zikmund et al (2012) highlight several ways of administering data collection, such as, self-completion questionnaires, personal interviews, and telephone interviews.

4.11.1 Self-completion Questionnaires

This approach entails that participants fill in the questionnaires themselves and take the responsibility of understanding and responding to the questions without the participation of an interviewer (Corbetta, 2003). Self-completion questionnaires can be either printed or electronic; the former can be communicated via mail, in-person drop-off and inserts, while the latter can be distributed via E-mail, Internet website, interactive kiosk, and mobile phones (Zikmund et al., 2012).

When properly designed, self-completion questionnaires can be an effective way to maximise the response rate and achieve several advantages, such as: the low cost and the short time of administration especially with a geographically widely dispersed population, the absence of interviewer effects, and the convenience for respondents (Bryman and Bell, 2011). Considering these benefits, this study employed a self-completion questionnaire. The online version of the questionnaire was built using a professional online survey platform, BOS Online Survey, (BOS, 2016).
Due to the large size of the sample (1000) participants, and for the purposes of recruiting a sample representative to the UK population, the help of Toluna Company, a paid independent online panel and survey technology provider in London, was sought to collect the required number of responses. Online market research companies offer an effective tool for data collection in consumer research, such as (Holmes, Byrne and Rowley, 2013; Nysveen, Pedersen and Skard, 2013). Among the reputable companies and brands which benefited from the services of this market research company are Yum!, Kellogg's, CNN International, UBS Bank, Danone, and GAP. The subsequent statistical tests, such as the check for outliers and reliability assessment showed that the data collected are of good quality. Also, the answers of the open-end questions in the survey enabled the researcher to make sure that the responses are not automated.

When completing a questionnaire, members of the panel earn points which can be redeemed for rewards, such as gift cards and some goodies. During January 2015, members of the panel were invited by the panel provider to participate by clicking on a link hosted on BOS online survey. At the end of the process (1086) participants responded to our survey covering the needed responses for each age and gender category.

In order to decide on the brands which will serve as the context of the study, respondents were given the choice to pick a restaurant brand themselves. First, the term brand can be defined as ‘a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or a group of sellers and to differentiate them from those of competitors’ (Kotler and Keller, 2006, p. 274). However, a brand is not only a name, term, sign, symbol, or design; but also, the meanings associated with a brand by customers at a conscious, semi- or unconscious level (Batey, 2008). These meanings are formed in the brain
within an associative network which comprise cognitive representations and connections between a brand and associated attitudes, feelings, and behaviour readiness (Batey, 2008).

In this study, respondents were not instructed to recall a dining experience at a specific branded restaurant with a certain style, like: upscale, family-style, fine dining, full service, chained, or independent; rather, they were asked to report on a remembered eating out experience at a restaurant of their choice, give the name of this restaurant, and respond to the items of the questionnaire based on their visit to this restaurant. Undertaking the study in this way enables participants to report on their visit and give a brand name to what they perceive as a restaurant regardless of the nuances of terminology applied to eating out places (Warde and Martens, 2003). In this vein, the given name represents the term brand referred to in the previous definition, and it represents all the meanings associated with the chosen brand.

The total number of the targeted sample was divided into two equal groups, and every group was provided with a different condition in the introduction of the questionnaire. The first condition instructed the respondents to recall a visit to a restaurant in an everyday context after a day of hard work, while the second condition asked the respondents to recall a visit to a restaurant in a weekend context when they wanted to celebrate a special occasion. By introducing these two conditions, the study covered different consumption scenarios and different possibilities; therefore, it is likely to generate variance and be totally exhaustive (Zikmund et al., 2012; de Vaus, 2001).

4.12 Ethical Considerations

Numerous ethical issues and considerations apply to research involving surveys (Zikmund et al., 2012). Examples of such issues include the participant’s right to be informed about the
purpose of the research, the participant’s right to privacy, the need for confidentiality of data provided by respondents and their anonymity, and the participant’s right to withdraw at any time partially or completely from the research (Zikmund et al., 2012; Saunders, Lewis and Thornhill, 2009).

As a start, ethical approval was obtained from the Research Ethics Committee at Brunel Business School, identifying any potential ethical or risk issues in the research project. This guaranteed that the University’s Code of Research Ethics and any professional or academic principles were maintained in the conduct of the study. Based on the Code of Research Ethics, there was no need to garner explicit participant consent since the participants dealt with are anonymised and cannot be traced online.

The introduction of the questionnaire, which serves as a participant information sheet, clearly stated the purpose of the study and the time needed to complete answering the questions. Moreover, it asked respondents to participate freely and voluntarily, and illustrated that respondents can choose to decline to answer any question in the survey or to withdraw at any point. Further, it highlighted the confidentiality and anonymity of the collected data (see the questionnaire of the study in Appendix B). Finally, in line with the Code of Research Ethics, a minimum age restriction was restricted to be at least 18 years.

4.13 Summary of Chapter Four

This chapter presented the methodological choices and the design of this project. Answering the questions of research philosophy was the first task facing the researcher. This included addressing the research philosophy and paradigm. Having reviewed the different philosophical
paradigms, such as positivism, post-positivism, interpretivism, and the reconciliatory approach, the adopted paradigm of the study was determined to be post-positivism.

Next, the two famous research approaches of deduction and induction were discussed. For the purposes of this study, the deduction approach was employed in the design of this research; this was justified by the aim of study, which is focused on refining an existing theory by quantitatively examining the causal relationships amongst the constructs of the theoretical framework. The subsequent section was designated for the research strategy. Due to the several advantages of survey—namely the ability to obtain generalisable information from a huge variety of populations, and the high level of standardisation which facilitates undertaking the various statistical tests—this study adopted survey as a research strategy.

In terms of the time horizon, this research had a cross-sectional design since it investigates the brand experience at a specific point of time and due to the restrictions of the time and cost involved. Further, this design is associated generally with the survey approach. The targeted population was selected as British people living in the UK. This guarantees, on the one hand, that the subjects of the sample are exposed to a more homogeneous environment of brand related stimuli; on the other hand, these subjects will belong to the same cultural group enhancing the potential of generalisability.

In the following section, the question of the sample size was addressed. Having consulted several criteria (such as the kind of statistical analysis applied, the computerised online calculators, and the need for precision), the final number of the sample was decided as 1,000 participants. In order to collect this sample, it was necessary to determine the sampling techniques. Due to its advantages in enhancing the ability of the generalisation of the findings, quota sampling was the adopted sampling technique. Two criteria were used in the breakdown
of the categories—namely age and gender—and the Office for National Statistics (2015b) was consulted to gain representative percentages of the six age categories used in this project (see Table 4-9 for a summary of the main methodological choices in this research).

Table 4-9: A Summary of the Methodological Choices Adopted in This Research

<table>
<thead>
<tr>
<th>The Methodological Choices of this study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paradigm</td>
</tr>
<tr>
<td>Research approach</td>
</tr>
<tr>
<td>Research strategy</td>
</tr>
<tr>
<td>Time horizon</td>
</tr>
<tr>
<td>Research context</td>
</tr>
<tr>
<td>Targeted population</td>
</tr>
<tr>
<td>Sample size</td>
</tr>
<tr>
<td>Sampling technique</td>
</tr>
</tbody>
</table>

The process of questionnaire development addressed the issues of questions design and adaptations, the type of the scale, and the steps according to which the questionnaire was developed. These steps were included as follows: (1) defining the domain of constructs; (2) reviewing the relevant literature and empirical studies, especially in brand experience, happiness and positive psychology, and consumer behaviour; and (3) and checking the face validity and applying the changes recommended. The layout of questionnaire was designed to support the logical and intuitive flow of questions. In the first section was an introduction serving as an information sheet. Next, participants were posed with the 1st or 2nd condition to enhance the variability of the responses between all the possible utilitarian and hedonic consumption occasions (Voss, Spangenberg and Grohmann, 2003; Wakefield and Inman, 2003). The second part comprised the items measuring all the constructs of the study, and the final part included the demographic variables.
In the following sections, the operationalisation of the constructs of study was presented in four levels: brand experience dimensions, orientations to happiness, happiness, and outcomes of happiness. Having reviewed the relevant literature mainly in brand experience research and happiness, batteries of measurement items were adopted from previous studies and adapted to the context of the research. This process resulted in the operationalisation of brand experience dimensions: sensory, affective, social, and cognitive experiences in three items for each. The three constructs of orientations to happiness: pleasure, meaning, and engagement, were operationalised in four, six and four items respectively. The construct of happiness consisted of six items. Finally, the outcomes of consumer behaviour were represented by brand loyalty and price premium. Brand loyalty was measured with seven items, and price premium was operationalised with a single item since it is simple, concrete singularity, straightforward and single-faceted variable.

The study was pilot-tested in an effort to eliminate the potential problem when answering the questions of the questionnaire prior to putting it in the field. Later, this survey was self-administered online with the help of a paid independent online panel and survey technology provider in London (Toluna). During the process of targeting respondents, they were instructed to recall a visit to a restaurant of their choice and to respond to the items of the questionnaire based on that visit. There was no a pre-prepared list of restaurant brands to choose from, and the brands selected were notably various. Finally, the ethical considerations that might be applied to this study were examined, such as confidentiality, anonymity, the provision of the purpose of research, and the right to withdrawal at any time. All these points were highlighted in the design of questionnaire.
5  CHAPTER FIVE: DATA ANALYSIS AND RESULTS

5.1  Introduction

In order to transform data into knowledge, this chapter delves into the systematic steps of the statistical techniques of multivariate analysis. It commences with a preliminary data analysis that screens the data and describes the demographics of the sample. While the need to recognise the missing data configuration and pattern leads to the missing data analysis, exploring the outliers offers an opportunity to handle the erroneous and spurious values in the data set. The first task that precedes the various inferential statistical tests involves testing the assumptions underlying the multivariate analysis. In this section, the following assumptions are ensured to be met: the assumption of normality, linearity, homoscedasticity, and no multicollinearity. Next, a reliability assessment is undertaken to evaluate the precision of the scores obtained from the scales.

A factor analysis is conducted to establish coherent subsets or clusters that are independent of one another relatively. Running the factor analysis requires discussing the extraction method, the number of principal factors that form the inner structure of the data set, and factor rotation to produce clearer factors.

Subsequently, structural equation modelling SEM is employed to test the hypotheses of the study and to extract knowledge. This comprises testing both the measurement and structural model. Following, the test of mediation is performed to validate the indirect effect of the mediators in the study, and the moderation test is executed to substantiate the conditional effect
of the moderators, if any, on the different influences between the variables in the conceptual model.

5.2 Preliminary Data Analysis

5.2.1 Sample Demographics

Descriptive statistics enables researchers to numerically describe the data sets through two aspects; the central tendency theory and the dispersion (Saunders, Lewis and Thornhill, 2009). According to Pallant (2013), when a study contains human participants, it is important to report the information on the demographics of the sample, such as the gender, age, educational level, and any relevant information.

Table 5-1 and Table 5-2 detail the frequencies and percentages of the demographic variables represented by Gender, Age, Annual Income, Marital Status, and Education. The percentages of male and female and the percentages of the different age categories in Table 5-1 reflect the sampling approach adopted—quota sampling—and correspond with the percentages of Gender and Age categories of the UK population as published in the Office for National Statistics (2015b).

Table 5-1: Descriptive Statistics of the Demographic Variables, Gender and Age

<table>
<thead>
<tr>
<th>Demographic Variable</th>
<th>Frequency</th>
<th>Percent</th>
<th>UK Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>500</td>
<td>46.0%</td>
<td>50%</td>
</tr>
<tr>
<td>female</td>
<td>586</td>
<td>54.0%</td>
<td>50%</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-24</td>
<td>143</td>
<td>13.2%</td>
<td>12%</td>
</tr>
<tr>
<td>25-34</td>
<td>190</td>
<td>17.5%</td>
<td>18%</td>
</tr>
<tr>
<td>35-44</td>
<td>169</td>
<td>15.6%</td>
<td>17%</td>
</tr>
<tr>
<td>45-54</td>
<td>183</td>
<td>16.9%</td>
<td>18%</td>
</tr>
<tr>
<td>55-64</td>
<td>167</td>
<td>15.4%</td>
<td>15%</td>
</tr>
<tr>
<td>65+</td>
<td>234</td>
<td>21.5%</td>
<td>20%</td>
</tr>
<tr>
<td>Total</td>
<td>1086</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
As illustrated in Table 5-2, the annual Income of the sample is divided into five categories. The percentage of participants with an annual income £10000-£19999 is the highest at 25.8%, followed by the percentages of respondents with annual incomes £20000-£29999 and less than £10000 at 22% and 21.7% respectively. Approximately one third of the sample has an annual income above £30000. The distribution of this sample is slightly skewed to the left when considering that the average annual income in the UK for 2015 is £25400 (Office for National Statistics, 2014).

Around half of the sample consists of married participants, while single respondents form 29%. In terms of the educational background, 29% of the participants have an undergraduate degree, 25% of them have secondary education, and only 20% of the respondents have post-secondary education.

Table 5-2: Descriptive Statistics of the Demographic Variables, Annual Income, Marital Status and Education

<table>
<thead>
<tr>
<th>Demographic Variable</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than £10000</td>
<td>236</td>
<td>21.70%</td>
</tr>
<tr>
<td>£10000-£19999</td>
<td>280</td>
<td>25.80%</td>
</tr>
<tr>
<td>£20000-£29999</td>
<td>239</td>
<td>22.00%</td>
</tr>
<tr>
<td>£30000-£39999</td>
<td>168</td>
<td>15.50%</td>
</tr>
<tr>
<td>£40000 or More</td>
<td>163</td>
<td>15.00%</td>
</tr>
<tr>
<td><strong>Marital Status</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>312</td>
<td>28.70%</td>
</tr>
<tr>
<td>Married</td>
<td>556</td>
<td>51.20%</td>
</tr>
<tr>
<td>Divorced</td>
<td>96</td>
<td>8.80%</td>
</tr>
<tr>
<td>Widowed</td>
<td>38</td>
<td>3.50%</td>
</tr>
<tr>
<td>Civil Partnership</td>
<td>26</td>
<td>2.40%</td>
</tr>
<tr>
<td>Other</td>
<td>58</td>
<td>5.30%</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary Education</td>
<td>271</td>
<td>25.00%</td>
</tr>
<tr>
<td>Vocational Qualification</td>
<td>133</td>
<td>12.20%</td>
</tr>
<tr>
<td>Post-Secondary Education</td>
<td>213</td>
<td>19.60%</td>
</tr>
<tr>
<td>Undergraduate Degree</td>
<td>311</td>
<td>28.60%</td>
</tr>
<tr>
<td>Post-graduate Degree</td>
<td>137</td>
<td>12.60%</td>
</tr>
<tr>
<td>Doctorate</td>
<td>21</td>
<td>1.90%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1086</td>
<td>100%</td>
</tr>
</tbody>
</table>
When they were asked to imagine a scenario of a dining out experience at a restaurant, the respondents in the sample chose a huge variety of restaurant brands. Nando’s and Pizza express were among the highest frequently chosen brands in the sample with 66 and 51 cases respectively (see Table 5-3).

Table 5-3: Some of the recalled Brands by the respondents in the sample

<table>
<thead>
<tr>
<th>Brand</th>
<th>Frequency</th>
<th>Brand</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nando’s</td>
<td>66</td>
<td>Pizza Hut</td>
<td>18</td>
</tr>
<tr>
<td>Pizza Express</td>
<td>51</td>
<td>T.G.I. Friday’s</td>
<td>17</td>
</tr>
<tr>
<td>Harvester</td>
<td>45</td>
<td>Prezzo</td>
<td>16</td>
</tr>
<tr>
<td>Wetherspoons</td>
<td>36</td>
<td>McDonald’s</td>
<td>13</td>
</tr>
<tr>
<td>Frankie and Bennys</td>
<td>31</td>
<td>Café Rouge</td>
<td>11</td>
</tr>
<tr>
<td>Toby Carvery</td>
<td>25</td>
<td>Wagamama</td>
<td>11</td>
</tr>
<tr>
<td>Beefeater</td>
<td>23</td>
<td>Zizzi</td>
<td>11</td>
</tr>
</tbody>
</table>

5.2.2 Missing Data

Missing data, or item non-response, means that for one reason or another, data on a specific item or a group of items in the survey are not observed (Lavrakas, 2008). The pattern of missing data is considered as more crucial than the amount of missing data (Tabachnick and Fidell, 2013). According to Little and Rubin (2014), the pattern (or mechanisms) of missing data is defined as the relationship between missingness and the value of variables in the data matrix. Enders (2010) identifies three main patterns of missing data; (1) missing completely at random MCAR: it happens when the probability of missing data on a variable Y is unrelated to other measured variables and is unrelated to the values of Y itself. (2) Missing at random MAR: it occurs when the probability of missing data on a variable Y is unrelated to the values of Y itself, but it is related to some other measured variables. (3) Missing not at random MNAR:
this mechanism appears when the probability of missing data on a variable $Y$ is related to the values of $Y$ itself, even after controlling for other variables in the data matrix.

![Overall Summary of Missing Values](image)

**Overall Summary of Missing Values**

- **Variables**: 13 (23.5%) are complete, 47 (76.5%) are incomplete.
- **Cases**: 77 (7.0%) are complete, 1,009 (92.9%) are incomplete.
- **Values**: 100 (0.09%) are complete, 63,888 (99.91%) are incomplete.

Figure 5-1: Overall Summary of Missing Data

In this study, the missing data occurred due to nonresponse by the participants; consequently, they are not ignorable. Figure 5-1 demonstrates the extent of missing data. It contains the number and the percentages of the missing data for individual variables, individual cases and overall. From this figure, it can be shown that 20% of the variables have missing data. Also, only 7% of the total number of cases contains missing data. On the other hand, less than 0.3% of the overall values is missing. This analysis demonstrates that these percentages are less than 0.7% except for Price Premium (3.7%), which is way below the 15% limit recommended for deletion by Hair et al (2014).
To assess the randomness of the missing data Little’s MCAR test was conducted (Hair et al., 2014) and it returned the following values; Chi-Square = 3541.920, DF = 2482, Sig. = .000, indicating a significant difference between the observed missing data pattern in the reduced sample and a random pattern. This suggests a MAR pattern (see Figure 5-2). If a MAR pattern is identified, a maximum-likelihood (ML) algorithm remedy can be applied (Hair et al., 2014). Within ML algorithm, Expectation-Maximisation (EM) model-based strategy was used. This strategy is a two-stage process that makes the best possible estimates of missing data then it makes estimates of the parameters (means, standard deviations, or correlations), assuming that the missing data were replaced (Hair et al., 2014; Davey and Savla, 2010).
5.2.3 Outliers

An outlier can be defined as an ‘observation (or subset of observations) which appears to be inconsistent with the remainder of that set of data’ (Barnett and Lewis, 1978, p. 4). In terms of their types, outliers occur when a case with an extreme value appears, either on one variable (univariate outlier) or on a combination of two or more variables (multivariate outliers) (Tabachnick and Fidell, 2013). One classification of outliers differentiates between representative and non-representative outliers (Lee, 1995). In the former, outliers are correctly recorded and represent certain cases from other populations similar to the value of observed outlier, while in the latter, outliers are incorrectly recorded or solitary cases that are not similar to any value in other populations (Lee, 1995). The source of outliers can be: (1) procedural error, such as data entry; (2) extraordinary events which explain the uniqueness of the observation; (3) extraordinary observations which have no explanations (Hair et al., 2014).

Outliers can be detected on a univariate, bivariate, or multivariate level based on the number of characteristics (or variables) considered (Hair et al., 2014).

*Univariate detection of outliers:* univariate outliers are cases with very large standardised $\zeta$ scores (Tabachnick and Fidell, 2013) that fall at the higher or the lower range of the distribution (Hair et al., 2014). In order to detect the univariate outliers in the data set of this study all the values were standardised by distributing them around a mean of 0 with a standard deviation of 1. Examining all the cases demonstrates that none of these cases exceeds the threshold recommended by Hair et al. (2014) which is ±4 values of standard deviation for larger sample sizes, considering that the sample size of this study is 1086 cases. Therefore, it can be concluded that there are no outliers in this data set from a univariate perspective.
Multivariate detection of outliers: when the number of variables goes beyond two, an objective measure is needed to posit all the observations in a multidimensional space relative to a certain point, which is offered by the Mahalanobis $D^2$ measure (Hair et al., 2014). Across all the variables, this measure assesses every single case in the data set, represents each case by only one point, and measures the distance between these points and the mean centre of all cases (or the intersection of the means of all the variables) in a multidimensional space (Hair et al., 2014; Tabachnick and Fidell, 2013). Using SPSS 20, the Mahalanobis $D^2$ distances for all cases were measured. All the values of $D^2/df$ were less than the cut-off point of 4 for large samples suggested by Hair et al. (2014), except for two cases (82: 4.25 and 116: 4.47). Therefore, multivariate outliers pose no serious problem. It is interesting that these two observations were not spotted when performing the univariate test; however, they emerged when undertaking the multivariate analysis. This observance implies that these outliers are not unique on any single variable, but instead they are unique in a combination of variables.

5.3 Testing the Assumptions of Multivariate Analysis

In multivariate analysis, a group of assumptions underlies the statistical techniques and forms the foundations for reaching solid statistical inferences and drawing sound conclusions (Hair et al., 2014; Field, 2013; Tabachnick and Fidell, 2013). Some statistical techniques are more robust than others, in other words, they are less affected by violating specific assumptions (Hair et al., 2014). The importance of testing the assumptions of multivariate analysis stems from two characteristics of this analysis. First, studies with a large number of variables and a complex set of relationships are prone to potential biases and distortions, especially when the assumptions are violated. Second, the complexity of multivariate analysis might deter the process of spotting the violation of the assumptions and its indicators (Hair et al., 2014).
5.3.1 Testing the Assumption of Normality

Testing for normality is an essential procedure in much applied work and in many parametric tests that are based on the normal distribution (Field, 2013; Doornik and Hansen, 2008). A departure from normality is manifested by two measures: kurtosis and skewness (Field, 2013), and it is suggested that while skewness inclines to affect test of means, kurtosis largely impacts tests of variance and covariance which are the foundations of structural equation modelling (DeCarlo, 1997).

Due to its problematic and subjective nature, graphic analyses of normality were abandoned to statistical tests of normality which can be obtained simply from the basic descriptive statistics in SPSS 20, and the statistic value $\zeta$ for skewness and kurtosis can be attained from the following formula, where $N$ is the sample size (Hair et al., 2014):

$$
\zeta_{\text{Skewness}} = \frac{\text{Skewness}}{\sqrt{\frac{6}{N}}}
$$

$$
\zeta_{\text{Kurtosis}} = \frac{\text{Kurtosis}}{\sqrt{\frac{24}{N}}}
$$

In Table 5-4, the absolute $\zeta$ scores of skewness and kurtosis, which are greater than $\pm 3.29$, express a departure from normality at the variable level (see the highlighted cells in Table 5-4). These scores were calculated by dividing the individual statistic of skewness and kurtosis by its standard error (Field, 2013). It appears that all of the following variables are negatively skewed based on this test (Sensory Brand Experience, Emotional Brand Experience, Relational Brand Experience, Pleasure, Meaning, Engagement, Happiness, and Brand Loyalty). Also, the
\( z \) scores of kurtosis show that the following variables are positive and platykurtic (Sensory Brand Experience, Engagement, Meaning, and Brand Loyalty). On the other hand, one variable returns negative \( z \) scores of kurtosis and appear to be leptokurtic (Price Premium). However, it is argued that large samples (200 or more) will diminish the standard errors resulting in an indication of deviation from normality (Field, 2013).

<table>
<thead>
<tr>
<th>Statistics</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Skewness</th>
<th>Std. Error of Skewness</th>
<th>( z ) skewness</th>
<th>Kurtosis</th>
<th>Std. Error of Kurtosis</th>
<th>( z ) kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensory Brand Experience</td>
<td>1086</td>
<td>5.16</td>
<td>1.27</td>
<td>-0.73</td>
<td>0.07</td>
<td>-9.89</td>
<td>0.81</td>
<td>0.15</td>
<td>5.49</td>
</tr>
<tr>
<td>Emotional Brand Experience</td>
<td>1086</td>
<td>4.49</td>
<td>1.51</td>
<td>-0.36</td>
<td>0.07</td>
<td>-4.84</td>
<td>0.36</td>
<td>0.15</td>
<td>2.40</td>
</tr>
<tr>
<td>Relational Brand Experience</td>
<td>1086</td>
<td>4.54</td>
<td>1.40</td>
<td>-0.38</td>
<td>0.07</td>
<td>-5.09</td>
<td>0.16</td>
<td>0.15</td>
<td>-1.05</td>
</tr>
<tr>
<td>Think Brand Experience</td>
<td>1086</td>
<td>4.24</td>
<td>1.31</td>
<td>-0.05</td>
<td>0.07</td>
<td>-0.66</td>
<td>0.15</td>
<td>0.15</td>
<td>-2.03</td>
</tr>
<tr>
<td>Pleasure</td>
<td>1086</td>
<td>4.85</td>
<td>1.39</td>
<td>-0.55</td>
<td>0.07</td>
<td>-7.41</td>
<td>0.07</td>
<td>0.15</td>
<td>0.45</td>
</tr>
<tr>
<td>Engagement</td>
<td>1086</td>
<td>4.91</td>
<td>1.13</td>
<td>-0.39</td>
<td>0.07</td>
<td>-5.22</td>
<td>0.62</td>
<td>0.15</td>
<td>4.16</td>
</tr>
<tr>
<td>Meaning</td>
<td>1086</td>
<td>5.02</td>
<td>1.18</td>
<td>-0.69</td>
<td>0.07</td>
<td>-9.30</td>
<td>0.75</td>
<td>0.15</td>
<td>5.03</td>
</tr>
<tr>
<td>Happiness</td>
<td>1086</td>
<td>4.91</td>
<td>1.33</td>
<td>-0.49</td>
<td>0.07</td>
<td>-6.55</td>
<td>0.03</td>
<td>0.15</td>
<td>0.18</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>1086</td>
<td>5.16</td>
<td>1.19</td>
<td>-0.68</td>
<td>0.07</td>
<td>-9.22</td>
<td>0.57</td>
<td>0.15</td>
<td>3.86</td>
</tr>
<tr>
<td>Price Premium</td>
<td>1086</td>
<td>2.78</td>
<td>1.16</td>
<td>-0.16</td>
<td>0.07</td>
<td>-2.20</td>
<td>1.13</td>
<td>0.15</td>
<td>-7.61</td>
</tr>
</tbody>
</table>

Testing the normality can be executed in another way by the Kolmogorov–Smirnov test and Shapiro-Wilk test, which hold a comparison between the scores in the sample and a normal distribution of a set of scores having the same mean and standard deviation (Field, 2013). Completing the test in SPSS 20 produces the results in Table 5-5. These tests were significant indicating that the data are not normally distributed. Yet, one limitation of this method addresses the problem of large samples which tend easily to turn the tests significant; therefore, they are not adequate reason to bias any statistical test applied to the data set (Field, 2013).
Due to the limitations of the last two methods to test normality in large samples (the method of absolute $z$ scores of skewness and kurtosis, and the Kolmogorov–Smirnov and Shapiro-Wilk test of normality), this study employs the visual method through the P-P plot (probability–probability plot) recommended by Field (2013) and Pallant (2013). In this method, a graph is produced by plotting the cumulative probability of a variable against the cumulative probability of the normal distribution, and any noticeable deviation from the diagonal line of the graph indicates a deviation from normality (Field, 2013).

These graphs are obtained by selecting *Analyze > Descriptive Statistics* in SPSS 20. Checking the scores of the P-P plots demonstrates that there is no noticeable clustering of points and most of them collect around the diagonal line of the graph. Consequently, the assumption of normality is plausible.

### Table 5-5: Kolmogorov–Smirnov and Shapiro-Wilk Test of Normality

<table>
<thead>
<tr>
<th>Tests of Normality</th>
<th>Kolmogorov-Smirnov $^a$</th>
<th>Shapiro-Wilk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statistic</td>
<td>DF</td>
</tr>
<tr>
<td>Sensory Brand Experience</td>
<td>.107</td>
<td>1086</td>
</tr>
<tr>
<td>Emotional Brand Experience</td>
<td>.083</td>
<td>1086</td>
</tr>
<tr>
<td>Relational Brand Experience</td>
<td>.078</td>
<td>1086</td>
</tr>
<tr>
<td>Think Brand Experience</td>
<td>.067</td>
<td>1086</td>
</tr>
<tr>
<td>Pleasure</td>
<td>.078</td>
<td>1086</td>
</tr>
<tr>
<td>Engagement</td>
<td>.058</td>
<td>1086</td>
</tr>
<tr>
<td>Meaning</td>
<td>.064</td>
<td>1086</td>
</tr>
<tr>
<td>Happiness</td>
<td>.058</td>
<td>1086</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>.062</td>
<td>1086</td>
</tr>
<tr>
<td>Price Premium</td>
<td>.191</td>
<td>1086</td>
</tr>
</tbody>
</table>

$^a$ Lilliefors Significance Correction
5.3.2 Testing the Assumption of Linearity

The assumption of linearity should be evaluated when undertaking a test involving a multivariate technique including multiple regression, factor analysis and structural equation modelling (Hair et al., 2014). When this assumption is met, the relationship between the two variables is linear and the scatterplot of the scores of these two variables is not represented by a curve but by a straight line (Pallant, 2013). To make sure that this assumption is not violated a curve regression test is undertaken for every relationship of the model of study. In every regression test, different models are used against the linear model, such as: logarithmic, inverse, quadratic, cubic, compound, power, S, growth, exponential, and logistic (Field, 2013). After performing the curve estimation through SPSS 20, a comparison is held between the F statistic of the linear model and the F statistic of the other models for every relationship between two variables. All the linear models for each relationship are significant and these linear models represented the relationships between the variables better than the other suggested model. This is manifested by an F statistic for the linear model larger than the F statistic of the other models.

5.3.3 Testing the Assumption of Homoscedasticity

The assumption of homoscedasticity refers to the fact that equal levels of variance are maintained between independent and dependent variables, which can be tested through Levene’s test (Hair et al., 2014; Tabachnick and Fidell, 2013). The assumption of homoscedasticity is closely associated with the assumption of normality, in other words, if the latter is met, the relationships between variables are homoscedastic (Tabachnick and Fidell, 2013). Levene’s test examines the null hypothesis which suggests the equality of variances in different groups, however, if the null hypothesis is rejected, the assumption of homogeneity of variances is violated (Field, 2013). Table 5-6 displays the results of Levene’s test obtained
from SPSS 20 for every variable. All the values in the significance column are greater than .05 (P > .05). This means that the null hypothesis can be accepted and the variance of the variables is equal (Pallant, 2013).

Table 5-6: Leven's Test

<table>
<thead>
<tr>
<th>Test of Homogeneity of Variance</th>
<th>Levene Statistic</th>
<th>df1</th>
<th>df2</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensory Brand Experience</td>
<td>1.578</td>
<td>1</td>
<td>1084</td>
<td>.209</td>
</tr>
<tr>
<td>Emotional Brand Experience</td>
<td>.585</td>
<td>1</td>
<td>1084</td>
<td>.445</td>
</tr>
<tr>
<td>Relational Brand Experience</td>
<td>.442</td>
<td>1</td>
<td>1084</td>
<td>.507</td>
</tr>
<tr>
<td>Think Brand Experience</td>
<td>.015</td>
<td>1</td>
<td>1084</td>
<td>.904</td>
</tr>
<tr>
<td>Pleasure</td>
<td>.419</td>
<td>1</td>
<td>1084</td>
<td>.517</td>
</tr>
<tr>
<td>Meaning</td>
<td>.192</td>
<td>1</td>
<td>1084</td>
<td>.662</td>
</tr>
<tr>
<td>Engagement</td>
<td>.480</td>
<td>1</td>
<td>1084</td>
<td>.489</td>
</tr>
<tr>
<td>Happiness</td>
<td>.001</td>
<td>1</td>
<td>1084</td>
<td>.982</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>1.908</td>
<td>1</td>
<td>1084</td>
<td>.167</td>
</tr>
<tr>
<td>Price Premium</td>
<td>2.406</td>
<td>1</td>
<td>1084</td>
<td>.121</td>
</tr>
</tbody>
</table>

5.3.4 Testing the Assumption of No Multicollinearity

Multicollinearity refers to the situation when the independent variables are highly correlated (R ≥ .9) (Pallant, 2013) and absence of multicollinearity should be achieved before proceeding with the relevant multivariate test (Tabachnick and Fidell, 2013). Assessing multicollinearity can be completed through two measures; tolerance and variance inflation factor VIF (Hair et al., 2014). Tolerance addresses the amount of variability in the independent variables that is not justified or explained by the other independent variables, therefore, tolerance should be high to minimise the amount of shared variance with the other independent variables (Hair et al., 2014). On the other hand, VIF is the inverse of the tolerance value (VIF=1/tolerance), and its square root $\sqrt{\text{VIF}}$ represents the degree to which the standard error has been increased because of multicollinearity (Hair et al., 2014). To test the absence of multicollinearity, linear
regression tests for the independent variables are undertaken in SPSS 20 iteratively (Field, 2013), in which a different independent variable is entered into the model as a dependent variable each time. The process is repeated N times, where N is the number of independent variables.

To decide if multicollinearity is evident, Hair et al. (2014) suggest that a cut-off threshold is a tolerance value below 0.1, which corresponds with a VIF value above 10. Examining the last two columns of Table 5-7 demonstrates that for all the four models, the values of tolerance are above 0.338, and all the values of VIF are below the 2.961, which is way below 10, the threshold for VIF values. Therefore, no multicollinearity issue is evident in this study.

<table>
<thead>
<tr>
<th>Model</th>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sensory Brand Experience</td>
<td>Emotional Brand Experience</td>
<td>0.363</td>
<td>2.756</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Relational Brand Experience</td>
<td>0.452</td>
<td>2.215</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Think Brand Experience</td>
<td>0.449</td>
<td>2.228</td>
</tr>
<tr>
<td>2</td>
<td>Emotional Brand Experience</td>
<td>Relational Brand Experience</td>
<td>0.519</td>
<td>1.925</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Think Brand Experience</td>
<td>0.502</td>
<td>1.991</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sensory Brand Experience</td>
<td>0.529</td>
<td>1.891</td>
</tr>
<tr>
<td>3</td>
<td>Relational Brand Experience</td>
<td>Think Brand Experience</td>
<td>0.457</td>
<td>2.187</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sensory Brand Experience</td>
<td>0.434</td>
<td>2.303</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Emotional Brand Experience</td>
<td>0.343</td>
<td>2.918</td>
</tr>
<tr>
<td>4</td>
<td>Think Brand Experience</td>
<td>Sensory Brand Experience</td>
<td>0.44</td>
<td>2.274</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Emotional Brand Experience</td>
<td>0.383</td>
<td>2.961</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Relational Brand Experience</td>
<td>0.466</td>
<td>2.146</td>
</tr>
</tbody>
</table>

Having completed the step of testing the underlying assumptions of multivariate technique, the next step will be performing the relevant statistical tests.
5.4 Reliability Assessment

An important property of a measure that contributes to minimising the measurement error is reliability (Field, 2013) which represents an estimate of the precision of a score attained from a scale (Weiss and Davison, 1981). Reliability can be defined as the ability of the individual items or indicators of the scale of measuring the same construct and thus these items should be highly inter-correlated (Hair et al., 2014). According to Churchill (1979), assessing reliability using coefficient Alpha is a crucial step in determining the internal consistency and the quality of an instrument. Cronbach’s Alpha for every variable can be calculated in SPSS 20. An important option, (Scale if Item Deleted), can be helpful in deciding the value of Cronbach’s Alpha if a specific item in a scale is deleted and subsequently if that helps to enhance the reliability.

All the values of Cronbach’s Alpha for all the variables are larger than the threshold .80 proving a great reliability except for Engagement 0.78, which is considered as acceptable reliability, and Brand Experience Think 0.59, which indicates unreliable scale.

In addition, examining the value of Cronbach’s Alpha for (Scale if Item Deleted) for each variable showed that the deletion of any item does not improve the value of the associated Cronbach’s Alpha, except for the construct Brand Experience Think. Dropping item 3 (BE_T3) raised the coefficient of the scale to a value of 0.91. Therefore, item 3 (BE_T3) in this scale is removed. The values of Cronbach's Alpha of all the variables of the study are displayed in Table 5-8.
Table 5-8: Cronbach's Alpha of the Variables of the study

<table>
<thead>
<tr>
<th>The Scale</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensory Brand Experience</td>
<td>0.92</td>
</tr>
<tr>
<td>Emotional Brand Experience</td>
<td>0.90</td>
</tr>
<tr>
<td>Relational Brand Experience</td>
<td>0.81</td>
</tr>
<tr>
<td>Think Brand Experience</td>
<td>0.91</td>
</tr>
<tr>
<td>Pleasure</td>
<td>0.91</td>
</tr>
<tr>
<td>Meaning</td>
<td>0.83</td>
</tr>
<tr>
<td>Engagement</td>
<td>0.78</td>
</tr>
<tr>
<td>Happiness</td>
<td>0.93</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>0.92</td>
</tr>
</tbody>
</table>

5.5 Factor Analysis

Factor analysis is a statistical technique that enables researchers to discover which variables, in a set of variables, establish coherent subsets that are independent of one another relatively (Hair *et al.*, 2014; Tabachnick and Fidell, 2013). Further, the correlations among variables are considered as indicators of the underlying structure which is manifested by factors or components (Tabachnick and Fidell, 2013).

Field (2013) suggests that before running a factor analysis, the sample size should be tested for the suitability to be factor analysed, because the reliability of factor analysis depends on its sample size. The minimum size according to Kass and Tinsley (1979) is having 5 to 10 times the number of participants up to a total of 300, while Comrey and Lee (2013) regard that 100 cases as poor, 300 cases as a good size, and 1000 as an excellent number of cases. Considering that the size of the sample of this study is 1086 participants and the number of the variables is 10, factor analysis can be conducted.
Another way of assessing the adequacy of sample size is Kaiser–Meyer–Olkin measure of sampling adequacy KMO with values of its statistic ranging between 0 and 1 (Kaiser, 1974). If the value of this statistic is larger than 0.5, the sample size is acceptable; however, if the values are larger than 0.9, the sample size would be excellent (Field, 2013). To obtain KMO statistic, KMO and Bartlett’s test of sphericity in SPSS 20 is performed.

Table 5-9: Kaiser–Meyer–Olkin Measure of Sampling Adequacy

<table>
<thead>
<tr>
<th>KMO and Bartlett's Test</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</td>
<td>.972</td>
</tr>
<tr>
<td>Approx. Chi-Square</td>
<td>35304.398</td>
</tr>
<tr>
<td>Bartlett's Test of Sphericity</td>
<td>DF</td>
</tr>
<tr>
<td>Sig.</td>
<td>.000</td>
</tr>
</tbody>
</table>

Table 5-9 shows that the test is significant (P < .05) and KMO statistic is .972 which is considered to be very sufficient. Also, all the values of the diagonal line in of the anti-image correlation matrix are higher than .90 which proves the adequacy of the sample for all the individual variables as well (Field, 2013).

The next step in running the factor analysis is deriving factors and assessing overall fit, which in its turn involves deciding on (1) the method of extracting the factors, and (2) the number of factors underlying the inner structure of the data set (Hair et al., 2014).
5.5.1 Extraction Method

Two common methods used in factor extraction are component factor analysis (or principal factor analysis\(^1\)) and common factor analysis (Russell, 2002). There is a tendency to deal with component factor analysis as a special case of common factor analysis; however, this is not accurate despite the fact that both of them are used to reduce the dimensionality of a set of data (Jolliffe, 2013). In the process of extracting factors, component factor analysis seeks to include the total variance and small proportions of unique variance and error variance of the variables, and its main concern is data reduction; common factor analysis, however, focuses only on the common variance, and its primary aim is to identify the latent dimensions in a the variables data set (Hair et al., 2014; Dunteman, 1989).

Among the other factor extraction methods are alpha factor analysis, maximum likelihood, image factor analysis, and canonical factor analysis (Thompson, 2004). For example, while alpha factor analysis concentrates on extracting factors with maximum reliability, maximum likelihood analysis focuses on extracting factors that reproduce the correlation or covariance matrix in the population, versus in the sample (Thompson, 2004).

In order to choose between the two most widely used methods, component factor analysis and common factor analysis, the objectives of factor analysis need to be considered (Hair et al., 2014). As the main objective of the factor analysis in this study is data reduction and

\(^1\) Although principal component analysis extracts components and common factor analysis produces factors, this study will use the term factor for both to avoid confusion.
minimising the number of factors or components that justify the maximum amount of total variance, the chosen method is component factor analysis. Having selected the extraction method, the next stage is deciding the number of extracted factors.

5.5.2 The Number of Factors to Be Extracted

Hair et al. (2014) argue that an exact quantitative basis for deciding the number of extracted factors has not been developed; instead, this process should be accomplished based on a combination of a conceptual foundation and empirical evidence. This number can be reached after consulting a group of criteria. Some suggested criteria include (1) latent root criterion, (2) percentage of variance criterion, (3) scree test criterion and (4) a priori criterion (Hair et al., 2014).

<table>
<thead>
<tr>
<th>Rule</th>
<th>Criterion</th>
<th>The number of factors extracted</th>
</tr>
</thead>
<tbody>
<tr>
<td>The scree plot</td>
<td>Inflexion points</td>
<td>The number of inflexion points of the curve before tailing off.</td>
</tr>
<tr>
<td>The latent root</td>
<td>Eigenvalues</td>
<td>Keeping factors with eigenvalues larger than 1.</td>
</tr>
<tr>
<td>The percentage of variance</td>
<td>Cumulative percentage of total variance extracted</td>
<td>Retaining a number of factors explaining a certain amount of variance.</td>
</tr>
<tr>
<td>The priori</td>
<td></td>
<td>A predetermined number specified by researchers.</td>
</tr>
</tbody>
</table>

A simple and widely used rule, the latent root criterion relies on the size of eigenvalues. Kaiser (1960) advocates keeping factors with eigenvalues larger than 1 as the eigenvalue linked to a certain factor expresses the importance of that factor (Field, 2013). Ledesma, Valero-Mora and Macbeth (2015), however, argue that this rule is slightly arbitrary. Furthermore, Joliffe (2013) debates the cut-off threshold of 1 and lowers it to 0.7 based on simulation studies. The second approach, the percentage of variance criterion, specifies the cumulative percentage
of total variance extracted by successive factors in order to retain factors explaining a certain amount of variance (Hair et al., 2014). In the third rule, the scree plot, eigenvalues are plotted against the number of factors so the importance of every factor becomes evident, and all the factors before the inflexion point, where the slope of the line changes significantly, are retained (Field, 2013). According to the last approach, the priori criterion, researchers are already aware of the number of extracted factors before conducting the analysis.

The factor analysis was run using SPSS 20 by selecting Dimension Reduction > Factor. The total variance explained in this solution is 84.3%, which is considered as satisfactory since it is more than 60% as recommended by Hair et al. (2014) for social sciences. All the communalities, which are the common variance within every variable (Field, 2013), range between 0.743 and 0.929, except for Price Premium with a single item where communality is 0.984.

According to the latent root criterion, only 5 factors should be extracted based on Kaiser’s criterion (1960) of eigenvalues larger than 1, or 7 factors if the suggestion of Joliffe (2013) of lowering the cut-off value to 0.7 is to be considered (see Table 5-11).
Figure 5-3 demonstrates the scree plot obtained from the analysis. The curve of this plot has multiple breaks or inflexion points. According to this rule the number of extracted factors depends on the number of points that are above a straight line drawn along the tail of the slope (Gorsuch, 1974). Therefore, 9 factors would be retained according to this rule. It is argued that at times, the most remarkable and unexpected findings in a research area are revealed by the last few factors with marginal reliability (Tabachnick and Fidell, 2013). Also, Fabrigar et al. (1999) argue that over-factoring (extracting a larger number of factors) introduces much less error than under-factoring (extracted fewer factors than the true number). This echoes the view of Fava and Velicer (1992). In addition, it is noted that under-factoring is a problem; however,
over-factoring is not (Cattell, 1978; Thurstone, 1947). Consequently, 10 factors can be extracted for this study.

![Scree Plot](image)

Figure 5-3: The Scree Plot Obtained from Factor Analysis

On the other hand, the curve of this plot appears to be slightly ambiguous as it tails off and suddenly straightens into a gentle slope after several inflexion points associated with multiple components or factors, hence, this criterion is ambiguous in this case.

Thus, according to the priori criterion, this study can retain 10 factors since it is testing a theory and hypotheses with a predetermined number of factors based on the objectives of this research, in line with the suggested variables (Hair et al., 2014).
5.5.3 Factor Rotation

This process helps in producing clearer factors through maximising the loading of each variable on one of the extracted factors while minimising that loading on all the remaining factors (Field, 2013). Two key cases of rotation can be identified; orthogonal and oblique (Ho, 2006). Orthogonal rotation implies that the factors are independent; on the other hand, oblique rotation allows correlation among the extracted factors (Ho, 2006). By assuming correlated factors, oblique rotation becomes more relevant considering that generally influences are correlated in nature and only few variables in the real world are uncorrelated; therefore, this type of rotation represents that nature more precisely (Hair et al., 2014; Ho, 2006). Consequently, this study employs oblique rotation with a Promax method since this method is useful for large data sets, which is the case of the data set of this study (1086 participants) (Field, 2013).

After running the factor analysis with Oblique rotation, the communalities of each item were larger than the threshold value 0.50. Having examined the loading of each item, it appeared that some items cross-loaded with significant loadings (≤.40) on more than one factor. This situation requires re-specifying the model, which can be done through either: ignoring the problematic items, applying alternative rotation method, decreasing the number of factor extracted, applying a different factor analysis model (component vs common factor analysis), or deleting the items with significant cross-loading (Hair et al., 2014). In this study, the last remedy will be adopted by eliminating the items that loaded significantly on more than one factor. This is done to keep well-presented items in the factor solution. The items which were eliminated are: BE_E1, BE_R3, HAP_MEN1, HAP_MEN2, HAP_ENG1, HAP_ENG2, HAPP1, HAPP6, BR_LO1, BR_LO5, BR_LO6, BR_LO7 and BR_LO8.
### Table 5-12: Oblique (Promax) Rotated Factor-Loading Matrix with Cronbach’s Alpha

<table>
<thead>
<tr>
<th>Pattern Matrix</th>
<th>Component 1</th>
<th>Component 2</th>
<th>Component 3</th>
<th>Component 4</th>
<th>Component 5</th>
<th>Component 6</th>
<th>Component 7</th>
<th>Component 8</th>
<th>Component 9</th>
<th>Component 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach’s Alpha</td>
<td>0.91</td>
<td>0.91</td>
<td>0.92</td>
<td>0.88</td>
<td>0.87</td>
<td>0.91</td>
<td>0.89</td>
<td>0.80</td>
<td>0.72</td>
<td></td>
</tr>
<tr>
<td>Summated Loadings</td>
<td>0.716</td>
<td>0.701</td>
<td>0.787</td>
<td>0.846</td>
<td>0.787</td>
<td>0.776</td>
<td>0.693</td>
<td>0.676</td>
<td>0.716</td>
<td></td>
</tr>
</tbody>
</table>

#### Pleasure
- In choosing the restaurant, I always take into account whether it will be pleasurable for my senses (e.g. smell, taste, décor).
- For me, the good restaurant is the one which stimulates my senses.
- My visit is an opportunity to please my senses such as sense of smell or taste or visual sense.
- I go to this restaurant to indulge my senses.

#### Happiness
- Visiting this restaurant contributes to my overall happiness in life.
- Eating at this restaurant really improves the quality of my life.
- My visit to this restaurant is personally fulfilling.
- My experience at this restaurant is meaningful.

#### Brand Experience Sensory
- This restaurant makes a strong impression on my visual senses or other senses.
- I find this restaurant interesting in a sensory way.
- This restaurant appeals to my senses.

#### Meaning
- What matters in a dining experience is my co-diners’ happiness.
- In choosing where to dine, I always consider if it will benefit other people.
<table>
<thead>
<tr>
<th>Brand Loyalty</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>• I like this restaurant more than other restaurants offering the same kind of food.</td>
<td>.815</td>
</tr>
<tr>
<td>• I give prior consideration to this restaurant when I plan to dine out and think of its type of food.</td>
<td>.773</td>
</tr>
<tr>
<td>• I have a strong preference for this restaurant.</td>
<td>.772</td>
</tr>
<tr>
<td><strong>Brand Experience</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Think</strong></td>
<td></td>
</tr>
<tr>
<td>• This restaurant tries to intrigue me.</td>
<td>.797</td>
</tr>
<tr>
<td>• This restaurant stimulates my curiosity.</td>
<td>.754</td>
</tr>
<tr>
<td><strong>Brand Experience</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Emotional</strong></td>
<td></td>
</tr>
<tr>
<td>• I have strong emotions for this restaurant.</td>
<td>.697</td>
</tr>
<tr>
<td>• This restaurant often engages me emotionally.</td>
<td>.688</td>
</tr>
<tr>
<td><strong>Brand Experience</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Relational</strong></td>
<td></td>
</tr>
<tr>
<td>• I feel that I can relate to other people in this restaurant.</td>
<td>.845</td>
</tr>
<tr>
<td>• As a customer of this restaurant I feel that I am socially engaged.</td>
<td>.504</td>
</tr>
<tr>
<td><strong>Engagement</strong></td>
<td></td>
</tr>
<tr>
<td>• In this restaurant, I rarely get distracted by what is going on outside our table.</td>
<td>.945</td>
</tr>
<tr>
<td>• I get entirely engaged in what I do in the restaurant.</td>
<td>.487</td>
</tr>
<tr>
<td><strong>Price Premium</strong></td>
<td>.959</td>
</tr>
<tr>
<td>How much more as a price premium would you pay for this restaurant over another restaurant offering similar food?</td>
<td></td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
Rotation Method: Promax with Kaiser Normalization.
a. Rotation converged in 7 iterations.
Having repecified the model, Table 5-12, was obtained. This table demonstrates the rotated factor-loading matrix sorted in size, and all the loadings below 0.40 were suppressed. The loading of each item was acceptable, greater than .40, according to Hair et al. (2014). The retained factors are: Brand Experience Sensory with three items, Brand Experience Emotional with two items, Brand Experience Relational with two items, Brand Experience Think with two items, Pleasure with four items, Meaning with three items, Engagement with two items, Happiness with four items, Brand loyalty with three items, and Price Premium with one item. Further, Table 5-12 contains a row of the values of Cronbach’s Alpha which were calculated for all the retained factors and remaining items. They were very satisfactory ranging between 0.72 and 0.92.

Having ensured that scales are unidimensional and conforming to its conceptual definitions, it is necessary to assess the scale validity. This check evaluates the extent to which a scale represents the concept of interest through two types of validity, convergent and discriminant validity (Hair et al., 2014). While convergent validity assesses the degree to which two measures of the same concept are correlated, the discriminant validity assesses the degree to which two conceptually similar concepts are distinct from each other; consequently, the high correlation in convergent validity means that the scale is measuring its intended variable, and low correlation in discriminant validity indicates that the summated scale is sufficiently different and distinct from the other similar variables (Hair et al., 2014).

The top of Table 5-12 demonstrates the summated loadings of each factor which ranged between 0.676 and 0.846. This indicates an acceptable level of convergent validity as long as it is higher that the threshold of 0.6 (Hair et al., 2014). On the other hand, discriminant validity can be assessed based on the cross-loadings between the factors of values higher than 0.40. As
mentioned before, all the loadings below 0.40 were suppressed in Table 5-12. Scanning this table shows that there are no cross-loadings higher than 0.40 indicating good discriminant validity.

5.6 Structural Equation Modelling SEM

Structural equation modelling can be defined as a group of statistical techniques that enable researchers to establish relationships between one or more independent variables and one or more dependent variables in a causal way (Tabachnick and Fidell, 2013), and it tests measurement, predictive, functional and causal hypotheses (Bagozzi and Yi, 2012). According to Byrne (2010), this statistical methodology can be viewed as confirmatory rather than an exploratory approach. In other words, it tests if data support a model with hypotheses and relationships rather than looking for underlying patterns in data sets.

Based on its confirmatory and causal nature, any conventional structural equations model comprises testing both the measurement and structural model (Hair et al., 2014).

5.6.1 The Measurement Model

Confirmatory factor analysis CFA tests the measurement theory which is concerned with how business, psychological, and sociological measured variables logically and systematically represent certain concepts in a conceptual theory (Hair et al., 2014). In this context, confirmatory factor analysis differs from exploratory factor analysis, in that, the latter helps to extract a particular number of latent factors, and every item or variable is associated with a specific factor by a loading (Hair et al., 2014). Contrary to that, in confirmatory factor analysis, researchers commence from some evidence from past theories about the number of essential
factors present in the data, and a loading is produced for each variable in the data on every factor without cross-loading (Brown, 2015; Hair et al., 2014).

Among the different estimation techniques, structural equation modelling can be run with, are Maximum Likelihood ML, Generalized Least Squares GLS, Unweighted Least Squares, and Asymptotically Distribution Free ADF (Tabachnick and Fidell, 2013). Various conditions determine the choice of an estimation method. These conditions are: (1) sample size; (2) normality of the distribution; and (3) violation of the assumptions of independence of factors and error (Tabachnick and Fidell, 2013). The GLS estimator is slightly more robust than ML when non-normality assumption is violated (Hu, Bentler and Kano, 1992). Due to limitations in samples with large sizes, the statistical methods of testing the assumption of normality were not relevant, and this test was conducted based on P-P plot, which is somewhat a judgmental in nature. Therefore, this study will employ GLS estimation due to the chance of violating the assumption of normality. Running the CFA was conducted using AMOS 21 (Analysis of Moment Structures) software, and its graphical interface was used to draw the model using the standardised items of the study (see Figure 5-4).
5.6.1.1 *Price Premium as a Single Item Indicator*

Marketing academic always encourage the use of multiple-item measures (Drolet and Morrison, 2001). The use of multiple-item measures is a well-established tradition among researchers, and it can be tracked back to the psychometric argument of Churchill’s paradigm (1979) who contends that multiple-item measures are fundamentally more reliable than single-
item measures because, contrary to single-item measures, researchers can compute the correlations between items in multiple-item measures, which helps in assessing the internal consistency of all the items (Bergkvist and Rossiter, 2007). However, according to Rossiter (2002), when a construct is a concrete singularity, multiple-item measures are not necessary to obtain high reliability. Constructs are referred to as concrete when almost everyone in the sample describes that construct identically (Rossiter, 2002) and when they are simple, straightforward and single-faceted (Poon, Leung and Lee, 2002). In this case, it might be difficult to develop several items that are different but substantiate the same notion of that construct (Poon, Leung and Lee, 2002). Using single-item indicators is not uncommon in SEM (Baumgartner and Homburg, 1996). In their review of articles using SEM applications published between 1977 and 1994, Baumgartner and Homburg found out that in 15% of these articles, the models consisted of constructs measured by single-items. Moreover, Petrescu (2013) analysed the use of single-item indicators and their utilisation in structural equation modelling in research published in top marketing journals between 1997 and 2012. This review highlighted 69 articles using single-item constructs in SEM. It is pointed out that some behavioural outcomes are easily observable and can be captured with one item; for instance, purchase and non-purchase intentions, amount spent, compensation levels (Hair et al., 2014), sales, expenditures and interaction frequency (Petrescu, 2013). Building on this argument, Price Premium construct is a behavioural outcome that represents an overall judgment on the increase in price customers are willing to pay, and it is similar in nature to the behavioural outcomes mentioned by Hair et al. (2014); therefore, it would be measured with a single-item scale.

In practice when using a single item to measure a latent variable in SEM, it is suggested to fix the error variance of the single-item (Kline, 2011; Schumacker and Lomax, 2004; Jöreskog and
Sörbom, 1982), which can be obtained from the following formula (Schumacker and Lomax, 2004):

\[
\text{Error Variance} = (1 - \text{Reliability Coefficient})(\text{Standard Deviation})^2
\]

In an example of verbal intelligence as a single-item construct with unknown reliability, Jöreskog and Sörbom (1982) assume that the measure is fallible and argue that an arbitrary value of reliability of 0.85 is a better assumption than the equally arbitrary value of 1.00; therefore, assuming that the reliability of Price Premium is 0.85, the value of the error variance would be:

\[
\text{Error Variance} = (1 - 0.85)(1.164)^2 = 0.20
\]

5.6.1.2 Assessing the Measurement Model Validity

After specifying the model, AMOS 21 gave a solution for the specified model. The next step involves testing the measurement theory by comparing the theoretical measurement model to reality represented by the data of the sample (Hair et al., 2014).

5.6.1.3 Assessing the Overall Fit of the Model:

Table 5-13 summarises the goodness of model fit statistics and indices. In order to obtain a good model, the fit between the sample covariance matrix and the estimated covariance matrix should be good (Tabachnick and Fidell, 2013).
Table 5-13: Goodness of Model Fit Statistics and Indices for the Measurement Model

<table>
<thead>
<tr>
<th>Criteria</th>
<th>$\chi^2$</th>
<th>DF</th>
<th>GFI</th>
<th>AGFI</th>
<th>$\text{CFI}^2$</th>
<th>RMSEA</th>
<th>SRMR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall Fit</strong></td>
<td>710.015</td>
<td>255</td>
<td>0.95</td>
<td>0.93</td>
<td>0.83</td>
<td>0.041</td>
<td>0.036</td>
</tr>
</tbody>
</table>

$\chi^2$: Chi Square  
DF: Degrees of Freedom  
GFI: Goodness-of-Fit  
AGFI: Adjusted Goodness-of-Fit  
CFI: Comparative Fit Index  
RMSEA: Root Mean Square Error of Approximation  
SRMR: Standardised Root Mean Square Residual

The overall model $\chi^2$ is 710.015 with 255 degrees of freedom. The $p$-value is significant at the .001 level denoting that the departure of the data from model is significant. In other words, the observed covariance matrix does not match the estimated covariance matrix within sampling variance (Hair et al., 2014). With large samples, however, trivial differences between the two matrices make the test significant, therefore, due to this problem and others, a collection of additional measures of fit were developed (Tabachnick and Fidell, 2013).

The normed $\chi^2$ measure (NC) (NC = $\chi^2$/DF), which was offered to take into account the sensitivity of the model $\chi^2$ to sample size, is of little help caused by the lack of a clear-cut

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$^2$ The caution suggested by Kenny (2014) should be considered when reading the value of CFI. Kenny suggests that CFI should be abandoned if the RMSEA of the null model is less than 0.158. Here the value of RMSEA of the null model is 0.087.
criterion of acceptable NC and by its nature of being sensitive to sample size only for incorrect models (Kline, 2011).

In this study, the **goodness-of-fit index (GFI)** is 0.95. Proposed by Jöreskog and Sörbom to overcome the problems of $\chi^2$ measure, this index is one of the early measures of fit which evaluates how better the suggested model is compared with no model at all (Kline, 2011). For GFI, values greater than 0.90 are deemed to be acceptable for a good model fit (Shevlin and Miles, 1998). The adjusted fit index (AGFI) adjusts GFI for the number of parameters estimated (Tabachnick and Fidell, 2013), and it is accepted that its cut-off point is 0.90 as well (Hooper, Coughlan and Mullen, 2008). Therefore, the value of GFI=0.95 is satisfactory according to the cut-off point 0.90.

The CFI for this model is 0.83. Taking into account sample size, the **comparative fit index (CFI)**, proposed by Bentler (1990), evaluates the incremental improvement in the fit of the suggested model compared to a baseline model, which is normally the independence or null model (Kline, 2011). The cut-off criteria for CFI ≥ 0.95 is reasonable (Hu and Bentler, 1999). The value for CFI is 0.83 which is way below the cut-off point. However, according to Kenny (2014), the CFI should not be computed when the RMSEA of the null model is less than 0.158 or otherwise the value of CFI will be very small. The value of RMSEA of the null model is 0.087. Therefore, this index will be abandoned.

The **root mean square error of approximation (RMSEA)** for this estimation is RMSEA=0.041. First developed by Steiger and Lind in 1980, the root mean square error of approximation is a very informative criterion (Byrne, 2013). It expresses the lack of fit in the model compared to a perfect or saturated model (Tabachnick and Fidell, 2013). The value of RMSEA=0.041 is well below the stringent cut-off point of 0.07 suggested by Steiger (2007).
For 90% confidence interval, the lower limit of RMSEA statistic is 0.03, and the upper limit of this statistic is 0.044. This indicates a well-fitting model as the upper limit is below the cut-off point of 0.07 (Hooper, Coughlan and Mullen, 2008).

The value of SRMR in this model is 0.036. As one of the residual-based fit indices, the **standardised root mean square residual (SRMR)** is the average differences between the sample variances and covariances and the estimated population variances and covariances (Tabachnick and Fidell, 2013). Values of SRMR below the stringent cut-off point of 0.05 are indicators of well-fitting models (Hair et al., 2014). Even values as high as 0.08 are considered satisfactory (Hu and Bentler, 1999). Consequently, SRMR=0.036 of this estimation expresses a well-fitting model.

### 5.6.1.4 Assessing the Construct Validity:

Construct Validity can be defined as “the extent to which a set of measured items actually reflects the theoretical latent construct those items are designed to measure.” (Hair et al., 2014, p.618). Investigating two types of validity enables researchers to assess construct validity. The first is **convergent validity** that expresses the extent to which an item is found to be related to other items designed to measure the same conceptual construct, and the second is **discriminant validity** that articulates the extent to which an item is found to be unrelated to other items designed to measure the other conceptual constructs (Stangor, 2014). In order to achieve convergent validity, the items of a certain construct should share a high proportion of variance in common, and this is expressed by high factor loadings on each factor (Hair et al., 2014). Significant loadings higher than 0.5 and ideally 0.7 are required to reach convergence validity (Hair et al., 2014). The loadings of the model of study were significant at a confidence level of
0.001, and the standardised loadings ranged between 0.60 and 0.94 indicating good initial convergent validity (see Table 5-14).

Table 5-14: Standardised Factor Loadings, Average Variance Extracted, Construct Reliability and Cronbach’s Alpha

<table>
<thead>
<tr>
<th>Factor</th>
<th>Item</th>
<th>Factor Loading</th>
<th>Average Variance Extracted AVE</th>
<th>Construct Reliability CR</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensory Brand Experience</td>
<td>BE_S1</td>
<td>0.87</td>
<td>0.80</td>
<td>0.93</td>
<td>0.92</td>
</tr>
<tr>
<td></td>
<td>BE_S2</td>
<td>0.90</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BE_S3</td>
<td>0.91</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emotional Brand Experience</td>
<td>BE_E2</td>
<td>0.90</td>
<td>0.82</td>
<td>0.91</td>
<td>0.9</td>
</tr>
<tr>
<td></td>
<td>BE_E3</td>
<td>0.91</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relational Brand Experience</td>
<td>BE_R1</td>
<td>0.89</td>
<td>0.68</td>
<td>0.82</td>
<td>0.81</td>
</tr>
<tr>
<td></td>
<td>BE_E2</td>
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<tr>
<td>Think Brand Experience</td>
<td>BE_T1</td>
<td>0.90</td>
<td>0.84</td>
<td>0.92</td>
<td>0.91</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pleasure</td>
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<td>0.91</td>
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<tr>
<td></td>
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<td></td>
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<tr>
<td></td>
<td>HAP_PLE3</td>
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<td></td>
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<td></td>
<td>HAP_PLE4</td>
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<td></td>
</tr>
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<td>Meaning</td>
<td>HAP_MEN3</td>
<td>0.85</td>
<td>0.72</td>
<td>0.89</td>
<td>0.83</td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
<td>HAP_MEN5</td>
<td>0.81</td>
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<td>Engagement</td>
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<td>HAP_ENG4</td>
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</tr>
<tr>
<td>Happiness</td>
<td>HAPP2</td>
<td>0.84</td>
<td>0.75</td>
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<td>0.93</td>
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<tr>
<td></td>
<td>HAPP3</td>
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<td></td>
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<tr>
<td></td>
<td>HAPP4</td>
<td>0.89</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HAPP5</td>
<td>0.85</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>BR_LO2</td>
<td>0.82</td>
<td>0.69</td>
<td>0.88</td>
<td>0.92</td>
</tr>
<tr>
<td></td>
<td>BR_LO3</td>
<td>0.88</td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>BR_LO4</td>
<td>0.80</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

According to Hair et al. (2014), a summary indicator of convergent validity is the Average Variance Extracted (AVE), which can be computed from the following formula:

$$AVE = \frac{\sum_{i=1}^{n} L_i^2}{n}$$
Where: $L_i$: standardised factor loading for item $i$, and $n$: the number of items for every factor. Table 5-14 displays the standardised factor loadings for all the items. Also, for each construct, it shows the AVE, constructs reliability CR and Cronbach’s Alpha. The AVE in Table 5-14 ranged between 0.62 and 0.82 proving high convergence since it is higher than the recommended threshold of 0.50 (Hair et al., 2014).

Another way of checking convergent validity is through examining reliability, which can be obtained from different coefficients such as Cronbach’s Alpha and Construct Reliability (CR) (Hair et al., 2014). Related to SEM models, CR can be calculated from the following formula:

$$CR = \frac{\left(\sum_{i=1}^{n} L_i\right)^2}{\left(\sum_{i=1}^{n} L_i\right)^2 + \left(\sum_{i=1}^{n} e_i\right)^2}$$

Where: $L_i$: standardised factor loading for item $i$, $n$: the number of items for every factor, and $e_i$: the error variance terms for a construct. Table 5-14 demonstrates the estimates of reliability that ranged between 0.77 and 0.93 indicating satisfactory reliability as it is higher than 0.70 (Hair et al., 2014). The values of CR were slightly different from Cronbach’s Alpha coefficient in Table 5-14.

Discriminant validity can be tested by making sure that the AVE for each construct is larger than all the squared correlations between this construct and all the other constructs (Fornell and Larcker, 1981). Examining the squared correlations matrix in Table 5-15 and comparing the value in every row to the corresponding value of AVE demonstrates that the AVE is larger than the squared correlations indicating good discriminant validity.
Table 5-15: The Squared Correlation Matrix and AVE for All the Constructs

<table>
<thead>
<tr>
<th></th>
<th>BR_LO</th>
<th>BE_R</th>
<th>BE_T</th>
<th>HAP_PLE</th>
<th>HAP</th>
<th>BE_E</th>
<th>BE_S</th>
<th>HAP_MEN</th>
<th>HAP_ENG</th>
<th>AVE</th>
</tr>
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<tbody>
<tr>
<td>BR_LO</td>
<td>1.00</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>0.69</td>
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<td>BE_R</td>
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<td>0.68</td>
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<td>BE_T</td>
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<td>0.58</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>0.84</td>
</tr>
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<td>HAP_PLE</td>
<td>0.48</td>
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<td>0.54</td>
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<td>HAPP</td>
<td>0.52</td>
<td>0.64</td>
<td>0.56</td>
<td>0.62</td>
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<td>BE_E</td>
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<td>BE_S</td>
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<td>0.33</td>
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<td>0.26</td>
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<td>HAP_ENG</td>
<td>0.36</td>
<td>0.45</td>
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<td>0.42</td>
<td>0.35</td>
<td>0.34</td>
<td>1.00</td>
<td>0.62</td>
</tr>
</tbody>
</table>

The bivariate correlation matrix which addresses the correlation (Pearson correlation 2-tailed) between the pairs of the variables of study are displayed in Table 5-16.
Table 5-16: The Bivariate Correlation Matrix

<table>
<thead>
<tr>
<th></th>
<th>Sensory Brand Experience</th>
<th>Emotional Brand Experience</th>
<th>Relational Brand Experience</th>
<th>Think Brand Experience</th>
<th>Pleasure</th>
<th>Meaning</th>
<th>Engagement</th>
<th>Brand Loyalty</th>
<th>Price Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensory Brand Experience</td>
<td>Pearson Correlation</td>
<td>.699**</td>
<td>.613**</td>
<td>.629**</td>
<td>.677**</td>
<td>.625**</td>
<td>.473**</td>
<td>.558**</td>
<td>.350**</td>
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<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
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<td>N</td>
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<td>1086</td>
<td>1086</td>
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</tr>
<tr>
<td>Emotional Brand Experience</td>
<td>Pearson Correlation</td>
<td>.712**</td>
<td>.708**</td>
<td>.647**</td>
<td>.738**</td>
<td>.495**</td>
<td>.529**</td>
<td>.343**</td>
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<td>Sig. (2-tailed)</td>
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<td>.000</td>
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<tr>
<td>Relational Brand Experience</td>
<td>Pearson Correlation</td>
<td>.678**</td>
<td>.712**</td>
<td>.638**</td>
<td>.607**</td>
<td>.685**</td>
<td>.508**</td>
<td>.527**</td>
<td>.336**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
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<td>.000</td>
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<tr>
<td>Think Brand Experience</td>
<td>Pearson Correlation</td>
<td>.677**</td>
<td>.647**</td>
<td>.607**</td>
<td>.647**</td>
<td>.675**</td>
<td>.485**</td>
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</tr>
<tr>
<td>Pleasure</td>
<td>Pearson Correlation</td>
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<td>.702**</td>
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<td>.702**</td>
<td>.605**</td>
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<td>Meaning</td>
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<td>.675**</td>
<td>.702**</td>
<td>1</td>
<td>.554**</td>
<td>.615**</td>
<td>.382**</td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
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</tr>
<tr>
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</tr>
<tr>
<td>Engagement</td>
<td>Pearson Correlation</td>
<td>.548**</td>
<td>.548**</td>
<td>.508**</td>
<td>.485**</td>
<td>.605**</td>
<td>.554**</td>
<td>1</td>
<td>.464**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
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<td>1086</td>
<td>1086</td>
<td>1086</td>
<td>1086</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>Pearson Correlation</td>
<td>.558**</td>
<td>.527**</td>
<td>.449**</td>
<td>.580**</td>
<td>.615**</td>
<td>.464**</td>
<td>1</td>
<td>.345**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
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<td>.000</td>
<td>.000</td>
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<td>1086</td>
<td>1086</td>
<td>1086</td>
</tr>
<tr>
<td>Price Premium</td>
<td>Pearson Correlation</td>
<td>.350**</td>
<td>.336**</td>
<td>.358**</td>
<td>.365**</td>
<td>.382**</td>
<td>.254**</td>
<td>.345**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
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<td>1086</td>
<td>1086</td>
<td>1086</td>
<td>1086</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
5.6.2 The Structural Model

Representing the structural theory, the structural model illustrates the structural relationships between constructs with a group of structural equations depicted visually with path diagram (Hair et al., 2014). This representation of hypotheses is called specification (Kline, 2011) (see Appendix C). Having run the structural model using AMOS 21, the following statistics of the model fit in Table 5-17 were obtained:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>$\chi^2$</th>
<th>DF</th>
<th>GFI</th>
<th>AGFI</th>
<th>CFI</th>
<th>RMSEA</th>
<th>SRMR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Fit</td>
<td>959.598</td>
<td>277</td>
<td>0.93</td>
<td>0.91</td>
<td>0.74</td>
<td>0.048</td>
<td>0.053</td>
</tr>
</tbody>
</table>

$\chi^2$: Chi Square
DF: Degrees of Freedom
GFI: Goodness-of-Fit
AGFI: Adjusted Goodness-of-Fit
CFI: Comparative Fit Index
RMSEA: Root Mean Square Error of Approximation
SRMR: Standardised Root Mean Square.

The caution suggested by Kenny (2014) should be considered when reading the value of CFI. Kenny suggests that CFI should be abandoned if the RMSEA of the null model is less than 0.158. Here the value of RMSEA of the null model is 0.087.
The information in Table 5-17 shows the overall goodness-of-fit statistics of the model. The $\chi^2$ is 959.598 with 277 degrees of freedom ($p < .05$). The model’s GFI is 0.932 and the AGFI is 0.914, indicating a well-fitting model. The value of CFI is 0.743 which is below the cut-off point of 0.90. However, the RMSEA of the independent model is 0.087 which is less than 0.158; therefore, CFI will be ignored as recommended by Kenny (2014) who states that the CFI should not be computed when the RMSEA of the independence model is less than 0.158 or otherwise value of the CFI will be very small. The value of RMSEA is 0.048 and SRMR is 0.053. All of these measures and statistics are within a range that is satisfactory for good fit.

A comparison between the measures of the overall fit of the CFA and structural model reveals that the indices changed only slightly, the $\chi^2$ statistic increased from 710.015 to 959.598, and the difference in the degrees of freedom is 22 degrees (see Table 5-18). This comparison confirms that there is stability in the model fit between CFA and the structural model.

<table>
<thead>
<tr>
<th></th>
<th>$\chi^2$</th>
<th>DF</th>
<th>GFI</th>
<th>AGFI</th>
<th>CFI</th>
<th>RMSEA</th>
<th>SRMR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CFA Model</strong></td>
<td>710.015</td>
<td>255</td>
<td>0.95</td>
<td>0.93</td>
<td>0.83</td>
<td>0.041</td>
<td>0.036</td>
</tr>
<tr>
<td><strong>Structural Model</strong></td>
<td>959.598</td>
<td>277</td>
<td>0.93</td>
<td>0.91</td>
<td>0.74</td>
<td>0.048</td>
<td>0.053</td>
</tr>
</tbody>
</table>

In the next step, it is advised that a comparison between the standardised loadings of the different indicators of CFA and the structural model should be held (Hair et al., 2014).

A comparison of the standardised factor loadings between the CFA and the measurement model reveals that the standardised loadings are nearly unchanged and the maximum difference is 0.02, except for Engagement where the difference was 0.04 (for the full table of the comparison, see Appendix D). In addition, the construct reliability is virtually identical. This
indicates that there is no substantial change from the outcome of the CFA and there is stability among the measured indicators. These findings support the measurement model’s validity.

5.6.2.1 Hypotheses Testing

At this stage, the statistical significance of the relationships and the individual parameters estimates should be examined. Calculating the estimates in AMOS 21 yields the output of the estimated unstandardised and standardised structural path estimates of the model of study demonstrated in Table 5-19. The conceptual framework of the current study with the standardised loading of the different hypotheses is displayed in Figure 5-5.
Table 5-19: Structural Parameters Estimates for the Model of Study

<table>
<thead>
<tr>
<th>Structural Relationships / Paths</th>
<th>Unstandardised Parameter Estimate</th>
<th>Standard Error</th>
<th>t-Value</th>
<th>Standardised Parameter Estimate</th>
<th>Significance</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>H1a: Sensory Brand Experience → Pleasure</strong></td>
<td>0.20</td>
<td>0.04</td>
<td>5.63</td>
<td>0.214</td>
<td>***</td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>H1b: Sensory Brand Experience → Meaning</strong></td>
<td>0.03</td>
<td>0.05</td>
<td>0.60</td>
<td>0.032</td>
<td>0.55</td>
<td>Rejected</td>
</tr>
<tr>
<td><strong>H1c: Sensory Brand Experience → Engagement</strong></td>
<td>0.00</td>
<td>0.03</td>
<td>-0.01</td>
<td>-0.001</td>
<td>0.99</td>
<td>Rejected</td>
</tr>
<tr>
<td><strong>H2a: Emotional Brand Experience → Pleasure</strong></td>
<td>0.29</td>
<td>0.05</td>
<td>5.29</td>
<td>0.307</td>
<td>***</td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>H2b: Emotional Brand Experience → Meaning</strong></td>
<td>0.04</td>
<td>0.08</td>
<td>0.48</td>
<td>0.04</td>
<td>0.63</td>
<td>Rejected</td>
</tr>
<tr>
<td><strong>H2c: Emotional Brand Experience → Engagement</strong></td>
<td>0.20</td>
<td>0.05</td>
<td>4.08</td>
<td>0.313</td>
<td>***</td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>H3a: Relational Brand Experience → Pleasure</strong></td>
<td>0.20</td>
<td>0.06</td>
<td>3.61</td>
<td>0.216</td>
<td>***</td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>H3b: Relational Brand Experience → Meaning</strong></td>
<td>0.51</td>
<td>0.09</td>
<td>5.75</td>
<td>0.525</td>
<td>***</td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>H3c: Relational Brand Experience → Engagement</strong></td>
<td>0.31</td>
<td>0.06</td>
<td>5.64</td>
<td>0.479</td>
<td>***</td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>H4a: Think Brand Experience → Pleasure</strong></td>
<td>0.22</td>
<td>0.04</td>
<td>5.87</td>
<td>0.237</td>
<td>***</td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>H4b: Think Brand Experience → Meaning</strong></td>
<td>0.09</td>
<td>0.06</td>
<td>1.71</td>
<td>0.099</td>
<td>0.09</td>
<td>Rejected</td>
</tr>
<tr>
<td><strong>H4c: Think Brand Experience → Engagement</strong></td>
<td>0.07</td>
<td>0.03</td>
<td>2.03</td>
<td>0.106</td>
<td>*</td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>H5a: Pleasure → Happiness</strong></td>
<td>0.56</td>
<td>0.04</td>
<td>12.67</td>
<td>0.567</td>
<td>***</td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>H5b: Meaning → Happiness</strong></td>
<td>0.11</td>
<td>0.03</td>
<td>4.48</td>
<td>0.117</td>
<td>***</td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>H5c: Engagement → Happiness</strong></td>
<td>0.48</td>
<td>0.07</td>
<td>7.35</td>
<td>0.337</td>
<td>***</td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>H6: Happiness → Brand Loyalty</strong></td>
<td>0.77</td>
<td>0.04</td>
<td>21.72</td>
<td>0.774</td>
<td>***</td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>H7: Happiness → Price Premium</strong></td>
<td>0.51</td>
<td>0.04</td>
<td>12.95</td>
<td>0.506</td>
<td>***</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

*** Regression is significant at the level 0.001 (p < 0.001)
** Regression is significant at the level 0.01 (p < 0.01)
* Regression is significant at the level 0.05 (p < 0.05)
Figure 5-5: The Conceptual Framework with the Standardised Loadings of Hypotheses
5.7 Testing Mediation

The mediation test for this study was undertaken following the technique proposed by Andraw Hayes (2013) instead of Baron and Kenny approach. Popular in testing mediation, the causal steps approach or the Baron and Kenny method has been the basis for most of the published work on mediation analysis (Lance and Vandenberg, 2009) due to the facts that it is simple to describe and teach, it does not need sophisticated software, and it does not require robust knowledge in statistics (Hayes, 2013). This popularity, however, has started to fade with the advent of the 21st Century (Hayes, 2013). Before criticising the causal steps method, this approach is summarised in the following steps (Hair et al., 2010; Baron and Kenny, 1986):

- Establishing a significant relationship between $X$ and $Y$;
- Establishing a significant relationship between $X$ and $M$;
- Establishing a significant relationship between $M$ and $Y$;
- The relationship between $X$ and $Y$ should be reduced when including $M$ in the model. Full mediation is achieved when $c'$ becomes zero and partial mediation is reached when $c'$ is reduced but not to zero (see Figure 5-6) ($c'$ estimates the direct effect of $X$ on $Y$, $a$ estimates the effect of $X$ on $M$, $b$ estimates the effect of $M$ on $Y$).

![Figure 5-6: The Conceptual Diagram of Mediation According to Baron and Kenny (1986)](image_url)
Hayes (2013) argues that this method should be neglected and supports his argument with the following justifications:

- The Baron and Kenny method does not quantify the indirect effect and does not follow statistical inferential tests about the indirect effect. Rather, it draws inferences about this effect based only on the significance of $a$ and $b$, which is wrong (Hayes, 2013). Further, in some cases and practical examples, it was found that it is possible to draw a conclusion that the indirect effect $ab \neq 0$ even if either $a$ or $b$ (or both) are not significant. Therefore, the indirect effect should be treated as a product of $a$ and $b$, not as an inference from individual significance tests of $a$ and $b$ (Hayes, 2013).

- The causal steps method relies on establishing the significance of three relationships or hypotheses. It can be argued that when substantiating a claim that requires more hypothesis tests, the inference of these tests would be more prone to mistake (Hayes, 2013). This can be evidenced in many studies (Hayes and Scharkow, 2013; Preacher and Selig, 2012; Fritz and Mackinnon, 2007). Further, researchers will be more prone to type II error, missing theorised relationships present in the data (Rucker et al., 2011).

- Baron and Kenny method commences from the assumption that an effect that is not significant cannot be mediated, which is not accurate. There is a growing tendency among quantitative methodologists to acknowledge that the significance of total effect should not be a prerequisite to establishing an indirect effect (Rucker et al., 2011; Zhao, Lynch and Chen, 2010; Shrout and Bolger, 2002).

- Abandoning the causal steps method encourages researchers to adopt a quantitative approach rather than a qualitative one. Consequently, it will make it possible to
compare the indirect effect through one mediator to the indirect effect through another (Hayes, 2013).

The model of study involves four mediator variables that should be tested. This is undertaken following Andrew Hayes’ (2013) approach, which estimates and interprets the direct and indirect effects and performs the relevant inferential tests. The coefficients of the equations of the ordinary least squares regression (OLS) of the mediation test are treated as estimates (Hayes, 2013). The OLS regression equations are:

\[ M = i_1 + aX + e_M \]

\[ Y = i_2 + c'X + bM + e_Y \]

In these equations, \( i_1 \) and \( i_2 \) are intercepts and \( e_M \) and \( e_Y \) are estimation errors of \( M \) and \( Y \) respectively.

These procedures are executed through a macro (named PROCESS), a computational aide developed by Andrew Hayes, that can be added to SPSS 20 to facilitate the implementation of this method (Hayes, 2013).

The coefficients \( a, b \) and \( c' \) are sample-specific estimates. To ensure generalisability, statistical inferences are drawn about the true values of the direct and indirect effects in the population (Hayes, 2013), in other words, the null hypothesis about the true values of \( c' \) and \( ab \) is tested or an interval estimate is generated. Many approaches to statistical inferences can be identified, such as the normal theory approach (Hayes, 2013; MacKinnon, 2008). This study follows the method of bootstrap confidence intervals due to its advantage of yielding more accurate
confidence limits compared to the normal theory approach as shown in simulation studies (MacKinnon, 2008).

A commonly used resampling method (Efron and Tibshirani, 1993), bootstrapping is a method that implies randomly sampling with replacement from a sample with an original size of \( N \), so every new sample consists of \( N \) cases (MacKinnon, 2008). To represent the sampling distribution of the indirect effect and to construct confidence limits or intervals, this process is repeated for a large number of samples, 1000 samples at least (Hayes, 2013; MacKinnon, 2008; Efron and Tibshirani, 1993). When the confidence interval does not contain zero, it can be inferred that the indirect effect is statistically significant (Field, 2013; Hayes, 2013).

The macro PROCESS was downloaded from Andrew Hayes’ website (Hayes, 2014) then it was added to SPSS 20. The mediation test was run for the four mediators in the study (Pleasure, Meaning, Engagement, and Happiness) after specifying 1000 bootstrap samples, 95% confidence level for confidence intervals, and biased corrected bootstrap confidence intervals method. Table 5-20 displays the three orientations to happiness as mediators, their associated paths, indirect effects, direct effects, total effects, the lower limits of bootstrap confidence interval, the upper limits of bootstrap confidence interval, and the final outcome of the test. Also, Table 5-21 replicates the previous table and tests the mediation for Happiness with two dependent variables (Brand Loyalty and Price Premium).

Scanning the columns of the lower and upper limits of bootstrap confidence interval in these two tables reveals that these intervals do not straddle zero, consequently, the mediation is supported for all the aforementioned mediators.
Table 5-20: The Mediation Test for the Three Orientations to Happiness Using PROCESS

<table>
<thead>
<tr>
<th>Mediator</th>
<th>Path</th>
<th>a</th>
<th>Significance of a</th>
<th>b</th>
<th>Significance of b</th>
<th>a*b</th>
<th>c</th>
<th>Significance of c</th>
<th>c</th>
<th>BootLLCI</th>
<th>BootULCI</th>
<th>Mediation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pleasure</td>
<td>BE_S → HAP_PLE → HAPP</td>
<td>0.738</td>
<td>***</td>
<td>0.526</td>
<td>***</td>
<td>0.388</td>
<td>0.320</td>
<td>***</td>
<td>0.708</td>
<td>0.329</td>
<td>0.445</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>BE_E → HAP_PLE → HAPP</td>
<td>0.552</td>
<td>***</td>
<td>0.391</td>
<td>***</td>
<td>0.216</td>
<td>0.440</td>
<td>***</td>
<td>0.656</td>
<td>0.180</td>
<td>0.257</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>BE_R → HAP_PLE → HAPP</td>
<td>0.605</td>
<td>***</td>
<td>0.465</td>
<td>***</td>
<td>0.281</td>
<td>0.427</td>
<td>***</td>
<td>0.708</td>
<td>0.243</td>
<td>0.330</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>BE_T → HAP_PLE → HAPP</td>
<td>0.516</td>
<td>***</td>
<td>0.473</td>
<td>***</td>
<td>0.244</td>
<td>0.310</td>
<td>***</td>
<td>0.554</td>
<td>0.243</td>
<td>0.330</td>
<td>Supported</td>
</tr>
<tr>
<td>Meaning</td>
<td>BE_S → HAP_MEN → HAPP</td>
<td>0.731</td>
<td>***</td>
<td>0.949</td>
<td>***</td>
<td>0.694</td>
<td>0.015</td>
<td>*</td>
<td>0.708</td>
<td>0.641</td>
<td>0.749</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>BE_E → HAP_MEN → HAPP</td>
<td>0.676</td>
<td>***</td>
<td>0.941</td>
<td>***</td>
<td>0.636</td>
<td>0.020</td>
<td>**</td>
<td>0.656</td>
<td>0.592</td>
<td>0.676</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>BE_R → HAP_MEN → HAPP</td>
<td>0.733</td>
<td>***</td>
<td>0.948</td>
<td>***</td>
<td>0.695</td>
<td>0.013</td>
<td>NS</td>
<td>0.708</td>
<td>0.648</td>
<td>0.742</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>BE_T → HAP_MEN → HAPP</td>
<td>0.578</td>
<td>***</td>
<td>0.954</td>
<td>***</td>
<td>0.551</td>
<td>0.003</td>
<td>NS</td>
<td>0.554</td>
<td>0.508</td>
<td>0.591</td>
<td>Supported</td>
</tr>
<tr>
<td>Engagement</td>
<td>BE_S → HAP_ENG → HAPP</td>
<td>0.499</td>
<td>***</td>
<td>0.353</td>
<td>***</td>
<td>0.176</td>
<td>0.532</td>
<td>***</td>
<td>0.708</td>
<td>0.477</td>
<td>0.588</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>BE_E → HAP_ENG → HAPP</td>
<td>0.408</td>
<td>***</td>
<td>0.263</td>
<td>***</td>
<td>0.107</td>
<td>0.549</td>
<td>***</td>
<td>0.656</td>
<td>0.082</td>
<td>0.138</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>BE_R → HAP_ENG → HAPP</td>
<td>0.489</td>
<td>***</td>
<td>0.295</td>
<td>***</td>
<td>0.144</td>
<td>0.564</td>
<td>***</td>
<td>0.708</td>
<td>0.111</td>
<td>0.182</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>BE_T → HAP_ENG → HAPP</td>
<td>0.374</td>
<td>***</td>
<td>0.319</td>
<td>***</td>
<td>0.119</td>
<td>0.435</td>
<td>***</td>
<td>0.554</td>
<td>0.093</td>
<td>0.148</td>
<td>Supported</td>
</tr>
</tbody>
</table>

*** Significant at the level 0.001 (p < 0.001)  
** Significant at the level 0.01  (p < 0.01)  
* Significant at the level 0.05  (p < 0.05)  
NS: Not Significant

BootLLCI: The lower limit of the bootstrap confidence interval  
BootULCI: The upper limit of the bootstrap confidence interval
Table 5-21: The Mediation Test for Happiness Using PROCESS

<table>
<thead>
<tr>
<th>Mediator</th>
<th>Path</th>
<th>a</th>
<th>Significance of a</th>
<th>b</th>
<th>Significance of b</th>
<th>a*b</th>
<th>Significance of a*b</th>
<th>c'</th>
<th>Significance of c'</th>
<th>c</th>
<th>BootLLCI</th>
<th>BootULCI</th>
<th>Mediation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Happiness</td>
<td>HAP_PLE → HAPP → BR_LO</td>
<td>0.725</td>
<td>***</td>
<td>0.375</td>
<td>***</td>
<td>0.272</td>
<td>0.250</td>
<td>***</td>
<td>0.522</td>
<td>0.219</td>
<td>0.330</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td></td>
<td>HAP_MEN → HAPP → BR_LO</td>
<td>0.957</td>
<td>***</td>
<td>0.631</td>
<td>***</td>
<td>0.604</td>
<td>-0.088</td>
<td>NS</td>
<td>0.516</td>
<td>0.308</td>
<td>0.897</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td></td>
<td>HAP_ENG → HAPP → BR_LO</td>
<td>0.592</td>
<td>***</td>
<td>0.461</td>
<td>***</td>
<td>0.273</td>
<td>0.159</td>
<td>***</td>
<td>0.432</td>
<td>0.232</td>
<td>0.320</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>Happiness</td>
<td>HAP_PLE → HAPP → PP</td>
<td>0.725</td>
<td>***</td>
<td>0.183</td>
<td>***</td>
<td>0.133</td>
<td>0.173</td>
<td>***</td>
<td>0.306</td>
<td>0.081</td>
<td>0.179</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td></td>
<td>HAP_MEN → HAPP → PP</td>
<td>0.957</td>
<td>***</td>
<td>0.269</td>
<td>***</td>
<td>0.257</td>
<td>0.446</td>
<td>***</td>
<td>0.703</td>
<td>0.223</td>
<td>0.315</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td></td>
<td>HAP_ENG → HAPP → PP</td>
<td>0.592</td>
<td>***</td>
<td>0.267</td>
<td>***</td>
<td>0.158</td>
<td>0.062</td>
<td>*</td>
<td>0.220</td>
<td>0.120</td>
<td>0.193</td>
<td>Supported</td>
<td></td>
</tr>
</tbody>
</table>

*** Significant at the level 0.001 (p < 0.001)  
** Significant at the level 0.01 (p < 0.01)  
* Significant at the level 0.05 (p < 0.05)  
NS: Not Significant  
BootLLCI: The lower limit of the bootstrap confidence interval  
BootULCI: The upper limit of the bootstrap confidence interval
For example, regarding the first path, the indirect effect of Sensory Experience on Pleasure is 0.388. This indirect effect of 0.388 means that two customers who differ by one unit in their reported sensory experience are estimated to differ by 0.388 in their reported happiness as a result of pleasure as an orientation to happiness. Furthermore, it is statistically different from zero, as shown by a 95% bootstrap confidence interval that is totally above zero, hence with 95% confidence, the true value of the indirect effect in the population resides somewhere between 0.329 and 0.445 (these two limits appear under the headings BootLLCI and BootULCI in Table 5-20 and Table 5-21). The direct effect of Sensory Experience on Happiness, $c' = 0.320$, is the estimated difference in Happiness between two customers who reported the same level of Pleasure but who differ by one unit in their reported Sensory Experience. The total effect of Sensory Experience on Happiness is extracted by adding up the direct and indirect effects:

$$c = c' + ab = 0.320 + 0.388 = 0.708$$

This means that two customers who differ by one unit in their reported Sensory Experience are estimated to differ by 0.708 units in their reported Happiness. The direct effect in three paths (BE_R → HAP_MEN → HAPP, BE_T → HAP_MEN → HAPP, and HAP_MEN → HAPP → BR_LO) appeared to be insignificant. This should be of no importance because according to Ruckler, et al. (2011, pp. 359):

“… the collective evidence raises considerable concern that the focus on the significance between the independent and dependent variables, both before and after mediation tests, is unjustified and can impair theory development and testing. To expand theory involving social psychological processes, we argue
that attention in mediation analysis should be shifted towards assessing the magnitude and significance of indirect effects.”

Comparing the effect sizes in Table 5-20 reveals that Meaning has the largest effect magnitudes ranging from 0.695 for Relational Brand Experience to .551 for Think Brand Experience, followed by Pleasure which has the second largest effect sizes ranging from 0.388 for Sensory Brand Experience to 0.216 for Emotional Brand Experience. Finally, Engagement mediated the paths with the smallest effect sizes ranging from 0.176 for Sensory Brand Experience to 0.107 for Emotional Brand Experience.

The final outcome of the mediation test are labelled with none of the typical claims in the causal steps approach, partial and full mediation, due to their drawbacks denoted by recent studies on mediation. It is argued that these “are empty concepts and should be abandoned” (Hayes, 2013, pp.171), despite the fact that they are used frequently when testing mediation (Rucker et al., 2011). Their argument is elucidated in the following: the causal steps approach followers and researchers celebrate full celebration more than partial, meaning that they know everything about the process being studied. On the other hand, partial mediation implies that the job is not accomplished or finished (Hayes, 2013; Rucker et al., 2011). In addition, Rucker et al. (2011) contends that these concepts do not say anything whatsoever about the absence or presence of any other potential mediators. Finally, inferences about mediation are related to sample size, and as in small samples, it is easier for $c'$ to become nonsignificant, it is more likely to detect full mediation (Rucker et al., 2011). Contrary to the common belief, that the larger the sample size, the better; according to this approach, it is more favourable to collect the data from a small sample with only enough power to claim impressive findings of full mediation but not big enough to qualify for a partial mediation (Rucker et al., 2011).
The test of moderation in this study was performed on the demographic variables, namely Gender, Age, and Income, in order to assess the influence they might impose on the relationships established between the variables in the present study. The test of moderation was run using PROCESS in SPSS 20 on three demographic categorical variables (Gender, Age, and Income). Gender proved to have no conditional effect on any path proposed. Age, however, substantiated only one significant and positive conditional effect on the influence of Happiness on Brand Loyalty with a value of 0.057. In addition, Income was shown to moderate the relationship between Happiness and Price Premium, with a significant and positive effect along all the income categories. The value of this interaction was 0.049 (see Appendix E for the full test of moderation).

5.8 Summary of Chapter Five

This chapter detailed the relevant statistical techniques deployed to analyse the collected data. It primarily consisted of four stages; (1) the preliminary data analysis and checking for the multivariate data analysis assumptions, (2) factor analysis, (3) structural equation modelling, and (4) test of mediation and moderation.

First, the preliminary data analysis provided various descriptive statistics of the sample demographics and analysed the missing data. The result of the missing data analysis was the pattern of missing at random MAR. The imputation of Expectation-Maximisation approach was applied to the data set. Regarding outliers, the Mahalanobis $D^2$ distances revealed only two outliers in the sample, which poses no serious problem.

Testing the assumption of normality indicated skewness and kurtosis for some constructs. However, due to the limitations of these tests for large samples, the visual method through the
P-P plot was employed. These plots demonstrated that the assumption of normality is plausible. Testing for linearity proved that all the linear models for each relationship are significant and better than other curved estimations. Testing the assumption of homoscedasticity with Leven’s test resulted in accepting the null hypothesis of equal variances. The assumption of no multicollinearity was assessed by means of the measures of tolerance and variance inflation factor VIF which showed that no multicollinearity issue is evident. Finally, the reliability assessment indicated good inter-correlation with values of Cronbach’s Alpha higher than 0.78. Further, the item Think 3 was dropped for low reliability.

Second, before running the factor analysis, Kaiser–Meyer–Olkin measure of sampling adequacy KMO was significant proving a sufficient sample size for factor analysis. Following, component factor analysis was selected as an extraction method. The scree plot rule was followed to retain 9 factors. Adding one extra factor was supported by the view of Tabachnick and Fidell (2013) and Fabrigar et al, (1999). Due to the ambiguity of the scree plot rule, the priori rule was used to justify retaining 10 factors. Lastly, a promax oblique rotation was applied to achieve clearer factors. Cross-loading issues led to eliminating 13 items.

Third, structural equations models encompass testing both the measurement (CFA) and structural model. The CFA model was executed using Generalized Least Squares GLS estimation. Running the CFA was conducted using AMOS 21. Using a single item for Price Premium was justified and its error variance was fixed in AMOS 21 to a value of 0.20. The overall fit of the model was acceptable with $\chi^2 = 710.015$ and 255 degrees of freedom. The indices were: GFI = 0.95, RMSEA=0.041 and SRMR = 0.036. The average variance extracted (AVE) ranged between 0.62 and 0.82 proving high convergence validity. The structural model was run on AMOS 21. The goodness-of-fit of the model was satisfactory with $\chi^2 = 959.598$.
and 277 degrees of freedom. The model’s GFI was 0.932 and its AGFI was 0.914. The value of RMSEA was 0.048 and SRMR was 0.053. Further, CFI was ignored as recommended by Kenny (2014) as RMSEA of the independent model was less than 158. Among the 17 relationships hypothesised in the conceptual framework, 4 hypotheses were rejected.

**Lastly**, a critique of Baron and Kenney’s (1986) approach was displayed and the tests of mediation and moderation were performed according to the steps of Hayes (2013) and with the help of his Macro PROCESS which was added to SPSS 20. The mediation test was supported for the four mediators in the model based on the significance of the indirect effect and the bootstrap confidence intervals. Meaning appeared to have the largest indirect effect magnitudes followed by Pleasure and Engagement. The final outcome of the mediation test was labelled with none of the typical claims in the causal steps approach of Baron and Kenny (1986), partial and full mediation, due to their drawbacks denoted by recent studies on mediation.
CHAPTER SIX: DISCUSSION OF FINDINGS AND CONCLUSION

6.1 Introduction

This chapter discusses every hypothesis in the study and compares the attained results with the previous research. Next, to assess the extent to which the research question was answered, the total effect sizes of brand experience dimensions on the two behavioural outcomes are obtained and discussed. These effects demonstrate the relative importance of each dimension.

6.2 Discussion of the Results of Hypotheses Testing

Testing the hypotheses proposed in chapter three among ten constructs resulted in accepting fourteen positive hypotheses and rejecting four of them. The framework of the study in Figure 6-1 demonstrates the accepted hypotheses with the corresponding standardised parameter estimates. The rejected hypotheses were differentiated with dashed arrows.
Figure 6-1: The Conceptual Framework of Study with the Standardised Estimates
6.2.1 The Consequences of Sensory Brand Experience

The first hypothesis $H1a$ establishes a positive relationship between sensory brand experience and pleasure. The result of testing this hypothesis provided evidence on the positive relationship between sensory brand experience and pleasure. This finding is consistent with the prior theoretical conceptualisation of this relationship in the literature which dictates that pleasurable outcomes can be obtained from sensory experiences (Andersson and Mossberg, 2004; Duncker, 1941), and certain sensory qualities characterise all pleasant experiences (Brülde, 2014). Further, the finding confirms the results of a previous empirical study revealing that sensory experiences contribute to happiness as pleasure (Brakus, Schmitt and Zarantonello, 2012). This highlights the significance of sensory marketing that deploys sensory strategies to target customers’ senses and to influence their feelings, perceptions, judgments and behaviours (Krishna, 2011). The sensorial practices here would be fundamental in determining consumer’s sensory perception about a certain brand (Hultén, Broweus and Van Dijk, 2009).

Hence, when consumers dine in restaurants, a well-designed sensory brand experience will contribute to their pleasure. This experience includes all the sensory elements, such as the visual, auditory, tactile, gustative, and olfactory sensations a diner receives through his/her senses as a result of the interactions with brand-related stimuli (Zarantonello and Schmitt, 2010). Some of the sensorial expressions which can be deployed in restaurants to create pleasurable experiences and to distinguish their brands from others include sight strategies such as: colour, lighting and theme, style, graphics, exterior, interior, and décor (Hultén, 2011). On the other hand, the sensorial scent strategy, that can be used with infinite possibilities in restaurants, emphasises the role of signature scents or a scent brand in forging a distinctive brand identity and image via producing a positive atmosphere and easier to retrieve memory
pictures, and via influencing customers’ emotional states and modes (Hultén, 2011). Other strategies might include the sound, music and songs expressions played in the restaurant atmosphere which can create pleasurable feelings, positive memories, and a source of inspiration (Hultén, 2011). It goes without saying that focusing on the taste and flavour expressions in dining experiences is of great significance as it is the core of the offering, and as it relates to the other sensory expressions; however, for customers, taste transcends the common meaning of flavour to refer to how everything looks, smells, feels, and sounds (Hultén, 2011). The sensorial expressions and strategies will work together in synergy to aid staging unique and pleasurable experiences. These findings echo the understanding of the joy of tasting and dining out as manifested in the quote of the German physicist and cook, Heinz Maier-Leibnitz, who says ‘the joy of cooking at home compared to eating in one of the best restaurants, is like playing a string quartet in a living room as compared to a great concert’ (Csikszentmihalyi, 1990, p. 113).

Hypothesis $H1b$ proposes a positive relationship between sensory brand experience and meaning as an antecedent to happiness. The statistical test of this hypothesis revealed that the relationship was not supported by the data. The existing literature theoretically supports this relationship and argues that the sensory expressions of a brand are the vehicle of the values and the meanings which this brand intends to transfer. Examples of these associated values include: sophistication, quality, elegance, innovativeness, modernity, interactivity (Krishna, 2011), being green and healthy, and simplicity (Schmitt, 2012). A possible explanation to the insignificance of the hypothesis is the failure of sensory elements in the dining experience to communicate the meanings and values they promote to the minds of customers; the failure to identify and target the customers who hold and appreciate such values; or the lack of clarity in the promoted meanings.
Hypothesis $H1c$ is related to the positive relationship between sensory brand experience and engagement as an antecedent to happiness. According to Csikszentmihalyi (2014b), the person-environment interactions can be primarily physical, and the argument postulated here is that the sensory brand experience cooperates to produce a sense and a state of immersion and absorption. However, the findings showed that this impact is unsupported. This can be justified by the argument that the prominence of the utilitarian aspects and the narrow hedonism might attribute the context of restaurants, and it tends to be more influential in such contexts (Ha and Jang, 2010), which in turn, underlies the insignificance of this direct impact.

### 6.2.2 The Consequences of Emotional Brand Experience

Hypothesis $H2a$ is concerned with whether emotional brand experience positively contributes to pleasure or not. The findings of the current research substantiate this hypothesis. This comes in line with the existing studies on the emotional dimension of brands. They postulate that establishing strong emotional brand bonds and attachments with consumers is perceived to promise high levels of brand loyalty, to increase company’s financial performance (Whan Park et al., 2010), and to dissolve into an access of pleasure (Ferguson, 1990). This emotional proximity between a consumer and a brand is expected to lead to comfort and happiness (Whan Park et al., 2010). Further, this relationship is propounded by Russell (1991) who argues in his theory of emotions that emotional experiences bear a hedonic quality expressed by the resulting pleasure from experiencing positive emotions or affective states, and people vary in terms of the extent to which they express this pleasure outcome.

Supporting this relationship is consistent with the empirical evidence which advocates that positive emotions in branded restaurants can incite pleasurable feelings (DiPietro and Campbell, 2014). This means that pleasurable feelings will result when charging a dining
experience at a restaurant with positive emotions. The latter is described as a consumer-centric, relational and story-driven approach to create affective relations between consumers and brands (Thompson, Rindfleisch and Arsel, 2006). Woven into the fabric of story-driven approach, these feelings could be numerous in type and could include the emotions of joy, excitement, relief, or nostalgia (Whan Park et al., 2010). Substantiating this hypothesis and the evident influence on pleasure in the context of dining experience add up to the existing research on the role of emotions in consumer response to the various marketing activities, such as advertising (Derbaix, 1995; Holbrook and Batra, 1987) and in relation to the different consumer behaviour outcomes, like satisfaction (Phillips and Baumgartner, 2002; Westbrook and Oliver, 1991).

Hypothesis $H2b$ in this study suggests that emotional brand experience positively influences meaning as an antecedent to happiness. The prior research and literature highlight the fundamentality of the emotional component in meaning transfer (Batey, 2008), and they present a theoretical proposal that brands communicate the emotional messages and meanings (Gobé, 2007), and customers expect brands to become meaningful, positive and proactive part of their life’s stories and memories (Thompson, Rindfleisch and Arsel, 2006; Gobé, 2002). Furthermore, the previous research indicates that when the emotional memories are experienced, they are kept in the unconsciousness, and these memories are retrieved with all the stored emotions and associated meanings when these memories are evoked (Batey, 2008). Whilst the theoretical relationship is advocated, the findings of the current study did not support this hypothesis. This can be attributed to the nature of emotional complexity of consumers and to the failure of restaurant brands to connect the emotional messages to the set of cultural values and meanings diners hold (Gobé, 2007).
Hypothesis \( H2c \) addresses the positive impact of emotional brand experience on engagement as an antecedent to happiness. This hypothesis was supported by the statistical tests. This is consistent with the extant literature which suggests that emotions embedded in an experience play an important role in making this experience engaging and resembling flow (Gnoth et al., 2000), and that the multidimensional brand experience, with its emotional aspects in particular, aids a state of immersion in a way involving a sequence of responses facilitated by interactivity, enjoyment, and self-reinforcement (Henke, 2013). Further, the previous research confirms that emotional involvement is an essential factor in immersion (Jennett et al., 2008), which is an essential component of the state of engagement and flow (Csikszentmihalyi, 2014b). For example, when heeding the positive immersive emotional element in designing a dining experience at a restaurant, it is expected that diners will feel engaged, immersed, and absorbed in the emotions evoked by the experience and by the story-driven approach employed in staging this experience which emphasises the associations and lifestyles they value, and reinforce their identities. Consequently, this will contribute to their happiness.

### 6.2.3 The Consequences of Relational Brand Experience

Hypothesis \( H3a \) establishes a positive relationship between relational brand experience and pleasure as an antecedent to happiness. Relational experience was explicated as that sort of experiences which links customers to other people, other social groups (such as occupational, ethnic or lifestyle), or a broader abstract and cultural context (such as a nation, a society, or a culture), as reflected in a brand (Schmitt, 1999). The findings of this study revealed that this suggested hypothesis is substantiated. This comes in line with the extant literature which advocates that pleasure can result from belonging to a certain social group or from individuals’ relationships with other objects, which echoes the socio-pleasures (Jordan, 2000; Kubovy,
In addition, prior research conceptually contends that brands with strong images and lengthy and rich histories—particularly the ones that are publicly consumed—are expected to form brand communities around them (Muniz and O’Guinn, 2001). Accordingly, relationships emerge that connect consumers with the brand and with each other through a brand (Muniz and O’Guinn, 2001).

While the relationships between relational experience and pleasurable feelings are proposed in the literature (Kubo, 1999), this is the first study to validate this link empirically. This implies that when diners positively relate to a group, a country, or a celebrity, it is expected that this will increase their happiness as pleasure. One example, which is linked to celebrity endorsement, is Jamie’s Italian high street high-end restaurants endorsed by the British chef Jamie Oliver (Jamie's Italian, 2016). According to the current study, a dining experience at Jamie’s Italian is expected to relate to the healthy cuisine promoted by the celebrity chef, and to the Italian way of life. Therefore, it is expected that diners who value this lifestyle will feel happy through the pleasurable feeling created.

Hypothesis \( H3b \) is concerned with the influence of relational brand experience and meaning as an antecedent to happiness. Testing this hypothesis validated a positive influence between the two constructs. This confirms the theoretical conceptualisation of the link in the previous research which acknowledges the notion of meaning-provision via a brand as a relationship partner and as a way that reinforces the identity and defines their self (Belk, 1988; Sirgy, 1982) and their key life roles (Fournier, 1998). Further, the extant literature postulates that the affective and relational associations which bind the members of a brand community together revolve around their shared way of life, their common values, and the concept of symbolic consumption, (Schembri, 2009). Additionally, brand meanings and values, in these
communities, are forged collectively, and they enable their diverse members to experience deeply satisfying feelings of solidarity and a sense of community (Thompson, Rindfleisch and Arsel, 2006).

Whilst this relationship is conceptualised theoretically in the literature, this is the first study to substantiate this impact empirically. These findings mean that when brand experience considers the values and meanings diners forge in a dining experience at a restaurant, it is predicted that they will get happier because they will live in consistence with their set of values. For instance, when the values of modernity and being healthy and green are communicated with the right customers, it is expected that diners will be happier due to the congruence between certain lifestyles, social groups, and/or cultural contexts on the one hand, and the guiding principles customers value on the other hand.

Hypothesis $H3c$ investigates the positive relationship between relational brand experience and engagement as an antecedent to happiness. The results revealed that the hypothesis is supported by the analysed data. This comes in line with the existing literature which hypothesises this influence. It is postulated that the relational aspect of the flow state is an essential component of aesthetic experiences (Csikszentmihalyi and Robinson, 1990), and the sense of engagement and immersion cannot be separated from experience (Carù and Cova, 2007). Postmodern relational consumption, in particular, is propounded to be made up of multiple episodes of immersion into experiential moments that are characterised of being enchanting and multifaceted (Firat and Dholakia, 2005). Furthermore, the relational brand experience via thematising creates the associations between the customer and the experiential environment that is characterised of being saturated with connotative symbols (Gottdiener, 2006). The current study is considered the first to validate this relationship with empirical data. This
implies that the immersive dining experience which taps on the relational aspects of experience is a tool to reach engagement. The all-out immersive experience can be attained by constructing hybrid environments such as what is called eatertainment where consumption is twinned with fun, fantasy and amusement, and they become part of individuals’ daily life (Gotttdiener, 2006; Holbrook and Hirschman, 1982). For example, thematising the dining experience around a certain theme popular and relevant to target customers can play a significant role in creating engagement and consequently happiness. It is worth noting that the main substance or offering and the core product of the dining experience should be of high quality and right since symbols and thematic connections to celebrities will not be enough and will be viewed with suspicion and diners will react negatively, especially when the novelty of the theme wears thin, unless this thematising is consolidated with high quality substance (Gottdiener, 2006).

6.2.4 The Consequences of Think Brand Experience

In hypothesis $H4a$, the positive relationship between think brand experience and pleasure as an antecedent to happiness is presented. As discussed earlier, the core of the notion of cognitive brand experience is to appeal to customers’ creative thinking concerning a company and its brands in a way that encourages them to engage in creative and analytical thinking (Schmitt, 1999). The findings of the current study support this causal link. This result endorses the theoretical conceptualisation of several scholars who argue that think brand experience is capable of evoking pleasurable feelings (Biswas-Diener et al., 2015; Dubé and Le Bel, 2003). The divergent cognitive experience occurs when an experience is charged with creative, novel, different, or unusual ideas; and when marketers induce such element in the different messages they send to consumers through the multiple communication channels and the brand-related stimuli (Smith and Yang, 2004). This type of experience can extend and reach a paramount
state of fantasy and daydreaming (Brophy, 2001). Further, Russ (1999) relates the cognitive processes to the affective processes, and propounds that getting involved in positive thinking activities is likely to generate affective pleasure. This pleasure, according to Russ (1999), may result when encountering divergent patterns of thinking and creative cognitive experiences full of excitement and enjoyment.

Despite the conceptual establishment of this influence in the theory, no empirical research has been done to validate it. Therefore, the current study is the first to support the relationship empirically. These findings entail implications for dining experiences, such as the one related to staging associative think campaigns in which the designers of brand experience consider making use of abstract concepts and diffused visual imagery (Schmitt, 1999) in order to generate pleasurable feelings for diners.

Hypothesis H4b addresses the relationship between think brand experience and meaning as an antecedent to happiness. The literature on cognitive brand experience proposes that the generation of effective creativity includes generation of novelty through divergent thinking, and evaluation of novelty through convergent thinking (Cropley, 2006). Novelty, innovativeness, and consumer creativity are recognised to be insightful values sought out by consumers in a way that maintains constructive purpose to them (Hirschman, 1980b). These values are advocated to be useful in several scenarios, such as in experiencing unfamiliar consumption situations, improving performance, adopting new products, and effectively dealing with consumption environments (Hirschman, 1980b). Further, the results of one empirical study investigating the daily consumption activities confirm the influence of intellectual experience on happiness as meaning (Brakus, Schmitt and Zarantonello, 2012). In the restaurant settings, some examples of these values include creativity and innovation.
However, the evidence from the data analysis did not support this hypothesis. This can be justified by the fact that abstract ideas, meanings and values are generally difficult to transfer and communicate (Ellsworth, 1977), and consequently it will make it difficult for diners to perceive the direct link between the promotion of these abstract ideas and meaning as an antecedent to happiness.

Hypothesis H4c is concerned with the positive relationship between think brand experience and engagement as an antecedent to happiness. The results of this study support this hypothesis. This is consistent with the existing literature which suggests theoretically that brand experience with its intellectual element of incited curiosity, and creativity is capable of generating a state of flow and an engagement experience that will lead to happiness (Csikszentmihalyi and Robinson, 1990). Yet, the current study is the first to validate this relationship empirically. This implies that considering intellectual and cognitive aspects when designing a dining experience can lead to a sense of immersion and absorption which will make diners happy. Examples of practices from the restaurant industry related to evoking thinking experiences through innovation range from blending cuisines, to presenting communal dining settings (Smith, 2013), to employing digital innovative solutions, like the telepresence of celebrities in a participatory dining experience (Jennings, 2015; Nicholls, 2012). These findings emphasise that the favourable things in life are not always related to the senses; but rather, some of the most invigorating moments and exhilarating experiences are generated in the mind, and every mental process is capable of providing its own sort of enjoyment (Csikszentmihalyi, 1990).

6.2.5 Pleasure, Meaning and Engagement as Antecedents to Happiness

In the last section, it was revealed that pleasure was influenced by all the dimensions of brand experience: sensory, emotional, relational, and think dimensions. The findings demonstrated
that happiness though meaning was influenced only by relational brand experience. Furthermore, engagement was related to all the dimensions of brand experience except for sensory brand experience. However, in this section, the consequences of these orientations are discussed. It was confirmed that pleasure, meaning, and engagement were significantly related to happiness.

The three hypotheses \((H5a, H5b \text{ and } H5c)\) which establish the relationships between pleasure, meaning and engagement on the one side and happiness on the other side are supported by the data in the current study. This comes in line with the previous research on happiness which validates the Three Orientation Model. This stream of research advocates the notion of Peterson, Park and Seligman (2005) which integrates hedonia, eudaimonia and flow views of happiness. Therefore, a happy life is the one that is pleasant, meaningful and engaging; that is, a life that encompasses a high number of pleasurable and enjoyable experiences, plenty of fully immersive activities, and ongoing pursuit of meaning through serving a greater good and maintaining personal and social values (Vella-Brodrick, 2014).

The model, developed by Peterson, Park and Seligman (2005), demonstrates empirically that individuals can follow the three orientations simultaneously, and all of these orientations contribute to life satisfaction. Moreover, the model is substantiated by different scholars and across several nations (Schueller and Seligman, 2010; Chan, 2009; Park, Peterson and Ruch, 2009; Vella-Brodrick, Park and Peterson, 2009; Peterson \textit{et al.}, 2007). However, all of the prior studies are undertaken in the context of general life satisfaction, and the current studies on happiness in consumer research indicate that the different routes to happiness are ignored (e.g.: Gilovich, Kumar and Jampol, 2015; Bhattacharjee and Mogilner, 2014; Mogilner, Aaker and Kamvar, 2012). Therefore, this is the first study to validate the model in a consumption context.
Further, the findings of this study revealed the relative importance of these orientations. For example, it was found out that pleasure is the best predictor of happiness, followed by engagement. This partially contradicts the results of prior empirical research in the context of general life satisfaction, which concludes that pursuing engagement and meaning are more strongly related to happiness than pursuing pleasure (Schueller and Seligman, 2010). These findings highlight that pleasure is still the dominant amongst the other orientations in consumption contexts. A probable explanation lies in the common perception of consumerism as pleasure in the current postmodern popular culture (McGregor, 2003). In this culture, pleasure is not seen as a vice destructive to authentic happiness, but it is considered as a favourable behaviour (McGregor, 2003). Thus, these changes in the relative importance of the three orientations emphasise how the context plays a key role in shaping people’s orientations in different scenarios.

Lastly, the findings of the current study broaden the conventional understanding of consumer happiness as pleasure only, and equip brand managers in restaurants with a new approach that considers the multidimensional nature of brand experience with all the implied interactions with customers. This approach highlights that consumer happiness can be reached by meaning and engagement. Meaning as an antecedent to happiness is a way to communicate: the relevant meanings promoted by the brand story, and the brand values reinforced by the brand image and identity, in order to achieve customer happiness. On the other hand, engagement can be enhanced by designing more immersive and absorptive environments around the core products, which is expected to contribute to consumer happiness as well.
6.2.6 Happiness as a Contributor to Brand Loyalty and Price Premium

The significance of making customers happy lies not only in cultivating happiness as an end-state (Higgins, 1997) but also in the favoured consumer behaviour that results from such a state as well (Fredrickson, 2001). This echoes the practical need that marketers are required to demonstrate the impact of their activities on firm performance (O'Sullivan and Abela, 2007).

Hypothesis $H6$ concerned with the positive relationship between happiness and brand loyalty was supported by the collected data. In other words, consumer happiness was found to be a predictor of brand loyalty. This is consistent with the previous literature which theoretically conceptualises this causal link based on the hedonic principle of approach-avoidance (Higgins, 1997). The latter proposes that customers tend to repeat pleasurable experiences and happy moments and avoid unpleasant ones. Also, it is consistent with the Broaden-and-Build Theory of positive emotions (Fredrickson, 2006; Fredrickson, 2001; Fredrickson, 1998) which advocates that positive emotions have the ability to broaden people's momentary thought-action repertoires and facilitate building lasting physical, intellectual, social, or psychological resources. Whilst this relationship is suggested theoretically, this is the first study to hypothesise this direct link between consumer happiness and brand loyalty empirically. Supporting this hypothesis entails that happy diners are expected to show more loyalty than other diners. Further, the findings extend the current knowledge on the construct of brand loyalty which has been investigated in relation to multiple marketing constructs, such as: customer satisfaction (Oliver, 1999), trust (Chaudhuri and Holbrook, 2001; Doney and Cannon, 1997), brand symbolism (Ramesh Kumar and Advani, 2005), and service quality (Zeithaml, Berry and Parasuraman, 1996).
Hypothesis $H7$ addressing the positive relationship between happiness and price premium was supported by the findings of this study. This comes in line with the hedonic principle of approach-avoidance (Higgins, 1997) and the Broaden-and-Build Theory (Fredrickson, 2006; Fredrickson, 2001; Fredrickson, 1998). Also, in the extant literature, it is theoretically hypothesised that happy customers will be less sensitive to price increase and will be more willing to pay more to repurchase happy experience (Schmitt, 2012; Andersson and Mossberg, 2004). Contrary to the current study, this theoretical conceptualisation has not been examined empirically. Hence, based on the empirical findings of this research, happy diners will show more readiness to pay a higher price to maintain happiness in their dining experience. These findings demonstrate the significance of the multidimensional interactions of brand experience with customers, and how staging an all-out brand experience can contribute to happiness and its antecedents, which in turn, will enable marketers to charge a premium. Also, it will allow them to evaluate the strength and the health of their brands through monitoring the price premium that can be paid in comparison with the other competing brands, and the changes of price premium over time in response to the changes in the marketing efforts and activities. This readiness to pay a premium is a direct interpretation of the added value of brand experience as perceived by the customers.

6.3 Testing Mediation and Moderation

In the data analysis chapter, the results of mediation test, undertaken following Andrew Hayes’ (2013) method, indicated that the mediation for the four mediators in the study ($Pleasure$, $Meaning$, $Engagement$, and $Happiness$) is supported. To judge the magnitude of the mediation, the size of the indirect effect of every mediation path was checked. Comparing the effect sizes for the first three mediators (see Table 5-20 and Table 5-21 in Chapter 5 for all effect sizes),
which reside on the same level, revealed that *Meaning* has the largest effect magnitudes, followed by *Pleasure*, and finally *Engagement*.

While the effect sizes of *Meaning* ranged from 0.695 for *Relational Brand Experience* to .551 for *Think Brand Experience*; *Pleasure*, having the second largest effect sizes, ranged from 0.388 for *Sensory Brand Experience* to 0.216 for *Emotional Brand Experience* (see Table 5-20). Finally, *Engagement* mediated the paths with the smallest effect sizes ranging from 0.176 for *Sensory Brand Experience* to 0.107 for *Emotional Brand Experience*. For example, the indirect effect of *Pleasure* in mediating the path from *Sensory Brand Experience* to *Happiness* is 0.388. This indirect effect of 0.388 means that two customers who differ by one unit in their reported sensory experience are estimated to differ by 0.388 in their reported happiness as a result of pleasure as an orientation to happiness. This demonstrates the importance of including the three orientations to happiness in the model, and it indicates the significance of mapping diners according to their orientations. Doing so will enable marketing managers to predict the differential increases in happiness resulting from measuring their orientation to happiness. For example, diners who are oriented by meaning are expected to manifest the greater differential increases in happiness, followed by diners who are oriented by pleasure then engagement.

The fourth mediator, *Happiness* also mediates the paths from the three orientations to *Brand Loyalty* and *Price Premium* (see Table 5-21). Following the same logic of effect size demonstrated that the greatest differential increases in *Brand Loyalty* appear when *Happiness* mediates the path from *Meaning* to *Brand Loyalty*. In other words, two diners who differ by one unit in their reported meaning are expected to differ by 0.604 in their brand loyalty as a result of happiness. The second and third greatest mediation effects of *Happiness* are almost equal (0.272 for the path from *Pleasure* to *Brand Loyalty*, and 0.273 from *Engagement* to
Brand Loyalty). The same importance is given to Meaning when addressing Happiness as a mediator for the paths ending with Price Premium. Similar implications can be suggested regarding mapping customers to get the desired behavioural outcome.

The test of moderation, undertaken following Andrew Hayes’ (2013) method as well, revealed that each of age and income moderate only one path in the model of study. Age was found to moderate the relationship between Happiness and Brand Loyalty, and Income was found to moderate the relationship between Happiness and Price Premium (see Table 0-3 and Table 0-5 in Appendix E for all effect sizes). The effect size of this moderation is 0.057. This represents the incremental difference in Brand Loyalty resulting from moving from one age group to the next one. For example, the conditional effect is 0.405 among diners aged 18-24; meaning that the change in Happiness in one unit is estimated to yield a significant increase of 0.405 in Brand Loyalty ($p < 0.001$). The same conditional effect becomes 0.462 for diners from the second age group 25-34; meaning that every increase in Happiness in one unit will significantly lead to a change in Brand Loyalty by 0.462 unit ($p < 0.001$).

These findings imply that older diners show greater loyalty resulting from happiness when compared to younger diners. This can be justified by the argument that age might serve as a proxy for the psychological factor of temporal focus (Mogilner, Aaker and Kamvar, 2012). According to which, when people get older, they become focused more on the present moment. Contrary to this, young people have longer perceived futures and their foci are directed towards time as open-ended (Carstensen, Isaacowitz and Charles, 1999). Therefore, older happy diners will prefer to stay rather than to switch to other dining experience providers (see Figure 6-2 for the mean scores of Brand Loyalty of happy customers based on Age moderation).
Income was also found to moderate the path from *Happiness* to *Price Premium*. The value of interaction coefficient of this path is 0.049. This value quantifies how the effect of *Happiness* on *Price Premium* changes when moving from one income category to the next one. For instance, this conditional effect is 0.22 among participants with annual income < £10000; meaning that the increase in *Happiness* in one unit is expected to produce a significant increase of 0.22 in *Price Premium* (*p* < 0.001). This conditional effect becomes 0.269 for participants with income between £10000 and £19000; meaning that every increase in *Happiness* in one unit will significantly generate a positive change in *Price Premium* by 0.269 unit (*p* < 0.001). The indication here is that happy diners with higher income show more readiness to pay more to have the same dining experience over and above other restaurants offering similar experiences. The current findings are consistent with the conventional economic wisdom suggesting that consumers with higher income can afford to pay a higher premium, and will be less price sensitive (Sethuraman and Cole, 1999; Hoch, 1996) (see *Figure 6-3 for the moderating effect of Income on the willingness of happy customers to pay a premium*).
6.4 Total Effects on Brand Loyalty and Price Premium

First, the main research question should be revisited in order to assess the extent to which the findings of the current study answer this question. The research question proposed is:

- How the individual dimensions of brand experience impact Price Premium and Brand Loyalty differently through the three orientations to happiness (Pleasure, Meaning, and Engagement) and Happiness?

Answering this question requires gauging the unique individual impacts of brand experience dimensions on the two behavioural outcomes, Brand Loyalty and Price Premium. These total effects can be attained by added up the indirect effects of every dimension along the specified
path. For example, the total effect of *Emotional Brand Experience* on *Brand Loyalty* is 0.22 \((0.31\times0.57\times0.77+0.31\times0.34\times0.77)\), and the total effect of *Relational Brand Experience* on *Brand Loyalty* is 0.27 \((0.22\times0.57\times0.77+0.53\times0.12\times0.77+0.48\times0.34\times0.77)\). The total effects of each brand experience dimension on *Happiness*, *Brand Loyalty* and *Price Premium* are illustrated in Table 6-1.

<table>
<thead>
<tr>
<th>Brand Experience</th>
<th>Total effect on Happiness</th>
<th>Total effect on Brand Loyalty</th>
<th>Total effect on Price Premium</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensory Brand Experience</td>
<td>0.12</td>
<td>0.09</td>
<td>0.06</td>
<td>4th</td>
</tr>
<tr>
<td>Emotional Brand Experience</td>
<td>0.28</td>
<td>0.22</td>
<td>0.14</td>
<td>2nd</td>
</tr>
<tr>
<td>Relational Brand Experience</td>
<td>0.35</td>
<td>0.27</td>
<td>0.18</td>
<td>1st</td>
</tr>
<tr>
<td>Think Brand Experience</td>
<td>0.17</td>
<td>0.13</td>
<td>0.09</td>
<td>3rd</td>
</tr>
</tbody>
</table>

It can be concluded from Table 6-1 that the greatest predictor of *Brand Loyalty* and *Price Premium* is *Relational Brand Experience* with total effects of 0.27 and 0.18 respectively. While the second greatest predictor is *Emotional Brand Experience* with total effects of 0.22 and 0.14 respectively, the third predictor is *Think Brand Experience* with total effects of 0.13 and 0.09 respectively. Furthermore, Table 6-1 demonstrates the total effects of brand experience dimensions on *Happiness*. The relative importance of the influences of the four dimensions echoes the previous one when addressing *Brand Loyalty* and *Price Premium*; meaning that *Relational Brand Experience* is ranked first, followed by *Emotional Brand Experience*, then *Think Brand Experience*.

The total effects of the three orientations to *Happiness* on *Brand Loyalty* and *Price Premium* can be calculated in the same way, and they are displayed in Table 6-2. It can be seen that the
best contributor to *Brand Loyalty* and *Price Premium* is *Pleasure*, followed by *Engagement*. These total effect sizes echo the relative importance of the three orientations in their contribution to consumer happiness. Lastly, the total effect sizes in the model tend to be small due the two levels of mediators explaining the causal relationships between brand experience dimensions and the behavioural outcomes.

Table 6-2: The Total Effects of Each Orientation to Happiness on both Brand Loyalty and Price Premium

<table>
<thead>
<tr>
<th>Orientations to Happiness</th>
<th>Total effect on Brand Loyalty</th>
<th>Total effect on Price Premium</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pleasure</td>
<td>0.42</td>
<td>0.29</td>
<td>1st</td>
</tr>
<tr>
<td>Meaning</td>
<td>0.09</td>
<td>0.06</td>
<td>3rd</td>
</tr>
<tr>
<td>Engagement</td>
<td>0.26</td>
<td>0.17</td>
<td>2nd</td>
</tr>
</tbody>
</table>
7 CHAPTER SEVEN: CONTRIBUTIONS, IMPLICATIONS AND LIMITATIONS

7.1 Introduction

This chapter discusses five main sections. The first section addresses five key theoretical contributions related to extending the body of knowledge on brand experience and consumer happiness. These research contributions are outlined based on the gaps identified at the beginning of the study. While, the second section involves various methodological implications, the third section discusses multiple managerial implications for the brand managers in the restaurant industry. Next, three research limitations connected to research design and measurement are reviewed. Finally, several constructive directions for future research are recommended.

7.2 Research Contributions

7.2.1 Theoretical Implications

The starting point of this project was identifying several gaps in the literature of consumer research. In the following are the theoretical contributions of the study which bridged these gaps and extended the knowledge in the theory of marketing in several ways. The first contribution is related to the need for more research on the relation between brand experience and consumer behaviour outcomes (Schmitt, 2009). In particular, little is known about how brand experience affects price premium despite the importance of the latter (Aaker, 1996b). Therefore, this study is the first to validate the positive effect of brand experience dimensions
on price premium. Adding to the growing body of evidence on the importance of brand loyalty, this research also confirmed the positive impacts of brand experience on brand loyalty which had been investigated in previous research (Nysveen, Pedersen and Skard, 2013; Lee and Kang, 2012; Iglesias, Singh and Batista-Foguet, 2011; Brakus, Schmitt and Zarantonello, 2009).

The second contribution is concerned with the way the construct of brand experience is addressed. One gap in the literature showed that this concept has been investigated as either a one-component construct or as a multiple dimension construct dealt with as a one-component construct (e.g.: Iglesias, Singh and Batista-Foguet, 2011; Zarantonello and Schmitt, 2010; Brakus, Schmitt and Zarantonello, 2009). In addition, the need for more research on the influence of brand experience not only in an aggregated form, but also at the individual dimension level and its relationships with specific outcome variables is called for and emphasised by Schmitt (2011). The current study demonstrated the unique influences of each of brand experience dimensions on two behavioural outcomes, brand loyalty and price premium. The findings illustrated that, among the other dimensions, relational brand experience was the best predictor of brand loyalty and price premium alike. While the second greatest contributor was emotional brand experience, the third and fourth predictors were think brand experience and sensory brand experience respectively. This extends the knowledge on the relative importance of each brand experience dimension.

The third contribution is linked to the need for a well-defined understanding of the antecedents and consequences of consumer happiness, which covers how a specific brand experience contributes to the episodic happiness of consumer (Nicolao, Irwin and Goodman, 2009), and how happiness stems from brand purchase and consumption, and impacts consumer behaviour outcomes (Mogilner, Aaker and Kamvar, 2012). In addition, the empirical evidence on how
brand experience influences happiness is limited despite the increasing trend of happiness adoption by practitioners in their marketing communications (Mogilner, Aaker and Kamvar, 2012). Consequently, this study is the first to assess the relative importance of brand experience dimensions in shaping consumer happiness. The weights of importance for every dimension were similar to the aforementioned weights in the case of brand loyalty and price premium; meaning that relational brand experience is the key contributor to consumer happiness. On the other hand, happiness was proved to be a better predictor of brand loyalty than of price premium, which adds up to the knowledge of the construct of brand loyalty.

The fourth theoretical contribution is presented based on the gap addressing the limited evidence in the literature relating the three orientations/antecedents to happiness (pleasure, meaning, and engagement) to the subjective judgment of episodic happiness resulting from consumption. For the first time, the findings of this study reveal how different customers reach happiness through different orientations and routes, suggesting a departure from the unitary concept of happiness depending on pleasure to the view saying that happiness should be viewed as an outcome of pleasure, meaning and engagement simultaneously. Therefore, the current project is the first empirical study to examine the Three Orientation Model in a consumption context. The discussion of results demonstrated that happiness was most influenced by pleasure. Whilst the second greatest contributor to happiness was engagement, the least contributor to consumer happiness was meaning. These findings highlight that pleasure is still the dominant amongst the other orientations in the current postmodern popular culture (McGregor, 2003). Subsequently, these changes in the relative importance of the three orientations emphasise how contexts play a key role in shaping people’s orientations in different scenarios.
The last theoretical contribution resides in confirming both the mediation and moderation involved. It was concluded that happiness and its orientations do mediate the relationships between brand experience dimensions on the one side and brand loyalty and price premium on the other side. These results present a better understanding of the construct of happiness and its influence in determining consumer behavioural outcomes. Moreover, the moderation test pointed out the effect of age and income as two moderators for two relationships in the model of study. It was found out that happy older customers were more loyal than younger ones, and happy diners with higher income showed more readiness to pay a higher price to maintain happiness in their dining experience.

7.2.2 Methodological Implications

The first methodological contribution of this research is concerned with the novelty of the context of study. The existing research on dining experience is fragmented in terms of the conceptualisation of dining experience. It does not sufficiently delineate between utilitarian and experiential aspects of this experience, and it lacks the proper comprehension of the holistic hedonic quality of consumption. Furthermore, it is evident that the current studies on dining experience at restaurants show little evidence of a well-established understanding of the multidimensionality of this experience. This study is the first study to investigate brand experience in the context of dining experience in restaurants in the UK.

The importance of this sector stems from the fact that the restaurant market in the UK is a sizeable market with a value reaching £29.19 billion in 2013 and with an expected value of £33.15 billion in 2018 according to a report by Mintel (2015). Additionally, the brand shares retrieved from the industry demonstrate the high competition among the major players in the sector and emphasises the need for differentiation (Passport, 2016a).
In addition, within a quantitative research design, the current study employed a large quota sample consisting of 1086 British participants living in the UK and recruited online. This type of sampling has significant qualities regarding generalisability and the ability to draw insightful conclusions. Also, this study used structural equation modelling technique to test the hypotheses in the model. This is an advantageous modelling technique because it allows researchers to statistically model and test complex phenomena, and it better recognises the issues of validity, reliability and measurement error (Hox and Bechger, 1998).

### 7.2.3 Managerial Implications

This study has investigated the concept of brand experience and its influences on brand loyalty and price premium through happiness and its orientations. The findings of this research provide several insightful practical implications for marketing managers in the restaurant sector and in the service domain as well. This will equip those managers with a long-lasting competitive advantage and unique differentiation for their offers.

The first fundamental practical implication is related to demonstrating the individual influences of brand experience dimensions on happiness and two outcomes of happiness, instead of focusing on brand experience as a whole. The findings illustrated that, among the other dimensions, relational brand experience was the best predictor of happiness, brand loyalty and price premium alike. This means that marketing managers in restaurants who plan to enhance these two outcomes need to heed the relational elements when designing dining experiences. To achieve this task, they have to make the most out of the concepts of communal consumption and brand community especially for the brands having strong images and rich histories (Muniz and O’Guinn, 2001).
Numerous recommendations can be offered to develop better relational brand experience at restaurant. In general, branded restaurants which promote certain lifestyles, cultures or celebrities provide relational experience relating customers to these lifestyles, cultures or celebrities in a way that makes customers feel that they are members of a specific social group. Themed environments and restaurants appear to be a successful tool in supporting such an experience (Gottdiener, 2006).

Examples include the Hard Rock Café and Planet Hollywood. The former employs well the rock and roll music memorabilia in their décor with more than 80000 pieces mounted on their walls (Hard Rock, 2016). These practices and others guarantee strong associations between customers and a certain social group that identifies itself with hard rock music. Not only big chained restaurant brands, but also small individually owned brands can create their own theme in the competitive environment of dining out (Gottdiener, 2006). The successful thematising of spaces is highly likely to produce a flow state and a sense of immersion as well. Another approach of supporting the relational experience involves celebrity endorsement (Erdogan, 1999) which relates a dining experience to the social group and the lifestyle this celebrity represents. Examples of these celebrities comprise Jamie Oliver and Gordon Ramsay (Gordon Ramsay, 2016; Jamie's Italian, 2016).

The results revealed that emotional brand experience was the second-best predictor of happiness, brand loyalty and price premium as well. This highlights the significance of emotions in branding as contributors to happier and more loyal customers. When designing brand experiences, marketing managers are recommended to pay attention to the emotions embedded in the dining experience and throughout all the touchpoints with their diners. Some
examples of positive emotions specific to marketing situations include: love, romance, peacefulness, contentment, excitement, optimism, and joy (Richins, 1997).

In this regard, the design and personnel of a restaurant can generate such positive emotions (Gobé, 2007). Innovative design suggests ideas which diners can love and talk about and even recommend to others (Gobé, 2007). For instance, a special dining experience charged with romantic ambience is expected to imprint memorable moments in the mind of diners. Within this view, the sensory aspects of an experience work in line with the emotional ones as vehicles to produce the final favourable experience.

One example which successfully employs emotions in its dining experience is Ed’s Easy Diner (Ed’s, 2016). This restaurant stages nostalgic emotions via a classic American retro diner theme from the 1950’s. The nostalgic feelings incited at the restaurant create a rich and memorable experience and generate a sense of immersion for consumer. These recommendations do not apply only to big chained restaurants, but also on small and independent restaurants as well.

Bakchich, an independent restaurant in the UK, has succeeded in presenting nostalgic emotions through paying attention to details to offer an authentic Middle Eastern design with a theme of Beirut in the 1970s (Bakchich, 2016). The successful execution of affective dining experience might result in a better attitude towards the brand in the total absence of rational beliefs and product features and attributes (Chaudhuri, 2006). Further, according to the results of this study, this successful execution will make customers happy, more loyal, and more willing to pay a premium.

The final managerial implication is related to the Three Orientation Model. The inclusion of meaning and engagement broadens the conventional and narrow understanding of happiness as pleasure, and it gives marketing managers the opportunity to map experiential diners
according to their orientations. They will be able to segment consumer market based on the main view they follow towards happiness. For instance, to reach diners who view happiness as meaning, they should maintain an attractive relational appeal in their experiential offerings. Based on the group analysis, it is recommended that marketing managers should focus on older diners to achieve stronger loyalty. Lastly, effectively charging a premium for their experiences requires targeting diners with higher income.

7.3 Research Limitations

Every research project has its own limitations, and this study was not an exception. The limitations were pertaining to issues like research design and measurement. First, consumers’ ratings on happy experiences are prone to bias as they depend on their remembered experience, not the profile of experience (Kahneman and Krueger, 2006). That is, customers do not average or combine the experience in the whole sequence; rather, they depend on the gestalt characteristics of the most intense moments and final moments (Schmitt, 2011).

Second, individuals’ feelings are generally influenced by what they do, with whom they do, and by the place they happen to be in at the moment of responding to the scale (Csikszentmihalyi, 1997). In other words, happiness correlates with the relative presence of positive and negative emotions, such as: pleasantness of emotions, sensory feelings, and mood (Bettingen and Luedicke, 2009; Diener, 2000). Therefore, the reported happiness might be contaminated with bias.

Third, the lack of agreement on happiness terminology poses a great challenge (Delle Fave et al., 2011). The definitions and understanding of happiness, which is an ambiguous term, stem from the philosophical views; however, the consistency between what people perceive as
happiness and what academics refer to as happiness is flawed (Delle Fave et al., 2011; Ryff, 1989). This can be attributed to the confusing nomenclature which yields semantic differences, like pleasure, happiness, joy, and delightfulness with uncertain borders in the mind of respondents.

7.4 Future Research

In the last section, it is constructive to touch upon directions for future research. As can be seen from the design of this study, the concept of consumer happiness was measured based on the remembered happiness which poses certain bias threats. If an individual’s happiness level is measured at only one occasion, it is by definition very difficult to detect the variations of happiness. However, it is well-established that emotional states, including happiness, are characterised of being quite volatile and responsive to environmental conditions (Csikszentmihalyi and Hunter, 2014).

In this regard, it is useful to employ the Experience Sampling Method (ESM) to capture the true levels of happiness. ESM is a research procedure in which respondents provide self-reports at random occasions about what they do, feel, and think during their daily activities in a normal week (Larson and Csikszentmihalyi, 2014). Within the view of consumer happiness, when repeatedly measuring happiness over a representative period of a consumer’s life after consumption occasions, this method will enable researchers: (1) to attain indicators of momentary happiness resulting from consumption which is an immediate environmental circumstance; and (2) to aggregate the momentary happiness over a certain period of time to obtain a trait-like measure of consumer happiness (Csikszentmihalyi and Hunter, 2014). Developing particular smartphone applications for this purpose can facilitate reporting happiness through ESM.
In this study, pleasure, meaning and engagement were viewed as three orientations to happiness that can be pursued simultaneously. However, the nature of interactions between these orientations needs to be investigated (Vella-Brodrick, 2014). For example, the flow experience can be seen as a force for expansion in relation to the individual’s goal and interest structure, as well as for the growth of skills pertaining to a current interest (Csikszentmihalyi, 2014a). Further, it is argued that the flow state constitutes a synthesis of hedonic and eudaimonic approaches to happiness (Moneta, 2004).

Linking the time scale to the study of the three orientations to happiness will extend the understanding of happiness and its orientations in consumption contexts. In other words, the episodic pursuit of pleasure and engagement tends to be perceived as a short and temporary process, while following meaning is considered to be long.

This research benefited from the Theory of Authentic Happiness with its three elements, pleasure, meaning, and engagement (Seligman, 2002). Yet, there is a great deal to be learned about the phenomena of happiness. According to the Theory of Flourish, this conceptualisation can be expanded to include two more elements, accomplishment and positive relations (Seligman, 2012). It is advocated that these two elements constitute new orientations as they can contribute to happiness, many individuals pursue them for their own sake, and they can be measured independently of the other elements (Seligman, 2012). It would be insightful to investigate the relevancy of these two new orientations in consumer research and their influence on consumer happiness.

Finally, the current research was undertaken in the context of dining experience in restaurants in the UK. Future research should validate the model of study in different product and service domains and with a variety of brands. Furthermore, it is insightful to substantiate the model
across cultures as the consumption patterns change accordingly. This will also shed some light on the relationship between brand experience, happiness and its orientations on the one hand, and social value systems on the other hand, taking into account the active interaction of human beings with their cultural context (Delle Fave and Bassi, 2014).
APPENDIX A

The History of Happiness

Religious scholars, thinkers and philosophers have long been interested in the good life achievement (Russell, 1930). Confucius, Buddha, Socrates, Aristotle, and Kant are among those scholars who were interested in unfolding what constitutes happiness or a good life (Schmitt, 2012). In the book titled ‘Hedonistic theories: from Aristippus to Spencer’, Watson (1895) provides a critical account of hedonistic theories in their historical succession. According to Watson (1895), the ancient Greek philosopher Aristippus (435–366 BCE) held a naïve doctrine of hedonism that pleasure of the moment is the single end life. Therefore, his theory was criticised as being false to the real nature of man (Watson, 1895). Retaining an ethical approach, Epicurus (342–270 BCE) agreed with Aristippus that pleasure is the end. However, he maintained that this pleasure is attained by foresight (Watson, 1895). These early philosophical hedonic views have been followed by many others. Thomas Hobbes (1588–1679) showed the impact of Christianity on Hedonism and departed from the conventional thought on maximising pleasure. He contended that the end is the ideal goodness, and a man should free himself from selfishness and seek the common good in society (Watson, 1895). For the first time in human history in the enlightenment ear, the philosophy of happiness freed itself from the unfailing law of suffering and the guilt of the thought of worldly delight inherited from Christianity, and the good feeling and pleasure started to be viewed as a right of life (McMahon, 2008). Following this change, the British philosophers David Hume (1711–1776) and Jeremy Bentham (1748–1832) established the foundation for utilitarianism through the concept of hedonism (Peterson, Park and Seligman, 2005). In 1776 in the United States,
Thomas Jefferson emphasised the right to the pursuit of happiness in the American Declaration of Independence; however, its attainment was not guaranteed (Stearns, 2012; McMahon, 2008).

Contrary to the hedonistic doctrine, the concept of eudaimonia, or civil happiness (Frey, 2008), expounded by Aristotle (384–322 BCE), emphasises the process of identifying one’s virtues, cultivating them and living in harmony with them as the way to achieve happiness (Peterson, Park and Seligman, 2005). Among the philosophers who came later and stood in line with the notion of eudaimonia are John Stuart Mill (1806–1873) and Bertrand Russell (1872–1970) (Peterson, Park and Seligman, 2005; Russell, 1930). Late in his life, Bertrand Russell admitted that happiness cannot be pursuit by itself, but by fixing our minds on objects other than the direct pursuit of happiness—like the happiness of others—and happiness will be found by the way (McMahon, 2008). In other words, it is a by-product in pursuing meaningful activities and relationships (Martin, 2008). Peterson, Park and Seligman (2005) argue that the works of these philosophers reinforced the modern psychological notions propounded by the ideal of the fully-functioning person (Rogers, 1951), the concept of self-actualisation (Maslow, 1970), vision of psychological well-being (Ryff and Singer, 1996), and self-determination theory (Deci and Ryan, 2000). It can be seen that the fundamental premise which eudaimonia holds is that individuals should seek the development of the good within themselves and they need to employ it to reinforce the welfare of other people and humankind in general (Peterson, Park and Seligman, 2005).
Thank you for your interest in completing this survey.

- We are studying the dining experience of customers, and how those customers respond to the different elements of the environments provided by these restaurants.
- Your opinion is very important to us.
- You are kindly asked to complete a survey about a previous visit to a restaurant. This will take approximately 10 minutes to complete.

Your participation is voluntary and you can choose to decline to answer any question in the survey or to withdraw at any point. Any information provided by you here will be treated as Strictly Confidential, will not be attributed to you as an individual and will be used only for the purpose of this study. For further information on this study you can contact Karam Al Mandil, Brunel Business School, at: Karam.Al-Mandil@brunel.ac.uk.

Imagine a day when you were busy and worked hard all day. At the end of that day you were very hungry and you wanted to dine out. Which restaurant would you normally pick on that day? (Please write down a restaurant name):

........................................

Think about your experience at this restaurant and based on it please tick the appropriate box for the following statements:

<table>
<thead>
<tr>
<th></th>
<th>Not at all</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>Very much</th>
</tr>
</thead>
<tbody>
<tr>
<td>This restaurant makes a strong impression on my visual senses or other senses.</td>
<td>□</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>□</td>
</tr>
<tr>
<td>I find this restaurant interesting in a sensory way.</td>
<td>□</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>□</td>
</tr>
<tr>
<td>This restaurant appeals to my senses.</td>
<td>□</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>□</td>
</tr>
<tr>
<td>This restaurant induces my feelings and sentiments.</td>
<td>□</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>□</td>
</tr>
<tr>
<td>I have strong emotions for this restaurant.</td>
<td>□</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>□</td>
</tr>
<tr>
<td>This restaurant often engages me emotionally.</td>
<td>□</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>□</td>
</tr>
<tr>
<td>As a customer of this restaurant I feel that I am socially engaged.</td>
<td>□</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>□</td>
</tr>
</tbody>
</table>
I feel that I can relate to other people in this restaurant.

This restaurant makes me think about relationships with other people.

This restaurant tries to intrigue me.

This restaurant stimulates my curiosity.

This restaurant does not appeal to my creative thinking.

<table>
<thead>
<tr>
<th></th>
<th>Not at all</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>Very much</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visiting this restaurant makes me happy.</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visiting this restaurant contributes to my overall happiness in life.</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My visit to this restaurant is personally fulfilling.</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My experience at this restaurant is meaningful.</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eating at this restaurant really improves the quality of my life.</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>When I go to this restaurant I feel delighted.</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Still thinking about your experience at this restaurant... Please tick the appropriate choice for all the following statements:

<table>
<thead>
<tr>
<th></th>
<th>Not at all</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>Very much</th>
</tr>
</thead>
<tbody>
<tr>
<td>I consider this restaurant as a first choice when I think of its type of food.</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I give prior consideration to this restaurant when I plan to dine out and think of its type of food.</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have a strong preference for this restaurant.</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I like this restaurant more than other restaurants offering the same kind of food.</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am committed to this restaurant.</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I intend to keep visiting this restaurant in the future.</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
I will choose this restaurant next time I intend to have food from its cuisine.

I would be willing to pay a higher price for dining at this restaurant over and above other restaurants offering the same kind of food.

How much more (in percentage) as a price premium (average) would you pay for this restaurant over another restaurant offering similar food? (%)

Please keep thinking of your experience at this restaurant and tick the appropriate box for all the following statements:

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>During my visit to this restaurant, time passes very quickly.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I feel totally absorbed in my experience at this restaurant.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In this restaurant, I rarely get distracted by what is going on outside our table.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I get entirely engaged in what I do in the restaurant.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My visit is an opportunity to please my senses such as sense of smell or taste or visual sense.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For me, the good restaurant is the one which stimulates my senses.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In choosing the restaurant, I always take into account whether it will be pleasurable for my senses (e.g. smell, taste, décor).</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I go to this restaurant to indulge my senses.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>What matters in a dining experience is spending time with others.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I only visit restaurants that are in accordance with my set of values and priorities in life.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caring for others (such as my co-diners) is an important driver of my visit.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>What matters in a dining experience is my co-diners’ happiness.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In choosing where to dine, I always consider if it will benefit other people.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Income Range</td>
<td>Less than £10000</td>
<td>£10000-£19999</td>
<td>£20000-£29999</td>
<td>£30000-£39999</td>
<td>£40000 or More</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------</td>
<td>------------------</td>
<td>----------------</td>
<td>---------------</td>
<td>----------------</td>
<td>----------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specified</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What is your average annual income?

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

What is your gender?

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Single</th>
<th>Married</th>
<th>Divorced</th>
<th>Widowed</th>
<th>Civil Partnership</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

What is your current marital status?

<table>
<thead>
<tr>
<th>Highest Level of Education</th>
<th>Secondary Education (GCSE/O-Levels)</th>
<th>Vocational Qualification (Diploma, Certificate...)</th>
<th>Post-Secondary Education (College, A-Levels...)</th>
<th>Undergraduate Degree (BA, BSc etc.)</th>
<th>Post-graduate Degree (MA, MSc etc.)</th>
<th>Doctorate (PhD)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

Which of these best describes your highest level of education?

<table>
<thead>
<tr>
<th>Age Group</th>
<th>18-24</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55-64</th>
<th>65+</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

What is your age group?

What is the country of your nationality?

Which country are you currently living in?

You can leave a final comment here. (optional)

Thanks for taking part. We hope you enjoyed the survey.
APPENDIX C: The Hypothesised Structural Model of the Present Study
### APPENDIX D

Comparison of Standardised Factor Loadings between CFA and Measurement Model

<table>
<thead>
<tr>
<th>Construct</th>
<th>Item</th>
<th>CFA Model</th>
<th>Structural Model</th>
<th>CFA Model</th>
<th>Structural Model</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Standardised factor Loadings</td>
<td></td>
<td>Construct Reliability CR</td>
<td></td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>BR_LO2</td>
<td>0.82</td>
<td>0.82</td>
<td>0.88</td>
<td>0.88</td>
</tr>
<tr>
<td></td>
<td>BR_LO3</td>
<td>0.88</td>
<td>0.86</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BR_LO4</td>
<td>0.80</td>
<td>0.78</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relational Brand Experience</td>
<td>BE_R1</td>
<td>0.89</td>
<td>0.88</td>
<td>0.82</td>
<td>0.81</td>
</tr>
<tr>
<td></td>
<td>BE_R2</td>
<td>0.76</td>
<td>0.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Think Brand experience</td>
<td>BE_T1</td>
<td>0.90</td>
<td>0.90</td>
<td>0.92</td>
<td>0.92</td>
</tr>
<tr>
<td></td>
<td>BE_T2</td>
<td>0.93</td>
<td>0.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pleasure</td>
<td>HAP_PLE1</td>
<td>0.87</td>
<td>0.86</td>
<td>0.92</td>
<td>0.92</td>
</tr>
<tr>
<td></td>
<td>HAP_PLE2</td>
<td>0.84</td>
<td>0.83</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HAP_PLE3</td>
<td>0.84</td>
<td>0.83</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HAP_PLE4</td>
<td>0.89</td>
<td>0.88</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Happiness</td>
<td>HAPP2</td>
<td>0.84</td>
<td>0.83</td>
<td>0.93</td>
<td>0.93</td>
</tr>
<tr>
<td></td>
<td>HAPP3</td>
<td>0.89</td>
<td>0.88</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HAPP4</td>
<td>0.89</td>
<td>0.88</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HAPP5</td>
<td>0.85</td>
<td>0.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emotional Brand Experience</td>
<td>BE_E2</td>
<td>0.90</td>
<td>0.90</td>
<td>0.91</td>
<td>0.91</td>
</tr>
<tr>
<td></td>
<td>BE_E3</td>
<td>0.91</td>
<td>0.91</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sensory Brand Experience</td>
<td>BE_S1</td>
<td>0.87</td>
<td>0.87</td>
<td>0.93</td>
<td>0.93</td>
</tr>
<tr>
<td></td>
<td>BE_S2</td>
<td>0.90</td>
<td>0.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BE_S3</td>
<td>0.91</td>
<td>0.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meaning</td>
<td>HAP_MEN3</td>
<td>0.85</td>
<td>0.85</td>
<td>0.89</td>
<td>0.89</td>
</tr>
<tr>
<td></td>
<td>HAP_MEN4</td>
<td>0.89</td>
<td>0.89</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HAP_MEN5</td>
<td>0.81</td>
<td>0.81</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engagement</td>
<td>HAP_ENG3</td>
<td>0.60</td>
<td>0.59</td>
<td>0.77</td>
<td>0.74</td>
</tr>
<tr>
<td></td>
<td>HAP_ENG4</td>
<td>0.94</td>
<td>0.90</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX E

Test of Moderation:

The test of moderation in this study was performed on the demographic variables, namely Gender, Age and Income, in order to assess the impact they might impose on the relationships established between the variables in the present study. When investigations are undertaken to examine if the effects of one variable on another are contingent on a certain variable, the relevant analytical strategy would be the moderation (or interaction) analysis (Hayes, 2013). The moderators are considered to be classifications of respondents based on one characteristic or another, such as the popular demographic variables of age, gender and income (Hair et al., 2010).

The aforementioned macro PROCESS, developed by Andrew Hayes (2014), was added to SPSS 20 in order to estimate the moderation model. This macro produces the change in the variance in the dependent variable attributed to the proposed moderator. Moreover, the $p$-value of this increase or change is estimated. Employing his macro enables researchers to probe an interaction through following up additional inferential tests that construct the boundaries of the areas in the distribution of the moderator where an independent variable has an effect on a dependent variable that is different from zero and where it does not (Hayes, 2013). The simple slope analysis (or called sometimes pick-a-point or spotlight analysis) is a common method to probe an interaction (Spiller et al., 2013; Jaccard and Turrisi, 2003). For Gender, as a dichotomous variable, the conditional effect of the independent on the dependent variable is examined normally for both males and females, along with: (1) the $p$-value for a two-tailed test of the null hypothesis that the conditional effect is zero, and (2) the confidence intervals for the true value of the conditional effect (Hayes, 2013). For Age and Income, which have six and
five categories respectively, the same statistics are generated and the conditional effect is estimated for all the values of Age and Income categories by specifying the option mmodval = m in PROCESS, where m is the different categories of Age and Income as moderators. The test is applied to the significant relationships (or paths) produced in Table 5-19 since the significance of the relationship is a prerequisite of the moderation analysis (Hayes, 2013). The test was run after specifying 1000 bootstrap samples, 95% confidence level for confidence intervals, and biased corrected bootstrap confidence intervals method. In relation to the test of moderation for Gender, Table 0-1 depicts the paths tested, the interaction coefficient, t statistic and its significance level, R-square increase due to the interaction, and the lower and upper limits of bootstrap confidence interval.

Table 0-1: Test of Moderation for Gender

<table>
<thead>
<tr>
<th>Path</th>
<th>Interaction Coefficient</th>
<th>t</th>
<th>Significance of Interaction</th>
<th>R-square increase due to interaction(s)</th>
<th>BootLLCI</th>
<th>BootULCI</th>
<th>Moderation</th>
</tr>
</thead>
<tbody>
<tr>
<td>BE_S → HAP_PLE</td>
<td>0.06</td>
<td>1.156</td>
<td>NS</td>
<td>0.0007</td>
<td>-0.0393</td>
<td>0.1522</td>
<td>Not Supported</td>
</tr>
<tr>
<td>BE_E → HAP_PLE</td>
<td>0.07</td>
<td>1.882</td>
<td>NS</td>
<td>0.0019</td>
<td>-0.0032</td>
<td>0.1519</td>
<td>Not Supported</td>
</tr>
<tr>
<td>BE_E → HAP_ENG</td>
<td>0.06</td>
<td>1.370</td>
<td>NS</td>
<td>0.0013</td>
<td>-0.0258</td>
<td>0.1450</td>
<td>Not Supported</td>
</tr>
<tr>
<td>BE_R → HAP_PLE</td>
<td>0.03</td>
<td>0.554</td>
<td>NS</td>
<td>0.0002</td>
<td>-0.0679</td>
<td>0.1213</td>
<td>Not Supported</td>
</tr>
<tr>
<td>BE_R → HAP_MEN</td>
<td>-0.06</td>
<td>-1.162</td>
<td>NS</td>
<td>0.0007</td>
<td>-0.1480</td>
<td>0.0379</td>
<td>Not Supported</td>
</tr>
<tr>
<td>BE_R → HAP_ENG</td>
<td>0.04</td>
<td>0.790</td>
<td>NS</td>
<td>0.0004</td>
<td>-0.0592</td>
<td>0.1389</td>
<td>Not Supported</td>
</tr>
<tr>
<td>BE_T → HAP_PLE</td>
<td>-0.03</td>
<td>-0.684</td>
<td>NS</td>
<td>0.0003</td>
<td>-0.0984</td>
<td>0.0475</td>
<td>Not Supported</td>
</tr>
<tr>
<td>BE_T → HAP_ENG</td>
<td>-0.02</td>
<td>-0.557</td>
<td>NS</td>
<td>0.0002</td>
<td>-0.1036</td>
<td>0.0578</td>
<td>Not Supported</td>
</tr>
<tr>
<td>HAP_PLE → HAP</td>
<td>-0.08</td>
<td>-1.706</td>
<td>NS</td>
<td>0.0014</td>
<td>-0.1670</td>
<td>0.0117</td>
<td>Not Supported</td>
</tr>
<tr>
<td>HAP_MEN → HAP</td>
<td>0.02</td>
<td>1.623</td>
<td>NS</td>
<td>0.0001</td>
<td>-0.0033</td>
<td>0.0348</td>
<td>Not Supported</td>
</tr>
<tr>
<td>HAP_ENG → HAP</td>
<td>-0.04</td>
<td>-0.790</td>
<td>NS</td>
<td>0.0004</td>
<td>-0.1516</td>
<td>0.0646</td>
<td>Not Supported</td>
</tr>
<tr>
<td>HAPP → BR_LO</td>
<td>-0.01</td>
<td>-0.346</td>
<td>NS</td>
<td>0.0001</td>
<td>-0.0945</td>
<td>0.0662</td>
<td>Not Supported</td>
</tr>
<tr>
<td>HAPP → PP</td>
<td>-0.05</td>
<td>-1.126</td>
<td>NS</td>
<td>0.0010</td>
<td>-0.1403</td>
<td>0.0380</td>
<td>Not Supported</td>
</tr>
</tbody>
</table>

*** Significant at the level 0.001 (p < 0.001)  | NS: Not Significant
**  Significant at the level 0.01  (p < 0.01)  | BootLLCI: The lower limit of confidence interval
*   Significant at the level 0.05  (p < 0.05)  | BootULCI: The upper limit of confidence interval
Scanning the results in Table 0-1 reveals that all the interactions were nonsignificant and zero was contained in all the bootstrap confidence intervals. Therefore, it can be concluded that Gender does not moderate any of the relationships in the study, and there were no significant differences between the two groups of females and males.

Table 0-2 shows the moderation test for Age. The results in this table indicate that Age also does not moderate any of the proposed relationships except for the path \( \text{HAPP} \rightarrow \text{BR}_\text{LO} \).

### Table 0-2: Test of Moderation for Age

<table>
<thead>
<tr>
<th>Path</th>
<th>Interaction Coefficient</th>
<th>t</th>
<th>Significance of Interaction</th>
<th>R-square increase due to interaction(s)</th>
<th>BootLLCI</th>
<th>BootULCI</th>
<th>Moderation</th>
</tr>
</thead>
<tbody>
<tr>
<td>( \text{BE}<em>\text{S} \rightarrow \text{HAP}</em>\text{PLE} )</td>
<td>0.00</td>
<td>0.588</td>
<td>NS</td>
<td>0.0002</td>
<td>-0.0204</td>
<td>0.0379</td>
<td>Not Supported</td>
</tr>
<tr>
<td>( \text{BE}<em>\text{E} \rightarrow \text{HAP}</em>\text{PLE} )</td>
<td>-0.01</td>
<td>-0.113</td>
<td>NS</td>
<td>0.0038</td>
<td>-0.1669</td>
<td>0.1460</td>
<td>Not Supported</td>
</tr>
<tr>
<td>( \text{BE}<em>\text{E} \rightarrow \text{HAP}</em>\text{ENG} )</td>
<td>-0.02</td>
<td>-1.696</td>
<td>NS</td>
<td>0.0020</td>
<td>-0.0457</td>
<td>0.0033</td>
<td>Not Supported</td>
</tr>
<tr>
<td>( \text{BE}<em>\text{R} \rightarrow \text{HAP}</em>\text{PLE} )</td>
<td>-0.02</td>
<td>-0.316</td>
<td>NS</td>
<td>0.0002</td>
<td>-0.0079</td>
<td>0.0460</td>
<td>Not Supported</td>
</tr>
<tr>
<td>( \text{BE}<em>\text{R} \rightarrow \text{HAP}</em>\text{MEN} )</td>
<td>0.02</td>
<td>1.386</td>
<td>NS</td>
<td>0.0009</td>
<td>-0.0079</td>
<td>0.0460</td>
<td>Not Supported</td>
</tr>
<tr>
<td>( \text{BE}<em>\text{R} \rightarrow \text{HAP}</em>\text{ENG} )</td>
<td>0.00</td>
<td>-0.336</td>
<td>NS</td>
<td>0.0001</td>
<td>-0.0337</td>
<td>0.0239</td>
<td>Not Supported</td>
</tr>
<tr>
<td>( \text{BE}<em>\text{T} \rightarrow \text{HAP}</em>\text{PLE} )</td>
<td>0.01</td>
<td>1.228</td>
<td>NS</td>
<td>0.0008</td>
<td>-0.008</td>
<td>0.0349</td>
<td>Not Supported</td>
</tr>
<tr>
<td>( \text{BE}<em>\text{T} \rightarrow \text{HAP}</em>\text{ENG} )</td>
<td>-0.02</td>
<td>-1.290</td>
<td>NS</td>
<td>0.0012</td>
<td>-0.0393</td>
<td>0.0081</td>
<td>Not Supported</td>
</tr>
<tr>
<td>( \text{HAP}_\text{PLE} \rightarrow \text{HAPP} )</td>
<td>0.00</td>
<td>0.224</td>
<td>NS</td>
<td>0.0000</td>
<td>-0.023</td>
<td>0.0289</td>
<td>Not Supported</td>
</tr>
<tr>
<td>( \text{HAP}_\text{MEN} \rightarrow \text{HAPP} )</td>
<td>0.00</td>
<td>-1.226</td>
<td>NS</td>
<td>0.0000</td>
<td>-0.0087</td>
<td>0.0020</td>
<td>Not Supported</td>
</tr>
<tr>
<td>( \text{HAP}_\text{ENG} \rightarrow \text{HAPP} )</td>
<td>-0.01</td>
<td>-0.401</td>
<td>NS</td>
<td>0.0001</td>
<td>-0.0362</td>
<td>0.0239</td>
<td>Not Supported</td>
</tr>
<tr>
<td>( \text{HAPP} \rightarrow \text{BR}_\text{LO} )</td>
<td><strong>0.057</strong></td>
<td><strong>4.970</strong></td>
<td>***</td>
<td><strong>0.0134</strong></td>
<td><strong>0.0345</strong></td>
<td><strong>0.0795</strong></td>
<td>Supported</td>
</tr>
<tr>
<td>( \text{HAPP} \rightarrow \text{PP} )</td>
<td>0.02</td>
<td>1.896</td>
<td>NS</td>
<td>0.0027</td>
<td>-0.0008</td>
<td>0.0488</td>
<td>Not Supported</td>
</tr>
</tbody>
</table>

*** Significant at the level 0.001 (p < 0.001)

NS: Not Significant

BootLLCI: The lower limit of confidence interval

BootULCI: The upper limit of confidence interval

The corresponding interaction coefficient of this path is 0.057. This value quantifies how the effect of Happiness on Brand Loyalty changes when moving to the next age category. In order to probe these differences and to better discern the substantive interpretation of the interaction,
the option mmodval=m in PROCESS was specified to the six age categories (where m=1, 2, 3, 4, 5 & 6) by plugging these values to the PRPCCESS command in SPSS 20 syntax. Table 0-3 displays the effect sizes for each category, t statistic and its significance, and the lower and upper limits of bootstrap confidence intervals.

Table 0-3: The Effect Sizes of Each Age Category for the Effect of Happiness on Brand loyalty

<table>
<thead>
<tr>
<th>Age Category</th>
<th>Effect</th>
<th>t</th>
<th>Significance</th>
<th>Bootstrap Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>0.405</td>
<td>11.444</td>
<td>***</td>
<td>0.3358 - 0.7474</td>
</tr>
<tr>
<td>25-34</td>
<td>0.462</td>
<td>17.231</td>
<td>***</td>
<td>0.4096 - 0.5149</td>
</tr>
<tr>
<td>35-44</td>
<td>0.519</td>
<td>24.525</td>
<td>***</td>
<td>0.4777 - 0.5608</td>
</tr>
<tr>
<td>45-54</td>
<td>0.576</td>
<td>27.478</td>
<td>***</td>
<td>0.5351 - 0.6174</td>
</tr>
<tr>
<td>55-64</td>
<td>0.633</td>
<td>24.033</td>
<td>***</td>
<td>0.5816 - 0.6850</td>
</tr>
<tr>
<td>65+</td>
<td>0.690</td>
<td>19.830</td>
<td>***</td>
<td>0.6220 - 0.7586</td>
</tr>
</tbody>
</table>

*** Significant at the level 0.001 (p < 0.001)

BootLLCI: The lower limit of confidence interval
BootULCI: The upper limit of confidence interval

As can be seen, the conditional effect of Happiness on Brand Loyalty is positive and significant for all age categories, and bootstrap confidence intervals did not straddle zero. For example, this conditional effect is 0.405 among participants from the age group 18-24; meaning that the change in Happiness in one unit is estimated to yield a significant increase of 0.405 in Brand Loyalty (p < 0.001). The same conditional effect becomes 0.462 for participant from the second age group 25-34; meaning that every increase in Happiness in one unit will significantly lead to a change in Brand Loyalty by 0.462 unit (p < 0.001). The same logic is applied to the remainder of the effect sizes for the other age groups. The amount of the change in effect size when moving to the next age category is 0.057, which represents the interaction coefficient for the path HAPP → BR_LO in Table 0-2.
Table 0-4 illustrates the moderation test for *Income*. The results in this table reveal that *Income* does not moderate any of the hypothesised paths except for the path \( \text{HAPP} \rightarrow \text{PP} \).

### Table 0-4: Test of Moderation for Income

<table>
<thead>
<tr>
<th>Path</th>
<th>Interaction Coefficient</th>
<th>t</th>
<th>Significance of Interaction</th>
<th>R-square increase due to interaction(s)</th>
<th>BootLLCI</th>
<th>BootULCI</th>
<th>Moderation</th>
</tr>
</thead>
<tbody>
<tr>
<td>BE_S ( \rightarrow ) HAP_PLE</td>
<td>-0.02</td>
<td>-0.879</td>
<td>NS</td>
<td>0.0004</td>
<td>-0.0513</td>
<td>0.0196</td>
<td>Not Supported</td>
</tr>
<tr>
<td>BE_E ( \rightarrow ) HAP_PLE</td>
<td>0.00</td>
<td>0.253</td>
<td>NS</td>
<td>0.0000</td>
<td>-0.0251</td>
<td>0.0325</td>
<td>Not Supported</td>
</tr>
<tr>
<td>BE_E ( \rightarrow ) HAP_ENG</td>
<td>-0.02</td>
<td>1.180</td>
<td>NS</td>
<td>0.0010</td>
<td>-0.0507</td>
<td>0.0126</td>
<td>Not Supported</td>
</tr>
<tr>
<td>BE_R ( \rightarrow ) HAP_PLE</td>
<td>0.01</td>
<td>0.709</td>
<td>NS</td>
<td>0.0003</td>
<td>-0.0215</td>
<td>0.0459</td>
<td>Not Supported</td>
</tr>
<tr>
<td>BE_R ( \rightarrow ) HAP_MEN</td>
<td>0.01</td>
<td>0.812</td>
<td>NS</td>
<td>0.0003</td>
<td>-0.0193</td>
<td>0.0466</td>
<td>Not Supported</td>
</tr>
<tr>
<td>BE_R ( \rightarrow ) HAP_ENG</td>
<td>0.01</td>
<td>0.441</td>
<td>NS</td>
<td>0.0001</td>
<td>-0.0274</td>
<td>0.0432</td>
<td>Not Supported</td>
</tr>
<tr>
<td>BE_T ( \rightarrow ) HAP_PLE</td>
<td>-0.02</td>
<td>1.139</td>
<td>NS</td>
<td>0.0007</td>
<td>-0.0420</td>
<td>0.0111</td>
<td>Not Supported</td>
</tr>
<tr>
<td>BE_T ( \rightarrow ) HAP_ENG</td>
<td>-0.01</td>
<td>-0.713</td>
<td>NS</td>
<td>0.0004</td>
<td>-0.0402</td>
<td>0.0188</td>
<td>Not Supported</td>
</tr>
<tr>
<td>HAP_PLE ( \rightarrow ) HAPP</td>
<td>-0.01</td>
<td>-0.838</td>
<td>NS</td>
<td>0.0003</td>
<td>-0.0461</td>
<td>0.0185</td>
<td>Not Supported</td>
</tr>
<tr>
<td>HAP_MEN ( \rightarrow ) HAPP</td>
<td>0.07</td>
<td>1.160</td>
<td>NS</td>
<td>0.0003</td>
<td>-0.0212</td>
<td>0.1666</td>
<td>Not Supported</td>
</tr>
<tr>
<td>HAP_ENG ( \rightarrow ) HAPP</td>
<td>-0.01</td>
<td>-0.627</td>
<td>NS</td>
<td>0.0002</td>
<td>-0.0517</td>
<td>0.0267</td>
<td>Not Supported</td>
</tr>
<tr>
<td>HAPP ( \rightarrow ) BR_LO</td>
<td>-0.01</td>
<td>0.706</td>
<td>NS</td>
<td>0.0003</td>
<td>-0.0403</td>
<td>0.0190</td>
<td>Not Supported</td>
</tr>
<tr>
<td>HAPP ( \rightarrow ) PP</td>
<td>0.049</td>
<td>2.956</td>
<td>**</td>
<td>0.0069</td>
<td>0.0166</td>
<td>0.0821</td>
<td>Supported</td>
</tr>
</tbody>
</table>

** Significant at the level 0.01 \((p < 0.01)\)

NS: Not Significant

BootLLCI: The lower limit of confidence interval

BootULCI: The upper limit of confidence interval

The value of interaction coefficient of the path \( \text{HAPP} \rightarrow \text{PP} \) is 0.049. This value quantifies how the effect of *Happiness* on *Price Premium* changes when moving from one income category to the next one. Probing this moderation was performed by specifying the option `mmodval=m` in PROCESS to the five income categories (where \( m=1, 2, 3, 4 \& 5 \)) by plugging these values to the PRPCCESS command in SPSS 20 syntax. Table 0-5 depicts the effect sizes for each income category, t statistic and its significance, and the lower and upper limits of bootstrap confidence intervals.
### Table 0-5: The Effect Sizes of Each Income Category for the Effect of Happiness on Price Premium

<table>
<thead>
<tr>
<th>HAPPP → PP</th>
<th>Effect</th>
<th>t</th>
<th>Significance</th>
<th>Bootstrap Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;£10000</td>
<td>0.220</td>
<td>6.319</td>
<td>***</td>
<td>0.1517</td>
</tr>
<tr>
<td>£10000-£19999</td>
<td>0.269</td>
<td>10.848</td>
<td>***</td>
<td>0.2206</td>
</tr>
<tr>
<td>£20000-£29999</td>
<td>0.319</td>
<td>13.259</td>
<td>***</td>
<td>0.2715</td>
</tr>
<tr>
<td>£30000-£39999</td>
<td>0.368</td>
<td>11.116</td>
<td>***</td>
<td>0.3031</td>
</tr>
<tr>
<td>£40000&gt;</td>
<td>0.417</td>
<td>8.956</td>
<td>***</td>
<td>0.3259</td>
</tr>
</tbody>
</table>

*** Significant at the level 0.001 (p < 0.001)

BootLLCI: The lower limit of confidence interval
BootULCI: The upper limit of confidence interval

Scanning Table 0-5 reveals that the conditional effect of Happiness on Price Premium is positive and significant for all income categories, and bootstrap confidence intervals did not contain zero. For instance, this conditional effect is 0.22 among participants with annual income < £10000; meaning that the increase in Happiness in one unit is expected to produce a significant increase of 0.22 in Price Premium (p < 0.001). This conditional effect becomes 0.269 for participants with income between £10000 and £19000; meaning that every increase in Happiness in one unit will significantly generate a positive change in Price Premium by 0.269 unit (p < 0.001). The same logic is applied to the rest of the effect sizes for the other income groups. It can be seen that the differences in the effect size when moving to the next income category are equal to the interaction coefficient 0.049 for the path HAPPP → PP appearing in Table 0-4.
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