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Investigating British customers' experience to maximize brand loyalty within the context of tourism in Egypt:

Netnography & structural modelling approach

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Dedication

To my parents for their continual love and support which helped me to achieve my dream.

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6. "The Role of Customer Experience in Building Brand Loyalty Within The Service Context", **Proceedings of the 13th International Conference on Corporate and Marketing Communications,** Klement Podnar and Zlatko Jancic (Editors), pp. 351–362, April 2008, Ljubljana, Slovenia, ISBN 978-961-235-322-3 (with T C Melewar).

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Abstract

The concept of 'customer experience' has evolved as an imperative area of study within the marketing discipline. Despite its importance and the positive attention this concept has received during the last few years, the explanation of customer experiences have remained vague and lack a thorough theoretical foundation. Furthermore, practitioners across many industries claim that there is a connection between customer experience and loyalty, yet there is a paucity of research to validate this theoretical assumption. This study aims to address this gap in the literature and to facilitate better understanding of the concept of 'customer experience' and its antecedents and focus on brand loyalty as consequence from the consumer perspective.

Accordingly, a mixed-method research design was adopted that consisted of two phases. The first phase involved a netnography study to gain better understanding of the notion of customer experience and refine a conceptual framework that has been developed on the basis of the existing literature. In the second phase this framework was tested by means of a survey of British customers to examine their experience with resort-hotel brands in Sharm El Sheikh, Egypt. Structural equation modeling was used to analyze the survey responses. The structural model showed a very good fit to the data and good convergent, nomological and discriminant validity and reliability stability.

The findings of this study identified four aspects of customer experience in the resort-hotels in Egypt; i.e. educational, aesthetics, relational and novelty. Those aspects are congruent with prior work in the tourism literature. Additionally, the study found that customers rely on some service cues such as: price, core service and WOM to predict and assess their

experiences. The findings also indicated that perceived service quality has a mediating role in the relationship between customer-contact employees and core service and customer experience.

A key contribution of this research is offering a robust model that explains the nascent phenomenon of customer experience and demonstrating that experience has a definite positive impact on brand loyalty. The use of netnography to identify customer experience dimension is also considered as a methodological contribution in the area of marketing research. Moreover, the present study adds novel perspective to the growing body of brand literature (particularly service brand) and suggests directions for future research. Finally, the study provides managerial implications for service managers to identify the experiential needs of their customer and properly design the customer experience.

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CHAPTER 1: INTRODUCTION

1.1 Introduction

This chapter starts by introducing the background of the study and the research problem. This chapter also draws a general picture of the following chapters and the study altogether, beginning with the Introduction. The next section examines the research background, in which the gaps in the literature are identified. Section 1.3 states the research problem. Section 1.4 discusses the objectives of the study. Section 1.5 identifies the research questions. The expected research contribution was highlighted in section 1.7. In addition, Section 1.6 briefly discusses the general aspects of research methodology. Section 1.9 discusses some limitations of the current study. Section 1.10 introduces the structure of the study.

1.2 Research background

The focus on consumption experience in the area of marketing has a long histo`0ry, it was thought of as early as 1940 but was not researched until the 1980s. Ruby Turner Norris (1940) referred to the value created by the experience provided to the consumer as cited in Holbrook (2000). Subsequently, in 1970, the concept of consumption experience was stressed again by Toffler (1970) in his book *Future Shock*. Later, Woods (1981) referred to the same topic (cited in Holbrook, 2000). Generally, the notion of customer experience was first recognized in the mid-1980s when the concepts of consumption experience and hedonic consumption were discussed by Holbrook and Hirschman (1982) and Hirschman and Hollbrook (1982). This approach offers a new perspective that explains consumption as a primary subjective state of consciousness with miscellaneous symbolic meanings, hedonic responses and aesthetic criteria (Holbrook and Hirschman, 1982). Subsequently, Havlena and Holbrook (1986) and Westbrook and Oliver (1991) emphasized the role of emotions in the consumption experience. Later, measures of experiential aspects were discussed by Mano and Oliver (1993). More recently, there has been an increasing tendency towards delivering a configuration of unique, rewarding, and fulfilling (URF) experience to gain a competitive advantage, particularly for those in the service sector. Thereafter, the existing economy is described as 'the new experience economy' (Pine and Gilmore, 1999). Following the emergence of customer experience, contributions from scholars focusing on customer experience were made in order to add value for companies (Addis and Holbrook, 2001; Caru` and Cova, 2003; Forlizzi and Ford, 2000; LaSalle and Britton, 2003; Milligan and Smith, 2002; Ponsonby-McCabe and Boyle, 2006; Prahalad and Ramaswamy, 2004; Shaw and Ivens, 2002; Schmitt, 1999; Schmitt, 2003; Smith and Wheeler, 2002). A careful review of the extant marketing literature revealed that there have been few attempts to define the concept of customer experience and its dimensions. In other words, the concept is poorly defined (Carù and Cova, 2003). Therefore, this study aims to address the gap in the literature and to help further increase our understanding of the concept of customer experience and its antecedents and consequences from the consumer perspective.

Creating an outstanding customer experience is critical to marketers in today's global marketplace. Providing an outstanding customer experience will result in brand awareness, secure customer loyalty and ultimately increase profits. In a brief history of customer experience, it has been argued that the book of Pine and Gilmore (1999) *Experience Economy* is the origin of this nascent phenomenon 'customer experience', and the authors claimed that experiences are the new economic offerings (Pine and Gilmore, 1999). As a consequence of the emergence of customer experience concept, limited contributions from scholars focusing on customer experience were made in order to accomplish value for companies (Addis and Holbrook, 2001; Caru` and Cova, 2003; Forlizzi and Ford, 2000; LaSalle and Britton, 2003; Milligan and Smith, 2002; Ponsonby-McCabe and Boyle, 2006; Prahalad and Ramaswamy, 2004; Shaw and Ivens, 2002; Schmitt, 1999; Schmitt, 2003; Smith and Wheeler, 2002). This phenomenon is an essential ingredient of the economy in the present time. Professionals across many industries assume that there is high correlation between customer experience and loyalty. Forrester (2009) examined the correlation between customer experience delivered by more than 100 US firms and the loyalty of their customers. The finding showed that customer experience is linked to willingness to purchase, reluctance to switch and likelihood to recommend firms across 12 industries (Temkin *et al*., 2009). However, there is a paucity of systematic empirical academic research to validate those findings. Therefore, this study addresses the re-emergence of experience and its importance with a particular attention paid to brand loyalty as a final dependent outcome of a great customer experience.

1.3 Statement of the research problem

Over the past several decades, marketing managers of companies wanted to keep their targeted customers. Therefore, they generally delivered high-quality services or products, to delight their customers with the ultimate goal of sustaining brand loyalty. However, they struggled to develop long-term relationships with their customers, unfortunately because in this new marketplace good service also is no longer sufficient as an effective differentiator for companies to remain competitive (Berry *et al*, 2002; MacMillan and McGrath, 1997; Prahalad and Ramaswamy, 2004; Schembri, 2006). Furthermore, Reicheld (1996a) points out that up to sixty-five percent of satisfied customers switched from the current service provider to another one. Because it is less a question of satisfaction with the brand but one of pleasure lived during the immersion (Carù and Cova, 2007) into the service platform (Arvidsson, 2005, 2006). Furthermore, measuring customer satisfaction does not tell anyone how to achieve it (Meyer and Schwagar, 2007). This void leaves managers and researchers alike with insufficient information to answer the question of what truly drive brand loyalty. In an effort to answer this question, it is claimed that customer experience affects loyalty behaviours (Barsky and Nash, 2002; Berry *et al*, 2002). Academics and practitioners have recognized that merely satisfying customers is not enough, and should be replaced by 'customer delight' (Schlossberg, 1990). Customer delight differs from customer satisfaction in that it relates to extraordinarily high satisfaction coupled with an emotional response such as joy. Customer delight has been defined as a positive emotional state resulting from having one's expectations exceeded to a surprising degree (Rust and Oliver, 2000). While the value of customer delight continues to increase, today's customers are well informed and aware of the promotional game – they surpass satisfaction or delight. They seek much more than a product or service, or even a brand or its company to satisfy them. They want a unique experience that fulfills their desires (Spreng *et al*, 1996; Vandenbosch and Dawar, 2002), i.e. experience that suggests the elicitation of higher levels of emotion than those associated with either satisfaction or delight. In sum, a continuum of emotional intensity could be identified that is ranging from customer satisfaction which mainly functional in nature to customer experience that is characterized by high level of emotional intensity, passing through customer delight which includes satisfaction plus an emotional response but lower than experience.

Customer experiences are more likely to promote long-term customer loyalty. As a consequence, the interest in customer experience has increased at a phenomenal rate (Addis and Holbrook, 2001; Caru` and Cova, 2003; Forlizzi and Ford, 2000; LaSalle and Britton, 2003; Milligan and Smith, 2002; Ponsonby-McCabe and Boyle, 2006; Prahalad and Ramaswamy, 2004; Shaw and Ivens, 2002; Schembri, 2006; Schmitt, 1999; Schmitt, 2003; Smith and Wheeler, 2002). However, so far, limited empirical research to capture the true meaning of the concept has been carried out in this area (e.g.; Arnould and Price, 1993; Barsky and Nash, 2002; Gentile *et al*, 2007; Jones, 1999) and most of the research in this emerging field is mainly conceptual (Berry *et al*, 2002; MacMillan and McGrath, 1997). Broadly speaking, there is no agreement about what constitutes customer experience. Therefore, it would be unreasonable to secure a great customer experience without first discovering the salient facets that are incorporated under this term. Furthermore, customer experience and its link to the bottom line remain largely unexplored in academic research. Therefore, the purpose of this research is to explore the concept of customer experience in the service setting, particularly in the hospitality industry, because of the drastic escalation of interest in services from academics and practitioners in today's global economy. Another aim is to investigate the antecedents and consequences of the under-researched construct of customer experience with particular attention paid to brand loyalty. In other words, the statement of the problem is what are the dimensions customer experience as a domain specific construct, its antecedents, and its consequences?

The current study provides an overview of the existing literature on customer experience in order to conceptualize the concept and expand it using a netnography methodology. In this study, the domain-specific construct of customer experience was investigated in the resort-hotel context. The study gave support to a *priori* dimensions generated from previous studies. Those dimensions were explored by the qualitative study (will be explained in Chapter 5). They are: comfort, hedonic, educational, novelty, relational, recognition, safety and sense of beauty. Moreover, this study provides service marketers with a deeper understanding of the various elements that shape customer experience with their brand. Thus, the various definitions and dimensionality of the customer experience are summarized in Chapter 2 of this study. Chapter 3 of this study depicts the proposed conceptual framework and the antecedents and consequences of customer experience, in addition to the hypotheses. Next, the methodology used was illustrated and finally the results and conclusion are presented.

1.4 Research objectives

This research aims to identify the dimensions of customer experience and explores what are the antecedents of customer experience in the hospitality sector with resort-hotel brands and how customer experience contributes to building brand loyalty within the context of the hospitality industry. To conform to those general goals, the following list of more precise objectives is addressed.

1. To explore the concept of customer experience and its dimensions.
2. To identify the antecedents of customer experience. This involves identifying factors that most likely have a significance influence on customer experience.
3. To develop and empirically assess a conceptual framework concerning the relationships between customer experience, its antecedents and its consequences.
4. To investigate the impact of customer experience on brand loyalty.

1.5 Research questions

The specific research questions are presented below, to further exhibit how the study objectives are integrated into the current research.

1. What are the underlying dimensions that constitute the construct of customer experience?
2. What are the factors that contribute to positive or negative customer experience?
3. What impact does customer experience have on brand loyalty?

1.6 Research methodology

To accomplish the aims of this research, an empirical study is carried out in two stages 'qualitative' and 'quantitative'. The study commences with a qualitative research phase in order to: (1) attain a more profound understanding of the topic, (2) refine and revise the preliminary research model and hypotheses, and (3) purify measures for the questionnaire (Churchill, 1979). In this phase, Netnography method (Kozinet, 2002) is adopted by using content analysis of customer reviews of their experiences with specific hotel brands in Sharm El Sheikh in Egypt. More than 800 customers' reviews were collected from two websites: www.holidaywatchdog.com and www.tripadvisor.com concerning customers' experiences with hotel brands in Sharm El Sheikh. This method is particularly relevant in this case as there is currently a lack of understanding of the topic 'customer experience' which needs to be defined in more depth.

In addition to purely qualitative methods, pluralistic research has gained popularity in marketing research in recent decades, where qualitative methods are used in conjunction with quantitative methods, to investigate a domain that is unknown or has received relatively little attention to date (Deshpande, 1983; Zinkhan and Hirschheim, 1992). Therefore, a quantitative study is preferred for the next phase of this investigation. A self-administered questionnaire to measure each of the constructs of the study is developed on the basis of the reviewed literature and the qualitative study to quantify, supplement and complement the first phase. A self-administered questionnaire is distributed among 509 British customers who visit the Pickalbatros resort hotel in Sharm El Sheikh. The questionnaire with Likert scale responses was developed to measure the study constructs. Subjects were asked to rate their agreement with each item on a seven-point Likert scale ranging from (1) strongly disagree, to (7) strongly agree. Pre-consumption mood construct was measured by a seven-interval bipolar rating scale. Some questionnaire items were taken from previously valid scales and others were developed from the qualitative study.

Egypt, specifically Sharm El Sheikh, was chosen a as context for this thesis because it is an international hub for tourists seeking recreation from all over the world. Also, there are a large number of local resort hotels wanting to create a great customer experience for their visitors. Descriptive statistics for the entire sample were done using SPSS 16.0. To test the measurement model and the hypotheses of this thesis, structural equation modeling (SEM) using LISREL 8.80 was performed.

Structural equation modeling is a multivariate data analysis technique that has been widely used for instrument validation and model testing in research in marketing and other disciplines. In the current study, SEM was used to validate the conceptual framework and test the hypothesized relationships among latent variables. SEM was done using the Anderson and Gerbing (1988) two-stage procedure. In the first stage the relationships between the observed variables and the underlying theoretical constructs (latent variables) were examined in order to eliminate any ambiguously loading items and ensure reliable and valid constructs. In the second stage, the structural model fit was assessed through goodness-of-fit indices and paths between the constructs were estimated to test the research hypotheses. A detailed description of the first and second phases is provided in Chapter 4.

1.7 Contributions of the research

The research has considerable contribution for both academic and managerial marketing communities. The study contributes to the academic body of knowledge in marketing, literature. Simultaneously, this research attempts to find answers to questions posed by marketing managers about developing an experience that would impact positively on brand loyalty.

Academic contribution

This thesis made several contributions. First, this research contributes to the literature on customer experience by clarifying the concept of customer experience, as well as specifying its antecedents and consequences. The research involves the examination of customer experience construct within the hospitality context. Nonetheless, the development and testing of a research model that explaining the relationships between the construct of customer experience, its antecedents and its consequences in a new context (Egypt). The research stream on customer experience has not yet reached a consensus about what customer experience actually is (Carù and Cove, 2003). Little research has been conducted in different contexts such as river rafting (Arnould and Price, 1993), tourism (Otto and Ritchie, 1996), financial companies (O'Loughlin *et al*, 2004), and a range of activities such as gaming, rock climbing gyms, theme parks, museums, hot air balloon rides, etc. (Poulsson and Kale, 2004) and some familiar brands (Gentile *et al* 2007).

This study also added to the current state of knowledge in marketing research as the research used a modified form of netnography methodology (Kozinet, 1997, 1998, 2001 and 2002) to establish the dimensions of customer experience – enabling validation and refinement of those results from the literature for better understanding of the concept of customer experience in the hospitality context. Netnography has not been widely used as a marketing research technique. Only a few marketing researchers have adapted netnographic methods (Kozinets and Handelman, 1998; Brown *et al*, 2003; Nelson and Otnes, 2005). Moreover, the use of netnography in a multi-method approach allowed the researcher to get an overwhelming amount of data that was useful in identifying the different aspects of customer experience, which had not previously been examined, and refining the research conceptual framework

Finally, structural equation modeling (SEM) was used to develop and test the model of customer experience, antecedents and consequences. This research, therefore, contributes to the extension and strengthening of our understanding of customer experience in the service context.

The use of a multi-disciplinary approach, netnography in the first phase and self-administered questionnaires in the second phase, assured more comprehensive data collection procedures. Then a more sophisticated data analysis technique (using structural equation modeling) was performed. This is one of the first studies to empirically validate the assumption made by Barsky and Nash (2002) and Berry *et al* (2002) that customer experience has a greater impact on brand loyalty. Additionally, this is the first research to empirically distinguish between the quality of service and the quality of experience (as claimed by Otto and Ritchie (1996) in the service setting) and concluded that perceived service quality is a major determinant that will enhance the customer experience. Accordingly, the current research acts as a building block for future research in this emerging field.

Managerial contribution

There are a number of managerial contributions expected from the current research. First and foremost, this study will be of benefit to managers since it will enable them to pinpoint those experiences that customers value – which may be entirely different from the experience communicated by the firm. Based on the findings, building strong brand-loyal customers in the resort context requires the primary focus to be on educational, novel, relational and aesthetic experiences. By designing customer experience, the resort-hotel brand will perform well compared to other competing brands.

Similarly, the study identifies the critical factors that might foster or discourage customer experience. Therefore, this research is of utmost importance to marketing managers as they need to carefully orchestrate those factors which contribute to great customer experiences. Some elements in these factors are under a company's control, others such as consumer mood or word-of-mouth are uncontrollable. Therefore, companies must try to reduce the degree of influence of certain constructs (such as word-of-mouth that may negatively influence customer experience) by setting an effective way to deal with the customer complaints and ensuring that their establishments provide high quality services. In order to provide a great customer experience, companies must ensure that they provide superior service quality to the consumer at a reasonable price with the service delivered in a favourable atmosphere. The findings indicate that customer experience has a positive and significant effect on brand loyalty. This contribution will help brand managers to understand the important role of customer experience.

Furthermore, an implication is made for hospitality professionals to incorporate the measurement of service quality in their quality improvement program. This enables them to understand customers' perceptions of actual service delivered and to stay one step ahead of the customers by anticipating their needs.

1.8 Definitions of the constructs

Price perception

This is an extrinsic cue on which consumers will rely more heavily in order to make pre-purchase decisions due to the intangible nature of service and to predict service quality prior to consumption (Bitner, 1990; Parasuraman *et al*, 1985; Zeithaml, 1988). In the current study, pre-purchase and post-purchase price is assumed to be a major determinant that has a significant effect on the perceived customer experience.

Advertising

This is an extrinsic cue on which consumers will rely more heavily to make pre-purchase decisions due to the intangible nature of service and to predict service quality prior to consumption (Bitner, 1990; Parasuraman *et al*, 1985; Zeithaml, 1988). In the current study, advertising material is argued to be used as a framework through which a predicted level of expectations is formed and perceived by customers relative to their experiences.

Customer-contact employee performance

Customer-contact employees' performance is an intrinsic cue that has a major impact on customer perception of service quality (Bitner, 1990; Darden and Babin, 1994; Grönroos, 1984; Hartline and Jones, 1996; Keaveney, 1995; Parasuraman *et al*, 1985; Zeithaml *et al*, 1996). In the current study, the performance of customer-contact employees is thought to be used as an intrinsic cue by customers to assess customer experience.

Servicescape

Servicescape or atmospherics are composed of both tangible elements (the building, carpeting, fixtures, and point-of-purchase decorations) and intangible elements (colours, music, temperature, scents) that comprise service experiences (Hoffman and Turley, 2002, p. 35). The three dimensions; ambient factors, design factors, and social factors (Baker *et al*, 1994) will be in use in the current study.

Core service

Also known as substantive service which is best understood as the essential function of a service (Sasser *et al*, 1978) as cited in (Palmer, 1994, p. 127). In the resorts context, the core service will be food, accommodation and the leisure services and activities provided.

Pre-consumption mood

Mood is defined as a mild, pervasive and generalized affective state rather than intense emotions (Mattila and Wirtz, 2000) that are easily induced (Schwarz and Clore, 1983). The customer mood prior to the consumption experience is hypothesized to affect his/her perception of the service consumption experience (Mattila and Wirtz, 2000).

Past experience

A customer's last experience with the firm would have a positive effect on his/her expectations of the next service experience (Bitner, 1990).

Word-of-mouth

WOM communications is the message about an organisation, its credibility and trustworthiness, its way of operating and its services, communicated from one person to another (Grönroos, 1990, p. 158). In the current study, word-of-mouth is established as a powerful source of influence in assisting the customer to predict the consumption experience. There is no distinction between traditional and online WOM.

Customer experience

The internal and subjective response that customers have of any direct or indirect contact with a company. Direct contact generally occurs in the course of purchase, use and service, and is usually initiated by the customer. Whereas, indirect contact most often involves unplanned encounters with representations of a company's products, services, or brands and takes the form of word-of-mouth recommendations or criticisms, advertising, news reports and reviews (Meyer and Schwager, 2007, p. 2).

Perceived service quality

This is a consumer's judgement about an entity's overall excellence or superiority (Zeithmal, 1987).

Brand loyalty

Brand loyalty is a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future, thereby causing repetitive same-brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour (Chaudhuri and Holbrook, 2001, p. 28).

1.9 Limitations of the research

This study provides an extensive examination of the construct of customer experience, its underlying dimensions, its antecedents and its consequences in the hospitality context. However, it is difficult to make a study that provides a comprehensive investigation of all elements causing a phenomenon. Therefore, this research has a number of limitations. First, the study is only conducted in the hotel sector. Thus the results may not be applied generally to other service sectors. Secondly, while numerous independent variables affecting customer experience have been studied, other variables probably could be used and even have been more effective. Finally, this study was founded only on customers from one nation, thus the study cannot be generalized to tourists from other nations. These limitations provide good chances for future research pertaining to the much coveted, but highly elusive concept of customer experience.

1.10 Organization of the research

This section presents a concise review of the organization of the thesis. The current research is presented in eight chapters. Chapter 1 starts with the basic introduction about the research topic, research problem, aims and a brief discussion about the methodology used. Chapter 2 introduces a review of the relevant literature on customer experience, relevant theories in the study and also an overview of the research context of this thesis. Chapter 3 sets out the research framework and hypotheses to be tested and analysed. In Chapter 4 the research methodologies employed by this thesis are discussed. Chapter 5 identifies the findings of the qualitative research and Chapter 6 reports the outcomes of the quantitative data. Chapter 7 concludes the research project with a discussion of the implications of the results. Lastly, the final chapter of this study identifies any limitations that arise in the course of the study and makes recommendations for future research based primarily on the research findings.

1.11 Conclusion

This chapter laid the foundations for this thesis by introducing the background to the research and the research problem together with the research aims and objectives. An explanation of the research methodology used is also presented. Both theoretical and managerial contributions of the study are highlighted. Definitions of the key constructs are provided. Finally, overall limitations of the research project were also considered, and the content of each chapter was then outlined within organization of the research. The next chapter will examine the literature relevant to this research problem.

CHAPTER 2: REVIEW OF LITERATURE

2.1 Introduction

This chapter provides an overview of the current study. The first section of this chapter reviews the customer experience phenomenon. It will start by investigating customer experience; the typologies of experiences, in addition to the consumption experience as a holistic experience, and eventually the importance of customer experience in today's market. The second section will provide the theoretical foundation of the current study which is considered the departure point for this research project; this section will start by introducing dimensions of experience and move to identify emotions as a major component in customer experience by highlighting the definitions of emotions, different theories that explained emotions, and its measurements. The third section will shed light on tourist experience. The fourth section will generally discuss customer experience in service context. Finally, the fifth section will address managing customer experience, what value experiences add to a service, and also the tools used by companies to measure customer experience.

2.2 Background

Over the past decade, practitioners and academics alike have argued that an essential strategy for success in the marketplace is the creation and maintenance of satisfied customers (Parasuraman *et al*, 1985; Reichheld and Sasser, 1990). However, studies have consistently shown that overall switching among satisfied customers across many industries is approaching 80% (Keaveney, 1995; Oliver, 1999; Reichheld, 1996a). The reason is that it is less a question of satisfaction with the brand but more one of pleasure lived during the immersion (Carù and Cova, 2007) into the service platform (Arvidsson, 2005, 2006). This void leaves managers and researchers alike with insufficient information to answer the question of what truly drives brand loyalty. In an effort to answer this question, it is claimed that customer experience affects loyalty behaviours (Barsky and Nash, 2002; Berry *et al*, 2002).

2.3 The concept of customer experience

More recently, there has been an increasing tendency towards creating 'experiences' for customers in order to gain a competitive advantage, particularly for those in the service sector. The service economy has been altered to an experience economy (Pine and Gilmore, 1999; Schmitt, 1999). Thereafter, the existing economy is described as "the new experience economy" (Pine and Gilmore 1999; Smith, 2003). The researcher has come to realize that the notion of customer experience is hardly a new concept, because market researchers have tended to focus on the consumption experience for the past few decades. However, this phenomenon has not been an essential ingredient of the economy in the past decades. Therefore, this study will address the re-emergence of experience and its importance at the present time. Pine and Gilmore (1999) were among the first to write about the emergence of a new service economy called the experience economy. "A new, emerging economy is coming to the fore, one based on a distinct kind of economic output, goods and services are no longer enough" (Pine and Gilmore, 1999, p. 11). Schmitt (1999, p. 3) reiterated the opinion of Pine and Gilmore (1999) when he stated that, "We are in the middle of the revolution, a revolution that will render the principles and models of traditional marketing obsolete, a revolution that will replace traditional feature-and-benefit marketing with experiential marketing".

The word experience, in all languages, has become an all-embracing term which is often used to indicate some experience that a person has during everyday life (Caru` and Cova, 2003). A useful place to start a formal treatment of experience is with a dictionary definition of the term, as from the language perspective an experience has a diverse meaning. According to the *American Heritage Dictionary of the English Language* (2000), an experience is, "The apprehension of an object, thought, or emotion through the senses or mind" or "Active participation in events or activities leading to the accumulation of knowledge or skill". Another definition, according to *The Cambridge Advanced Learner's Dictionary* (2008), an experience is, "Something that happens to you that affects the way you feel". Additionally, according to the *Compact Oxford English Dictionary* (2008), an experience is "practical contact with and observation of facts or events" or "knowledge or skill acquired over time" or "an event or occurrence which leaves an impression on one". From these definitions a conclusion has been made that experience as a general term consists of knowledge of or skill in or observation of something or events acquired through involvement in that thing or exposure to that event. Furthermore, the main component of experience is the emotions, feelings or sensations that were provoked during experiences. The notion of experience varies according to scientific discipline as shown in (Table 2.1). However, in the marketing discipline experiences are private events that occur in response to some stimulation. "Experiences involve the entire living being. They often result from direct observation and/or participating in the event – whether they are real, dreamlike or virtual" (Schmitt, 1999, p. 60).

Table 2.1: Definitions of experience in different disciplines

Scientific discipline	**Definition**
Science	In the generic sense inherited from positive sciences, an experience is similar to an experiment based on objective facts and data that can be generalized. It is important to recognize a distinction between experience in general and a scientific experience. A common experience provides the individual with particular knowledge; a scientific experience provides universal knowledge valid for all.
Philosophy	An experience is a personal trial which generally transforms the individual: ‘experience something’ (‘I tried…’) usually leads to the accumulation of ‘experience’ (‘I have experience in…’) and thus of knowledge. Moreover, this is singular (of a given individual) and not universal (outside the individual) knowledge. Experience is therefore gained when what happens is translated into knowledge (common sense), not only when it remains a simple lived occurrence. Thus, ‘reality only exists for us in the facts of consciousness given by inner experience’ (Dilthey, 1976). But, in our (post)modern world, this type of personal knowledge seems to be increasingly rare, as it has been undermined and replaced by scientific knowledge. The attempt to translate the everyday into experience is becoming ever more difficult.
Sociology and psychology	An experience is a subjective and cognitive activity which allows the individual to develop. The notion of experience is generally defined (Dubet, 1994) as ‘a cognitive activity’, ‘a test’, ‘a means to construct reality and, above all, to verify it’. As such, there is (Dewey, 1934) an intrinsic connection between experience, whether natural or social, and aesthetic form.
Anthropology and ethnology	Experience is the way in which individuals live their own culture and, more precisely, ‘how events are received by consciousness’ (Bruner, 1986). Experience is something singular which happens to the individual (Abrahams, 1986). It also differs from mere individual behaviour, which can be described by an external observer and concerns a routine through which the consumer simply passes. An experience not only involves an intensity of personal feeling that takes it out of the flow of the everyday life but also a framing operation by which the ongoing activity is translated in a reportable story.

Source: Adapted from Carù and Cova (2003)

Experiences have evolved from being a random phenomenon towards becoming an engineered perception (Carbone and Haeckel, 1994). A focus on experiences has arisen in response to the limitations of seeing consumer behaviour purely in terms of cognitive information processing. "Today's customers consider functional features and benefits, product and quality, and a positive brand image as given. What they want are products, communication and marketing events that dazzle their senses, touch their hearts, and stimulate their minds. They want products, communications and campaigns that they can incorporate into their lifestyles. They want products, communications and marketing to deliver an experience" (Schmitt, 1999, p. 22). In line with Schmitt's statements, Pine and Gilmore (1999) defined experience from a business perspective "Experiences are events that engage individuals in a personal way" (p. 12). Similarly, Robinette *et al* (2002) defined experience as "the collection of points at which companies and consumers exchange sensory stimuli, information, and emotion" (p.60). The different definitions of experience are presented in the following table:

Table 2.2: Experience definitions

Authors	Year	Definitions
Maslow	1968	Defined peak experience as "…moments of the highest happiness and fulfilment" (p. 73). In the peak experience one can feel his/her true identity as Maslow (1968) stated that "In moments like this we feel more powerful than usual and experience unusual focus, joy, intensity, creativity, in other words being more fully human" (p. 72).
Csikszentmihalyi	1977	Individual is experiencing flow when he has "a unified flowing from one moment to the next, in which he is in a control of his actions and in which there is little distinction between self and environment, between stimulus and response, between past, present and future" (p. 36).
Holbrook and Hirschman	1982	experience is defined as a personal occurrence, often with important emotional significance, founded on the interaction with stimuli which are the products or services consumed as cited in (Caru and Cova, 2003).
Csikszentmihalyi	1990	Flow is a state of experience which is characterized by an experience of intense concentration and enjoyment.
Arnould and Price	1993	An extraordinary experience is characterized by a high level of emotional intensity, and is triggered by an unusual event.
Carbone and Haeckel	1994	"the take-away impression formed by people's encounters with products, services, and businesses a perception produced when humans consolidate sensory information" (p. 8).
Pine and Gilmore	1999	From business perspective "experiences are events that engage individuals in a personal way" (p. 12).
Schmitt	1999	From customer perspective: "Experiences involve the entire living being. They often result from direct observation and/or participating in the event – whether they are real, dreamlike or virtual" (p. 60).
Robinette *et al*	2002	"the collection of points at which companies and consumers exchange sensory stimuli, information, and emotion" (p. 60).
Shaw and Ivens	2002	"An interaction between an organization and a customer. It is a blend of an organization's physical performance, the senses stimulated and emotions evoked, each intuitively measured against customer experience across all moments of contact" (p. 6).
Meyer and Schwager	2007	"The internal and subjective response that customers have of any direct or indirect contact with a company. Direct contact generally occurs in the course of purchase, use and service, and is usually initiated by the customer. Whereas, indirect contact most often involves unplanned encounters with representations of a company's products,

		services, or brands and takes the form of word-of-mouth recommendations or criticisms, advertising, news reports and reviews" (p. 2).
Gentile *et al*	2007	"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. This experience is strictly individual and implies the customer's involvement at different levels (rational, emotional, sensorial, physical and spiritual). 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 contacts or touch-points" (p. 397).
Researcher	2009	Emotions provoked, sensations felt, knowledge gained and skills acquired through active involvement with the firm pre, during and post consumption.

Source: Developed by the researcher for this study

2.3.1 Typologies of experiences

The literature generally has concluded that there are three types of experience; peak experience, flow experience and extraordinary experience, the following section will discuss these types.

Peak experience

Maslow (1964) used the term ‘peak experience’ to describe the transcendent or mystical experience, establishing peak experiences as a central phenomenon in humanistic psychology. Maslow (1968) defined peak experience as “…moments of the highest happiness and fulfilment” (p. 73). In the peak experience one can feel his/her true identity as Maslow (1968) stated that “In moments like this we feel more powerful than usual and experience unusual focus, joy, intensity, creativity, in other words being more fully human” (p.72).

Later, based on the work of Maslow and others, Davis *et al* (1991) defined the peak experiences as: “The best, happiest, and most wonderful moments of one’s life. A peak experience has some (but usually not all) of the following characteristics: and almost overwhelming sense of pleasure, euphoria, or joy, deep sense of peacefulness or tranquillity, feeling in tune, in harmony, or at one with the universe, a sense of wonder or awe, altered perceptions of time and/or space, such as expansion, a feeling of deeper knowing or profound understanding, a deep feeling of love (for yourself , another, or all people), greater awareness of beauty or appreciation, a sense that it would be difficult or impossible to describe adequately in words”(p. 88).

Flow experiences

Another concept similar to peak experience is flow, which leads to development of the theory of optimal experience (Csikszentmihalyi, 1988). According to Csikszentmihalyi (1977) an individual is experiencing flow when he has “a unified flowing from one moment to the next, in which he is in a control of his actions, and in which there is little distinction between self and environment, between stimulus and response, between past, present and future” (p. 36). “Flow is a state of experience which is characterised by an experience of intense concentration and enjoyment” (Csikszentmihalyi, 1975, 1990). Under flow state people become absorbed in their activities. Moreover, because a flow state is enjoyable, people strive for the experience. Flow is most often experienced in play and games, and can be described as the highest point of positive feelings as well as peak of the performance” (Konradt *et al*, 2003, p. 312).

Csikszentmihalyi (1988) is one of the early pioneers of research in flow experience as he first noticed the phenomenon of flow while observing the behaviour of a group of artists at work. He noticed that in the absence of outward reward, these artists worked intensely on what they seemed to be enjoying immensely. The artists seemed to be totally absorbed in their work, forgetting where they were, as if they had lost all concepts of space and time. He also noticed that their fascination came to an end once the product was finally created or produced; in other words, the artists lost interest in what they were doing once the task was completed.

The first concern of Csikszentmihalyi (1988) was to explain the behaviour that he had observed based on the existing theories. However, he could not do this because these theories explained everything based on basic drives (such as sex, shelter, food) and external reward systems. For the development of flow it is necessary that the level of the challenges and skills associated with an activity to be increased. Therefore, if customers seek out a repeated flow experience, they should quest for more challenging tasks that suit their capabilities Csikszentmihalyi (1988).

Fundamentally, Csikszentmihalyi (1988) began to articulate his own motivation theory in order to explain many of our behaviours based on intrinsic motivation. He viewed intrinsically motivated behaviour in terms of the immediate subjective experience that takes place when people are absorbed in an activity. He called his theory the theory of 'optimal condition', with flow as its central concept (Csikszentmihalyi, 1988). According to optimal condition theory, flow happens when there is a match between the perceived challenge and the skill level needed to handle the given challenge. If the challenge is too difficult and is above the individual's skill level, anxiety will set in. If the challenge is too easy, boredom will take over, eventually leading to depression. Another important component of flow is feedback, explicit or self-generated, and having a clear set of goals and knowing how to reach these goals. Flow represents the optimal condition of human functioning in which everything happens with ease. Flow shares many of the same qualities of the peak experience, such as ease of functioning, full absorption, and enjoyment (Fatemi, 2004).

Extraordinary experiences

Initially, extraordinary experience involves sense of newness of perception and process (Privette, 1983). Extraordinary experience is characterized by a high level of emotional intensity that is triggered by unusual events compared to flow experience as well as no superior levels of effort when contrasted with peak experience. Interpersonal interaction and feeling of communion with people are also considered as an important trigger for this experiential state (Abrahams, 1986; Turner and Turner, 1978). Abrahams (1986) differentiated between ordinary and extraordinary experiences as follows, "On the one hand, there is a flow of activity and on the other, distinctive marked-out acts and events, all going under the name of experience. Moreover, the very flow of the everyday assures the continuity between routine activities and the more extraordinary ones. We have become aware of the continuities between the ordinary and the 'deeper' or 'higher' events through performed mimetic experiences, which openly imitate (and stylize) everyday acts and interactions". One can also experience something extraordinary when it offers absorption, personal control, joy and value, a spontaneous letting-be, and a newness of perception and process (Csikszentmihalyi, 1991).

The difference between the three types of experience (extraordinary, flow and peak) depends on the emotional intensity and the relational mode in each one (Arnold and Price, 1993). To sum up, the extraordinary type of experience is characterized by having unusual events as triggers, emotional intensity and activity, no superior levels of effort and interpersonal interaction.

2.3.2 Consumption as a holistic experience

An experience is defined by Holbrook and Hirschman (1982) as "a personal occurrence, often with important emotional significance, founded on the interaction with stimuli which are the products or services consumed". This personal occurrence may lead to a transformation of the individual in the experiences defined as extraordinary experience (Arnould and Price, 1993) which is characterized by a high level of emotional intensity, and is triggered by an unusual event (Arnould and Price, 1993). One can also experience something extraordinary when it offers absorption, joy and value, a spontaneous letting-be and a newness of perception and process (Czikszentmihalyi, 1991). Additionally, experience is defined as "the take-away impression formed by people's encounters with products, services, and businesses – a perception produced when humans consolidate sensory information" (Carbone and Haeckel, 1994, p. 8).

Apart from functional or utilitarian consumption, another perspective has emerged called 'experiential consumption' which contrasted the approach of functional consumption and identified the emotional variable that had been previously neglected. In the experiential consumption approach, the consumption experience not only includes pre-consumption activity, but also comprises four stages of experience as divided by Arnould *et al*, (2002): First, the pre-consumption experience, which includes searching for, planning and anticipating the experience. Secondly, the buying experience, which stems from product selection, payment, and the service's encounter. Thirdly, the core consumption experience, which incorporates the feeling of the satisfaction or dissatisfaction, the irritation or flow, and transformation. Fourthly, the remembered consumption experience which involves narratives and storytelling of the customer's purchasing experience.

The notion of customer experience and its importance

Managing customer experience has generally been assumed to create a competitive advantage for companies, as well as a positive impact on the brand. However, there is still much debate over exactly what customer experience is and what constitutes customer experience. Therefore, this section will include customer experience definitions in the marketing and consumer behaviour research areas.

Shaw and Ivens (2002) defined customer experience as "an interaction between an organization and a customer. It is a blend of an organization's physical performance, the senses stimulated and emotions evoked, each intuitively measured against customer experience across all moments of contact". Similarly, Shaw (2005) described the sensory information as a combination of the five senses (sight, sound, touch, smell, and taste). Another supporting definition of customer experience is "the internal and subjective response that customers have of any direct or indirect contact with a company. Direct contact generally occurs in the course of purchase, use, and service and is usually initiated by the customer. Whereas, indirect contact most often involves unplanned encounters with representations of a company's products, services, or brands and takes the form of word-of-mouth recommendations or criticisms, advertising, news reports and reviews" (Meyer and Schwager, 2007, p. 2). Additionally, Prahalad and Ramaswamy (2004) stated that companies do not sell (or stage, according to Pine and Gilmore's perspective) experiences, but rather they provide artefacts and contexts that are conducive of experiences and which can be properly employed by consumers to co-create their own, unique experience.

In a recent and subsequent piece of work, a more conclusive definition of customer experience is suggested by Gentile *et al* (2007, p. 397) based on contributions from other authors (LaSalle and Britton, 2003; Schmitt, 1999; Shaw and Ivens, 2005) "The customer experience originates from a set of interactions between a customer and a product, a company, or part of its organization, which provokes a reaction. This experience is strictly individual and implies the customer's involvement at different levels (rational, emotional, sensorial, physical and spiritual). 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 contacts or touch-points".

It can be argued, based on the experience literature mentioned earlier, that different approaches have been considered in defining customer experience. First, the holistic experience approach which includes a person (as opposed to a customer) as a whole in every interaction between the company and the customer (LaSalle and Britton, 2003). Secondly, the memorability of the staged events (Pine and Gilmore, 1999) which is no longer significant because this approach does not take into account the constructive, co-creative role of the consumer. Thirdly, experience co-creation approach (Prahalad and Ramaswamy, 2004) which implies that companies do not sell experience according to Pine and Gilmore's perspective experiences, but rather that they provide a platform of experiences that can be employed by consumers to co-create their own, unique, experiences (Caru` and Cova, 2003, 2007). Prahalad and Ramaswamy (2004) viewed the customers as co-creators of their own of their experiences. The authors also claim that customers judge a company's offering, not by its features, but by the extent to which it gives them the experiences they want. This argument suggests that experiences are distinct offerings. As a result, Caru` and Cova (2007) identified a 'continuum of consuming experiences' ranging from experiences that are mainly constructed by the consumers, to experiences that are largely developed by companies (a kind of approach which is close to Pine and Gilmore's viewpoint), passing through experiences that are co-created by consumers and companies (as per Prahalad and Ramaswamy) as cited in (Gentile *et al*, 2007).

In sum, besides goods, products and services, experience is an additional offering that is particularly suited to the needs of the post-modern consumer and the characteristics of experience as an economic offering, i.e. a great experience, are: Firstly, memorable (Pine and Gilmore, 1999) however, enabling the customer to live outstanding moments of the relationships with the company is more valuable for the customer rather than selling a memorable experience. Secondly, inherently unique and ‘extraordinary’ (LaSalle and Britton, 2003). Thirdly, engaging all the customer senses on a personal level (Schmitt, 1999, 2003). Fourthly, deliberately designed by the provider and focusing around the customer and performing the physical and social interaction (Gupta and Vajic, 2000).

In today’s changing market environment, customer experience is a crucially important matter. In fact, customer experience can be arguably important – most companies have been slow to grasp it. “the degree to which the company is able to deliver a desirable customer experience and use information technology, brands, and integrated communications and entertainment to do so, will largely determine its success in the global marketplace of the new millennium” (Schmitt, 1999, p. 3). In the marketing literature, the term ‘customer experience’ has been used diversely. However, this field of research has not witnessed remarkable progress, and this arguably accounted for the lack of understandable dimensions and measurements of that construct. Therefore, the following section will detail the different dimensions of experience.

2.4 Theoretical foundation

Offering experiences is argued to be a solution to avoid the commoditization (LaSalle and Britton, 2003) for any kind of business that seeks to offer the consumer physical and emotional sensations during the experience. Therefore, the following section will discuss dimensions of customer experience and emotions as a major component of experience:

2.4.1 Dimensionality of customer experience

The 'multi-aspect' conceptualization of experience can be traced back to Holbrook and Hirschman (1982) when they conceptualized the consumption experience under the heading of "Fantasies, feelings and fun". Later, in research performed by Arnould and Price (1993) on customer experiences of river rafting, they identified three aspects of customer experience; personal growth, communitas and harmony. These were derived from a series of research methods ranging from focus groups to observation over a seven-month period. Participants and guides of the river rafting adventure were used as the sample. Arnould *et al* (1993) argue that experience factors range from positive to negative states and they grouped these factors into interpersonal and non-interpersonal factors. It was found that the interpersonal effort and interpersonal engagement of employees accounted for the largest percentage of positive and negative emotions, and hence satisfaction. But the authors claimed that the findings could not be generalized beyond the sample. Moreover, river rafting requires specialized skills and the customer is partly responsible for the experience. Therefore, the experiences that arise from this context may not apply in other situations where the customer is a full recipient of the service. Table 2.3 provides a summary of the different dimensions of experience explored by reseasrchers

Table 2.3: Dimensions of experience

Authors	Year	Context	Dimensions	
			No.	
Holbrook and Hirschman	1982	Conceptual article	3	Fantasies, feelings and fun
Arnould and Price	1993	River rafting	3	Harmony with nature, communitas and personal growth and renewal.
Otto and Ritchie	1996	Tourism industry (airlines, hotels, tours and attractions).	6	Hedonic, novelty, stimulation, safety, comfort and interactive.
O'Sullivan and Spangler	1998	Conceptual article	4	Real to virtual, novelty or communality, degree of mass-production or customization, and level of interaction with other people.
Pine and Gilmore	1999	Conceptual	4	Entertainment, education, estheticism and escape.
Poulsson and Kale	2004	A range of industries; gaming, rock climbing gyms, theme parks, museums, hot air balloon rides, etc.	5	Personal relevance, novelty, surprise, learning, and engagement
O'Loughlin *et al*	2004	Irish financial services	3	Brand experience, transactional experience and relationship experience
Mascarenhas *et al* (2006)	2006	Conceptual	2	Physical and emotional elements
Gentile *et al* (2007)	2007	A study on some widely known brands	5	A sensorial, an emotional, a cognitive, a pragmatic, a lifestyle, and a relational component

Source: Developed by the researcher for this study

An attempt was made by Otto and Ritchie (1996) to measure the construct of service experience across the tourism industry (airlines, hotels, tours and attractions). The term 'service experience' relates to a number of contributory events and a number of transactions or interactions between a customer and a provider in the exchange of the service (Berry, 1983; Czepiel, 1990; Dwyer *et al*, 1987; Solomon *et al*, 1985). However, the study of Otto and Ritchie (1996) was not complete, in the sense that, content validity, dimensionality, internal reliability of the service experience scales, and a factor analysis were completed but tests such as validity and reliability were not addressed.

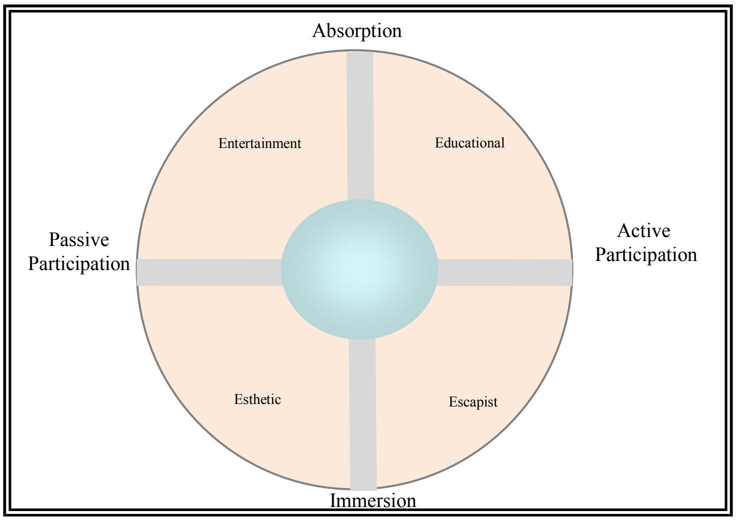
This exploratory research by Otto and Ritchie (1996) identified six dimensions of service experience: the hedonic, novelty, stimulation, safety, comfort and interactive. The first three dimensions are consistent with experiential benefits described by Bello and Etzel (1985), Havlena and Holbrook (1986) and Holbrook and Hirschman (1982) as cited in Otto and Ritchie (1996). The safety dimension was acquired from Maslow's hierarchy of needs, while comfort was documented as a fundamental benefit of the service encounter. Finally, the existence of interactive benefits in services' consumption has been empirically supported by Arnould and Price (1993) and Hui and Bateson (1991).

O'Sullivan and Spangler (1998) have a more complex view of experiences. They see the construct as having multiple facets, which can be measured along a continuum. These facets include real to virtual, novelty or communality, degree of mass-production or customization, and level of interaction with other people. These elements, they claim, provide marketers with a host of options and opportunities.

Extending the work in experience, the pioneers of the experience economy Pine and Gilmore (1999) stated that "Staging experiences is not about entertaining customers, it's about engaging them" (p. 30). Therefore they claimed that there are different dimensions of engagement which create experiences that differ in their uses and how customers perceive them – two are especially important. Firstly, the level of guest participation (passive/active). Secondly, environmental relationship (absorption/immersion) between customer and occurrence (see Figure 2.1). 'Passive participation' is situated on the left side of the participation continuum. That means a customer is not directly influencing the performance – watching a TV show is a good example.

On the right side is the 'active participation'. That means customers are directly influencing the performance. This happens, for example, when playing football on a team. The vertical axis represents the environmental relationship which includes absorption at one end. Absorption means customers are completely fascinated with whatever they are doing, seeing or experiencing, in other words, possessing a customer's attention by transferring the experience into his mind (e.g. watching a movie). At the other end, immersion means becoming physically part of the experience itself. Connecting these dimensions will result in four areas of experience: entertainment, education, estheticism and escape.

Figure 2.1: Experience realms



Source: Adapted from Pine and Gilmore (1999, p. 20)

Entertainment is passively absorbed through one's senses, generally when viewing, reading or listening for pleasure (Pine and Gilmore, 1999). Here the passive experience is when the customer enjoys the environment. Educational experiences, on the other hand, involve active participation from the customer, as it is inherent that education must involve some kind of active participation by mind or body to increase the knowledge and skills of the customer, e.g. ski lessons (Pine and Gilmore, 1999). In the educational experience customers seek to engage themselves in an experience of learning something because it is a potentially transformative experience and they enjoy the process of learning itself, rather than learning outcomes or knowledge gained (Packer, 2006). Packer (2006) suggested that term ‘free-choice learning’ which is characterized by a mixture of discovery, exploration, mental stimulation and excitement. Free-choice learning is known as an autotelic experience the term ‘autotelic’ means ‘having itself as its only purpose’, (Csikszentmihalyi, 1990).

Escapist experiences are the opposite of purely entertaining experiences; the participant in an escapist experience is active and completely immersed in it (Pine and Gilmore, 1999). The participant becomes an actor able to affect the actual performance. Rather than passively viewing, the participant is a co-producer, e.g. when visiting a theme park. Here the company needs to encourage the customer to become participants in the experience.

The last realm is esthetic experiences that immerses the customers into an environment where the participants becomes submerged in the occurrence and/or the surroundings, e.g. when visiting a museum the participant goes into the experience while it is left untouched by him or her (Pine and Gilmore, 1999). Customers in an educational experience want to learn, in an escapist experience they want to do, in an entertainment experience they want to ‘sense’, and in an esthetic experience they just want to be there (Pine and Gilmore, 1999). Customers search for an esthetic experience to fulfil sensorial, emotional, cognitive and transcendental needs (Csikszentmihalyi and Robinson, 1990). “The essential point of existence is not established by criteria such as how much people own or how much power they wield but by the quality of their experiences … by this measure esthetic experiences are important indeed." (p. 2). "The 'blinding intuition' one experiences in front of a great work of art is pleasurable because a great amount of knowledge about the world is encapsulated in the transaction" (Csikszentmihalyi and Robinson, 1990, p. 12).

Experiences are commonly most closely associated to entertainment, and "few of these experiences will exclude at least some momentary entertainment" (Pine and Gilmore, 1999, p. 31). Thus, the four realms must not be entirely separated from one another; companies staging experiences should combine elements from the four realms to create an experience that suits them and their customers. It is not always possible to implement all four dimensions, but companies should rigidly attempt to make the customer experience as fruitful as possible. Although Pine and Gilmore (1999) introduced and developed this practical and conceptual framework to understand the nature of customer experience in general, their framework lacks a detailed analysis of these dimensions and its measurements and similarly there is a lack of sufficient research to measure these concepts. Exceptionally, one recent attempt by Oh *et al* (2007) a study that aimed at developing an initial measurement scale of tourists' destination lodging experiences. The researchers operationalized and tested the four realms of experience using customers' lodging experience with rural bed and breakfasts. Additionally, the study introduced some other latent variables such as arousal, memories, overall quality and customer satisfaction (Oh *et al*, 2007). However, this study focused only on minor part in the service sector.

Extending and supporting the work in this nascent area of research, Poulsson and Kale (2004) claimed that there is no clear differentiation between what they called the commercial experience discussed by Pine and Gilmore (1999) and other kinds of experiences encountered on a daily basis. In other words, they pose the question: What are the ingredients of a commercial experience that are most likely to provide product differentiation and a competitive advantage? Therefore, they advocated five elements for a successful experience (personal relevance, novelty, surprise, learning, and engagement dimensions) to be the constituents of successful experience through structured interviews with ten experience providers across a range of industries: gaming, rock climbing gyms, theme parks, museums, hot air balloon rides, etc. (Poulsson and Kale, 2004).

According to Poulsson and Kale (2004) personal relevance is the individual internal state of arousal, activation, and preparedness to engage in a specific experience. Personal relevance will have a direct impact on involvement with experience, and hence influence the person's level of engagement with the experience (Poulsson and Kale, 2004). According to Poulsson and Kale (2004) novelty is "a change in stimulus conditions from previous experience" (p. 272). This dimension is consistent with Otto and Ritchie (1996) findings about experience dimensions. Surprise dimension means that an experience will be considered surprising if it contains outcomes that are unexpected (Poulsson and Kale, 2004). Certain elements must exist in order for learning to occur: motivations, cues, response and reinforcement. Motivation acts as a catalyst for learning, with needs and goals serving as the stimuli (Poulsson and Kale, 2004). Cues are those stimuli that provide direction to motives. Response encapsulates an individual's reaction to the cues, and reinforcement increases the likelihood of specific responses occurring in the future (Poulsson and Kale, 2004).

Engaging customers through all five senses is vital in creating an outstanding experience, for instance stimuli like sound, text, pictures will make the experience more effective. Therefore, engagement was the last dimension suggested by Poulsson and Kale (2004). Accordingly, the customer needs to be involved in order for the experience to be an outstanding one. Day (1970) defined involvement as "the general level of the centrality of the object or the centrality of the object to the person's ego structure" (p. 45). Moreover, Cohen and Mininard (1983) described involvement as a person's level of activation at a particular moment of time. Another definition of involvement was by Antil (1984) "the level of perceived personal importance and/or interest evoked by a stimulus (or stimuli) within a specific situation". Personal importance in this perspective refers to the relevance the product or the service has to the individual (Pralahad and Ramaswamy, 2004). Practically expressed, a person who is involved becomes engrossed in an activity, sometimes to the extent that he/she can be viewed as having an addiction (Solomon *et al*, 1999). In this case, a person devotes all available time to the product or the service, either directly or indirectly (e.g. thinking about it). Vaughn (1980) stated that the products that are high in cost, ego support, social value, newness and risk require more information and attention to process. Whereas, the low involvement products require little interest and thus require less purchase information and effort.

O'Loughlin *et al* (2004) conceptualized customer experience within the Irish financial services as brand experience, transactional experience and relationship experience: First, brand experience is the perceived experience at the corporate brand level by both consumer and managers as representing corporate values and brand image. Second, transactional experience which varies from purely functional to personal depending on the nature of the product and the channel used. Third, relational experience which represents the experience of having a relationship with the company over time.

According to Mascarenhas *et al* (2006) total customer experience encompasses both physical and emotional elements. They argue that experiences are customer-dependent and context-specific.

Holistically, Gentile *et al* (2007) viewed the customer experience construct from a different angle. They conceptualized customer experience as a multi-dimensional structure and its components are as follows. (1) A sensorial component, a component of the customer experience whose stimulation affects the senses; i.e. sight, hearing, touch, taste and smell so as to arouse esthetical pleasure, excitement, satisfaction, sense of beauty. (2) An emotional component, this involves the customer's affective system through the generation of moods, feelings and emotions; (3) a cognitive component, this is connected with thinking processes; or engaging customers through using their creativity in problem-solving, i.e. Barbie, the first doll with the image of a young woman. (4) A pragmatic component, this includes the practical act of doing something. In other words, the concept of usability does not only refer to the use of the product in the post-purchase stage, but it extends to all the product life-cycle stages. (5) A lifestyle component, in this component of experience, the product itself and its consumption or use becomes a means of adhesion to certain values the company and the brand symbolize and the customers contribute to. (6) A relational component, a component of the customer experience that involves the person, consumption or use of a product with other people (i.e. Disneyland parks). To sum up, the plethora of different definitions and dimensions of customer experience are such that there is currently no real consensus as to what these dimensions might be.

2.4.2 Emotions as a major component of customer experience

A common denominator in any type of previously mentioned experience is the production of emotions (Gentile *et al*, 2007; Meyer and Schwager, 2007; Shaw and Ivens, 2002). In addition, emotional experience or emotion is often cited as the heart of the consumption experience. Addis and Holbrook (2001, p. 50) stated that "the roles of emotions in behaviour – the fact that consumers are feelers as well as thinkers and doers, the significance of symbolism in consumption, the consumer's need for fun and pleasure, and the roles of consumers – beyond the act of purchase – in product usage as well as brand choice, and so forth". Moreover, the emotional arousal is considered as an important factor that motivates customers to consume certain products such as novels, plays and sporting events (Hirschman, 1982). Therefore, the next paragraphs will shed the light on emotions as a major component in customer experience by detailing the different theories, definitions, dimensions and measurements of emotions based on an extensive review of the literature in two different disciplines marketing and psychology.

The role of emotion is gaining attention as a central element in understanding the consumption experience (Oliver, 1997). Little consistency can be found in the use of terminology related to emotions. The term 'emotion' is often used interchangeably with the term 'affect'. However, affect is a much broader term that is conceived as an umbrella for a set of more specific mental processes including emotions, moods, feelings etc., (Batra and Ray, 1986).

Interestingly, researchers have defined emotion in various ways. According to Bagozzi *et al* (1999) emotion means 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. Clore *et al* (1987) also defined an emotion as "A valenced affective reaction to perceptions of situations" (p. 752). The term 'valence' is used in the sense of positive or negative; thus the definition implies that an emotion involves a positive or negative feeling, (Plutchik, 2003).

"The line between an emotion and mood is frequently difficult to draw but often by convention involves conceiving of a mood as being longer lasting (from a few hours up to days) and lower in intensity than an emotion. Yet, exceptions to this construal can be found. Still another distinction between emotions and moods is that the former typically is intentional (i.e. it has an object or referent)" (Bagozzi *et al*, 1999, p. 184, 185). For example, a consumer becomes pleased when a new detergent removes grass stains from clothing; he/she is angered by poor service in a restaurant (Bagozzi *et al*, 1999), whereas moods are generally non-intentional and global or diffused (Frijda, 1993) as cited in (Bagozzi *et al*, 1999). In addition to this, emotions differ from moods in the manner in which they arise and in their representation in memory (Bagozzi *et al*, 1999). "Emotions occur in response to changes in specific plans or goal-relevant events. As Oatley (1992) points out, emotions are manifest as "transitions from one sequence of action and another," but moods occur "when the cognitive system is maintained in an emotion mode for a period" (p. 64). Indeed, moods are often resistant to changes in events surrounding them. One reason for this is that moods "depend on the dissociability of control emotion signals from semantic information about causation" (Oatley 1992, p. 64). In general, moods are elicited by "(a) after effects of emotions; (b) organismic conditions such as illness, fatigue, previous exercise, and good health, or pharmacological agents; (c) general environmental conditions and side-effects of activities: heat, noise, environmental variety, stressful conditions" (Frijda, 1986, p. 289)" (Bagozzi *et al*, 1999, p. 188).

Consumption emotions are specific affective states elicited during product consumption (Westbrook and Oliver, 1991). However, the kinds of emotions that people experience in interpersonal relationships are less likely to occur in a consumption situation (Richins, 1997). In the last two decades, marketing scholars have started to study emotions evoked by marketing stimuli, products and brands (Holbrook and Hirschman, 1982). Studies involving consumer emotions have focused on different aspects such as: consumers' emotional responses to advertising (e.g., Derbaix, 1995), and the mediating role of emotions on the satisfaction of consumers (e.g., Phillips and Baumgartner, 2002).

When consumers perceive that the performance of products is good, consumers are likely to experience positive emotions (Westbrook, 1987). In contrast, when consumers perceive that the performance of products is poor, consumers are likely to experience negative emotions. Mano and Oliver (1993) also found that consumption emotions occur immediately after the consumption and before customers' satisfaction. Similarly, Richins' (1997) found consumption emotions occurring during the consumption, and even before the consumer has had a chance to evaluate the experience.

Theories and measures of emotions

Emotions are often conceptualized as general dimensions, like positive and negative affect, but there has also been an interest in more specific emotions. The three theories of emotion that marketers most often borrow from psychology: Firstly, 'differential emotions' theory by

Izard's (Izard, 1977), also known as the 'facial feedback' theory, which identified ten major emotions through focusing on facial expressions as an important factor to understand emotions; Secondly, Plutchik's psycho-evolutionary theory of emotion that established eight basic emotion categories (Plutchik, 1980); and Thirdly, Mehrabian and Russell's study that showed three comprehensive situational descriptors (Pleasure, Arousal, and Dominance) (Mehrabian and Russell, 1974).

Some empirical studies on emotions in the marketing literature have used Izard's Differential Emotions Scale DES II (Izard, 1977) that is considered to be valid and reliable scale (Westbrook, 1987). DES II scale includes thirty items, three to measure each of the ten major emotions; interest, joy, surprise, sadness, anger, disgust, contempt, fear, shame, and guilt. However, some researchers contested the work of Izard as they recorded that negative emotions in the scale are prevailing (Mano and Oliver, 1993).

Mehabrian and Russell (1974) formulated one of the most widely accepted models of emotional response that uses pleasure, arousal, and dominance (PAD) as the three necessary and sufficient dimensions of emotion. Emotional pleasure refers to the degree to which a consumer feels happy, pleased, satisfied, contented, or hopeful. Arousal is a consumer emotion that refers to the extent to which a consumer feels stimulated, excited, or aroused. The dominance dimension can range from submissive and weak to powerful and in control. While most research recognizes the importance of the pleasure and arousal dimensions, previous research has found that dominance had only little or no effect on consumer behaviours (Donovan and Rossiter, 1982; Donovan *et al*, 1994) and therefore was not used in recent environmental research and was not widely accepted.

PAD model was among the techniques researchers used for capturing the emotional component of the consumption experience in retail environments (Donovan and Rossiter, 1982; Mano and Oliver, 1993). This approach to environmental psychology has been well represented in consumer research and used in marketing to explore how atmospherics influence consumer behaviour in retail environments. Pleasure and arousal can be easily measured by self report or by observation of positive facial expressions. Dominance can be measured through verbal reports, by observations of body posture or facial expression. Havlena and Holbrook (1986) compared the Plutchik and the Mehrabian and Russell (M-R) models with respect to consumption experiences. Their results showed evidence in favour of the latter, concluding that the three PAD dimensions captured more information about the consumer experience than did Plutchik's eight categories.

Edell and Burke (1987) developed a three-dimensional model to measure how an advertisement makes consumers feel, rather than descriptors of the advertisements. This scale portrayed the multi-dimensional space of emotions, but did not distinguish among specific emotions (Richins, 1997). Although the study of consumption emotions has increased in scope, the proper method to measure emotions remains vague and the existing scales are inappropriate to measure consumption emotions (Richins, 1997). Therefore, Richin developed Consumption Emotion Set (CES) to measure a range of most frequently experienced consumption emotions (Richins, 1997). Richins (1997) used Multi-Dimensional Scaling (MDS) for the data reduction objective in her study. The Multi-Dimensional Scaling (MDS) was also used to compare the CES with existing measures of emotions in consumption. Richins' (1997) findings showed that two dimensions of emotion were most appropriate. Table (2.4) presents a sample of the dimensions of emotions measured by researchers.

As noted by Richins (1997), the range of emotions experienced by consumers is very broad. Indeed, many specific consumption experiences involve mixed emotions or ambivalence. Otnes *et al* (1997) defined consumer ambivalence as the experience of multiple positive and/or negative emotions in one consumption episode. These mixed emotions may co-occur or occur sequentially (Ortony *et al*, 1988). Previous studies have explored that mixed emotions are associated with consumption experiences such as river-rafting (Arnould and Price, 1993), gift exchange (Otnes *et al*, 1994), and consumer response to advertising (Edell and Burke, 1987).

Today's customers focus on needs such as emotional experiences to be fulfilled. Therefore, companies should be aware of this and strive to create emotional experiences and values. Various studies have found significant influences of affect on post-purchase behaviour. As a result, marketers are increasingly interested in understanding the nature of affect and its contribution to consumer decision-making and response to marketing variables (Donovan and Rossiter, 1982; Gardner, 1985). Early attempts to examine the affective influence on satisfaction were conducted by Westbrook (1987) and Westbrook and Oliver (1991). Westbrook (1987) investigated the extent to which positive and negative affect impacted satisfaction and other consequences of satisfaction.

Westbrook (1987) identified two major dimensions of affect positive and negative using factor analysis, his study found that positive affect has a positive influence on customer satisfaction and word-of-mouth. Negative affect has a negative influence on customer satisfaction and word-of-mouth (Westbrook, 1987). Westbrook and Oliver (1991) recognized that affect was an important part of the satisfaction judgement by attempting to measure the impact of affect on customer satisfaction. Other studies established that consumers can experience both positive and negative affect during the consumption (Mano and Oliver, 1993; Oliver, 1993). In summary, the categorization of emotions in positive and negative affect seems to be the most popular conceptualization. However, the two factor positive and negative affects cannot capture the diversity and the nature of consumption emotions (Westbrook and Oliver, 1991).

Finally, the current research aims to examine the notion of customer experience its antecedents, and its consequences in the context of tourism. Therefore, tourism industry is a critical ingredient in this thesis, and the following section will shed more light on the tourist experience.

Table 2.4: A sample of dimensions of emotion measured by researchers

Researchers	Number of adjectives/subscales	Dimensions
Borgatta (1961)	40 adjectives	Lonely (depressed), warm hearted, tired thoughtful, defiant (aggressive), startled (anxious)
Clyde (1963)	132 adjectives	Friendly, aggressive, clear thinking, sleepy, unhappy, dizzy
Zuckerman and Lubin (1965)	89 adjectives	Depression, hostility, anxiety
Plutchik (1966)	8 adjectives	Happy, agreeable, fearful, angry, interested, disgusted, sad, surprised
McNair, Lorr, and Dropleman (1971)	57 adjectives	Anger-hostility, depression-dejection, vigour-activity, fatigue, inertia, friendliness, confusion
Izard (1972)	30 adjectives	Interest, joy, surprise, distress, disgust, anger, shame, fear, contempt, guilt
Plutchik and Kellerman (1974)	66 adjectives	Sociable, trusting, decontrolled, timid, depressed, distrustful, controlled, aggressive
Curran and Cattell (1975)	96 adjectives	Anxiety, stress, depression, regression, fatigue, guilt, extraversion, arousal
Lorr and McNair (1984)	72 adjectives	Composed, anxious, agreeable, hostile, elated, depressed, confident, unsure, energetic, tired, clearheaded, confused
Howarth and Young (1986)	60 adjectives	Concentration, anxiety, anger, depression, potency, sleep, control, cooperation, optimism, skepticism
Watson, Clark, and Tellegen (1988)	20 adjectives	Positive and negative

Source: Adapted from Plutchik (2003)

2.5 Tourist experience

Although experience economy emerged in the business field, it has crossed its frontier to tourism, which has been identified as one of the pioneer examples of the experience economy (Quan and Wang, 2004) and tourist experience has been an established area of studies during the last three decades (Cohen, 1979, 1988; Dann, 1977; Gottlieb, 1982; Hennig, 2002; Lee and Crompton, 1992; MacCannell, 1973, 1976; McCabe, 2002; Mergen, 1986; Mitchell, 1983; Neumann, 1992; Ryan, 1997a, b; Redfoot, 1984; Urry, 1990, 2002; Van, 1980; Vukonic, 1996; Wang, 1999, 2002).

A consumer is an individual who, through a process of decision-making, obtain goods and services for personal consumption (Page and Connell, 2006, p. 65). Tourist is a consumer "Indeed, from a destination marketer's or the tourism industry's perspective, the tourist is a consumer, and the economic and marketing significance of the tourist activity lies in its consumption and spending. Even the experiences of attractions that are in contrast to the daily experience, are itself a part of total consumption of tourism product. Thus, in the marketing/management literature, the tourist experience is all about consumer experiences (e.g. Moutinho, 1987; Swarbrooke and Horner, 1999; Woodside *et al*, 2000)" (Quan and Wang, 2004, p. 297–298). In tourism, however, the tourist becomes a consumer of place or culture as well as a purchaser of a tourism product. Therefore, the importance of experiencing a place must be recognized (Page and Connell, 2006).

While the current study seek to answer the question of what constitute customer experience. Similarly, the issue of what are the components that constitute the tourist experience remains puzzling (Quan and Wang, 2004).

The social science approach is different from the marketing and management approach in discovering the meaning of tourist experience. The former is treating it as consumer experience, but the latter regarding it as peak experience (Quan and Wang, 2004). Furthermore, both of the approaches capture some of the salient aspects of tourist experience (Quan and Wang, 2004). Within the social science approach the concrete approaches to the tourist experience vary. The following Table summarizes the different approaches to the tourist experience:

Table 2.5: Approaches to the tourist experience

Approach	**Explanation**	**Authors**
Phenomenological approach	which focuses on the subjective experience from the common-sense standpoint of the naive tourists	Cohen, 1979; Neumann, 1992; Ryan, 1997a
Durkeimian approach	The tourist experience is equated to a quasi-religious, pilgrimage-like and sacred journey which offers opportunities of escape from daily drudgery, constraints, anomies, profane responsibilities, and experiencing freedom, authenticity, novelty, change, the exotic, playful childishness, 'flow', meanings identity, myth-making and so on.	Graburn, 1989; MacCannell, 1973, 1976; Vukonic, 1996; Dann, 1977; Gottlieb, 1982; Ryan, 1997b, MacCannell, 1973, 1976; Cohen, 1988; Redfoot, 1984; Wang, 1999; Wang, 2000; Mergen, 1986; Dann, 1989; Mitchell, 1983; Cohen, 1979; Lanfant *et al*, 1995; Hennig, 2002; Selwyn, 1996.
Subjective psychological process	The tourist experience, as, is treated as the object that can be studied in positivist methods, as exemplified in scientific experiments and other quantitative methods	Pearce, 1982; Lee & Crompton, 1992
Critical approach	That regards the tourist experience as an institutional pleasure-seeking activity, which unconsciously contributes to the maintenance of the status quo. Thus, just like religion is regarded by Marx as the opiate of the masses, the tourist experience is similarly treated as the opiate of modern tourists	Van, 1980
Particular type of gaze	which incorporates the powers of institutions of tourism industry and mass media and which is trained and shaped by cultures, values and dominant discourses such as romanticism	Urry, 1990

Source: Developed for the study based on (Quan and Wang, 2004)

The current study will rely on the first three approaches in the conceptualisation of customer experience, namely: Phenomenological approach, Durkeimian approach and subjective psychological process. First, the phenomenological approach will be in use in reviewing the literature and the netnography study in order to gain better understanding of the subjective phenomenon of customer experience from the consumer's perspective. Second, the Durkeimian approach will be utilized in order to determine the different aspects of the experience, because this approach offers different aspects such as opportunities of escape from daily drudgery, constraints, anomies, profane responsibilities, and experiencing freedom, authenticity, novelty, change, the exotic, playful childishness, 'flow', meanings identity, myth-making and so on. Third, the last stage of this research follows the subjective psychological process as customer experience construct will be treated as the object that can be studied in positivist methods (survey) and the quantitative data will be analyzed using SEM technique.

2.5.1 Theoretical approaches to tourist motivations

In order to better understand the customer/tourist experience in the current study, it is arguably important to understand the main motivations for travel. One of the fundamental questions researchers seek to answer is: why do tourists travel? (Page and Hall, 2003). There is an agreement about the fundamental importance of motivations in the leisure and tourism literature (Crompton, 1979; Dann, 1981).

Motivation is commonly seen as the driving force behind all actions (Crompton, 1979; Fodness, 1994; Iso-Ahola, 1982). Leiper (2004) defined motivation as "a force impelling people to act, attempting to satisfy a need, whereas a need refers to a state of felt deprivation. It is made up of driving forces, emotions, impulses, and cognitive processes structured to determine objectives" (Glaesser, 2004). The study of motivation is deeply rooted in psychological needs and desires (Page and Connell, 2006).

Push and pull factors

Traditionally, push and pull factors are employed to describe the travel motivations (Macintosh and Goeldner, 1990; Otto and Ritchie, 1996). Furthermore, most discussions in the tourist motivation literature revolve around the concept of 'push' and 'pull' factors (Baloglu and Uysal, 1996). The push factors are considered to be socio-psychological motivations that motivate the individual to travel, such as the need for escape, the need for relaxation, the need for novelty, the need for self-esteem and social interaction (Dann, 1981). In contrast the pull factors are those that attract the individual to a specific destination once the decision to travel has been made, such as to scenic beaches, or for shopping and entertainment. The pull factors stem from marketing advertisements, word-of-mouth, and referral from friends and relatives (Rittichainuwat *et al*, 2008).

The experiential needs push tourists, whereas experiential benefits of leisure services pull them to the destination. Therefore, emotional and experiential needs are essential in understanding customer experience. Experiential needs and motivations which motivate travellers to travel are various, and may include the need for escape (Bello and Etzel, 1985) which refers to the desire to change pace and to get away from routine, the need for rest and relaxation (Crompton, 1979; Shoemaker, 1989), need for self-esteem (Tian *et al*, 1996), which refers to needs for recognition, such as talking about the overseas trip to friends who have not been, or status and prestige (McIntosh and Goeldner, 1990), excitement (Loker and Perdue, 1992), novelty which refers to the desire to go from a known to an unknown place, or to discover a new experience, thrill, and adventure (Snepenger, 1987), romance (Leed, 1991;

Pruitt and LaFont, 1995), and the need for education, or to indulge in curiosity (Shoemaker, 1989; Tian *et al*, 1996), family- and friends-oriented (Loker and Perdue, 1992).

The travel career ladder

In addition to 'push' and 'pull' concepts, another travel motivation theory, known as TCL (Travel Career Ladder) based in part on Maslow's (1970) needs hierarchy theory of motivation, was developed by Pearce (1988, 1991, 1993), Pearce and Caltabiano (1983), and Moscardo and Pearce (1986). TCL explained tourist motivation as consisting of five different levels organized into hierarchy with relaxation needs at the lowest level, followed by safety/security needs, relationship needs, self-esteem and development needs, and finally at the highest level self-actualization/fulfilment needs.

Dann's perspective on tourism motivation

Dann (1981) suggested seven perspectives on tourist motivation. Table (2.6) illustrates the different elements of tourist motivation according to (Dann, 1981).

Table 2.6: Tourist motivation perspectives

Travel as a response to what is lacking yet desired	Tourist motivation may result from a desire for something new or different and cannot be provided in the individual's home environment
Destination pull in response to motivational push	The distinction between the needs,, wants and desires (push factors) of the individual and how these are shaped by perception of the destination (pull factors)
Motivation as fantasy	Tourist may be motivated to travel to engage in forms of behaviour or activities that are not culturally acceptable in their home environment. One context of this is travel to enable deviant behaviour such as gambling, drugs or prostitution where, because such activities may be illegal in the home country but not in others, this creates the desire to travel
Motivation as classified purpose	Some are motivated to travel or 'caused' to travel by the nature or purpose of the trip. Visiting friends and relatives is one example, the opportunity to undertake specific leisure activities another
Motivational typologies	Different types of tourist may influence the motivation

	to travel
Motivation and tourist experience	Tourism often involves travel to places not visited previously. As such, some are motivated to travel by what they expect to experience in contrast to their home area and other holiday experiences
Motivation as auto-definition and meaning	The ways in which tourists define their situations and respond to them may provide a better understanding of tourist motivation. Such an approach is seen in contrast to simply observing behaviour as a means to explain tourist motivation

Source: Adapted from (Page and Connell, 2006) based on (Dann, 1981)

Tourist gaze

Urry (1990) asserted in the tourist gaze that when we go away 'we look at the environment … we gaze at what we encounter … and the gaze is socially constructed' (p. 1). Drawing on Foucault's (1976) analysis of the 'medical gaze', Urry (1990) suggested that the gaze varied temporally and across social groups and that the concept of the gaze encapsulates tourists' experiences and is an interpretation of the things they seek and do when on holiday and away from 'work' (See Table 2.7). The gaze, therefore, is a concept which comprises a way of looking at the world which simultaneously forms what is seen and the way of seeing. It is a way of understanding the experiential elements of tourism motivations (Page and Connell, 2006). Also, the gaze concept can be used to interpret a whole way of life, for example, medicine or tourism (Urry, 1992).

Urry's analysis draws on the experience and particular historical and cultural patterns of British tourism, he gave an explanation of his concept with a discussion of the rise of mass tourism in nineteenth-century Britain, resulting from the increasing economic strength of the industrial working classes and identified five forms of the tourist gaze.

Table 2.7: Forms of tourist gaze

Romantic	Object of vision or awe consumed in solitude, involving a prolonged immersion, e.g. the early tourists to the Trossachs or the Lake District, whose gaze resulted in work of arts and literature
Collective	Social activity involving a series of shared encounters based around familiar objects, e.g. a domestic coach tour
Spectatorial	Again, a social activity based on a series of brief encounters, which encompass collecting symbol of the visit, e.g. sightseeing tour with much photography and souvenir purchase
Environmental	Collective organisation of a sustained and multifaceted nature, involving study and inspection of the environment, e.g. rainforest conservation holiday
Anthropological	A solitary pursuit, involving a prolonged contact with the object of the gaze and involving study and interpretation, e.g. backpacker trip where tourist lives as a local resident

Source: Adapted from (Urry, 1995, p. 191)

Factors affecting tourist motivations

Tourist's choice about where they wish to travel is influenced by a combination of opportunities and constraints, including available finance and time, also a number of social divisions may restrict their choice in tourism (Page and Connell, 2006). Argyle (1996) emphasizes the importance of gender, age, social class, retirement, unemployment, social relationships, personality and socialization in influencing leisure behaviour. The following section will discuss age, gender and family life-cycle as important factors affecting tourist choice. The previously mentioned factors are relevant to the current study.

Age is an important factor that influence in holiday decision-making. Young adults are taking holiday to establish independence, to develop confidence in their own identity, however, the older they get the less active holidays they take. For instance, in Great Britain those aged over 65 are less likely to have holidays compared to other age groups of 35–54. Also, those aged 16–24 are more likely not to have a holiday because of their limited income. It is not only age that affects holiday decisions but also marital status. Children are an important determining factor in tourism behaviour (Dellaert *et al*, 1998; Thornton *et al*, 1997). Gender is also another important factor, Clarke and Critcher (1985) stated that women have less leisure time than men and they prefer to spend more time at home. More recently, however, there is an increase in lone female travellers as well as female group travellers (Connelle and Page, 2006). Tourist nationality is also affecting destination choice and perception, for example, Kozak (2002) found differences between English and German tourists to Mallorca and Turkey. The social class is considered to be an important factor that has an impact on tourism motivation. According to Lumsdon (1997) "Moving from the professional occupational grouping to the unskilled, there is an increase in television viewing, a decline in library membership and book reading, and a decline in holiday-making, sports participation and countryside recreation (ONS, 2004)" (Page and Connelle, 2006, p. 78).

The larger context, or the tourist destination itself, e.g. Sharm El Sheikh, is an important aspect when talking about customer experience in hospitality establishments in the current study. This factor should not be ignored particularly in this study. Here hospitality meets tourism and as a result of this integration, the customer's assessment of their experience cannot be achieved separately by independent hotel businesses (the next section will discuss customer experience in service context in general) – the holiday destination plays an important role in the service experience. Many combined factors contribute to the customer experience in a coastal area or resort; "Natural, the landscape of the cliff, beaches, open sea, estuaries and the sky. Structural, the townscape, architecture and tourist-related features (piers, promenades, gardens and lighthouse). Physiological, the meanings and values attached to the natural and built environments which give a sense of place" (Page and Connelle, 2006, p. 444). Resort hotels used in the current study are located in a coastal area of Sharm El Sheikh that have the previously mentioned features, and who also organize trips to different places in the coastal city as well as organizing various leisure activities that may negatively or positively influence the customer overall assessment of the experience. Therefore, the quality of the entire visitor experience is not only that of core service (accommodation and catering) but also the destination experience that contributes to the entire visitor experience.

2.6 Customer experience in a services context

As the service sector grown increasingly, attention paid by marketing researchers includes many aspects related to marketing of services by being mindful of issues such as experiences, design and delivery (Brown *et al*, 1994). Before moving to the next section that further explains service marketing literature development, characteristics of services and classification of services, it is reasonable to start by defining services and explaining the difference between services, goods and experience. There exists a large amount of different definitions regarding the concepts of service. Kotler *et al* (2002) defined service as “An activity of benefit that one party can offer to another which is essentially intangible and does not result in the ownership of anything” (p. 832).

Another commonly used definition of service is proposed by Grönroos (2000). “A service is a process consisting of a series of more or less intangible activities that take place in interactions between customer and service employees” (p. 46). One common characteristic of those two definitions refers to the proportion of the intangible part of a service. This leads to a more sophisticated distinction between goods and services. Grönroos (2000) argued that customers not only buy goods or services but the offerings consisting of goods, services, information, personal attention, and other components. Service components can be a minor or a major part of the total offering. In fact, the offer can range from pure good on one hand, to a pure service on the other, where service or good is placed on a horizontal axis or a continuum known as ‘intangibility continuum’ based on tangible or intangible dominant aspects (Kotler *et al*, 2002).

Initially, problems in the service businesses began to prove that the differences between providing goods and providing services required further investigation. This further investigation has led to the development of services marketing literature, in addition to a unique body of knowledge that developed quickly. Major research topics covered in the literature include service quality (Zeithaml *et al*, 1990) and customer satisfaction (Bitner, 1990; Shostack, 1992). According to Fisk *et al* (1993) the development of service marketing and management literature can be divided into three phases. Firstly, there is the ‘crawling-out phase’ from 1950 to 1980, when only a few researchers made efforts to distinguish between marketing strategies for goods and services. Second, in the so called ‘scurrying-out phase’ from 1981 to 1985, when further concentration on the marketing and management of services occurred. With significant publications from different authors, marketing and management of services turned into an independent discipline. Finally in the ‘walking-erect phase’ from 1986 until today the number of contributions in textbooks and journal articles has increased explosively.

2.6.1 Characteristics of services

Although service industries are themselves quite heterogeneous, from previous literature, Zeithaml *et al* (1985) identified four main characteristics of services. These characteristics are intangibility, inseparability of production and consumption, heterogeneity and perishability. These features are discussed in details in the following section.

Intangibility

The characteristic identified as the most essential one is the intangibility of services. Services differ from products in the way that they cannot be touched, felt, seen or tasted in the same way products can. Unlike products, services are performed experiences and not objects Services are not tangible so it is hard for the consumer to assess before the purchase. Goods are objects, devices, things; whereas services are deeds, performance, efforts. The lack of tangible attributes causes the services to be harder to evaluate than products (de Chernatony and McDonald, 1998; Zeithaml *et al*, 1985). Therefore, the use of distinctive logos or physical facilities is a way to provide tangible clues for the consumer that makes him favour a specific service provider (Berry, 1980).

Many services have some tangible attributes, and it is the degree of intangibility that affects the evaluation of the service or product. De Chernatony and McDonald (1998) illustrate this by a classification scheme where products and services are grouped according to how highly they rate in search, experience or credence qualities. Search attributes are ones that can be verified prior to purchase through direct inspection or readily available sources (Srinivasan and Till, 2002), experience attributes are ones that can be verified only after use of the product (Ford *et al*, 1990) and credence attributes are ones that are difficult to verify even after use (Darby and Karni, 1973). It can be seen that services are more difficult for the customers to evaluate the more intangible they are. When search qualities are high the consumers can identify and assess attributes of the offering before making a buying decision. Experience qualities are high when attributes of an offer can only be evaluated after use. The most difficult offerings to evaluate are those high in credence qualities. Credence qualities are common in numerous services where consumers do not have sufficient knowledge to assess services, even after they have been consumed.

Inseparability

The characteristic of inseparability of production and consumption indicates that production takes place simultaneously with consumption. Generally, when dealing with products these are normally produced, sold and then consumed. As far as services are concerned, these are usually first sold and then produced and consumed at the same time. Since the customer in most cases needs to be present, the inseparability forces him or her to take an active part in the production process and can therefore affect the service quality (de Chernatony and McDonald, 1998; Zeithaml *et al*, 1985). This raises a number of problems which marketers of goods do not face: Participation of customers in the production process, or delivery process, the interaction between the service provider, the service environment and the customer, and the merging of operations, human resource and marketing responsibilities in one individual. Additionally, some service organizations such as passenger transport companies produce and deliver their service for many customers simultaneously. In these cases, customers interact not only with the service organization; but also with each other. As a result, other customers are a part of the service consumption experience.

Heterogeneity

Compared to goods, services are normally less standardized and uniform. The performed service can vary greatly from service provider to another because of the fact that people have good and bad days, and hence perform in an inconsistent way (de Chernatony and Dall'Olmo Riley, 1999). The extensive involvement of people in the production of a service introduces a degree of variability in the outcome; the problem of heterogeneity is of greater relevance in labour intensive services (de Chernatony and McDonald, 1998; Zeithaml *et al*, 1985).

Perishability

Perishability suggests that services, unlike products, cannot be stored (de Chernatony and McDonald, 1998; Zeithaml *et al*, 1985). It is produced at the same time as it is consumed which implies huge problems when it comes to production planning hence services are highly perishable. One night in a hotel room cannot be stored if it is not occupied and will be lost for ever. The perishability of services is not a problem when demand is steady, because it is easy to staff the services in advance. When demand fluctuates, service firms face the problem of the synchronization of supply and demand which can be very difficult. Service marketers need therefore to manage not only the demand, but also the supply, so that a profitable equilibrium is consistently obtained.

Today, however, the characteristics traditionally associated with services; intangibility, inseparability, heterogeneity and perishability do not distinguish clearly between goods and services (Lovelock and Gummesson, 2004; Vargo and Lusch, 2004).

2.6.2 Classification of services

As the importance of services began to grow, a plethora of service classification schemes were introduced into the academic literature (Lovelock, 1983; Mills and Margulies, 1980; Silpakit and Fisk, 1985). The different services can be classified differently into categories, depending on the degree of tangibility, degree of customer contact and degree of customer participation (Silpakit and Fisk, 1985), employee/customer interface (Mills and Margulies, 1980), customer involvement, nature of delivery, customization and others, (Table 2.8) provides a summary of proposed services classifications schemes.

One of these classifications is the one Stafford and Day (1995) recommend to use which is an experiential-utilitarian continuum for overcoming the limitations associated with many other service classification schemes. According to Stafford and Day (1995) experiential services are characterized by higher levels of employee contact, customization directed toward people. Conversely, utilitarian services are more functional in nature, have lower degrees of employee contact and customization, and are more equipment and object-oriented. This classification will be used in this study.

Table 2.8: Summary of previously proposed schemes for classifying services

Author	**Proposed Classification Schemes**	**Comment**
Judd (1964)	(1) Rented goods services (right to own and use a good for a defined time period) (2) Owned goods services (custom creation, repair or improvement of goods owned by the customer) (3) Non-goods services (personal experiences or "experiential possession")	First two are fairly specific, but third category is very broad and ignores services such as insurance, banking, legal advice and accounting.
Rathmell (1974)	(1) Type of seller (2) Type of buyer (3) Buying motives (4) Buying practice (5) Degree of regulation	No specific application to Services - could apply equally well to goods.
Shostack (1977)' Sasser *et al*" (1978)	Proportion of physical goods and intangible services contained within each product "package"	Offers opportunities for multi-attribute modeling. Emphasizes that there are few pure goods or pure services.
Hill (1977)	(1) Services affecting persons vs. those affecting goods (2) Permanent vs. temporary effects of the service (3) Reversibility vs. non-reversibility of these effects (4) Physical effects vs. mental effects (5) Individual vs. collective services	Emphasizes nature of service benefits and (in 5), variations in the service delivery/consumption environment.
Thomas (1978)	(1) Primarily equipment based (a) automated (e.g., car wash) (b) monitored by unskilled operators (e.g., movie theatre) (c) operated by skilled personnel (e.g. airline) (2) Primarily people-based (a) unskilled labour (e.g., lawn care) (b) skilled labour (e.g., repair work) (c) professional staff (e.g., lawyers, dentists)	Although operational rather than marketing in orientation, provides a useful way of understanding product attributes.
Chase (1978)	Extent of customer contact required in service delivery (a) high contact (e.g., health care, hotels, restaurants) (b) low contact (e.g., postal service, wholesaling)	Recognizes that product variability is harder to control in high contact services because customers exert more influence on timing of demand and service features, due to their greater involvement in the service process.

Kotler (1980)	(1) People-based vs. equipment-based (2) Extent to which client's presence is necessary (3) Meets personal needs vs. business needs (4) Public vs. private, for-profit vs. nonprofit	Synthesizes previous work, recognizes differences in purpose of service organization.
Lovelock (1980)	(1) Basic demand characteristics -object served (persons vs. property) -extent of demand/supply imbalances -discrete vs. continuous relationships between customers and providers (2) Service content and benefits -extent of physical goods content -extent of personal service content -single service vs. bundle of services -timing and duration of benefits (3) Service delivery procedures -multi-site vs. single site delivery -allocation of capacity (reservations vs. first come, first served) -independent vs. collective consumption -time defined vs. task defined transactions -extent to which customers must be present during service delivery	Synthesizes previous classifications and adds several new schemes. Proposes several categories within each classification. Concludes that defining object served is most fundamental classification scheme. Suggests that valuable marketing insights would come from combining two or more classification schemes in a matrix.

Source: Adapted from Lovelock (1983)

2.6.3 The quality of service and the quality of experience

Service quality is of utmost importance when considering any kind of services and it is of particular importance within the context of this study because the perceived service quality is partly shaped during the experience. The construct of service quality as conceptualized in the service marketing literature centres on perceived quality, which is defined as a consumer's judgement about an entity's overall excellence or superiority (Zeithmal, 1987). Perceived service quality is also defined as the discrepancy between customer's expectations and their perceptions of the service performance (Grönroos, 1984; Parasuraman *et al*, 1988). In other words, perceived service quality is the disparity between the consumer's expectations and their experiences. Customer expectations may be understood as the desires or wants of customers (Parasuraman *et al*, 1988) i.e. what they feel a service provider should offer rather than what one would offer in reality (Parasuraman *et al*, 1988).

Several studies have been conducted to identify models and dimensions of service quality. These studies showed that the number and the content of service quality dimensions varied in the literature. Also, these studies have given the customer perspective a predominant role and the models have centred on measuring the gap between customer expectations and experiences. For instance, Grönroos (1984) referred to three factors of service quality; technical, functional and reputational. Later, Parasuraman *et al* (1985) offered the SERVQUAL model that can identify differences between the customers' expectations and their perceived service performance within a range of potential communication gaps for quality improvement of the service (Parasuraman *et al*, 1985, 1986). In the gap model, perceptions greater than or equal to expectations will lead to satisfactory service quality, whereas perceptions less than expectations indicate unsatisfactory service quality (Parasuraman *et al*, 1985, 1988; Zeithaml *et al*, 1993).

The SERVQUAL model is widely used and cited throughout service quality research. The initial research is carried out by Parasuraman *et al* (1985) and yielded in ten dimensions defining the level of service quality. However, those dimensions were subsequently narrowed down to five dimensions of service quality known as SERVQUAL: tangibles, reliability, responsiveness, assurance, and empathy. Researchers typically measure service quality using those dimensions, (Zeithaml *et al*, 1990). Grönroos (1988) added a sixth dimension which is recovery.

Swartz and Brown (1989) drew on the work of Grönroos (1983) and Lehtinen and Lehtinen (1982) identifying two dimensions of service quality: Firstly, what the service delivers which is evaluated after performance (Swartz and Brown, 1989, p. 190); Secondly, how the service is delivered which is evaluated during delivery (Swartz and Brown, 1989, p. 190). Another main contribution was made by Cronin and Taylor (1992) who conducted an empirical study exploring the relationship between service quality, satisfaction and purchase intention. They found that service quality is an antecedent of customer satisfaction. Cronin and Taylor (1992) contradicted the framework of Parasuraman *et al* (1988) with respect to conceptualization and measurement of service quality, and proposed a performance-based measure of service quality called ‘SERVPERF’ by illustrating that service quality is a form of consumer attitude. They argued that the performance-based measure was an enhanced means of measuring the service quality construct. Furthermore, Teas (1993) developed alternative models of perceived service quality based on evaluated performance (EP) and normated quality (NQ).

The author argued that the EP model could overcome some of the problems associated with the P-E gap model of service quality.

In summary, many researchers have described service quality in different contexts and have developed different models. Those studies are different with respect to the conceptualization, contexts and the measurement of service quality – but they are useful as they provide different factors that present the perceived service quality. However, service quality models are not enough when evaluating the service from a customer's perspective since its inability to reflect hedonic aspects of customer offerings, feelings and emotions experienced during the service delivery process which are considered necessary to capture the experiential nature of the service encounter (Bateson and Hui, 1987; Donovan and Rossiter, 1982; Hui and Bateson, 1991). Also, the service quality models, including SERVQUAL, focus only on the functional attributes of the service, and neglect the holistic component of service experience. Therefore, these models are not the most appropriate tools to assess the customer experience (Gyimóthy, 2000).

The quality of service is entirely different from the quality of experience – with respect to the measurement; the former is objective while the latter is subjective. The quality of service evaluative model is attribute-based, whereas the quality of experience evaluative model is holistic-gestalt. Still there is a difference between quality of service and quality of experience with regard to the focus of evaluation – the former focuses on company, provider and environment and the latter focuses on self (internal). In addition to this, the scope of quality of service is specific, while the scope of quality of experience is general. The nature of benefits in the quality of service is functional and in quality of experience is hedonic. Finally, the psychological representation of quality of service is cognitive whereas the quality of experience is affective (Otto and Ritchie, 1996). Without doubt, it is obvious that the use of the quality of experience measures should be complementary to traditional service quality measures.

2.6.4 Service intrinsic and extrinsic cues

Prior to service consumption, consumers are more likely to use cues such as price, brand name, advertising, word-of-mouth and physical facilities to reduce risk of purchasing services, and to infer service quality due to the intangibility of service (Murray and Schlacter, 1990; Olson, 1977; Parasuraman *et al*, 1985; Zeithaml, 1988). A cue is defined as "a characteristic event, quality, or object that is external to the consumer that is encoded and used to categorize a stimulus object" (Crane and Clarke, 1988). Two types of cues have been identified – intrinsic and extrinsic. Intrinsic cues: are derived directly from the product and are therefore difficult to change. In contrast, extrinsic cues are aspects that may 'surround' the product and can be changed with less difficulty (Olson and Jacoby, 1972). A number of important cues that consumers use to judge the quality of a service prior to consumption are explained in the following paragraphs.

Brand name

Brand name is one of the most powerful ways through which a framework of expectations is set. If the brand name is diffuse and the service standards unaligned, the consumer is unable to settle on an expectation framework. Brand names mean more than just a symbol representing a product, a service or a company. Brands denote a whole bundle of information signifying all of their attributes (Biswas and Sherrell, 1993). Within the service marketing context, brand name is considered one of the elements that constitute a company's presented brand which is a primary source of brand awareness (Berry, 2000). External brand communications may enrich customer experience to a certain extent. Brand name is a clue used by the customer to evaluate his/her experience. Therefore, firms must choose their brand names carefully. For companies, brand name is a valuable asset that helps communicate quality and evoke specific knowledge structures associated with the brand (Hoyer and Brown, 1990; Keller, 1993). Therefore, a major problem in the issue of branding is what name to choose for the brand. In general, brand name plays an important role in enhancing a product's value (Dodds *et al*, 1991) and the value the brand name adds to the products is brand equity (Farquhar, 1989). Not only, does the brand name provide information about product quality, but also it plays a significant role in the decision-making process of choosing the most preferred product or service (Jacoby *et al*, 1977). Moreover, brand name is considered as one of the service brand dimensions (O'Cass and Grace, 2004) and its nature is the available attributes to be represented by the brand name (Jiang, 2004).

Word-of-Mouth

Word-of-Mouth (WOM) influences expectations and perceptions during the information search phase of the buying process and influences attitude during the pre-choice evaluation of alternative service providers (Stock and Zinsner, 1987; Woodside *et al*, 1992). WOM can influence decisions either positively (Engel *et al*, 1969; Richins, 1983) or negatively (Bolfing, 1989; Tybout *et al*, 1981).

Price

Likewise, price is the only information available; consumers use it to assess service quality (Zeithaml, 1981). The price of the service has shown to have a significant effect on the buyer's perception of quality (Rao and Monroe, 1989). In fact, the findings of a considerable number of studies suggest that consumers most often rely on price to evaluate products or services (Dodds *et al*, 1991; Kurtz and Clow, 1991; Zeithaml *et al*, 1993). Similarly brand name is an extremely important cue used by customer in evaluating a service (Turley and Moore, 1995).

Advertising

Advertising has significant implications that get the marketing offering to be (at least) noticed by the target consumers (Evans *et al*, 1996). Advertising also has been shown to be a cue for quality (Kirmani and Wright, 1989; Rao and Ruekert, 1994). Research has demonstrated a positive relationship between brand advertising and brand sales (Batra *et al*, 1996). Many sequential models have been developed to explain how consumers respond to marketing activity. Those models suggest a series of mental steps through which potential customer go through before decision-making. For instance, the AIDA model (Attention-Interest-Desire-Action) first proposed by (Strong, 1925) and the hierarchy of effects model developed by (Lavidge and Steiner, 1961) which incorporates six stages: awareness, knowledge, liking, preference, conviction, and purchase. Additionally, the ATR model (Awareness-Trial-Reinforcement) by Ehrenberg (1974) in which he emphasizes reinforcement, suggested that in many contexts, the key role of advertising was in reinforcing previous purchase decisions, rather than in persuading people to make a first-time or brand-switching decision.

Recently, Evan *et al* (1996) outlined a sequence of communication effects framework: exposure, attention, perception, retention, conviction, action and post-purchase. Exposure is to ensure that the marketing offering is in the right place for the target consumer. However, there is no guarantee that consumers will see the ad. The second stage is concerned with ensuring that the ad is noticed. There are particular techniques to attract attention which are used by marketers such as colour and movement in the marketing messages. Once noticed, the message should be interpreted in the intended way. Assuming that the marketing offering is interpreted appropriately, retention stage is the remembering of the message in the intended way. This stage is characterized by application of theories from the psychology of learning. Firstly, associationist learning theory which considers learning to be essentially concerned with the stimulus-response relationship. Secondly, insightful learning or Gestalt theory, which is concerning with putting the component of the problem together to form a whole solution. The conviction stage aims to develop favourable beliefs, attitudes, and intentions towards the ad. The previous stages move the potential customer to take an action but this is not the only purpose of marketing which is concerned with satisfying customers and keeping good relationships with them.

Advertising is a critical component of the marketing mix for any service provider. Consumers treat advertisements as tentative hypotheses that can be tested through experience (Hoch and Won Ha, 1986). A study undertaken on some service industries by Clow *et al* (1997) showed that advertising does not have a significant impact on either firm image or consumer expectations in the service industries examined in the study. Advertisements raise customers' expectations by making promises about a product or service. When those promises are not kept, customers have a poor experience.

Customer-contact employees

An important cue is also the performance of customer-contact employees as they create and deliver service quality (Hartline and Jones, 1996). It is a crucial determinant of customers' perceived service quality (Bitner, 1990). Employee behaviour would affect customers in terms of interaction with the firm (Winsted, 1997 and 1999 and 2000). Consumers have reported store personnel to be a contributing factor to entertaining store experiences especially when the staff has the ability to provide extraordinary service experience (Jones, 1999). The employees are often pointed out as being a major determinant of the customer's experience in services, and are often associated with the consistency of the service quality delivered (de Chernatony and McDonald, 1998; Grönroos, 2000). Moreover, the most important communication channel is the staff facing the customers (de Chernatony and Segal-Horn, 2003). Likewise, customer-contact personnel influence the customer's mood state through their presence, message content, attractiveness, status, and interpersonal relationships with customers (Kraiger *et al*, 1989).

Servicescape

Servicescape may have either a positive or negative influence on the experience outcome. The importance of the setting in a broader sense is extensively discussed in marketing, particularly services marketing (Bitner, 1990 and 1992; Donovan and Rossier, 1982; Hoffman and Turley, 2002; Kotler, 1973; McGoldrick and Pieros, 1998; Turley and Chebat, 2002; Wakefield and Blodget, 1996). The atmospherics of the service would affect customer mood during or after the encounter (Baker and Cameron, 1996; Bitner, 1990 and 1992). It has been shown that a positive atmosphere can lead to approach behaviours, which implies that consumers stay longer in the store, spend more money or that the propensity for impulse buying increases (Donovan and Rossiter, 1982; Foxall and Greenley, 2000; Sherman *et al*, 1997; Spies *et al*, 1997). Conversely, a negative atmosphere has been argued to lead to avoidance behaviour, such as a desire to leave the store or a sense of dissatisfaction (Donovan and Rossiter, 1982; Turley and Milliman, 2000).

Some other factors that may increase or decrease the likelihood of perceiving superior service quality: core service, pre-consumption mood and past experience.

Core service

Core service is the reason for why the service firm exists in the market. Sasser *et al* (1978) as cited in (Palmer, 1994) called it 'substantive service' which means the essential function of a service. Core service quality across different types of services such as dental services, auto services, restaurants and hairstylists were found to directly affect customer satisfaction (McDougall and Levesque, 2000) cited in (Grace and O'Cass, 2004).

Pre-consumption mood

Pre-consumption mood - affect is not only an important dimension of the customer experience, but also a determinant of customer satisfaction (Westbrook, 1987; Westbrook and Oliver, 1991). Several studies have fundamentally recognized that consumers' mood states have an impact on their immediate product evaluations (Clark and Isen, 1982; Gardner, 1985; Isen *et al*, 1978). Customers enter the service environment in a positive, negative, or neutral mood, and this will subsequently affect the evaluation of the experience. The customer is likely to utilize his or her mood state as an antecedent to the evaluation process (Mattila and Wirtz, 2000).

Past experience

Past experiences shape the customer's brand norm (Cadotte *et al*, 1987) and predictive expectations (Grönroos, 1990a), both of which can be used as comparison standards and inputs into overall evaluations of service quality and satisfaction. A customer's satisfaction with his or her last experience with a firm therefore should have a positive effect on his or her expectations for the next service experience (Bitner, 1990). Customers are likely to return to service providers that have delivered satisfactory service in the past, and also the relationship performance has been found to be good predictors of service repurchase intentions (Strandvik and Liljander, 1995). For example, Houston *et al* (1998) reported a direct positive effect of past experiences on service-encounter quality.

The literature has provided insights about the importance of the cues in evaluating and predicting service quality. Similarly, those cues were hypothesized in this study as important and reliable sources of information on which customers rely to predict and evaluate their experiences, because intangibility is not only limited to services but also applies to experiences. Furthermore, in a recent special issue about customer experience in the journal of retailing (see Verhoef *et al*., 2009 and Grewal *et al*., 2009), the authors discussed many determinants of customer experience such as; social environment (Baker *et al*., 2002; Haykato and Baker, 2004), service interface or service personnel (Baker *et al*., 2002; Mittal and Lassar, 1996), atmosphere (Baker *et al*., 2002; Kaltcheva and Weitz, 2006; Wakefield and Baker, 1998), price (Baker *et al*., 2002; Gauri *et al*., 2008), past customer experience (Bolton and Drew, 1991; Boulding *et al*., 1993; van Doorn and Verhoef, 2008), retail brand (Verhoef *et al*., 2009) and promotion or advertising (Grewal et al., 2009).

In line with those determinants, and bearing in mind the context of the present study, a number of antecedents were selected in building the conceptual model. Those determinants are hypothesized to be inextricably linked to customer experience (will be discussed in the next chapter in more details). Moreover, the literature provides a number of moderators of customer experience such as; goals, socio-demographics, etc (Verhoef *et al*., 2009). The current study is dealing with tourist experience; therefore, earlier in this chapter tourist motivations were discussed as important factors that influence customer experience. However, testing and validating the influence of tourist motivation on their experiences are beyond the scope of the current study. It is potentially interesting avenue for future research to explore.

2.6.5 Customer experience and the service brand

Customers drive the success of brands, and brands are the necessary touch point that firms have to connect with their customers (Keller, 2008). The consumption experience is defined as a phenomenon that involves the consumer's subjective evaluation of the cognitive, affective and relational interaction with the item consumed (Cunnell and Prentice, 2000; Holt, 1997; Pine and Gilmore, 1999; Prentice, 1996; Schmitt, 1999), and brand is a name, term or symbol intended to identify the products or services of the seller and to differentiate them from those of the competitors (Aaker, 1991; Kotler, 1988, p. 463). Brand is, therefore, an emotion, or a promise, or an association, or an attitude, or a belief, or a feeling or a relationship with the company; above all it is an experience. There is growing evidence that much of the value of a brand that allows for premium prices to be charged is added during the consumption process (Holbrook, 1994 and 1999; Ponsonby and Boyle, 2004; Zeithaml, 1988). The current study will focus on customer experience within service brands, particularly experiential service brands which are characterized by higher levels of employee contact, customization directed toward people, and have a strong people orientation (Stafford and Day, 1995). Additionally, experiential brands focus on consumer interaction with a company's product or services (Dea and Hemerling, 1998). Specifically, the service sector was considered a good area to study because of the close relationship between the customers and the brand that exists in the service sector (Franzen, 1999) and usually firms attempt to strengthen this relations with their consumers (Randall, 1997).

Providing a personalized customer experience would be by creating a differentiated brand. A differentiated brand is a promise that would be translated into value and then delivered in an engaging experience that will connect with the hearts of customers. In today's marketplace, differentiation is no longer being based on quality, price or performance but on the total customer experience with the brand. Hence, brands have to find another way to connect with the consumer. Therefore, the shifting to the experience is inevitable. Customers not only get just the products' features, but also they get products with a name, logo, and signage on packaging, and they buy it in a store or on the Internet, where it is displayed in a certain way. The key idea is to take the brand beyond its products or services and provide an environment for the customer to engage with the pure brand values. The process of branding originated as a means for firms to differentiate their goods or services from those of competitors (Cowley, 1991). It offers informational clues about the value to be expected from consuming one product relative to another (Gobe, 2001; Schmitt, 1999). Thus, branding can simplify choice decisions for consumers. Accordingly, it will simultaneously provide a basis for building customer loyalty for firms (Gobe, 2001; Riley and de Chernatony, 2000; Schmitt, 1999). Accordingly, the customer experience with the brand should be aligned to the branding process to satisfy customers.

This study examines a particular kind of experience in which customers live with a brand and its impact on a brand loyalty. Scholars recognize many types of experience, such as experience economy (Pine and Gilmore 1998), extraordinary experiences (Arnould and Price, 1993; Celsi *et al*, 1993), flow experience for artists, athletes and dancers (Csikszentmihalyi, 1977), peak experience which was established as a central phenomenon in humanistic psychology by Maslow (1964, 1968), relationship experience in co-creating brands (Payne *et al*, 2008), the sport customer experience (Miller and Johnson, 2008), service experience (Otto and Richie, 1996; Winsted, 1997), pre-purchase service experience (Edvardsson *et al*, 2005), the retail experience (Backstrom and Johansson, 2006; Rowley and Slack, 1999), experience of heritage tourists (Beeho and Prentice, 1997; Masberg and Silverman, 1996;), VIP tent experience (Pullman and Gross, 2003), Transcendent Customer Experience (TCE) (Schouten *et al*, 2007), leisure experience (Lee *et al*, 2004; Lengkeek, 2001), recreation experience (Hull *et al*, 1992), place experience (Clarke and Schmidt, 1995; Trauer and Ryan, 2005), tourist experience (Uriely, 2005), backpacking experiences (Uriely *et al*, 2002), tourism experience (Prentice *et al*, 1998; Quan and Wang, 2004) and the dining experience (Andersson and Mossberg, 2004). Hypothetically speaking, all of the previously mentioned experiences are like a customer experience with a company's service, a place, or a product. With the plethora of experience types the current study will discuss the phenomenon of customer experience and draw on those previous studies in an attempt to examine customer experience with a brand which is known among marketers as 'branding the experience' or 'experiencing the brand'.

2.6.5.1 Brand loyalty

For any business, regardless of size or industry, the cost of attracting new customer is higher than retaining customer. Therefore, businesses aiming to foster brand loyalty by improving customer experience. Brand loyalty is the attachment that customer has to a brand and in this thesis brand loyalty has been treated as the final dependent variable. A customer loyal to a brand is less likely to switch to another brand. Copeland (1923) appeared to be the first to suggest a phenomenon related to brand loyalty, it was recognized as 'brand insistence'. Consequently, research has been undertaken to investigate the relationship between brand loyalty and some variables such as: consumer characteristics (Carman, 1969; Coulson, 1966; Cunningham, 1956), consumer knowledge about brands (Tucker, 1964), store loyalty (Carman, 1969; Cunningham, 1961). A loyal customer is more profitable for the company rather than acquiring a new one for several reasons such as: a loyal customer is less sensitive to price, spends more with the company, and in addition his/her serving cost is less (Berry and Parasuraman, 1991; Bowen and Shoemaker, 1998; Dowling and Uncle, 1997; Tepeci, 1999). A review of literature in brand loyalty emphasizes a great diversity in concept definition and measurement approaches. However, there is little agreement among marketing scholars on an appropriate definition of brand loyalty and its measures (Dick and Basu, 1994; Jacoby and Chestnut, 1978; Oliver, 1999).

There is a commonality among all the definitions that there is a commitment by the consumer to the brand often reflected in their purchasing habits over time. Some of the definitions of brand loyalty are presented in the following section;

Brand loyalty as defined by Chaudhuri and Holbrook (2001), is "a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future, thereby causing repetitive same-brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour" (p. 82). This definition underscores two principal elements of brand loyalty: behavioural aspects; and attitudinal aspects (Aaker, 1991; Griffin, 1995; Jacoby and Chestnut, 1978; Jacoby and Kyner, 1973; Oliver, 1999; Rundle-Theile and Mackay, 2001; Tucker, 1964). Behavioral loyalty refers to those aspects of consumer behaviour directed towards a particular brand over time, in other words, repeated purchases of a brand (Griffin, 1995; Jacoby and Chestnut, 1978; Rundle-Theile and Mackay, 2001). Whereas, attitudinal loyalty refers to from statements of preference or likely behaviour and it is concerned with the sense of loyalty, engagement and allegiance (Bowen and Chen, 2001). The current study is seeking to measure attitudinal brand loyalty because of its importance in driving behaviour and attitudinal loyalty is more enduring.

Jacoby and Chestnut (1978) defined brand loyalty as "the biased (i.e. non-random) behavioural response (i.e. purchase) expressed over time by some decision-making unit, with respect to one or more alternative brands out of a set of such brands and is a function of psychological (decision-making, evaluative) processes" (p. 80). Bloemer and Kasper (1995, p. 312) identified two types of brand loyalty based on the definition of Jacoby and Chestnut (1978); they are true brand loyalty and spurious brand loyalty.

True brand loyalty is "the biased (i.e. non-random), behavioural response (i.e. purchase) expressed over time by some decision-making unit, with respect to one or more alternative brands out of a set of such brands, which is a function of psychological (decision-making evaluative) processes resulting in brand commitment". The authors have found that "true loyalty" implies, in addition to repetitive purchasing, a true commitment to the brand. They defined spurious brand loyalty as "the biased (i.e. non-random), behavioural response (i.e. purchase) expressed over time by some decision-making unit, with respect to one or more alternative brands out of a set of such brands, which is a function of inertia". What differentiates the notion of true brand loyalty from the spurious is brand commitment. While the roots of spurious brand loyalty are inertia, i.e. the spurious brand loyal customers are not committed to a certain brand. The true brand loyal customer is dedicated to a particular brand and due to his or her commitment he/she keep buying the same brand on a regular basis. In other words, the spurious brand loyal customer can easily switch to another brand. But, the reason he/she keep buying the same brand “might be the comfort of not being forced to make a new choice, the time saved when buying the brand again, the feeling of indifference with the choice, the familiarity with the brand, or the reduction of the perceived risk” (Bloemer and Kasper, 1995, p. 314).

2.6.6 Managing the customer experience

Customer Experience Management is a relatively new term with a number of different interpretations in the marketplace. This paradigm is representing a shift from a traditional marketing concept, and an increased focus on customer experience is evident (Shaw and Ivens, 2002; Smith and Wheeler, 2002). However, the literature lacks the definition of the concept and its managerial implications. Carbone (2004) claimed that customer experience is not the same as customer service and the marketers are aware of that. From a managerial perspective, a customer experience management is the blend between a company’s physical performance and the emotions it evokes (Bonnemaaizon *et al*, 2007). The most recognized definition of customer experience management is “The process of strategically managing a customer's entire experience with a product or a company" (Schmitt, 2003, p. 17).

Fundamentally, Customer Experience Management (CEM) is about mapping, improving and delivering valuable experiences to the customer through ‘moments of truth’, ‘moments of contact’ or ‘touch points’ (Schmitt, 2003; Shaw and Ivens, 2002). The customer experience involves analyzing all the touch points that a customer has with a company, such as advertising, service and communications across all channels – in person, on the phone, via email or the Web, through mail, or in-store to ensure that the customer has the ‘right’ experience along all of those touch points (Schmitt, 2003; Shaw and Ivens, 2002). Indeed, CEM is an implementation tool that companies can use to increase the Customer Lifetime Value or Customer Equity. The customer equity or customer lifetime value terms arose as a measurement concept tool in the late 1990s to link marketing to financial outcomes and are defined as “The sum of the total of the discounted lifetime values of all of the firm’s customers” (Schmitt, 2003).

At present, a few companies properly adopted the customer experience perspective, but most of the companies failed to do so. Gentile *et al* (2007) addressed two reasons behind this. The first is the lack in the existing literature of models, interpretation and conceptualization offering a common terminology and shared mindset. The second reason is the lack of structural managerial approaches, and they claimed that the slow adoption rate of customer experience could only be overcome by a deeper understanding of the role played by the customer experience.

2.6.6.1 The difference between CEM and CRM

The relationship marketing concept (RM) originated in the late 1970s. By the end of the 1980s RM was being initiated as a solution to some of the problems faced by mass marketers (Dwyer *et al*, 1987). Therefore, businesses had to move to the relationship marketing approach (Day, 2000; Grönroos, 2000; Peck *et al*, 1999) to improve profitability by shifting traditional marketing, which focuses on winning new customers, to customer retention which focuses on building an effective relationship with existing customers (Christopher *et al*, 1991). From reviewing the literature, Customer Relationship Management (CRM) was defined as “the process of achieving and maintaining an ongoing relationship with customers across multiple customer touch points through differential and tailored treatment of individual customers based on their likely responses to alternative marketing programmes, such that the contribution of each customer to the overall profitability of the firm is maximized" (Kumar *et al*, 2004).

Since that time, businesses put a great emphasis on the CRM approach due to benefits it gives to customers as well as companies (Barnes, 2001; Grönroos, 1996; Stone and Foss, 2001) through establishing closer relationships with customers (Barnes, 2001; Brown, 2000; Stone and Foss, 2001). However, CRM could not improve customer relationships from the customer point of view because CRM tells companies who their customers are, but not what their customers are experiencing. CRM risks a premature death (Mitussis *et al*, 2006). A Bain and Company study showed that nineteen percent of customer relationship management users decided to stop funding their CRM projects. Two out of five respondents said that their CRM projects are either 'experiencing difficulties' or are 'potential flops' according to a Data Warehousing Institute survey in May 2001 and CRM projects do not result in measurable benefits (Meyer and Schwager, 2007).

It is obvious that customers dispose of a service provider mainly because of the customer experience and not the products. The focus of customer relationship management is to manage a relationship with the customer, but the focus was on the 'management' rather than on the customer – i.e. the focus was inside the organization not outside the organization. The difference between CEM and CRM (See Table 2.9) in their subject matter, timing, monitoring, audience and purpose has been addressed by Meyer and Schwager (2007).

Table 2.9: The difference between CEM and CRM

	What	**When**	**How monitored**	**Who uses the information**	**Relevance to further performance**
Customer Experience Management (CEM)	Capture and distribute what the customer think about a company	At points of customer interaction: “ touch points”	Surveys, target studies, observational studies, “voice of customer” research.	Business or functional leaders, in order to create fulfilable expectations and better experience with products and services	Leading locates places to add offerings in the gaps between expectations and experience
Customer Relationship Management (CRM)	Capturer and distribute what the company know about a customer	After there is a record of a customer interaction	Point of sale data, market research, Web site click-through, automated tracking of sales	Customer-facing groups such as sales, marketing, field service, and customer service, in order to drive more efficient and effective execution	Lagging drives cross selling by bundling products in demand with ones that aren’t

Adapted from: (Meyer and Schwager, 2007)

2.7 Designing customer experience

According to Schmitt (2003) customer experience management is a process that has five basic steps: analyzing the customer's experiential world (an analytical step); building an experiential platform (a strategy step); designing a brand experience; structuring a customer interface; and innovating continuously (an implementation step).

The first step is analyzing the experiential world of the customer which is necessary to analyze the socio-cultural context in which consumers operate – including their experiential needs and wants, as well as their lifestyles. The second step is building the experiential platform that would include a dynamic, multi-sensory, multi-dimensional depiction of the desired experience (referred to as 'experiential positioning'). It also specifies the value that the customer can expect from the product (the 'experiential value promise' or EVP). The third step is designing the brand experience, which includes first the experiential features and product esthetics that can serve as a jumping-off point for the customer's brand experience. Next, the brand experience includes an appealing 'look and feel' in logos and signage, packaging, and retail spaces. Finally, appropriate experiential messages and imagery in advertising and collaterals, as well as online, complete the brand experience. The fourth step to design customer experience is structuring the customer interface. This step includes all sorts of dynamic exchanges and contact points with the customer, such as face-to-face in a store, or at the check-in desk of a hotel. Structuring the customer interface must incorporate intangible elements (for example, voice, attitude, and behavioural style) and address experiential consistency over time and coherence among various touch points. The fifth (and last) step is engaging continuous innovation. Innovations include anything that improves ordinary customers' individual lives and business customers' working lives. Innovations demonstrate to customers that the company is a dynamic enterprise that can create new and relevant experiences on an ongoing basis.

A clearer understanding of customer experience would reflect clues that are the most significant in designing experience, because clues are sensory signposts that help the customer to respond in an appropriate way with the right emotions and feelings about the experience of the product or a service. A service experience clue is anything in the service experience the customer perceives by its presence or absence (Berry *at al*., 2006). The physical setting offers more clues and the employees offer more clues through their dress, gesture and tone of voice (Berry *et al*, 2002). Furthermore, Berry *et al*, (2002) suggested that the clues that make up a customer experience fit into three categories; First, functional clues that concern the actual functioning of the goods or the services, clues relating to functionality of the goods or services. These clues are interpreted only by the brain; The second category is the mechanic clues that concerning the emotions and include smells, sounds, sights, tastes, and textures of the goods and services, as well as the environment in which they are offered. The third category includes humanic clues that come from the behaviour and appearance of service providers, such as the choice of words, tone of voice, level of enthusiasm, body language, neatness, appropriate dress (Berry *et al*, 2002). Functional, mechanic, and humanic clues play a specific role in creating customer experience. Organizations must manage the emotional component of the experience with the same rigour they bring to the management of the product and service functionality (Berry *et al*, 2002).

Extending the work on experience design, Smith (2006) referred to four criteria that are the base for any solid, sustainable customer experience management. They are described below. Consistency – requires being able to identify and anticipate the needs and interests of a customer, and ensuring that the right steps are taken in a timely manner to satisfy those needs. Intention – where the customer experience should be clearly understood by the business and the procedures and policies should be aligned towards the customer experience the company is trying to create. Differentiation – is where the customer is able to separate the experience the company deliver from its competitors, and the experience must deliver a feeling no other organizations could deliver. Value – where the customer experience must create value for both the customer and the organization. Regarding the value, Cunnell and Prentice (2000) suggested that there are typically three interpretive frameworks. Consumers use two or more of the interpretive frameworks in determining the value of a consumption experience. Firstly, an accounting framework based on cognitive, rational thought. Secondly, an evaluating framework based on value judgments. Thirdly, an appreciating framework based on an emotional response to the item. In particular, in almost all consumption experiences, consumers will use the evaluating framework along with either the accounting or the appreciating frameworks.

Eight types of value that have been assumed to be derived from the consumption experience (Holbrook, 1994; 1999). These are efficiency, excellence, status, esteem, play, esthetics, ethics, and spirituality. The first four types of value are the result of the consumer using the evaluation and accounting frameworks, whereas the second four are dependent on the use of the evaluation and appreciation frameworks. Zeithaml (1988, p. 17) referred to the value resulting from the appreciation framework as an 'emotional payoff' and argued not only that it has a higher level impact on consumers than those based on the accounting framework, but also that it consists of 'abstract, multi-dimensional, difficult-to-measure attributes'. Nevertheless, items whose consumption value is derived using the evaluation and accounting interpretive frameworks can prove just as successful at building brand loyalty and equity as those based on evaluation and appreciation frameworks. Indeed, the success of some brands can be traced back to their concentration on one specific source of consumption value, cited in (Ponsonby-McCabe, and Boyle, 2006, p. 180).

A company must conceptualize the customer experience and its components in a form that enables that company to manage that experience. The customer experience as conceptualized by Wilburn (2007) has the following components: product quality, service, price, shopping environment and brand image. Wilburn (2007) argued that these factors influence attitudinal loyalty. Companies used a wide range of measurement tools to measure customer experience. In a survey done by Kakkad and Voss (2006) showed that forty percent of the companies surveyed using phone survey to measure customer experience, thirty percent use face-to-face surveys, the majority (i.e. eighty percent) use Web surveys, sixty percent use focus groups, the same percentage using direct mail surveys, and half of them use other techniques. Certain information is necessary for managing the customer experience, and most of the information must be obtained from a research program designed for that purpose. Meyer and Schwager, (2007) argued that there are three types of customer experience information, Table 2.10 exhibits the details of the three patterns.

Table 2.10: Tracking customer experience: persistent, periodic, and pulsed

Pattern and purpose	Owner	Data Collection Frequently and Scope	Collection and analysis methodology	Discussion and Action Forums
Past patterns: captures a recent experience. •Intended to improve transactional experiences •Tracks experience goals and trends •Assesses impact of new initiatives •Identifies emerging issues Example: post-installation or customer service follow-up, new-product-purchase follow-up	Central group of functions	**Persistent** •Electronic surveys linked to high-volume transactions or an ongoing feedback system •Automatically triggered by the completion of a transaction •Focused, short-cycle, timed data collection Feedback volunteered by users in online forums	•Web-based, in person or phone surveys •User forums and blogs	•Analyzed within functions, central survey group or both •Cross-functional issues directed to general managers •Strategic analysis and action directed by general managers
Present pattern: Tracks current relationships and experience issues with an eye toward identifying future opportunities •Keep a consistent yet deeper watch on state of relationship and other factors •Looks forward as well as backward •Used with more critical populations and issues •Examples: Biannual account	Central group, business units, or functions	**Periodic** •Quarterly account reviews •Relationship studies •User experience studies •User group polling	•Web-based surveys preceded by preparation in person •Direct contact in person or by phone •Moderated user forums •Focus group and other regularly scheduled formats	•Initial analysis by sponsoring group •Broader trends and issues forwarded to general managers' strategic and operating forums •Deeper analysis of emerging issues at the corporate, business unit, or local level
Potential patterns: Targets inquiries to unveil and test future opportunities. Examples: Ethnographic design studies, special-purpose market studies, focus groups	General Management or functions	**Pulsed:** •One-off, special-purpose driven Interim readings of trends	•Driven by specific customers or unique problems •Very focused • Incorporates existing knowledge of customer relationship	•Centred within sponsoring group, with coordination by and support from central group

Source: Adapted from Meyer and Schwager (2007)

Objectives and tasks of such a program are: measuring the loyalty of the customers and competitors' customers, measuring the performance and that of competitors on the components that compose customer experience, measuring the strength of influence (on loyalty) of the previously mentioned factors, identifying the attributes of each of the factors, obtaining customers' evaluation on the performance and that of the competitors at the brand image attributes level, deploying the study results within the company, monitoring progress, and identifying the products or service that are not currently provided but desired by the customers (Wilburn, 2007). Different types of research studies are required to achieve these goals. The design of the studies that compose the customer experience research program differs to some degree from one product to another, and it may differ from one company to another within a product category. However, Wilburn (2007) described those studies in general terms; research to identify the attributes of each factor that compose the customer experience, transaction study, qualitative research to support the transaction study, strategic research of customers and attrition analysis.

2.8 Summary

A great customer experience provided by firms is assumed to create a competitive advantage in the marketplace as well as a positive impact on the brand. Chapter 2 showed a clear view of the notion of customer experience, and showed that the concept is poorly defined. The research and theories about experience have remained vague and there is a need for more research to remedy our lack of understanding of customer experience. Although Pine and Gilmore (1999) introduced and developed 'experience realms', which is a practical and conceptual framework to understand the nature of customer experience in general, their framework lacks a detailed analysis of these dimensions and its measurements. There is a lack of sufficient research to measure these concepts.

Chapter 2 also highlighted the role emotion plays in consumption experience and showed that different theories attempted to identify a set of basic emotions. This chapter reviewed these attempts due to the fact that experience and emotions are inextricably linked. The chapter also shed the light on the concept of tourist experience and the different theories that explain tourist motivations. The chapter moved to customer experience in the service context and showed the characteristics of service, its classification, the difference between quality of service and quality of experience and the relationship between the customer experience and service brand. Finally, the last section of this chapter discussed the issue of managing and designing customer experience.

CHAPTER 3: RESEARCH FRAMEWORK AND HYPOTHESES

3.1 Introduction

The literature review for this study resulted in the creation of a conceptual model that begins with a set of factors as antecedents to customer experience, and illustrates simultaneously the outcomes of customer experience. Twelve main constructs are considered in this study: brand name, advertising, price perception, servicescape, employees, core service, pre-consumption mood, past experience, word-of-mouth, customer experience, perceived service quality and brand loyalty. The following section will depict the proposed research conceptual framework and a number of hypotheses that will be further investigated and tested.

3.2 Research framework and hypotheses' development

Experience is something singular that happens to an individual and researchers cannot directly access this (Carù and Cova, 2008). Moreover, the methodologies typically used to research experiences, such as interviews and focus groups, have a number of drawbacks (Elliott and Jankel-Elliott, 2003). The lack of understanding of the topic 'customer experience' made researchers think about pluralistic research where qualitative methods are used in conjunction with quantitative methods, in order to investigate a domain that is unknown or has received relatively little attention to date (Deshpande, 1983; Zinkhan and Hirschheim, 1992). There is a considerable number of studies using qualitative methods to gain insights into the phenomena being investigated (e.g. Arnould and Price, 1993; Celsi *et* *al*, 1993; Thompson, 1997). However, the present study differs from previous studies in that it builds a conceptual framework from the consumer's experiential view and attempts to clarify these causal relationships among the different variables and the role of various factors affecting customer experience, and hence to conceptually clarify ambiguities that exist in the studies of experience.

The conceptual model will serve as an initial step of a mixed-method study to quantify, supplement and complement the other qualitative studies. In depicting the research framework, the researcher is aware that qualitative research is more suitable when there is a need for unfolding what surrounds a phenomenon (Carson *et al*, 2001). However, in a quantitative research, Privette (1987) measured experience through a lengthy but well validated questionnaire (Privette and Bundrick, 1987). Therefore, the researcher proposes to conduct qualitative research first in the future operationalization of the model to explore and gain insights into the studied phenomenon (Zikmund, 2003). This is extremely useful in helping researchers to understand the hedonic and subjective dimension of the consumption experience. Then future research would be encouraged to empirically test the research model in different contexts. In order to guide this study, the following research model, identifying the key constructs, was included (see Figure 3.1).

On the basis of the reviewed literature, (as shown in Figure 3.1) a set of antecedents are hypothesized to be related to customer experience, and customer experience is hypothesized to be related to brand loyalty. Also, perceived service quality is used as an input to customer experience and it has a direct relationship to brand loyalty.

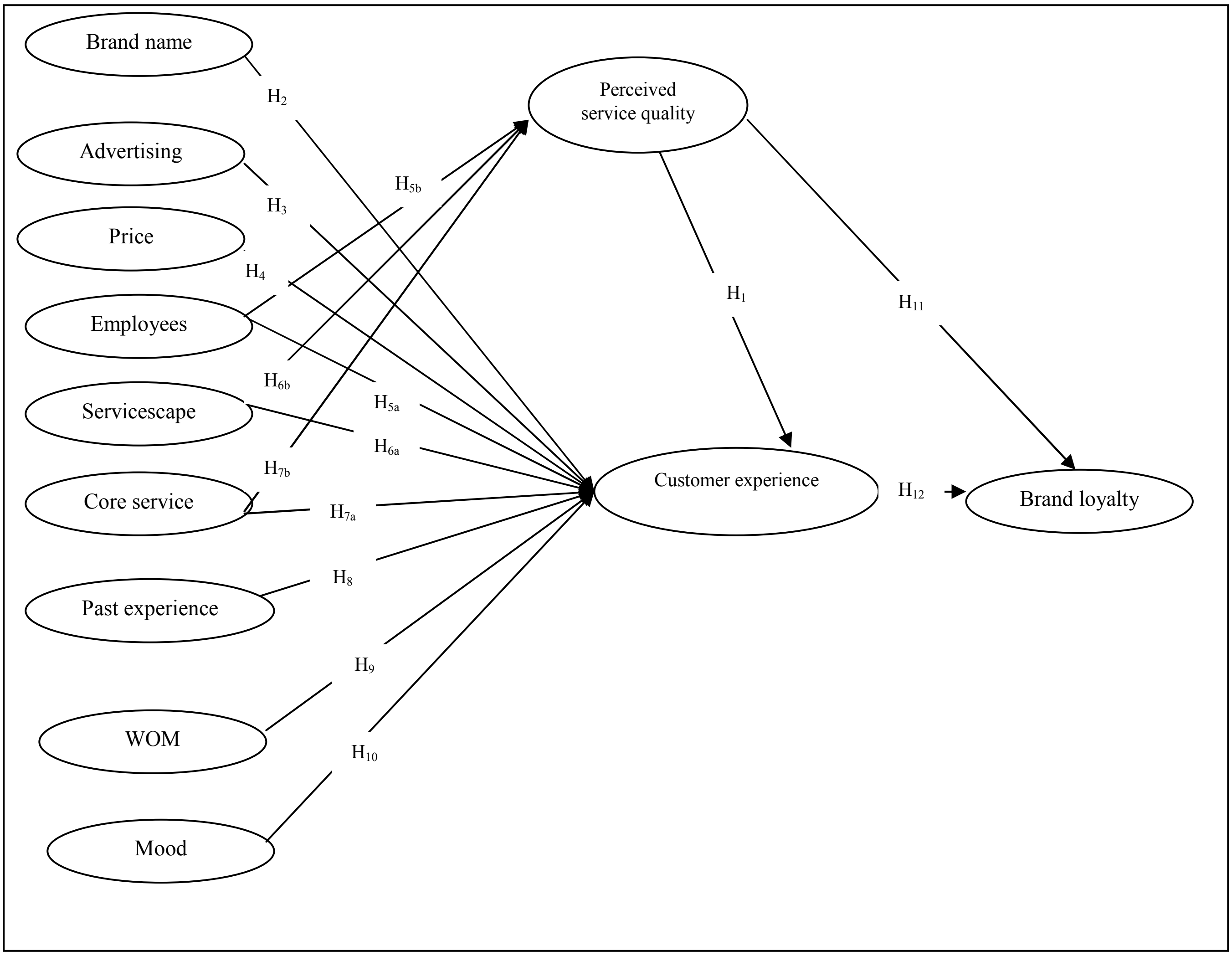


Figure 3.1: Research conceptual framework

3.2.1 Antecedents to customer experience in services

Antecedents to customer experience are those factors that predict, foster or weaken the perceived customer experience during consumption. The examination of the literature revealed many factors that contribute to creating a positive customer experience. Findings indicated that some factors are used by customers as cues to predict their experiences such as; brand name, price and advertising, word-of-mouth and past experience. Other factors have been found to strongly influence customer experience, in other words, to increase or decrease the likelihood of perceiving an outstanding customer experience. These factors will be discussed in the following section.

Various service firms (e.g. hotels, banking, travel, health care, educations, and local government agents) strive to increase service quality to sustain competitive advantage in the fierce competition. As mentioned earlier, the SERVQUAL model was developed by Parasuraman *et al* (1988) and it is widely used to measure service quality. However, researchers raised the issue that SERVQUAL instrument is not enough and needs more improvement (Buttle, 1996; Reeves and Bednar, 1994). Reeves and Bednar (1994) depict perceived service quality as the extent of discrepancy between the customers' expectations and their perceptions.

In marketing literature, service quality has been identified as an antecedent to outcomes such as customer satisfaction (Anderson *et al*, 1994; Grönroos, 1984, 1990, 2001), loyalty (Kandampully, 1998; Zeithaml *et al*, 1990, 1996) and value (Laroche *et al*, 2004). Zeithaml *et al* (1996) asserted that "with few exceptions, the better the company's service quality scores, the higher are its scores on loyalty and willingness to pay more" (p. 42). Perceived service quality is often viewed as a prerequisite for loyalty and frequently loyalty is included in models as an outcome variable (Boulding *et al*, 1993; Cronin and Taylor, 1992; Gremler and Brown, 1996). Boulding *et al* (1993) found a positive relationship between service quality, repurchase intention and willingness to recommend. Similarly, Zeithaml *et al* (1990) reported a positive relationship between service quality, the willingness to pay a higher price, and the intention to remain loyal in case of a price increase. Service quality is an attitude based on cognitive perception, whereas satisfaction is considered as part of the actual experience (Oliver, 1993; Taylor and Baker, 1994). Therefore, in accordance with previous literature, the researcher hypothesizes a positive relationship between service quality and brand loyalty (see hypothesis H11). Also, service quality has directional relationship to the overall experience as an input to the real-time experience (Knutson and Beck, 2003). Consequently, the following hypothesis is made.

H1: Perceived service quality will have a positive effect on customer experience.

3.2.1.1 Brand name

A brand name is one of the most powerful ways through which a framework of expectations is set. If the brand name is diffuse and the service standards unaligned, the consumer is unable to settle on an expectation framework. Brand names mean more than just a symbol representing a product, a service or a company. Brands denote a whole bundle of information signifying all of their attributes (Biswas and Sherrell, 1993). Within the service marketing context, brand name is considered one of the elements that constitute the company's presented brand which is a primary source of brand awareness (Berry, 2000). External brand communications may enrich customer experience to a certain extent. External brand communications refer to information customers receive about the service which is essentially uncontrolled by the company via word-of-mouth communications (will be discussed later) and public relations (Berry, 2000).

Brand name is a clue used by the customer to evaluate his/her experience. Therefore, firms must choose their brand names carefully. For companies, brand name is a valuable asset that helps communicate quality and evoke specific knowledge structures associated with the brand (Hoyer and Brown, 1990; Keller, 1993). Therefore, a major problem in the issue of branding is what name to choose for the brand. In general, brand name plays an important role in enhancing a product's value (Dodds *et al*, 1991) and the value the brand name adds to the products is brand equity (Farquhar, 1989). Not only, does the brand name provide information about product quality, but also it plays a significant role in the decision-making process of choosing the most preferred product or service (Jacoby *et al*, 1977). Moreover, brand name is considered as one of the service brand dimensions (O'Cass and Grace, 2004) and its nature is the available attributes to be represented by the brand name (Jiang, 2004). Therefore, the argument here is that brand name is a key factor that influences the perception of the experience, the feelings, the value perceived and, in turn, the attitudinal behaviour.

H2: Brand name will have a positive effect on customer experience during the service consumption.

3.2.1.2 Advertising

Today's customers have changed and become market savvy; they are in line with what is socially acceptable. Therefore, it is important that the presented brand is also continuously changed to fit the position the company wants to hold (Keller, 1993). The perceptions customers have about the brand should be shared, positive and consistent (McDonald *et al*, 2001).

Advertising is a critical component of the marketing mix for any service provider; that is considered as one of the principal components of image creation (Meenaghan, 1995). A certain image of the brand is created and customers choose the brand with the image that best fits themselves (Riley and de Chernatony, 2000). Most brand advertising is designed to raise perception of quality and thus to increase the appreciation of brand (East *et al*, 2008) and the more money that is spent on advertising the more overall brand awareness will increase (Yoo *et al*, 2000). Effective brand advertising can increase sales and reduce in price sensitivity (Mela *et al*, 1997). Advertising can also be used to improve brand recall as the brand is paired with the service category (Keller, 1998).

Companies deliver a promise to customers through advertisements, through which a predicted level of expectations is formed and perceived by customers. Statements made by service firms in their advertisements should have a direct impact on customer expectations (Bitner, 1990). Brown (1986) claimed that the key element of an effective and successful ad is to capture customer's attention. "Advertising is presented according to a schedule. Ad exposure may be continuous (delivered at steady frequency per month) or in bursts (e.g. one month on and two months off). When the bursts are at short intervals (e.g. a week) this pattern may be called 'pulsing'. Sometimes, a low level of advertising (or drip) is maintained in the gaps between bursts. The choice of the schedule should be determined primarily by its sales impact on consumers. Continuous scheduling spreads the advertising across a large number of people, so that each person tends to see fewer exposures compared with bursting. As the time for the burst is reduced, there is more concentration (the exposures occur over a shorter period)" (East *et al*, 2008, p. 278).

In the current study, destination advertising is assumed to be highly correlated to hotel advertising, because the visitor will choose the destination for a holiday first and then the hotel for accommodation. However, destination advertising and the steps the potential tourist will go through to decide which destination to visit is beyond the scope of the current study.

There are two common approaches used in advertising to influence consumer behaviour (Park *et al*, 1986): Firstly, the utilitarian (functional) appeal approach or the Cartesian perspective that has been termed 'man as computer' (Holbrook, 1986; Hirschman, 1993) which involves informing consumers of the product benefits that are perceived to be highly functional and important to the consumer. Rossiter and Percy (1987) referred to this as 'informational advertising' or 'information processing model' (Bettman, 1979). The second approach might be described as a value-expressive (image) or symbolic appeals. The image strategy involves building a 'personality' for the product or creating an image of the product user (Oglivy, 1963). The image strategy is part of what Rossiter and Percy (1987) referred to as 'transformational advertising'. Transformational advertising is image advertising that changes the experience of buying and consuming the product (Wells *et al*, 1995).

Transformational advertising is an invitation to escape into a world that is necessarily subjective and perceptual as well as necessarily intangible, it has been employed effectively to communicate symbols, depict visual/verbal images and communicate subjective benefits of a brand (Mittal, 1999). Intangible service benefits can be communicated effectively by linking them to consumers' life experiences (Mittal, 1999). Although, the feeling and the images are invisible to the physical eye, they are easily seen in the mind's eye (Pylyshyn, 1973). The real challenge of service advertising, then, is how to capture these subjective experiences effectively. Mittal (1999) suggested that to capture subjective experiences effectively the ad ought to be vivid, realistic, and vicariously rewarding. Vicariously rewarding here means that the life experiences are nontrivial, positive and motivational.

"The reality is that consumer decision-making involves both left- and right-hand sides of brain activity simultaneously with variation in emphasis being related to characteristics of the decision and the decision-maker. Advertising strategy reflects this complexity with 'think' and 'feel' factors embodied in a single advertisement or opposing 'think' and 'feel' advertising strategies being simultaneously pursued by protagonists in the same product-category" (Meenaghan, 1995, p.30-31).

Emotions in advertising play an important role, it can serve three important functions in the communication process; it can create positive associations, provide an added benefit, and enhance the communication itself (Mizerski, 1986). Using emotions in advertising can associate positive feelings to the brand in the mind of the consumer, even in the absence of the adverts. A study by Stout and Leckenby (1986) found evidence for three levels of emotional response based on intensity. They distinguished between descriptive emotional response, which is a cognitive recognition of emotion in an advertisement; empathy, which is feeling the same emotion as a character; and experiential emotion, which is a reaction to self-relevant thoughts caused by an advertisement. They found that the most involving level of emotional response, experiential, was positively related to advertisement and content recall.

Another study undertaken on some service industries by Clow *et al* (1997) showed that advertising does not have a significant impact on either firm image or consumer expectations in the service industries examined in the study. However, consumers still treat advertisements as tentative hypotheses that can be tested through product experience (Hoch and Won Ha, 1986). For instance, on a visit to a Disney theme park, consumers may call up media-generated information and associate it with their personal experiences there. In summary, advertisements are everywhere. The information in the adverts helps to structure the experience and appreciate it (Evans *et al*, 1996).

Everyday customers are bombarded by efforts to persuade them to buy different products or services. Advertisements raise customers' expectations by making promises about a product or service. When those promises are not kept, customers have a poor experience. Therefore, when advertising raises customer expectations the customer experience must go beyond expectations in order to deliver a great customer experience. Good experience offers a brilliantly simple summary of the relationship between advertising and customer experience. If companies are pouring money into advertising and raising their customer's expectations, but they don't match their investment in customer experience, it would follow that they risk investing in delivering a poor customer experience. Thus, the following proposition was formulated:

> *H3: Advertising will have a positive effect on customer experience during the service consumption.*

3.2.1.3 Price perception

Price perhaps is the most intangible element in the marketing mix and typically there is little sensory experience linked to the price variable (Evans *et al*, 1996). The customer perception of price is more important than the actual price (Monroe, 1973). Price perception is concerned with how price information is comprehended by customers and made meaningful to them (Evans *et al*, 1996). The information processing approach by Olson (1980) is utilized to explain price effects in purchase situations. Firstly, the information is received through the senses of sight and hearing. Then, the information is comprehended. The stated price for a particular brand may be then compared to other prices of other brands. Finally, an attitude is formed towards particular brand. The price of the product or service has shown to have a significant effect on buyer's perception of quality. Many empirical investigations of the impact of price on perceived quality (Leavitt, 1954; Monroe and Krishnan, 1985; Rao and Monroe, 1989; Tull *et al*, 1964) and, generally, the findings support the price-quality relationship.

Price is also a cue often used by customers to make patronage decisions, to determine what to expect, and to assess the quality of a service relative to how much they paid. Customers use price as a good proxy for quality when they insufficient information about the quality (Evan *et al*, 1996). In fact, a considerable number of researches in consumer behaviour has been undertaken to examine what information cues consumers used most often when evaluating products. The findings suggested that consumers most often rely on price (Dodds *et al,* 1991; Kurtz and Clow, 1991; Zeithaml *et al*, 1993). Nevertheless, the importance of price may be decreased particularly when there is other information available, such as other intrinsic cues of a product (Wheately *et al*, 1981).

Consumer perception of price fairness can either led them to purchase now if the price is attractive or cancel the purchase if the price is not attractive. Fairness is a judgement about the justness, reasonableness or acceptability of an outcome (the price) or the process to reach the outcome (often communicated by the seller as a reason for a change, or inferred by the consumer) (East *et al*, 2008). Campbell (1999) identified two factors that influence consumer perception of price fairness. First, consumers' inferences about the company motives to change price, when the consumer infer that the company has a negative motive, the price increase would be perceived as unfair. Second, inferred relative profits.

Combining the previous literature together, an inference has been made that customers may use price as an indicator of experience and price perception is a mean through which a customer set a bundle of expectations; he/she needs to be fulfilled. However, in some services the customer pays after the service consumption, here the price is viewed as a determinant for the next experience with the service firm which is referred to as internal reference price (IRP) whereby consumer call on their memory of past prices they paid or encountered (East *et al*, 2008). Therefore, based on the previous literature, an argument has been made that the prices of the services have a significant effect on the customer perceived experience.

H4: Price perception of services will have a positive effect on customer experience during the service consumption.

3.2.1.4 Customer-contact employee's performance

Prior work has highlighted the impact of customer-contact employees' on the perception of service quality (Bitner *et al*, 1990; Farrell *et al*, 2001; Parasuraman, *et al*, 1985, 1988). Employee behaviour would affect customers in terms of interaction with the firm (Winsted, 1997; 1999; 2000). Employees' courtesy (Bateson and Langeard, 1982; Bitner *et al*, 1990; Bolton and Drew, 1991; Goodwin and Smith, 1990), friendliness (Goodwin and Frame, 1989; Goodwin and Smith, 1990; Ostrom and Iacobucci, 1995; Surprenant and Solomon, 1987), promptness or timelessness (Bateson and Langeard, 1982; Solomon *et al*, 1985) and empathy (Parasuraman *et al*, 1988) have been widely emphasized for the success of service firms. Several pieces of research have focused on the interaction that takes place between the customer and the personnel during service encounters and argued that it is essential in creating consumer satisfaction and service quality (Grönroos, 2000; Gummesson, 2002). Consumers have reported store personnel to be a contributing factor to entertaining store experiences especially when the staff has the ability to provide extraordinary service experience (Jones, 1999). Moreover, the credibility of salespersons (Swinyard, 1995) seems to be important for excellent service encounters to occur. The service provided by the employees is argued to influence customer satisfaction as well as future consumption behaviour (Gwinner *et al*, 1998).

Front line employees are the most important communication channel (de Chernatony and Segal-Horn, 2003) they have a significant impact on the brand perceptions (de Chernatony and Segal-Horn, 2003; McDonald *et al*, 2001). The corporate brand image could easily be destroyed if no attention is being given to the important role of the staff (de Chernatony and McDonald, 2001). Prior work suggests that customer-contact personnel have a great influence on the customer's mood state through their presence, message content, attractiveness, status, and interpersonal relationships with customers (Kraiger *et al*, 1989). However, the display of positive emotion from the employee is part of the work role and may require careful management to mask 'true feelings' (Rafaeli and Sutton, 1987).

Moreover, previous studies have emphasized the role of staff satisfaction as a major determinant of customer satisfaction (de Chernatony and McDonald, 2001). Therefore, companies should train their employees to be more customer-oriented and in turn deliver a great customer experience. Five key dimensions of customer-contact employee performance identified by (Price *et al*, 1995). Some dimensions are under the control of contact employees, such as authenticity, which defined as being genuine 'natural feeling' (Hochschild, 1983, p. 3) its importance to the service encounter is addressed by several authors (Deighton, 1992; Grove and Fisk, 1983; Hochschild, 1983; Lockwood and Jones, 1989; Romm, 1989); Competence, which is defined as the extent to which the individual provider can affect the outcome of the interaction through his or her skills (Dolen *et al*, 2004). However, other dimensions are more dependent on the customer (Crosby *et al*, 1990). For example, mutual understanding which cannot be achieved without the active role of the customer, which is a potential factor that affect satisfaction in the service encounter (Bitner *et al*, 1990). Another important factor, extra attention, relates to the contact employee's responses to customer's requests for customized treatment (Bitner *et al*, 1990; Price *et al*, 1995). Furthermore, 'Extra-role' service behaviour refers to the discretionary behaviour of contact employees in serving customers that extends beyond formal role requirements (Tsaur and Lin, 2004, p. 472). It is important for customer-contact employees to provide extra attention during service encounter (Bettencourt and Brown, 1997; Bitner *et al*, 1990; Kelley and Hoffman, 1997). On the contrary, 'Role-prescribed' service behaviour refers to expected employee behaviour that may derive from implicit norms in the workplace or from explicit obligations as specified in organizational documents such as job descriptions (Puffer, 1987). Finally, minimum standards of civility which is related to the contact employee's responses to the needs and requests of customers. Failing to meet minimum standards of civility is likely to generate negative feelings (Bitner *et al*, 1990). Based on this discussion, it is expected that:

H5a: Employees' performance will have a positive effect on customer experience during service consumption.

H5b: Employees' performance will be positively related to perceived service quality.

H5c: The impact of employees on customer experience will be partially mediated by the perceived service quality.

3.2.1.5 Servicescape

Atmospherics (or servicescape) is the area that has received the most attention and can be described as relating to factors in the store environment that can be designed or manipulated to create certain emotional and behavioural responses by the consumer (Kotler, 1973). The servicescape may have either a positive or negative influence on the experience outcome. Office décor, car parking, the building's design, appearance of the reception area etc., are the first factors customers encounter in their interaction with the service firm that could significantly influence brand associations (McDonald *et al*, 2001; Yoo *et al*, 2000). The importance of the setting in a broader sense is extensively discussed in marketing, particularly services marketing (Bitner 1990, 1992; Donovan and Rossier, 1982; Hoffman and Turley, 2002; Kotler, 1973; McGoldrick and Pieros, 1998; Turley and Chebat, 2002; Wakefield and Blodget, 1996). Kotler (1973) emphasized the importance of the store atmosphere to create a positive image of the store. Bitner (1990, 1992) pointed out the effects of the 'servicescape' (all physical surroundings and all tangible clues) on consumer behaviour. Turley and Chebat (2002) stressed the value of the 'atmospheric design' including the human factor as part of the setting.

Definitions of store atmosphere varies from exclusively including subtle aspects, such as music (Yalch and Spangenberg, 1990), scents (Spangenberg *et al*, 1996), and colours (Bellizzi and Hite, 1992) to also including aspects of the physical environment that constitutes the store, such as store decorations (Hoffman and Turley, 2002). Hoffman and Turley (2002) gave a holistic view of the concept "Atmospherics are composed of both tangible elements (the building, carpeting, fixtures, and point-of-purchase decorations) and intangible elements (colours, music, temperature, scents) that comprise service experiences"

(Hoffman and Turley, 2002, p. 35). The atmospherics of the service would affect customer mood during or after the encounter (Baker and Cameron, 1996; Bitner, 1990; 1992). Research on atmospherics has been concluded to influence a wide variety of consumer behaviours (Turley and Milliman, 2000).

It has been shown that a positive atmosphere can lead to approach behaviours, which implies that consumers stay longer in the store, spend more money, or that the propensity for impulse buying increases (Donovan and Rossiter, 1982; Foxall and Greenley, 2000; Sherman *et al*, 1997; Spies *et al*, 1997). Some even relate atmospherics to the possibility of creating long-lasting consumer relationships (Babin and Attaway, 2000). Conversely, a negative atmosphere has been argued to lead to avoidance behaviour, such as a desire to leave the store or a sense of dissatisfaction (Donovan and Rossiter, 1982; Turley and Milliman, 2000). Studies of singular atmospheric elements, such as scents or music, have shown that these directly influence consumers' in-store experiences. For example, the presence of scents which are not naturally associated with the products sold in a store influences consumers' perception of that store in a negative way (Ellen and Bone, 1999).

Although the service environment received much attention from scholars (Babin and Attaway, 2000; Baker *et al*, 2002; Bitner, 1990, Donovan and Rossiter, 1982; Donovan *et al*, 1994; Grewal and Baker, 1994; Turley and Milliman, 2000), the influence of human factors, known as 'social servicescape' on customer behaviour has been largely ignored and only few conceptual papers proposed that the human factor of the service environment may affect customer behaviour (Belk, 1975; Bitner, 1992; Turley and Milliman, 2000). The human element is considered as central to the service environment, it is defined as a service setting where the human aspects of the environment impact on the behaviour of customers as a result of direct and indirect interactions with other persons present. For many service organizations, such as restaurants, the influence of the physical setting may be minimal compared to the impact that other individuals (customers and service providers) have on the customer's experience (Tomb and McColl-Kennedy, 2003).

"An intimate dinner for two can be negatively influenced by rowdy customers at a neighbouring table, even though the physical environment (lighting, comfortable seating, music, etc.) is perfect for the occasion" (Tomb and McColl-Kennedy, 2003, p. 448). The inseparability of production and consumption in the service context (Zeithaml *et al*, 1985) made other customers often present in the service environment and social interaction between customers within a service environment will influence other customers' satisfaction and evaluation of the service (Arnould and Price, 1993; Martin and Pranter, 1989; Price *et al*, 1995). This suggests that the environment should be considered not only in terms of the physical container but should also include the contents (the people) as factors that will help create the overall atmosphere (Grove and Fisk's, 1997). Some empirical studies showed the impact of crowded retail environments (Bateson and Hui, 1987; Eroglu and Machleit, 1990; Hui and Bateson, 1991; Machliet *et al*, 2000) and queuing behaviour (Hui *et al*, 1998; Hui and Tse, 1996; Pruyn and Smidts, 1999) on the consumption experience.

Furthermore, another dimension of the service setting was emphasized by (Sherry, 2000). She argued that researchers failed to fully comprehend the possible emotional role of places in consumers' lives: "Our philosophy and practice of consumption has all too often estranged us from … the particularity of place as a lived experience" (p. 277). In further support of her argument, she mentioned that some consumers choose to immerse themselves in commercial establishments, which they transform into significant centers of their lives and personal experiences. Her work was based on different paradigms such as; commercial friendship customers can get from patronizing a third place (Goodwin, 1997; Price and Arnould, 1999), the social support customers received through engaging themselves in social networks with people who provide social support (Adelman and Ahuvia, 1995; Giles *et al*, 2005; Kang and Ridgway, 1996), and the loneliness (Forman and Sriram, 1991).

To sum up, in this study, it has been argued that the direct impact of physical and social servicescape on customer experience is partially mediated by perceived service quality. It stands to reason that the emotions provoked and the subjective feelings the customer have due to the setting effect will, in part, contribute to customer experience. However, the functional component of the experience will be evaluated through the perceived service quality

H6a: Servicescape or setting will have a positive effect on customer experience during service consumption.

H6b: Servicescape will have a positive effect on perceived service quality.

H6c: The impact of servicescape on customer experience will be partially mediated by perceived service quality.

3.2.1.6 Core service

A core service is the reason why the service firm exists in the market. Sasser *et al* (1978) as cited in (Palmer, 1994) called it ‘substantive service’ which means the essential function of a service. Grönroos (2000) distinguished between three groups of services: core service, facilitating service and supporting service. Core service is not enough, further services have to be added which are referred to as facilitating services. As the name implies they facilitate the use of the core service. Supporting services are also additional but fulfil another purpose as they intend to increase the value of the service and make it competitive. "In any event, there seems to be little difference in services and material goods when considering this fundamental level of a firm's offer. All customer needs and wants are intangible – they cannot be seen or touched. The offer should be developed, produced and managed with consumer benefit in mind in such a way that they perceive being successful in satisfying their needs and wants. The offering can be a tangible good, a service, or a combination of both." (Palmer, 1994, p.127).

Core service quality across different types of services such as dental services, auto services, restaurants and hairstylists were found to directly affect customer satisfaction (McDougall and Levesque, 2000) cited in (Grace and O'Cass, 2004). In the hotel sector, accommodation is the base for a hotel business, it is one of the most tangible elements in tourist experience, and therefore, hotels should provide conducive environment where the visitor feels comfortable and welcomed (Page and Connelle, 2006). According to Medlik and Ingram (2002) the accommodation product comprises: the location of the establishment, its facilities (bedrooms, bars, restaurants, recreation facilities), level of service provided, the image portrayed to the customer and its price. In the present study, resort hotels were chosen to investigate the concept of customer experience. The term 'resort' means the provision of not only the accommodation but also other substantial service at one location (Page and Connelle, 2006). Poon (1998) defined all-inclusive resorts as those "which include virtually everything in the prepaid price – from airport transfers, baggage handling, government taxes, rooms, all meals, snacks, drinks and cigarettes to the use of all facilities, equipment and certified instructors. The result is that the use of cash is eliminated" (p. 62).

Core service in the present study has been argued to directly affect service quality and customer experience. Additionally, this research hypothesizes that perceived service quality is playing a mediating role between core service and customer experience. The rationale is that customer assessment of his experience will, in part, be on the basis of perceived service quality which undoubtedly an outcome of the core service provided. Therefore, as the results of these previously indicated studies showed, the following can be assumed.

H7a: Core service will have a positive effect on customer experience during service consumption.

H7b: Core service will have a positive effect on perceived service quality.

H7c: The impact of core service on customer experience will be partially mediated by perceived service quality.

3.2.1.7 Past experience

Pre-purchase evaluation of a service is difficult for a consumer. "A further complexity arises because the amount of information prior to initial purchase is situation and consumer specific. This stands in stark contrast to the second and subsequent visits to the same service provider, where the knowledge gained from the initial visit(s) provides a firm basis for future expectations." (Johnson and Mathews, 1997, p.291). Satisfaction with a previous service experience will result in spreading a positive word-of-mouth about the company and will increase the likelihood of repeat purchase behaviour (Bitner, 1990; Bitner *et al*, 1990; LaBarbera and Mazursky, 1983; Woodside *et al*, 1989). A customer's satisfaction with his or her last experience with a firm should have a positive effect on his or her expectations for the next service experience (Bitner, 1990). Past experiences shape the customer's brand norm

(Cadotte *et al*, 1987) and predictive expectations (Grönroos, 1990a), both of which can be used as comparison standards and inputs into overall evaluations of service quality and satisfaction. For example, Houston *et al* (1998) reported a direct positive effect of past experiences on service-encounter quality.

In addition, good past experiences can decrease the effect of service failures on customer satisfaction and repeat purchase intention (Grönroos, 1990a). Also, customers are likely to return to service providers that have delivered satisfactory service in the past, and relationship performance has been found to be good predictors of service repurchase intentions (Strandvik and Liljander, 1995). Furthermore, the mood state will not affect customer evaluation of the service if his good past experience still exists in the memory (Salovey and Bimbaum, 1989).

> *H8: Customer past experience with the company will positively influence customer experience during the service consumption.*

3.2.1.8 Word-of-mouth (WOM)

Communications are the primary means by which consumers gather information about services (Bolton and Drew, 1991; George and Berry, 1981; Grönroos, 1990a; Murray, 1991; Zeithaml *et al*, 1993). Because of the experiential nature of services, word-of-mouth communications are viewed as more reliable and trustworthy. Word-of-mouth is the means by which customers exchange information about the services, thus diffusing information about a product throughout a market. Grönroos (1990b) described WOM as follows "WOM communications is the message about an organisation, its credibility and trustworthiness, its way of operating and its services, communicated from one person to another" (Grönroos, 1990b, p 158). Silverman (2001) described WOM as "the communication about products and services between people who are perceived to be independent of the company providing the product or service, in a medium perceived to be independent of the company" (Silverman, 2001, p. 19). Word-of-mouth communications (WOM) has been investigated as both an antecedent to consumer decision-making (Feick and Price, 1987) and a consequence of the purchase process (Richins, 1983).

Prior studies showed that customers generally seek the advice of past customers when making a purchase decision for goods and services (Walker, 1995). Information customers seek prior to consumption can come from different sources such as advertising. However, the impact of WOM on the purchasing decision has been found to be relatively higher than the influence of advertising activities (Day, 1971; Murray, 1991; Money *et al*, 1998). The theory of availability and diagnosticity has explained why WOM should influence product judgement. The theory stated that the influence of a particular piece of information depends on the relative accessibility of that information in one's memory and the diagnosticity of that information when predicting actual performance (Feldman and Lynch, 1988) as cited in (Bone, 1995, p. 213). Accessibility is defined as the ease of retrieving an input from memory and diagnosticity is the sufficiency of the retrieved input to arrive at a solution for the task at hand (Menon *et al*, 1995). WOM may have a greater influence when information provided prior to the product evaluation is positive rather than negative (Herr *et al*, 1991).

By having an understanding of WOM and being able to influence it, the company can create a competitive advantage. Not only lowered marketing costs can be an effect but also less cost is generated from negative WOM (Haywood, 1989). WOM is established as an important factor in the information search, evaluation and service buying processes of customers.

Content of WOM has also been shown to have an effect on purchase decisions either positively (Richins, 1983), or negatively (Bolfing, 1989). In summary, word-of-mouth is a powerful source of influence assisting the customer to predict the consumption experience.

H9: Word-of-mouth will positively influence customer experience during the service consumption.

3.2.1.9 Pre-consumption mood

Customer's mood is identified as an important factor that influences consumer behaviour particularly in the area of service encounter research (Gardner, 1985). Mood is defined as mild, pervasive, and generalized affective state, rather than intense emotions (Mattila and Wirtz, 2000) that are easily induced (Schwarz and Clore, 1983). The power of mood in altering our everyday thought processes is well established in the affect literature (e.g., Morris, 1989). Generally, positive mood results in more positive consumer satisfaction judgments (Mano and Oliver, 1993; Miniard *et al*, 1992).

Previous research in marketing has fundamentally recognized that consumers' mood states have an impact on their immediate product evaluations (Gardner, 1985). Moreover, this fact has been acknowledged by several studies (Clark and Isen, 1982; Isen *et al*, 1978). Customers enter the service environment in a positive, negative, or neutral mood, and this will subsequently affect the evaluation of the experience. For instance, when the customer becomes involved or interacts with the firm in a positive mood state, he or she will tend to perceive the entire experience in a more positive manner. The customer is likely to utilize his or her mood state as an antecedent to the evaluation process (Mattila and Wirtz, 2000).

Furthermore, positive affect elicited by the pre-process service setting might result in biased recall, because good moods are linked to positive associations in memory. Hence, the satisfaction judgment of this individual will exhibit bias in a positive direction and the customer may wish to maintain the good mood and pay more attention to the positive aspects (Baggozi *et al*, 1999). Conversely, a person in a bad mood will perceive the service consumption experience in a more negative way (Mattila and Wirtz, 2000). Negative affective states are related to negatively toned cognitions such that the consumer is likely to evaluate the experience as worse than expected (Babin *et al*, 1998). In addition, "customers who are in a bad mood possibly pay more attention to uncivil employee behaviour" (Liljander and Mattson, 2002, p. 855).

The customer mood could be altered during the consumption experience due to the interaction with the physical environment or with the employees (Gardner, 1985). In other words, various stimuli such as interaction with the employees, or the physical surroundings may provoke another mood that most likely would change customer evaluation of the experience (Bitner, 1992; Manrai, 1993). From this previously reviewed literature the following hypothesis has been created:

H10: Customer pre-consumption mood will positively influence customer experience during the service consumption.

3.2.2 Consequences of customer experience

In essence, an outstanding customer experience will certainly lead to brand loyalty. The following section will illustrate the construct of brand loyalty as a major outcome of customer experience. In addition to this, the perceived service quality will be also illuminated as a contributing factor to both customer experience and brand loyalty.

3.2.2.1 Brand loyalty as a consequence of customer experience

Intuitively, brand loyal consumers may be willing to pay more for brand because they perceive some unique value in the brand that no alternative can provide (Jacoby and Chestnut, 1978; Pessemier, 1959; Reichheld, 1996b). "There are two key issues that affect the likelihood of brand consumers becoming loyal customers: The first is the consumers' willingness to continue to repeat the consumption experience over and over again; and the second is their belief that the consumption experience is good value for the price paid for it" (Ponsonby-Mccabe and Boyle, 2006, p. 180). Loyal customers are less likely to switch because of price and they make more purchases than similar non-loyal customers. Although, satisfying customers is very important for the success of any business, studies showed that satisfying customers only is not enough since there is no guarantee that the satisfied customer will come back and repeat the purchase.

The construct of brand loyalty was operationalized behaviourally as a form of repeat purchase of a particular product or service over time in the early loyalty studies (Carman, 1969; Coulson, 1966; Cunningham, 1956; Tucker, 1964). By the late 1960s researchers started to question the reliability of behavioural measures such as repeat purchase as a sole indicator of loyalty and these measures have been criticized for a lack of the theoretical support (Jacoby and Chestnut, 1978)

In addition to the behavioural and attitudinal approach, Lee and Zeiss (1980) contended that there is also a cognitive part to customer loyalty. This is reflected, for instance, when loyalty operationalized as the product or a service that first comes to mind when making a purchasing decision (Bellenger *et al*, 1976; Dywer *et al*, 1987; Newman and Werbel, 1973); the customer's first choice of product or service among other alternatives (Ostrowski *et al*, 1993) price tolerance (Anderson, 1996; Fornell *et al*, 1996) cited in (Bloemer and de Ruyter, 1995).

In the current study and in accordance with customer experience literature (Barsky and Nash, 2002; Berry *et al*, 2002) the researcher argues that well-orchestrated experience by companies deemed to be a major contribution to creating brand loyalty. In other words, positive experience will be translated into a brand loyal customer. Therefore

H11: perceived service quality will positively contribute to brand loyalty.

H12: customer experience will positively contribute to brand loyalty.

3.3 Summary

This chapter provides a detailed investigation of the antecedents and consequences of customer experience, as the study identifies a set of antecedents of customer experience. The study also highlights the impact of the customer experience on service brand loyalty as consequence. The hypotheses demonstrated the different relationships between the study constructs in the integrative framework provided.

CHAPTER 4: METHODOLOGY

4.1 Introduction

The previous chapter detailed the conceptual framework and the hypotheses. The purpose of this chapter is to justify and outline the methodology used to empirically validate the proposed conceptual model, and to answer the research questions of the study. Following the introduction, this chapter is divided into four major sections. The first section provides a description of the research design in the current study with justification of the choice of qualitative and quantitative methodologies. The second section of this two-phase study illustrates the qualitative study and its objectives. The third section highlights the development of the questionnaire to be used in the data collection phase. The pilot study, sampling procedures and the main survey are discussed also in this section. Finally, data analysis techniques were discussed in the fourth section.

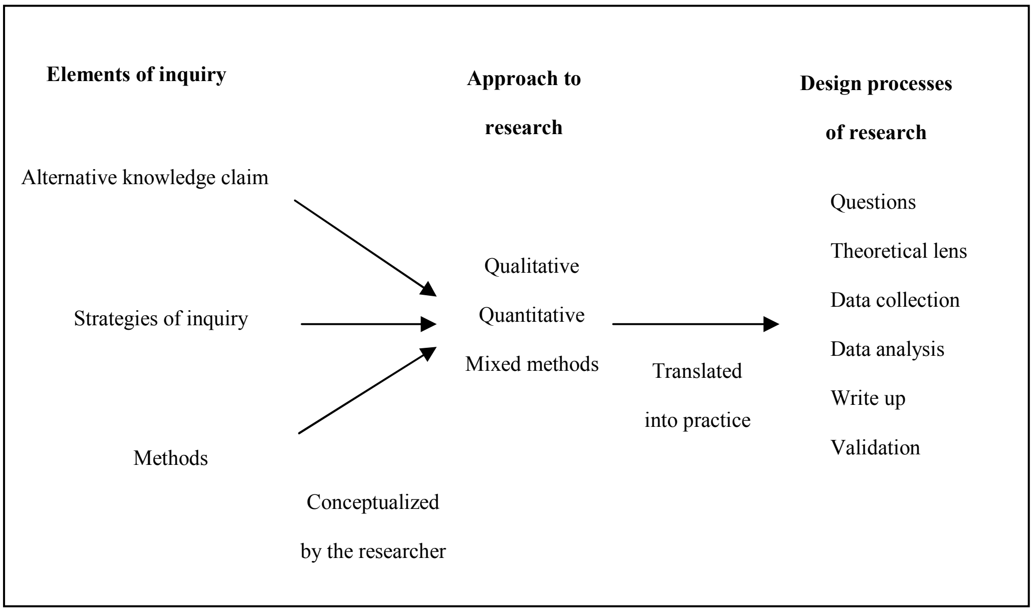
4.2 Research strategy

Firstly, in order to identify what research approach this thesis will adhere to. The researcher initially started to highlight the nature of the research objectives. This study aims to explain the significance, the importance and the dimension of customer experience from the consumer point of view. The study also aims to explain the impact of a set of factors on customer experience and the consequences of customer experience with particular attention paid to brand loyalty. Those factors have been derived from extant literature and theories from respective fields of study (i.e. consumer behaviour, branding and service marketing literature). Hence, the research problem of this thesis is built on what is already known from previous studies and as a consequence a theoretical framework is developed as a starting point for the current study. This framework presented variables that are claimed to be important in fostering or discouraging customer experience in the service context and additionally it presented the path to brand loyalty. In seeking to achieve the research objectives, the researcher takes into consideration the fact that when choosing the research method it is important to base it on the purpose and the research questions. Consequently, the following paragraphs will attempt to illustrate and justify the research methods used in this study.

In general, researchers always approach the building and testing of theory from two approaches; i.e. deductive and inductive. In a deductive approach, the researcher begins with an abstract, logical relationship among concepts, and then moves towards concrete empirical evidence (Neuman, 2003, p. 51). Meanwhile, in the inductive approach the researcher begins with detailed observations of the world and moves towards more abstract generalizations and ideas (Neuman, 2003, p. 51). In practice, most researchers use both approaches at various points of their studies. The current research therefore employs a deductive approach which implies that research is built on theories that already exist in the domain that is being researched (Bryman and Bell, 2007). Hypotheses are developed from those relevant theories and will be tested after the data collection and analysis phases. By adhering only to deduction approach some important factors can be overlooked. Therefore, the study will employ also an inductive approach as there is a possibility that important factors could have been identified in addition to those factors that have been derived from the existing literature.

Crotty (1998) suggested that in designing a research proposal, we should consider four questions: (1) What epistemology (theory of knowledge embedded in the theoretical perspective) informs the research, e.g. objectivism, subjectivism, etc.? (2) What theoretical perspective (philosophical stance) lies behind the methodology in question, e.g. positivism and post-positivism, interpretivism, critical theory, etc.? (3) What methodology (strategy or plan of action that links methods to outcomes) governs our choice and use of methods, e.g. experimental research, survey research, ethnography, etc.? (4) What methods (techniques and procedures) do we propose to use, e.g. questionnaire, interview, focus group, etc.? Based on the Crotty's model, Creswell (2003) addressed three elements of inquiry (i.e. knowledge claim, strategies of inquiry and methods) pertaining to the design of the research. With respect to the current study, the researcher will follow the Creswell model in order to illustrate the research design. Figure 4.1 shows how these elements merge together to outline the approach of the research and in turn, translate into processes in the design of the research.

Figure 4.1: Knowledge claims, strategies of inquiry, methods leading to approaches and the design process.



Source: Adapted from Creswell (2003, p. 5)

According to Creswell (2003) the first step to design a research project is to evaluate the knowledge claims brought to the study. "Knowledge claim means that researchers start a project with certain assumptions about how they will learn and what they will learn during their enquiry. These claims might be called paradigms (Lincoln and Guba, 2000; Mertens, 1998); philosophical assumptions, epistemologies, and ontologies (Crotty, 1998); or broadly conceived research methodologies (Neuman, 2000). Philosophically, researchers make claims about what is knowledge (ontology), how we know it (epistemology), what values go into it (axiology), how we write about it (rhetoric), and the process for studying it (methodology) (Creswell, 1994)" (Creswell, 2003, p. 6). There are four sets of assumptions concerning the knowledge claims; postpositivism, constructivism, advocacy/participatory, and pragmatism (Creswell, 2003). However, most ongoing social research is based on two major approaches positivism and interpretivism; Positivism is the oldest and most widely used approach, it is broadly defined as the approach of natural sciences. In contrast to positivism, interpretive researchers see that the goal of social research is to develop an understanding of social life and discover how people construct meaning in natural settings (Neuman, 2003). They argue that ordinary people use common sense to guide them in daily living. Therefore, one must first grasp common sense (Neuman, 2003).

In fact, neither common sense nor scientific law has all answers (Neuman, 2003). Therefore, triangulation is used by qualitative and quantitative social researchers to look at something from several angles rather to look at it from one angle. According to Neuman (2003) there are four types of triangulation; Firstly, triangulation of measures, which means using more than one measure for the same phenomena. Secondly, triangulation of observation, where the data is collected by a variety of observers to yield a more complete picture of the setting. Thirdly, triangulation of theory, which occurs when the researcher uses multiple theoretical perspectives in the planning stage of the research. Finally, triangulation of methods, which means the conducting of qualitative and quantitative styles of research.

The current study employs the fourth type of triangulation or the 'mixed methods' approach (Tashakkori and Teddlie, 2003). It is an approach in social sciences which employs collecting data by both forms of research styles; i.e. qualitative and quantitative concurrently or sequentially (Cresswell, 2003). It indicates that data will be integrated, related, or mixed at some stage of the research. The reasons for combining the two methods are considerably various and different from researcher to another. Bryman (2006) identified two schemes for justifying combination of quantitative and qualitative research based on a content analysis of 232 social science articles in which the two methods were combined (see Table 4.1).

Table 4.1: The reasons for combining the qualitative and quantitative methods

Scheme One	
Triangulation	Convergence, corroboration, correspondence or results from different methods. In coding triangulation, the emphasis was placed on seeking corroboration between quantitative and qualitative data.
Complementarity	Seeks elaboration, enhancement, illustration, clarification of the results from one method with the results from another (Greene et., 1989:259).
Development	Seeks to use the results from method to help develop or inform the other method, were development is broadly construed to include sampling and implementation, as well as measurement decisions (Green *et al*, 1989: 259).
Initiation	Seeks the discovery of paradox and contradiction, new perspective of frameworks, the recasting of questions or results from one method with questions or results from the other method (Green *et al*, 1989:259).
Expansion	Seeks to extend the breadth and range of enquiry by using different methods for different inquiry components (Green *et al*, 1989: 259).
Scheme Two	
Triangulation or greater validity	Refers to the traditional view that quantitative and qualitative research might be combined to triangulate findings in order that they may be mutually corroborated. If the term was used as a synonym for integrating quantitative and qualitative research, it was not coded as triangulation.
Offset	Refers to the suggestion that the research methods associated with both quantitative and qualitative research have their own strength weaknesses so that combining them allows the researcher to offset their weaknesses to draw on the strength of both..
Completeness	Refers to the notion that the researcher can bring together a more comprehensive account of the area of enquiry in which he or she is interested if both quantitative and qualitative are employed.
Process	Quantitative research provides an account of structures in social life but qualitative research provides sense of process.
Different research questions	This the argument that quantitative and qualitative research can be each answer different research questions.
Explanation	One is used to help explain findings generated by the others.
Unexpected results	Refers to the suggestion that quantitative and qualitative research can be fruitfully combined when one generates surprising results that can be understood by employing the other.
Instrument development	Refers to context s in which qualitative research is employed to develop questionnaire and scale items, for example, so that better wording or more comprehensive closed answers can be generated.
Sampling	Refers to situations in which one approach is used to facilitate the sampling of respondents or cases.
Credibility	Refers to suggestions that employing both approaches enhances the integrity of findings.
Context	Refers to cases in which the combination is rationalized in terms of

	qualitative research providing contextual understanding coupled with either generalizable, externally valid findings or broad relationships among variables uncovered through a survey.
Illustration	Refers to the use of qualitative data to illustrate quantitative findings, often referred to as putting 'meats on the bones' of dry quantitative findings.
Utility or improving the usefulness of findings	Refers to a suggestion which is more likely to be prominent among articles with an applied focus, that combining the two approaches will be more useful to practitioners and others.
Confirm and discover	This entails using qualitative data generate hypotheses and using quantitative research to test them within a single project.
Diversity of views	This includes two slightly different rationales – namely, combining researchers' and participants' perspective through quantitative and qualitative research respectively, and uncovering relationships between variables through quantitative research while also revealing meanings among research participants through qualitative research.
Enhancement or building upon quantitative/qualitative findings	This entails a reference to making more of or augmenting either quantitative or qualitative findings by gathering data using a qualitative or quantitative research approach.
Other/unclear	
Not stated	

Source: Adapted from (Bryman, 2006)

According to Tashakkori and Teddlie (1998) many influential researchers in the social and behavioural sciences have presented a different paradigm, which has been called ‘pragmatism’. The major concern for most of the pragmatism forms is the problem itself instead of the methods used, its solution (Patton, 1990), and therefore the researchers use all the approaches necessary to understand the problem (Creswell, 2003). The merit of this method is the fact that qualitative research will excel at telling the story, understanding complex social phenomena and assist the researcher to develop themes from the respondents’ points of view and quantitative research will summarize the large amount of data for generalization purposes.

The second step according to Creswell (2003) is to consider the strategy of inquiry that will be used. For the mixed methods, three strategies have been illustrated – sequential, concurrent, and transformative procedures (Creswell, 2003). In sequential procedures, which is the strategy used in the current study, researchers may start with a qualitative method for exploratory purposes first and then move toward the quantitative method for generalization purposes using a large sample. The current study follows this model (will be justified later in this chapter). Alternatively, researchers can begin with quantitative method first to test the theory to be followed by the qualitative method to add depth of understanding. Hence, the qualitative data collection techniques of this study will be conducted prior to the main quantitative survey to increase the validity of the research (Deshpande, 1983).

Finally, the major element in the research approach is to find specific methods of data collection and analysis. This study, as mentioned earlier, commences with a qualitative research phase in order to (1) attain extending understanding of the topic, (2) refine and revise the preliminary research model and hypotheses, (3) purify measures for the questionnaire (Churchill, 1979). In this phase, netnography method will be adopted by using content analysis of customer reviews of their experiences with specific hotel brands in Sharm El Sheikh in Egypt (will be highlighted later in this chapter). This method is particularly relevant in this case as there is to date a lack of understanding of the topic ‘customer experience’ which needs to be defined in more depth. In addition to purely qualitative methods, pluralistic research as mentioned earlier has gained popularity in marketing research in the last decades, where qualitative methods are used in conjunction with quantitative methods, to investigate a domain that is unknown or has received relatively little attention to date (Deshpande, 1983; Zinkhan and Hirschheim, 1992). Moving to the next phase of this study, a questionnaire will be developed on the basis of the reviewed literature and the qualitative study to quantify, supplement and complement the first phase. A detailed description of the first phase will be provided in the following section.

4.3 The first phase

Qualitative research is more suitable when there is a need for unfolding what surrounds a phenomenon (Carson *et al*, 2001). Considerable numbers of studies used qualitative methods to gain insights into the phenomena being investigated (e.g. Arnould and Price, 1993; Clesi *et al*, 1993; Thompson, 1997). The researcher therefore proposes to conduct exploratory research for the first phase to explore and gain insights into the studied phenomenon (Zikmund, 2003). The choice of exploratory research design for this first phase of the study was influenced by the nature of the research objectives. With respect to customer experience, the researcher is looking for better understanding of perceptions of customer experiences before undertaking the quantitative research in the second phase.

4.3.1 Rationale for the context

In an attempt to achieve the research objectives stated earlier, the researcher faced the challenge of investigating customer experiences in more than one company across different service sectors. However, in view of the limited timeframe available to carry out this research, this approach is not considered feasible. In addition, the context-specific nature of customer experience leads the researcher to decide that one sector would be sufficient. In order to conduct a study that examines the antecedents of customer experience and its consequences with a particular attention paid to brand loyalty, this study therefore employed experiential brands that focus on consumer interaction with a company's product or services (Dea and Hemerling, 1998). Specifically, the service sector was considered a good place to undertake the current study because the close relationship between the customers and the brand exist in the service sector (Franzen, 1999) and usually firms attempting to strengthen those relations with their consumers (Randall, 1997). Luxurious resort-hotel brands in Egypt particularly in Sharm El Sheikh were therefore chosen as a context for this study because of the fact that hotels provide a vast array of opportunities for customer interaction that provoke emotions and determine customers' feelings towards the services being offered (MacMillan and MacGrath, 1997). Moreover, hotels provide the right atmosphere for customer engagement at every touchpoint.

Resort-hotels in Egypt particularly in Sharm El Sheikh were considered adequate for this research for two main reasons. Firstly, for many years, Egypt has remained traditionally the hub of tourists interested in the history and the valuable heritage of ancient Egyptian monuments spread all over the country. Recently, Egypt has embarked into comprehensive and diversified tourism, whereby tourists can find several kinds of tourist activity such as:

monuments, marinas, recreation, religious purposes and desert safaris. Tourism in Egypt also satisfies different ambitions of tourists and which are in much demand today such as therapeutic, conferences, exhibitions, environment and sports. This is in addition to the recreational and cultural activity that enriches the touristic product. Europeans, Americans and other different nationalities used to visit Egypt and see its antiquities dating back to the various eras and civilizations (see Appendix 1). The tourism industry has witnessed huge growth since Egypt developed a more comprehensive tourism industry through diversified tourist products. In the recreational tourism domain, there are scores of unique tourist destinations such as Sharm El Sheikh, Hurghada, Safaga and others (Egypt State Information Service, 2008).

Secondly, Egypt is one of the global hotspots for the hotel industry where there are aggressive expansion plans and new brand launches. Investments in the hotel and restaurant sector rose to LE 2.599 billion. Turnover in this sector reached LE 18,593.9 million for the period 2005–2006. Employment in this sector created about 120,000 job opportunities for youth in 2005–2006 (Egypt State Information Service, 2008). But, how are those hotels currently living up to the challenge of creating great customer experience? This study is seeking to answer this question.

4.3.2 Netnography

Experience is something singular that happens to an individual and researchers cannot directly access (Carù and Cova, 2008). Therefore researchers only interpret what their subjects have expressed orally, in writing or through their behaviour. Experience becomes more and more important to marketing, however, the methodologies typically used to research experiences, such as interviews and focus groups, have a number of drawbacks such as respondent inhibition (Elliott and Jankel-Elliott, 2003). Verbatims instead are argued to be important to understanding the private nature of the experience to be studied (Carù and Cova, 2008). In the meantime, the ethnography of consumption has, in just a few years, become a major qualitative research strategy, given the limitations of questionnaire-driven verbatims and other kinds of interviews (Mariampolski, 1999, 2005) when it came to understand the deep feelings and emotions experienced by consumers (Carù and Cova, 2008). Ethnography has been used to cover such experiences since the shift from a researcher-devised retrospective narrative in an interview form to an introspective narrative that is produced, fine-tuned and diffused by the consumer in the shape of a text diary, audio diary or video diary (Carù and Cova, 2008). This decentred practice, which turns consumers into active producers of their experiences' narratives, is rooted in the rise of so-called 'self-reflexive' individuals (Carù and Cova, 2008). Individuals' reflexivity is what enables them to tell their stories and to explain their actions using words. This is extremely useful in helping researchers to understand the hedonic and subjective dimension of the consumption experience, rather than the functional and objective dimension of a product/service's utilisation (Carù and Cova, 2008). Reflexive narrative processes include analytical endeavours to make meaning of an event, thought, or an emotional experience (Snyder, 2001, p.53). In this study, the customers in their reviews were interpreting the emotional experiences they have with reference to them; they used the storytelling technique to express their experience.

In the late 1990s, Kozinet developed 'netnography' as an online marketing research technique for providing consumer insight. It is an adaption and expansion of ethnographic methods to online formats which is broadly based on the reflexive narratives that people publish online (Kozinet, 1997, 1998, 2001, and 2002). Kozinet (2002) has defined netnography in terms of both product and process. As a product, a netnography is “a written account of online cyberculture, informed by the methods of cultural anthropology” (Kozinets, 1997, p. 470). As a process or research methodology, netnography is a “new qualitative research methodology that adapts ethnographic research techniques to study the cultures and communities that are emerging through computer-mediated communications” (Kozinets, 2002, p. 62).

Netnography has been applied as a marketing research technique to “identify and understand the needs and decision influences of relevant online consumer groups” (Kozinets, 2002, p. 62). As Internet access became more widely available, people have come to adopt it as yet another medium with which they can chronicle their lives, with the added dimension that they now have an audience. Hence, the great explosion in personal storytelling has arisen alongside the emergence of blogs. Consumers are using virtual communities and other online formats to share ideas such as boycotters (Kozinets and Handelman, 1998); build communities such as online coffee communities (Kozinets, 2002), and contact fellow consumers such as; Star Trek fans (Kozinets, 2001) and X-Files fans (Kozinets, 1997).

Ethnographic and quasi-ethnographic research methods are able to develop “a ‘thick description’ of the lived experience of consumers” (Elliott and Jankel-Elliot, 2003, p. 215). Netnographic studies would be able to offer those ‘thick descriptions’ of the life worlds of consumers. Moreover, with respect to the first phase of the current study, it is argued that netnography is the most adequate method to examine customer experience for two reasons. Firstly, customers usually write their reviews after their stay ends, so their experience is not affected by observation (Kozinets, 2002); Second, Pires *et al* (2003) asserted that the use of netnography is effective in reaching communities that traditional methods made access to them very difficult. The researcher faced difficulties to reach real customers and interview them face to face to talk about their experience after their stay ends, simply because they getting back home immediately. Therefore, the best way to overcome those limitations is to adopt the newly emerged 'Netnography' method which will help the researcher to reach the targeted customers who voluntarily sent their fully described experiences via different websites, and also it will assist in understanding rarely stated aspects through traditional methods (e.g. interviews or focus groups) (Kozinets, 2002). An additional advantage of netnography is the ability for a researcher to return to the original qualitative data set at any point during the analysis phase because the data set is inherently transcribed.

Netnography is "far less time consuming and elaborate" (Kozinets, 2002, p. 62) compared to traditional ethnographic methods that takes a great deal of time observing and collecting data (Wolcott, 1994). In addition, the physical presence of the researcher in the conventional ethnographic research may affect the normal practices of everyday life (Hammersley and Atkinson, 1995). Netnography is both unobtrusive and naturalistic (Kozinets, 2002; Lincoln and Guba, 1985) that captures individuals and groups in their natural environments. Netnography provides researchers 'with a window into naturally occurring behaviour' (Kozinets, 2002, p. 62) that occurs in cybercultures and virtual communities.

In marketing and consumer behaviour literature there are some examples of articles that employed netnography to investigate topics such as anti-Nike corporation and anti-genetically engineered foods (Kozinets and Handelman, 2004) and brides-to-be planning cross-cultural weddings (Nelson and Otnes, 2005). This method allows the researcher to gain access to consumer discussions unobtrusively by observing and/or participating in communications on publicly available online forums and collecting data whereby consumer narratives are of a particular interest to the researcher (Nelson and Otnes, 2005, p. 90). Netnography is the most adequate qualitative method with respect to the current study through utilizing a content analysis of consumer reviews of their experiences within hotels in Egypt. This research uses the remembered experience in the conceptualization of customer experience. Those online customer reviews pose potential drawbacks in that the writer is not held accountable for what is written. Anyone can post reviews about any hotel; this calls into question whether writers are actual customers and whether their accounts are true. Another drawback is the customer will rely on his memory to memorize the actual experience, that may pose another threat whether this experience still exists in memory or not. In order for the researcher to minimize this type of bias the study employed more than 800 reviews to have a comprehensive insight about the experience. Additionally, the researcher followed Kozinet's criteria to select the adequate reviews; therefore, the researcher is confident that the results are more reliable and trustworthy. Kozinets (2002) recommends the following stages and procedures for adapting netnography to the online context.

4.3.2.1 Entrée

Entrée involves identifying the online communities most relevant to a researcher's particular research interest as well as learning as much as possible about the communities that are identified. These online communities could be: electronic bulletin boards, independent Web pages, listservs, multi-user dungeons, and chat rooms, each of which provides different kinds of information to researchers (Kozinets, 2002). Certain groups are preferred that have "(1) a more focused and research question, relevant segment, topic, or group; (2) higher 'traffic' of postings; (3) larger numbers of discrete message posters; (4) more detailed or descriptively rich data; and (5) more between-member interactions of the type required by the research questions" (Kozinets, 2002, p. 63).

A netnography in the form of non-participant observation is used in this particular study based on customer reviews published on the Internet that contained detailed information about their experiences in Sharm El Sheikh Hotels. The reason for choosing the non-participant observation is the undesirable influence of the outsider to the group (Elliott and Jankel-Elliott, 2003). Also, the study was conducted completely unobtrusive because the netnography is capable of being conducted in a manner that is entirely unobtrusive (Kozinet, 2002). The researcher intensively reviewed the most prominent websites that offer online consumer reviews about their experiences (either positive or negative) with hotels in Sharm El Sheikh taking into consideration the criteria recommended by Kozinets (2002). The search for the convenient websites for this study was conducted on Google using combinations of the following keywords: "Sharm el sheikh", "Hotels", "Customer experience". As a result, two websites were found to be more relevant to this study. www.holidaywatchdog.com and www.tripadvisor.com. Those two website were selected because they are more relevant and focus on the research question. Also, there are a higher traffic of post and more detailed rich data. In a similar study by Yang and Fang (2004) used the same procedures to analyze consumer complaints and compliment with securities brokerage services.

4.3.2.2 Data collection

The second step of Kozinets's framework involves data collection. Kozinets (2002) stated that there are two types of data collection when conducting a netnography: "(1) the data that the researcher directly copies from the computer-mediated communications of virtual community members, and (2) the data that the researcher inscribes regarding his/her observations of the community, its members, interactions and meanings" (p. 7). In this study, direct copy from the computer-mediated communications of online community members was adopted. Some aspects were considered when choosing the customer messages, e.g. Firstly, the text which is experiential in nature and contains fully description of the experience were selected. Secondly, overwhelming amounts of data are anticipated, therefore all messages were examined and disqualified reviews and any irrelevant messages were discarded; Thirdly, an attempt was made to find diverse (both positive and negative) journal postings of their experiences with the intention of sampling strategy not to offer representativeness or transferability, but to focus on analytic depth of the topic (See Brown *et al*, 2003).

The selection process resulted in eighty-five reviews (see Figure 4.1). The collected messages were posted between August 2007 and August 2008. Although international in scope, postings on these websites primarily occurred in English. The researcher accessed the customer review websites from the first of September 2008 to the middle of December 2008 to secure a sufficient volume of reviews about a predetermined sample of resort-hotel brands in Sharm El Sheikh. The researcher immersed himself in those online communities as he monitored the customer reviews and communications for three months. As a result, the researcher becomes a part of those communities that facilitate the process of review selection.

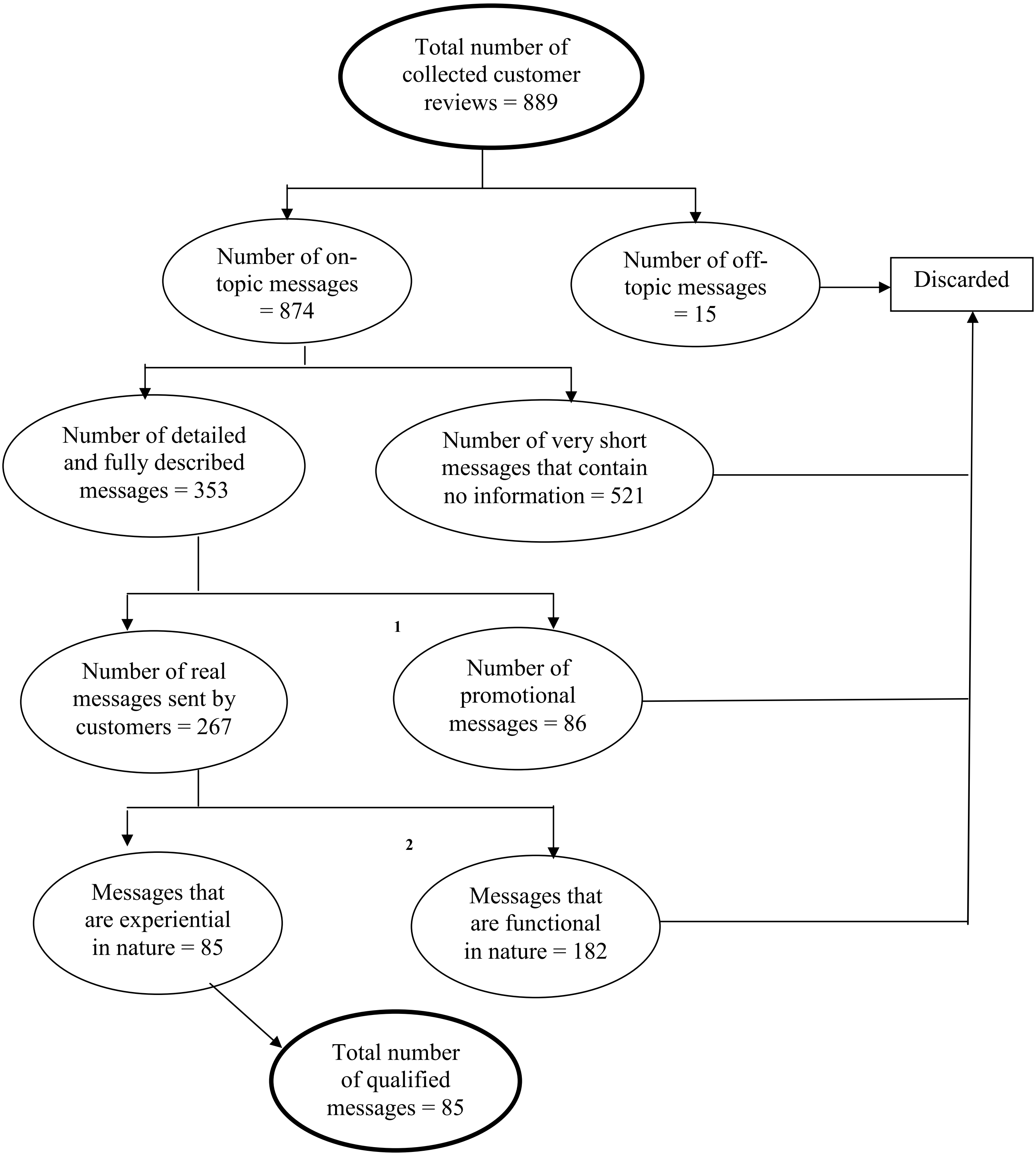
Kozinets (2002) stated that "the uniquely mutable, dynamic, and multiple online landscape mediates social representation and renders problematic the issue of informant identity" (p. 64). In an online environment, the community members might be more likely to reveal an identity that is significantly different than their 'real' identities, which could possibly undermine the trustworthiness of the data collected (Sandlin, 2007). A general response to this argument is that researchers should consider the speech act or communication as the unit of analysis, and not the individual (Kozinet, 2002). Kozinet (2002) also argued that blatant misrepresentation is frowned upon by most online communities, where 'codes of etiquette' discourage this sort of behaviour through 'flaming, ostracism, and banishment' (Kozinets, 2002, p. 65). To ensure the most trustworthy data possible, Kozinets (2002) urges researchers to immerse themselves in the culture of the community through long-term engagement, cited in (Sandlin, 2007, p. 290).

Table 4.2: The number of the examined customer reviews

Resort name	Number of customer reviews
www.tripadvisor.com	
Four Season	74
Hyatt Regency	141
Grand Rotana Resort and Spa	60
www.holidaywatchdog.com	
Renaissance Golden View	14
Sunrise Island View Hotel	14
Hyatt Regency	6
Concorde El Salam Hotel	34
Conrade Sharm El Sheikh Resort	24
Jaz Mirabel Beach Resort	29
Baron Resort Hotel	13
Sultan Gardens Resort Hotel	13
Hilton Sharm Dream Resort Hotel	7
Maritime Jolie Ville Resort & Casino	6
Melia Sinai Hotel	10
Hilton Sharm Waterfalls Resort	3
Iberotel Grand Sharm Hotel	5
Laguna Vista Hotel	26
Sunrise Island Garden Suites	18
Marriot Mountain & Beach Resort	3
Neama Bay Hotel	1
Savoy Hotel	10
Coral Beach Tiran	3
Grand Rotana Resort	2
LTI	47
Oriental Resort	29
Reef Oasis Beach	22
Baron Palms Resort	5
Sheraton Sharm Hotel Resort	8
Domina Coral Bay Harem	4
Hauza Beach Resort	38
Three corners Kirosiez	38
Creative Mexicana Resort Hotel	8
Sonesta Beach Resort	13
Domina Coral Bay	4
Sol Y Mar Mirabel Beach Resort	2
Pyramisa Sharm Resort	18
Millennium Oyoun Hotel & Resort	5
Rehana Sharm Resort	55
Tropitel Neama Bay Hotel	10
Royal Rojana Hotel	4
Domina Coral Bay Resort	4
Royal Plaza Hotel	22
Calimera Royal Diamond Beach	2
Grand Plaza	25
Raouf Sun Hotel	3
Noria Resort Hotel	1
Royal Paradise	5
Cameldive Club and Hotel	1
Total	889

Source: Developed by the researcher for the current research

Figure 4.2: Customers' reviews selection process



Source: Developed for the current study

[1] Promotional messages are believed to be sent by the company to promote the hotel among the online community members.
[2] The functional messages are those primarily concerned with the evaluations of different services provided by the resort without mentioning any kind of emotions provoked or telling any stories about the experience.

4.3.2.3 Analysis and interpretation

The qualitative outcome of the previous stage (data collection) was examined and messages that are directly related to the research questions are recognized, and the qualitative data analysis involving the constant comparative method were performed with the help of Nvivo 0.7 (Glaser and Straus, 1967; Kozinets, 2002, Straus and Corbin, 1990). This study analyzed the informants' experiences from the journal entries through following the principles for the analysis and interpretation of qualitative data as recommended by (Arnould and Wallendorf, 1994; Spiggle, 1994; Strauss and Corbin, 1990). Relevant themes to research hypotheses have been identified and then the emergent themes were compared with preconceptions derived from the literature.

First, the data was coded into discrete parts (open coding), closely examined and compared for similarities and differences, with each code representing a particular aspect of the phenomenon of interest. Then patterns were established across the multiple sources of data to contextualise and integrate the coding categories. The selective coding was used to specify relationships between the constructs and move to a higher level of abstraction, that is what Arnould and Wallendorf (1994, p. 495) describe as the "empirical grounding for an etic understanding". By interpreting those reviews, the researcher was able to find out the dimensions of the customer experience, its major causes and its outcomes.

4.3.2.4 Research ethics

The ethical issue in consumer research in general is especially important. With respect to the ethics of applied netnographic research, Kozinets (2002) described two major ethical issues surrounding online research: "Are online forums to be considered a private or a public site?"; and "What constitutes 'informed consent' in cyberspace?" (p. 65). Kozinets (2002) noted that no clear consensus on the public or private nature of message boards had yet emerged and that the requirement for consent was not clear. For confidentiality and privacy purposes, Kozinets (2002) urged researchers to "(1) fully disclose his or her presence, affiliations, and intentions to online community members during any research; (2) ensure confidentiality and anonymity of informants; and (3) seek and incorporate feedback from members of the online community being researched; (4) to take a cautious position on the private-versus-public medium issue. This procedure requires the researcher to contact community members and to obtain their permission (inform consent) to use any specific postings that are to be directly quoted in the research" (Kozinets, 2002, p. 65; Kozinets and Handelman, 1998). However, Haggerty (2004) stated that these ethical issues in conducting netnographic research remain unresolved among qualitative researchers, he added that some researchers view online data as "public pronouncements, comparable to letters to the editor, and as such amenable to academic analysis without the necessity of ethical review" (p. 405). Therefore, ethical guidelines for the study of online communication recommended by Kozinets should be revised. These guidelines make sense in restricted (semi-) private online communication and when moving away from traditional ethnography.

Langer and Beckman (2005) conducted covert netnographic research for the sensitive topic of cosmetic surgery; their participants were not informed of the researchers' presence. They argued against revealing themselves to the participants as it would potentially jeoparadize the research project if participants had opposed the research. The researcher is not claiming that the subject of the current study is a sensitive one, but based on the successful outcome of the Langer and Beckman study (2005), and the increasing 'normalisation' of e-communication, the researcher argues that consent is needless in the current study because the websites utilized are to be found in public forums of communication. The lack of consent argument is further substantiated because “asynchronous chat on the Internet, often using a pseudonym, where people can post relatively anonymous messages. Only, registered users have the option to present information about themselves, such as gender, age, occupation and geographical location and this information may or may not be accurate” (Beaven and Laws, 2006, p. 131).

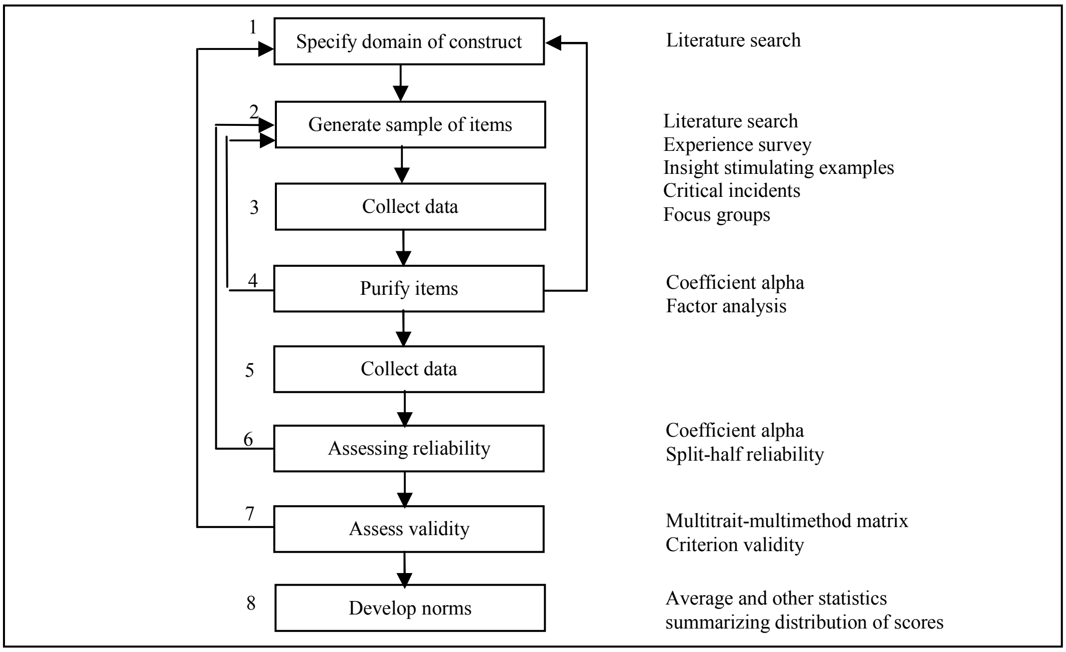
4.3.2.5 Member checks

Finally, the last step in netnography research is member checking. “Member checks (Arnould and Wallendorf, 1994, p. 485; Hirschman, 1986, p. 244; Lincoln and Guba, 1985) are a procedure whereby some or all of a final research report’s findings are presented to the people who have been studied in order to solicit their comments” as cited in (Kozinet, 2002, p. 9). Member checks allow researchers to gain a better understanding based solely on observational online data and also help researchers address some of the ethical issues encountered in netnographic methods, “while still preserving the value of unobtrusive observation” (Kozinets, 2002, p. 66). However, no member checks were made in the current study as in the first place it was decided not to inform participants about the identity of the researcher. The evidence that appears to support this argument is the study of Langer and Beckman (2005) who argued that it is unnecessary to present the findings back to participants when the study was conducted completely unobtrusively. Having conducted the current study entirely unobtrusively, the analysis and interpretation of the results means the end of the qualitative study.

4.4 The second phase

In this section the researcher aims to develop valid and reliable measures of the theoretical constructs through synthesizing insights from the existing literature and netnographic study. As stated by Arnould and Wallendorf (1994, p. 490) "the topics, themes, and scale items for ethnographic surveys are usually generated from emic categories derived from previous participant observation and/or unstructured interviews with the population of interest, rather than from literature-based theoretical propositions or previously developed scales (see Bearden, Netemeyer, and Mobley, 1993)". As a result of the first phase, numerous items were produced. Some of these items were identical or equivalent items, therefore, those items were excluded for the sake of parsimony. A number of academics evaluated the items generated from the qualitative study and they focused on eliminating redundant measures in order to ensure that these items are representative of the scale's domain. This process followed Churchill's (1979) approach for developing measures of multiple-item marketing constructs (see Figure 4.3) and Gerbing and Anderson's (1988) for establishing measurement reliability.

Figure 4.3: Procedures for developing better measures



Source: Adapted from (Churchill, 1979)

4.4.1 Domain of constructs

The intitial approach to measures development and purification is specifying the domain of the constructs (Churchill, 1979). The researcher searched the literature when conceptualizing the constructs and specifying their domains. Consequently, based on a review of relevant literature, the definitions of the constructs are as follows.

Price perception

This is an extrinsic cue on which consumers will rely more heavily to make pre-purchase decisions due to the intangible nature of service and to predict service quality prior to consumption (Bitner, 1990; Parasuraman *et al*, 1985; Zeithaml, 1988). In the current study, pre-purchase and post-purchase price is assumed to be a major determinant that has a significant effect on the perceived customer experience.

Advertising

This is an extrinsic cue on which consumers will rely more heavily to make pre-purchase decisions due to the intangible nature of the service and to predict service quality prior to consumption (Bitner, 1990; Parasuraman *et al*, 1985; Zeithaml, 1988). In the current study, advertising is argued to be used as a framework through which a predicted level of expectations is formed and perceived by customers relative to their experiences.

Customer-contact employee's performance

Customer-contact employees' performance is an intrinsic cue that has a major impact on customer perception of service quality (Bitner, 1990; Darden and Babin, 1994; Grönroos, 1984; Hartline and Jones, 1996; Keaveney, 1995; Parasuraman *et al*, 1985; Zeithaml *et al*, 1996). In the current study, the performance of customer-contact employees is thought to be used as an intrinsic cue by customers to assess customer experience.

Servicescape

Servicescape, or atmospherics, are composed of both tangible elements (the building, carpeting, fixtures, and point-of-purchase decorations) and intangible elements (colours, music, temperature, scents) that comprise the service experiences (Hoffman and Turley, 2002, p. 35). The three dimensions: ambient factors, design factors, and social factors (Baker *et al*, 1994) will be used in the current study.

Core service

This is also known as 'substantive service' and is best understood as the essential function of a service (Sasser *et al*, 1978) as cited in (Palmer, 1994, p. 127). In the resorts context, the core service will be food, accommodation and the leisure services and activities provided.

Pre-consumption mood

Mood is defined as mild, pervasive, and generalized affective state, rather than intense emotions (Mattila and Wirtz, 2000) that are easily induced (Schwarz and Clore, 1983). The customer mood prior to the consumption experience is hypothesized to affect his/her perception of service consumption experience (Mattila and Wirtz, 2000).

Past experience

A customer's past experience with the firm will have a positive effect on his/her expectations for the next service experience (Bitner, 1990).

Word-of-mouth

WOM communication is the message about an organisation, its credibility and trustworthiness, its way of operating and its services, communicated from one person to another (Grönroos, 1990b, p 158). In the current study, word-of-mouth is established as a powerful source of influence in assisting the customer to predict the consumption experience with no distinction between traditional and online WOM.

Customer experience

The internal and subjective response that customers have of any direct or indirect contact with a company. Direct contact generally occurs in the course of purchase, use and service, and is usually initiated by the customer. Whereas, indirect contact most often involves unplanned encounters with representations of a company's products, services, or brands and takes the form of word-of-mouth recommendations or criticisms, advertising, news reports and reviews (Meyer and Schwager, 2007, p. 2).

Perceived service quality

This is a consumer's judgement about an entity's overall excellence or superiority (Zeithmal, 1987).

Brand loyalty

Brand loyalty is a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future, thereby causing repetitive same-brand set purchasing, despite 'situational influences' and 'marketing efforts' having the potential to cause switching behaviour (Chaudhuri and Holbrook, 2001, p. 28).

4.4.2 Initial pool of items

The second step in the procedure for developing better measures is to generate initial items that represent the domains of the constructs and capture the domain as specified. The following recommendations by DeVillis (2003) have been taken into account when developing the scale: (a) avoiding exceptionally lengthy items, (b) readability level of each item, (c) double-barrelled items, (d) ambiguous pronoun references and (e) positive and negatively worded items (p. 66–70). The initial item-generation produced fifty-nine items. Items from the literature as well as items produced from the qualitative study were used to develop the questionnaire that will ask customer about their post-evaluation of the experience. Items from the literature were firstly screened out and refined against the netnographic study. The researcher identified the major and relevant items to this study and items on each concept were kept to a minimum to avoid a lengthy questionnaire. The researcher is concerned with parsimony and avoiding redundancy in the measures that may lead to more complicated framework. The following Table illustrates the constructs and its measurements from the literature and the qualitative study alike.

Table 4.3 : Measurement items for the constructs of the study

Construct	**Dimensions**	**Measurement items**	**Sources**
1.Advertising		1.1 I react favourably to the advertisements	Holbrook and Batra, 1987
		1.2 I feel positive towards the advertisements	Holbrook and Batra, 1987
		1.3 The advertisements helped me to expect my experience there	The qualitative study
		1.4 The advertisement motivated me to make the holiday decision	
		1.5 The advertisements led me to infer what the experience would be like	
2. Price perception	Pre-purchase price perception	**Before booking the holiday**, 2.1 The price for the whole package (accommodation, and other services) was reasonable	Glenn, Parasuraman, and Grewal, 1998
		2.2 This price helped me make my decision	The qualitative study
		2.3 This price led me to infer what the experience would be like	The qualitative study
	Post-purchase price perception	**At the end of the holiday**, 2.4 The price was still reasonable	Glenn, Parasuraman, and Grewal, 1998
		2.5 I was pleased with the price I paid	The qualitative study

Construct	Dimensions	Items	Sources
3. Servicescape	Ambient factors	3.1 The background music was appropriate	Based on studies of Baker, Grewal and Parasuraman, 1994 Wakfield and Baker,1998 Bitner, 1992 Wakefield and Odgett, 1999 Turley and Milliman, 2000 Baker, Parasuraman, Grewal and Voss, 2002 and supported by the qualitative study
		3.2 The temperature was comfortable	
		3.3 The lighting was appropriate	
		3.4 The aroma was enticing	
		3.5 The natural environment such as (sea, gardens) was attractive	The qualitative study
	Design factor	3.6 The overall design of this resort was interesting	Baker, Grewal and Parasuraman, 1994 Wakfield and Baker,1998 Bitner, 1992 Turley and Milliman, 2000 Wakefield and Blodgett, 1999 and supported by the qualitative study
	Human factor	3.7 The other customers that were present during my stay positively affected my experience	The qualitative study

Construct	Dimensions	Items	Sources
4.Customer-contact employee's performance		4.1 Employees were neat in appearance and well dressed	Baker, Berry, and Parasuraman, 1988 Wakefield and Blodgett, 1999 Baker, Parasuraman, Grewal and Voss, 2002 Parasuraman, Zeithaml, and Berry, 1991 Cronin and Taylor,1992 Mittal and Lassar, 1996 and supported by the qualitative study
		4.2 Employees were always willing to help	
		4.3 Employees were polite and courteous	
		4.4 Employees gave me personal attention	
		4.5 Employees were friendly and pleasant	
		4.6 Employees took the time to get to know me personally	
5. Core service	Food	5.1 The food and beverages were of high quality	Based on previous studies on the food service sector Johns and Tyas, 1996 Kivela, Inbakaran and Reece,1999 Raajpoot, 2002 Stevens, Knutson and Patton, 1995 Choi and Chu, 1999 and also verified by the qualitative study

Construct	Dimensions	Items	Sources
		5.2 I tried new food I have never tried before	The qualitative study
	Accommodation	5.3 Accommodation was comfortable	Based on previous studies Ananth, DeMicco, Moreo, Howey, 1992 Atkinson, 1988 Cadotte and Turgeon, 1988 Clow, Garretson and Kurtz, 1994 Knutson, 1988 Lewis, 1985 Marshall, 1993 Wilensky and Buttle, 1988. Choi and Chu, 1999 and supported by the qualitative study
	Leisure services	5.4 Educational services like (diving, yoga, cooking, and belly dance classes) were efficient.	The qualitative study
		5.5 Leisure services (swimming pool, fitness and healthcare centre and sauna) were pleasant	
		5.6 The excursions and trips offered were exciting	

Construct	Dimensions	Items	Sources
6. Past experience		6.1 My previous experience with this hotel have in general been excellent	Liljander and Mattsson, 2002
		6.2 My past experience helped me to expect this experience	The qualitative study
		6.3 I made a decision to visit this place again based on my past experience	The qualitative study
7. Word-of-mouth		7.1 The word-of-mouth influenced my attitude	O'Cass and Grace, 2004
		7.2 The word-of-mouth mentioned some things	O'Cass and Grace, 2004
		7.3 The reviews I read online influenced my views about the hotel	The qualitative study
		7.4 My friends provided some different ideas about the hotel	The qualitative study
		7.5 The word-of-mouth helped me make a decision	O'Cass and Grace, 2004
		7.6 The word-of-mouth influenced my evaluation	O'Cass and Grace, 2004

Construct	Dimensions	Items	Sources
8. Pre-consumption mood		8.1 Sad – happy	Swinyard, 1993
		8.2 Bad mood – good mood	
		8.3 Irritable - pleased	
		8.4 Depressed – cheerful	
9. Customer experience	Hedonic	9.1 My experience was a memorable experience	Otto and Ritchie, 1996 and the qualitative study
		9.2 My experience was entertaining	
		9.3 My experience was exciting	The qualitative study
	Comfort	9.4 I felt a sense of comfort	Otto and Ritchie, 1996 and the qualitative study
	Educational	9.5 The experience was highly educational to me	Oh *et al*, 2007 and the qualitative study
	Novelty	9.6 I felt like I was doing something new and different	Otto and Ritchie, 1996 and supported by the qualitative study

Construct	Dimensions	Items	Sources
	Recognition	9.7 I felt that I am important, respected and welcomed.	Otto and Ritchie, 1996 and the qualitative study
	Safety	9.8 I felt safe	
	Sense of beauty	9.8 I felt sense of beauty	The qualitative study
	Relational	9.10 I made new acquaintances and friends	The qualitative study
10. Perceived service quality		10.1 I would say that this hotel provides superior service.	Brady and Cronin, 2001
		10.2 I believe this hotel offers excellent service	The qualitative study
		10.3 This is the best hotel I ever stayed in	
		10.4 The hotel was a place that worth staying in	
11. Brand loyalty		11.1 I am very loyal to this hotel	Pritchard, Havitz and Howard, 1999
		11.2 I would continue to stay at this hotel if the price was higher	Ganesh, Arnold, Reynolds, 2000

Construct	Dimensions	Items	Sources
		11.3 I would highly recommend this hotel to my friends and family.	Ganesh, Arnold, Reynolds, 2000
		11.4 To me, this brand is the same as other hotel brands	Pritchard, Havitz and Howard, 1999

Source : Developed for the current study by the researcher

The construct of customer experience is a consequence of an interaction between an organized event and the emotional, mental, physical condition of the customer at the time of the interaction. Therefore, every experience is personal. In the present study, the conceptualization of customer experience is an aggregation of those individual experiences obtained from the netnography study. Customer experience is represented by ten items (see Table 4.3) that reflect the different dimensions of experience highlighted in the prior work such as: emotional, sensorial, cognitive, lifestyle, hedonic, etc (Gentile *et al*., 2007; Otto and Ritchie, 1996). For instance, the emotional component of the experience is measured using the item "My experience was entertaining". The construct will be subjected to rigorous statistical techniques (in Chapter 6) to refine the measures and uncover the underlying dimensions.

4.4.3 Content adequacy assessment

Preliminary scale items were developed based on the initial item-generation process discussed above. The instrument included questions for measuring all of the constructs in the theoretical model. Although content/face validity is subjective in nature, it is useful in that it provides an indication of the adequacy of the questionnaire. Content validity refers to "the extent to which a specific set of items reflects a content domain" (DeVellis, 2003, p. 49). To establish content validity, the researcher asked some faculty members in the department of marketing who are already familiar with the topic to evaluate the measurement items and indicate whether the measures appear to be face/logical valid or not. Academics have often acted as judges of a scale's domain in previous studies (Arnold and Reynolds, 2003; Babin and Burns, 1998; Sweeney and Soutar, 2001; Zaichowsky, 1985). The judges were given the conceptual definitions of each construct and were asked to assess them based on each item's representation of the construct domain. They were also required to comment on the appropriateness of the items and check clarity of wording. Academics were also asked to suggest any content areas that are unclear. Their feedback was used to edit, add, or delete items on the scale. The following paragraphs provide a detailed description of the face validity assessment process.

In order to establish the face validity, the researcher required for feedback from two groups of panels of experts to comment on whether the questionnaire items appeared to measure what they were intended to measure?. The first group included six academics and the second group included three business doctoral students who are familiar with the topic. Each panel member was asked to fill out the questionnaire and comment on the questionnaire based on its wording, clarity, layout, ease of completing, and total time to complete and if the questionnaire appeared to measure the intended constructs.

The initial items were assessed by the academics. Firstly, most of the academics commented on item 1.3 “the advertisements helped me to expect my experience there” as unclear and not representing the construct (see Table 4.3). As a result, this item was dropped. Two academics made a comment about item 1.5 “I used the advertisement as a cue to compare my experience with the promise provided in the ad” as not being a clear question and suggested that the English should be improved. Consequently, this item was reworded as “the advertisement led me to infer what the experience would be like”. Similarly, most academics judged item 2.3 as unclear and in need of rephrasing. Item 2.3 was “before booking the holiday, the price of the whole package ‘accommodation and other services provided by the hotel’ helped me to expect my experience”. This was reworded to “before booking the holiday, the price of the whole package 'accommodation and other services provided by the hotel' led me to infer what the experience will be like".

Furthermore, two academics suggested the use of past tense in the statements since this survey is about post-evaluation experience. Therefore, the researcher used the past tense in all the statements. Despite the fact that items 7.1 and 7.2 were taken from a previous study by O'Cass and Grace (2004) most of the expert judges agreed upon those items are not appropriate. Therefore, those items were excluded. Likewise, item 5.2 was generated on the basis of the qualitative outcome. However, the item "I tried new food I have never tried before" was excluded, because judges were not sure whether this item is conceptually coherent enough to unite under one construct label of 'Core service' with other evaluative items of several different services. Additionally, the item of "Educational services (diving, yoga, cooking, and belly dance classes" were efficient' was changed to "Educational services (diving, yoga, cooking and belly dance classes) were pleasant and thought-provoking" according to recommendations from academics.

Finally, the item of "The food and beverages are of high quality" was reworded negatively as suggested by academics, now reading "The food and beverage are of poor quality". Negatively worded items are those phrased in the opposite semantic direction from the majority of the items on a measure (Barnette, 2000). Several scholars (Anastasi, 1982; Likert, 1932; Mehrens and Lehmann, 1983; Nunnally, 1978; Rossi *et al*, 1983) have recommended the use of a balance of items with opposite wording as an attempt to get respondents to attend more to the survey items. Specifically, negatively worded and correspondingly reverse-scored item has been used in the survey to guard against acquiescent behaviours (Cronbach, 1951) or the tendency for respondents to generally agree with survey statements more than disagree.

The final version of the instrument was elicited through a pilot test designed to refine the measurement items and enhance construct reliability and validity. Most items were measured on seven-point Likert-type scales, with anchors of 1 = strongly disagree and 7 = strongly agree. Using the Likert scale is consistent with past behavioural and services marketing research methodologies (Zeithaml *et al*, 1990). Based on the results of content adequacy assessment, items were modified (see Table 4.3) and submitted to a scale purification step through the actual administration of the questionnaire.

Table 4.4: Measurement items of the theoretical constructs and its codes

Construct	**Items wording**	**Items codes**
Advertising	I reacted favourably to the advertisements.	AD01
	I felt positive towards the advertisements.	AD02
	The advertisements motivated me to make the holiday decision.	AD03
	The advertisements led me to infer what the experience would be like.	AD04
Price perception	Before booking this holiday, the price of the whole package (accommodation and other services provided by the hotel) was reasonable.	PP01
	The price helped me make my decision.	PP02
	The price led me to infer what the experience would be like.	PP03
	At the end of the holiday the price was still reasonable.	PP04
	I was pleased with the price I paid.	PP05
Servicescape	The background music was appropriate.	SE01
	The temperature was comfortable.	SE02
	The lighting was appropriate.	SE03
	The aroma was enticing.	SE04
	The natural environment (such as, sea and gardens) was attractive.	SE05
	The overall design of this hotel was interesting.	SE06
	The other customers that were present during my stay positively affected my experience.	SE07
Customer-contact employees' performance	Employees were well dressed and appeared neat.	EM01
	Employees were always willing to help.	EM02
	Employees were polite and courteous.	EM03
	Employees gave me personal attention.	EM04
	Employees were friendly and pleasant.	EM05
	Employees took the time to get to know me personally.	EM06
Core service	The food and beverage were of poor quality.	CS01
	Leisure services (swimming pool, fitness and healthcare centre and sauna) were pleasant.	CS02
	Accommodation was comfortable.	CS03
	Excursions and trips offered were exciting.	CS04
	Educational services (diving, yoga, cooking, and belly dance classes) were pleasant and thought-provoking.	CS05

Past experience	My past experience with this hotel has, in general, been excellent.	PE01
	Based on my last visit, I had a low expectation of this hotel.	PE02
	My decision to visit this place again was based on my last visit to the hotel.	PE03
Word-of-mouth	The reviews I read online influenced my view about the hotel.	WO01
	My friends provided some different ideas about the hotel.	WO02
	The word-of-mouth helped me make a decision.	WO03
	The word-of-mouth influenced my evaluation.	WO04
Pre-consumption mood	Sad ----1---2----3----4----5----6----7----Happy	MO01
	Bad mood----1---2----3----4----5----6----7----Good mood	MO02
	Irritable ----1---2----3----4----5----6----7----Pleased	MO03
	Depressed----1---2----3----4----5----6----7----Cheerful	MO04
Customer experience	My experience was entertaining.	CE01
	My experience was a memorable experience.	CE02
	My experience was exciting.	CE03
	I felt like I was doing something new and different.	CE04
	I felt a sense of comfort.	CE05
	The experience was highly educational to me.	CE06
	I felt a sense of beauty.	CE07
	I made new acquaintances and friends.	CE08
	I felt safe.	CE09
	I felt that I am important, respected and welcomed.	CE10
Perceived service quality	I would say that this hotel provides superior service.	SQ01
	I believe this hotel offers excellent service.	SQ02
	This is the best hotel I have ever stayed in.	SQ03
	This hotel was a place that worth staying in.	SQ04
Brand loyalty	I am very loyal to this hotel.	BL01
	I would continue to come to this hotel even if the price was higher.	BL02
	I would highly recommend this hotel to my friends.	BL03
	For me, the hotel brand is the same as other hotels.	BL04

Source: Developed for the current study by the researcher

4.4.4 Pilot study

After the development of the initial set of items, the items purification stage was undertaken. The pilot survey was conducted among British customers in the three different resort-hotels that belonged to the Pickalbatros Group which is a privately owned Egyptian company that mainly specializes in the development and management of a wide variety of hotel properties located in prime locations on the Red Sea coast. The hotels offer a highly personalized service, unique regional architectural style, instinctive décor and good value for tourists. For over a decade, the Pickalbatros Group has created a collection of exceptional hotels, resorts and various tourist attractions whilst providing superior service. Pickalbatros Group also offers a variety of exciting tourist attractions as well as educational, family and entertainment services. In addition to tourism, the company has achieved great success with film production. Albatros Film Production and Distribution was established in 2001 and since then it has produced numerous movies and television series. The number of properties is still growing, and as they grow so does their client base around the globe. The hotels examined in the present study are, Beach Albatros Sharm, Royal Albatros Moderna and Aqua Blu Sharm.

Aqua Park – Located on the cliff of Ras Om El Seid, close to Alf Laila Wa Laila Entertainment Centre, Aqua Park City spreads out over 133,905 m², and consists of an Aqua Park, two hotel buildings with 260 rooms, and a 450 m long promenade with cafés, restaurants, bazaars and a supermarket. In the heat of Sharm El Sheikh, this huge water paradise offers twenty different water slides from the somewhat relaxing to the downright hair-raising. A children's pool and a smaller slide is also available onsite.

Royal Albatros Moderna – Opened in 2004, the five-star resort has a perfect location on the golden sandy beach in the new hotel zone of Nabq Bay. It faces coral reefs in the crystal clear waters of the Red Sea and the shipwrecks of the nearby Straits of Tiran. The main building, and the attached two-storey building, are surrounded by resplendent gardens extending down to the beach. This all-inclusive resort is only 12 km from Sharm El Sheikh Airport, and 20 km from the famous Naama-Bay.

Beach Albatros Sharm – Located in a prime position on the cliff of Ras Om El Seid, this four-star beach resort commands stunning views of the Sinai Mountains and the Ras Mohamed Peninsula. Resting on a 1,000 m stretch of sandy beach accessible by an elevator with a panoramic view, the tranquil Red Sea waters in front of the resort are ideal for all kinds of exciting water sports. The main building and the family bungalows are surrounded by beautiful gardens. This all-inclusive resort is 18 km from Sharm El Sheikh Airport and 10 km from the famous shopping and restaurant area of Naama-Bay. This hotel is perfect for customers seeking an atmosphere of peace and tranquillity.

The purpose of the pilot test was to eliminate possible weaknesses and flaws in the first draft questionnaire. Also, to provide a preliminary evaluation and refinement of the measurement in order to create the final questionnaire for the main survey (Zikmund, 1997). Questionnaires were distributed between 9.3.09 and 30.3.09. By the cut-off date, 77 questionnaires were collected. However, 21 questionnaires were excluded due to the large quantity of missing data and the low quality of responses. As a result, the pre-test sample size was 56 questionnaires in accordance with previous literature which suggested the pilot test sample size to be generally small (i.e. up to 100 respondents) (Diamantopoulos *et al*, 1994).

In this stage, the reliability assessment is considered; scale reliability is the proportion of variance attributable to the true score of latent variables (Peter, 1979; DeVellis, 2003). Reliability is a necessary condition for validity. It is to ensure that "measures are free from error and therefore yield consistent results" (Peter, 1979, p. 6). There are three types of scale reliability: First, internal consistency reliability which refers to the homogeneity of items within the scale (Churchill, 1979). Second, test-retest reliability which means the stability of items responses over time (Nunnally, 1967, p. 206). Third, alternative-form reliability which refers to the extent to which two different statements can be used to measure the same construct at two different times (Netemeyer *et al*, 2003, p. 46; Peter, 1979).

Reliability of the items generated was assessed through using a questionnaire containing the items obtained from the existing literature and the qualitative study after the evaluation of the academics. Following this step and, as recommended by Churchill's (1979), the researcher further reduced the scale by investigating coefficient alpha and plotting item-to-total scale correlations for each dimension. The internal consistency reliability was assessed using the coefficient alpha method, and not the split-half technique, because Cronbach's alpha is the most widely used by researchers which indicates how the different items purport to measure different aspects of a construct (Carmines and Zeller, 1979; Churchill, 1979; DeVellis, 2003; Hair *et al*, 2006; Litwin, 1995; Tabachnick and Fidell, 2001). In addition, the results of split-half technique are various, making the real reliability assessment difficult, if not impossible (Peter, 1979). Furthermore, factors other than the value of construct itself (i.e. sources of error such as the fatigue of respondents), hence confounding the reliability calculation (DeVellis, 2003, p. 40). Finally, it is more practical, yet comparatively effective, for the researcher to employ the coefficient alpha rather than the split-half method due to the limited sample size.

Coefficient alpha is the most commonly used and accepted means for assessing the reliability of a multi-item measurement scale (Hair *et al*, 1995). Reliability is assessed via Cronbach's alpha (Cronbach, 1951). It is a measure of the degree to which all items are measuring the same thing (DeVellis, 1991). In assessing a multi-item scale, internal consistency reliability assessment is the first step to be undertaken so as to avoid additional dimensions produced by factor analysis due to garbage items (Churchill, 1979). The coefficient alpha will be high if the scale items are highly correlated (Hair *et al*, 1995). If the coefficient alpha is low, it is possible that the measurement scale used did not adequately measure the construct which it was intended to measure (Churchill, 1979). As a standard of reliability, Nunnally and

Bernstein (1994) suggested that 0.7 should be used as a cut-off point for reliability (item to total coefficient > 0.5). However, Nunnally (1978) suggests that a coefficient of 0.50 or 0.60 is satisfactory in the early stages of research. A coefficient alpha which is greater than 0.70, is highly satisfactory for most research purposes (Hair *et al*, 1995). The formula (Carmines and Zeller, 1979) for estimating reliability can be expressed as follows:

$$\alpha = \frac{k}{k-1}\left[1 - \frac{\sum \sigma^2 (Vi)}{\sigma^2 x}\right]$$

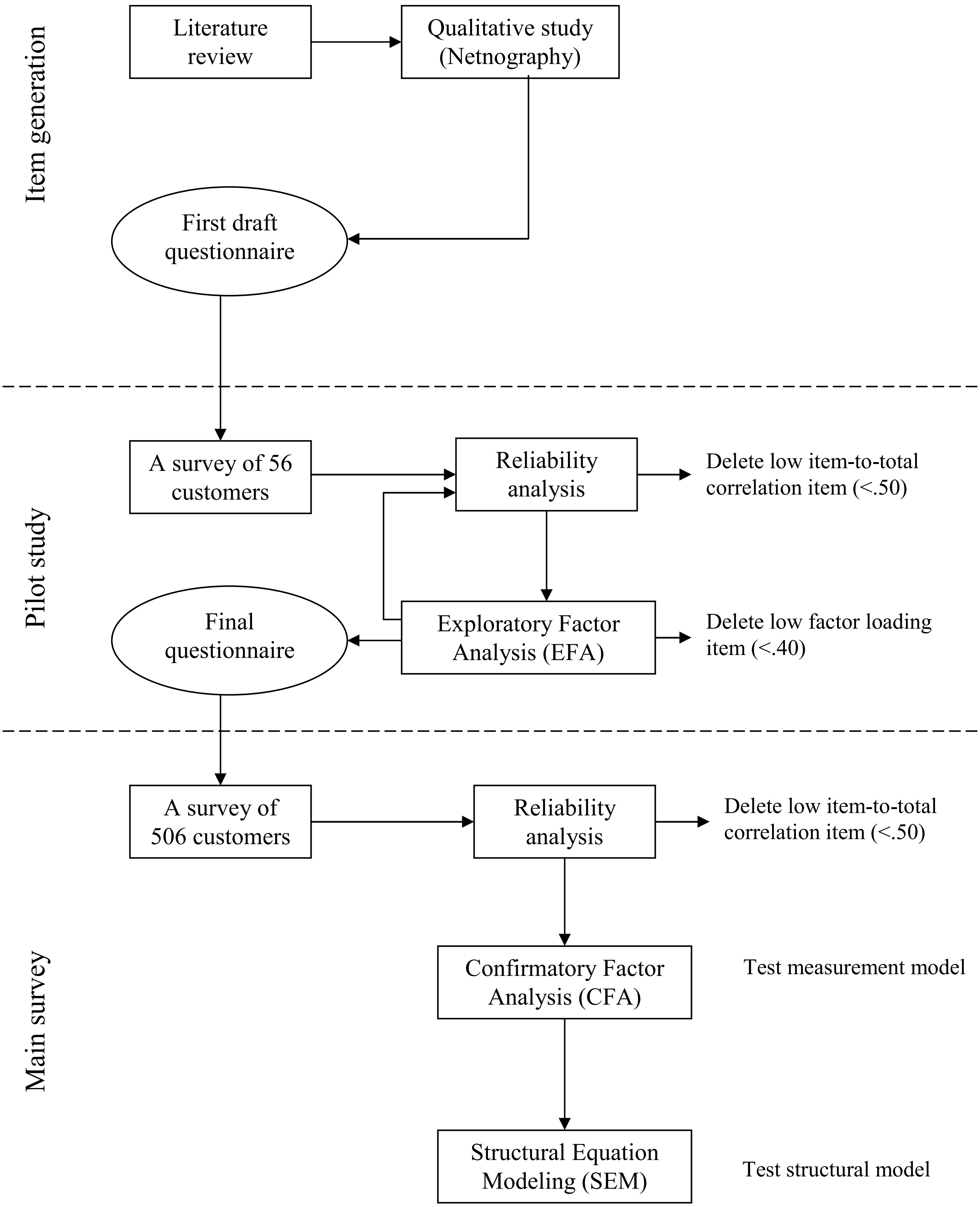
Where:

α= Cronbach's alpha
K= number of items in the scale
$\Sigma\ \sigma^2\ (Vi)$ = sum of item variances
σ^2 x = variance of the total composite

A second objective of this stage was to assess the set of measures that were intended to measure the study constructs, and identifying the underlying dimensions of each construct. Hence, an exploratory factor analysis (EFA) was employed in order to probe the dimensionality of each construct and reduce the number of variables to a more manageable size for model testing.

The next step in the refining procedures is to use exploratory factor analysis (EFA) to explore the dimensions of each construct. This analysis is to make sure that the individual items were loaded on corresponding factors as intended. Items below 0.4 should be deleted (Hair *et al*., 2006). There are two basic methods used for extracting factors in EFA, i.e., common factor analysis and principle component analysis. “The main difference between common factor and PCA models is in their purposes. The purpose of common factor models is to understand the latent (unobserved) variables that account for relationships among measured variables; the goal of PCA is simply to reduce the number of variables by creating linear combinations that retain as much of the original measures’variance as possible (without interpretation in terms of constructs)” (Conway and Huffcutt, 2003, p. 150). Principle component analysis was used in the current study (will be explained in more details in chapter 6)

Figure 4.4: Research design process



Source: Developed for this research

4.4.5 Main survey

It is vital that the survey's instructions and measurement items should be well written, easy for the respondent to understand, crystal clear and not vague. Towards that end, the study used a self-administered questionnaire to collect data for the main survey from guests who visited Egypt and stayed in Albatros hotels in Sharm El Sheikh between 1.4.09 and 30.6.09. The current study employed a cross-sectional method because it is relatively inexpensive and can be conducted in a short-time span (Salkind, 2003). The sampling method and the procedure of accessing the respondents will be explained in the following section;

4.4.5.1 Sampling

Population as defined by Bryman and Bell (2007, p. 182) is "the universe of units from which the sample is to be selected. The term 'units' is employed because it is not necessarily people who are being sampled – the researcher may want to sample from a universe of nations, cities, regions, firms, etc. Thus, 'population' has a much broader meaning than the everyday use of the term, whereby it tends to be associated with a nation's entire population". The population of this study is the British visitors to Sharm El Sheikh who stayed in Albatros hotels over three months starting from the 1.4.09 until the 30.6.09. Accordingly, 528 questionnaires were collected and 19 were excluded due to the large amount of missing data. Therefore, 509 valid questionnaires for the analysis were obtained.

According to Bryman and Bell (2007, p. 182) "The segment of population that is selected for investigation is defined as the sample". There are two main sampling methods, probability and non-probability sampling (Bryman and Bell, 2007). Probability sample is "a sample that has been selected using random selection so that each unit in the population has a known chance of being selected. It is generally assumed that a representative sample is more likely to be the outcome when this method of selection from the population is employed. The aim of probability sampling is to keep sampling error to a minimum" (Bryman and Bell 2007, p. 182). Conversely, non-probability sample is "a sample that has not been selected using a random selection method. Essentially, this implies that some units in the population are more likely to be selected than others" (Bryman and Bell, 2007, p. 182). This survey is not based on probability sampling; it is rather based on 'convenience' sampling.

The data for the main survey was intended to focus on three hotels (as mentioned earlier) that were located in Sharm El Sheikh, Egypt. On the basis of personal contacts, the objectives of the study were explained to the operations manager of the three hotels who agreed and welcomed the study to be carried out in his company. In return, the researcher will provide a detailed report of customers' evaluation of the hotels accompanied by a copy of the study findings. The questionnaire was structured in ten pages stapled with a cover letter appearing on the front cover in accordance with the recommendations of Dillman (2000). In order to maximize customer participation, a cash incentive was used. A sum of £150 was provided as an incentive to customers (if their names were drawn as a winner) to encourage them to participate in the survey. Each hotel used its own internal distribution system. For example, asking room attendants to distribute the questionnaires to each room, or asking customers at the reception desk to participate either at check-in or check-out.

As mentioned earlier the sample of the current study is not representative, that means the sample is not representing a known number of population, it is rather a convenient sample. Therefore, bias often occurs in this case, that bias which results from an unrepresentative sample called selection bias (Zikmund, 1998). As a result, great caution should be exercised when using convenient sample that the results from study participants may not be extrapolated to the broader population (Zikmund, 1998).

Moreover, under coverage is another problem that often occurs with convenience sample because some members of the population are inadequately represented in the sample. Sometimes, individuals chosen for the sample are unwilling or unable to participate in the survey. Non-response bias is the bias that results when respondents differ in meaningful ways from non-respondents (Armstrong and Overton, 1977). The "interest hypothesis" has been suggested as is one of those subjective estimates of non-response bias in the current study. "It involves the assumption that people who are more interested in the subject of a questionnaire respond more readily and that non-response bias occurs on items in which the subject's answer is related to his interest in the questionnaire" (Armstrong and Overton, 1977, p. 2). In the current study, the researcher obtained 529 completed questionnaires from total 550 distributed questionnaires. Therefore, it is believed that, there is no concern over the non-response bias because of the very high response rate, as the low response rate making surveys vulnerable to non-response bias (Armstrong and Overton, 1977).

Poor measurement process can also lead to bias. The current study took some measure to reduce measurement errors. First, thing is the pilot test of the instruments, getting feedback from the respondents regarding the clarity of the measures and the information. Second, the collected data for this study is double-checked thoroughly. All data entry for computer analysis is verified. Third, very robust statistical procedures have been employed to adjust for measurement error (will be explained in more details in Chapter 6). Other types of bias such as: voluntary response bias, sampling frame error and random sampling error are not relevant in the present study.

4.4.5.2 Sample size

Based on large-sample distribution theory, structural equation modelling (SEM) requires a considerable sample size in order to obtain reliable estimates (Jöreskog and Sörbom, 1996; Raykov and Widaman, 1995). However, the issue of how large a sample size should be has not been entirely resolved (Hair *et al*, 1995). According to Hair *et al* (2006) previous guidelines such as 'always maximize your sample size' and 'a sample size of 300 is required' are no longer appropriate. There are five considerations affecting sample size in SEM. First, 'multivariate distribution of the data', in the case of non-normal data the ratio of respondents to parameters needs to be higher, i.e. 15:1. Second, 'estimation technique', sample size should be between 150 to 400 responses if using the Maximum Likelihood (ML) method.

Third, 'model complexity', Hair *et al* (2006) provide suggestions on sample size based on model complexity as follows: SEM with five or fewer constructs can be estimated with a small sample size 100–150, if each construct is measured by more than three items and the item communalities are higher than 0.6. If any of the communalities are modest (0.45–0.55) or the model includes a construct with fewer than three items, the required sample size is 200. When the number of factors in the model is larger than six, and some constructs are measured by less than three items and the communalities are low, then a large sample size that may exceed 500 is required. Fourth, 'missing data', if more than ten percent of missing data is expected, the sample size should be increased. Fifth, 'average error variance of indicator', larger sample sizes are required when the constructs communalities are smaller than 0.5.

Additionally, an empirical ratio of at least five observations per estimates parameter has also been proposed (Bollen, 1989). Taking into account all considerations above, the sample size targeted in this study is 509 respondents.

4.4.6 Data analysis techniques

After the completion of the data collection phase, descriptive statistics were initially conducted using SPSS 16.0 to provide an overview of the sample. The mean and the standard deviation were calculated to demonstrate the central tendency and dispersions of the variables. Moreover, Skewness and Kurtosis were tested for normal data distribution. In this stage, the reliability test is applied to the data of the main survey in order to assess the validity and reliability of the instrument. The purpose of this test is to assess the scales used to measure the constructs, i.e. to refine the measures (Churchill, 1979; Peter, 1979); the refinement is based on reliability and dimensionality.

The issue of causality is important to investigate before embarking on SEM technique, as it will affect the measurement theory (Diamantopoulos, 1999; Diamantopoulos and Siguaw, 2006; Diamantopoulos and Winklhofer, 2001; Hair *et al*, 2006; Javis *et al*, 2003; MacKenzie *et al*., 2005). In nearly all the behavioural research, latent factors are measured using reflective indicators, and latent variable are causing the measured (manifested) variables. However, in other instance the causality may be reversed, and the indicators are known as formative that cause the latent construct (Diamantopoulos, 1999; Diamantopoulos and Siguaw, 2006; Diamantopoulos and Winklhofer, 2001; Hair *et al*, 2006; Javis *et al*, 2003; MacKenzie *et al*, 2005).

Many theoretical and empirical considerations distinguish reflective constructs from formative constructs. The decision on the constructs being studied was based on broad theoretical and empirical considerations mentioned by Coltman *et al* (2008). Those considerations are illustrated in more detail in the table below indicating that the measurement model of the current study is reflective (see Chapter 6).

Table 4.5: A framework for assessing reflective and formative models, theoretical and empirical considerations

Consideration	**Reflective model**
Theoretical considerations	
1. Nature of construct	Latent construct exists ➢ Latent construct exists independent of the measures used
2. Direction of causality between items and latent construct	➢ Variation in the construct causes variation in the item measures ➢ Variation in item measures does not cause variation in the construct
3. Characteristics of items used to measure the construct	Items are manifested by the construct ➢ Items share a common theme ➢ Items are interchangeable ➢ Adding or dropping an item does not change the conceptual domain of the construct
Empirical considerations	
4. Item intercorrelation	Items should have high positive intercorrelations ➢ Empirical tests: assessing internal consistency and reliability by Cronbach alpha, average variance extracted, and factor loadings (e.g., from common or confirmatory factor analysis)
5. Item relationships with construct antecedents and consequences	Items have similar sign and significance of relationships with the antecedents/consequences as the construct ➢ Empirical tests: establishing content validity by theoretical considerations, assessing convergent and discriminant validity empirically
6. Measurement error and collinearity	Identifying the error term in items is possible ➢ Empirical test: identifying and extracting measurement error by common factor analysis

Source: Adapted from Coltman *et al* (2008)

The Structural Equation Modelling (SEM) technique, also known as 'path analysis with latent variables' (Bagozzi, 1984), is employed to test the theoretical model. According to Bollen (1989) SEM studies contribute to theoretical developments in any field by employing this method to explain observed behaviour. Nonetheless, SEM can simultaneously examine a series of relationships between dependent variables and independent variables, especially when a dependent variable in one relationship becomes an independent variable in another relationship (Hair *et al*, 1995). Additionally, SEM is superior to other multivariate techniques and useful for theory testing. It incorporates both observed and latent variables simultaneously, provides explicit estimates of measurement errors, and allows hypothesis testing for inferential purposes (Bagozzi, 1984; Byrne, 1998).

The study followed a two-step approach as recommended by Anderson and Gerbing (1988). The first step in this approach is to develop an acceptable measurement model before building on this model to predict causal relationships among the study variables. In this approach, the validity of the constructs is examined by confirmatory factor analysis (CFA), i.e. measurement model assessment and the relationship between the constructs also examined (the structural model). The measurement model represents constructs or latent (unobserved) variables and their set of observable variables (measures). Whereas, the structural model describes the "set of one or more dependence relationships linking the hypothesized model's constructs. The structural model is most useful in representing the interrelationships of variables between constructs" (Hair *et al*, 2006, p. 710). CFA is used because it is a theoretically-driven approach in which the factors need to be specified beforehand compared to EFA which is a data-driven (exploratory) approach where the factors are unknown (Anderson and Gerbing, 1988; Byrne, 1998; Hair *et al*, 2006).

4.4.6.1 Assessment of factor structure and reliability

The study used LISREL 8.80 to assess the quality of the proposed measurement model and hypothesized structural model, the analysis was conducted with forty observed variables loading on ten constructs. Then, the model was evaluated according to a selected number of goodness of fit indicators.

Absolute fit indices

The absolute fit measurement is "the degree to which the overall model (structural and measurement model) predicts the observed covariance or correlation matrix" (Hair *et al*, 1998). The most important indices of absolute fit are identified as the Chi-square (χ^2) statistic, the non-centrality parameter (NCP), the goodness-of-fit index (GFI), the root mean square error (RMR), the root mean square error of approximation (RMSEA) and the expected cross validation index (ECVI).

Incremental fit indices

Incremental fit indices calculate how fit the specified model is, if it is compared to a baseline model (Hair *et al*., 2006). Usually, the baseline model is the null model. Adjusted goodness-of-fit index (AGFI), Tucker-Lewis index (TLI), normed-fit index and other incremental fit measurements such as relative-fit index (RFI), incremental-fit index (IFI), and the comparative-fit index (CFI) are the indicators for measuring the incremental-fit index. The value ranges from 0 to 1, in which 0 shows that the specified model is no better than the null model. Whereas 1 shows that the specified model is a perfect fit.

Parsimonious fit indices

The last fit, known as parsimonious fit, has been defined as, "measurements (which) relate the goodness-of-fit of the model to the number of estimated coefficients required to achieve this level of fit and their basic objective is to diagnose whether model fit has been achieved by over fitting the data with too many coefficients" (Hair *et al*,1995, pp. 686–7). This fit measure includes parsimonious normed fit index (PNFI), parsimonious goodness-of-fit index (PGFI), normed chi-square and Akaike information criterion (AIC).

4.4.6.1.1 Fit indices selection

The purpose of assessing goodness-of-fit indices is to test the fit of the hypothesized model against the sample data of the study. It is crucial to choose the right goodness-of-fit indices in SEM because the empirical assessment of the specific model being tested is an essential facet of the theory development process (Gerbing and Anderson, 1992). The literature is unequivocal as to which represent a good estimation of fit (Diamantopoulos and Siguaw, 2000). A probable explanation is that some indices of fit are still subject to the effects of the sample size, estimation method, model complexity and the violation of the underlying assumptions of multivariate normality (Byrne, 1998). A variety of criteria has been suggested for evaluating the goodness-of-fit of any model that takes into account theoretical, statistical, and practical considerations (Byrne, 1998). Marsh *et al* (1988) noted that the criteria for ideal fit indices are the following: (1) relative independence of the sample size, (2) accuracy and consistency with which to assess different models, and (3) ease of interpretation, which is aided by a well-defined continuum or a preset range. Bollen and Long (1993) advised that the researcher should not rely on just one fit index to test the model fit. The chi-square test and other fit indices should be used together. As recommended in the methodological literature on

CFA, this study used a variety of fit indices including absolute fit indices, incremental fit indices and indices of model parsimony. The selected fit indices are explained below.

Chi-square statistics (χ^2)

The first measure of fit included in the LISREL 8.80 output is the chi-square statistics (χ^2). It is "a test of perfect fit in which the null hypothesis is that the model fits the population data perfectly" (Diamantopoulos and Siguaw, 2000, p. 83). When it is statistically significant, it indicates that the null hypothesis is rejected, indicating poor model fit and possible rejection of the model (Byrne, 1998). Insignificant value of chi square, on the contrary corresponds to good fit (Jöreskog and Sörbom, 1996). However, the Chi-square statistic is highly sensitive to sample size (Jöreskog and Sörbom, 1988) and when the data show deviations from normality, the chi square will tend to be much larger than that expected from error in the model (Jöreskog and Sorbom, 1981, p. 139). Therefore, the literature considered chi-square statistics (χ^2) as a goodness-of-fit (or badness-of-fit) measure instead of regarding it as a test statistic (Diamantopoulos and Siguaw, 2000).

The goodness-of-fit index (GFI)

Goodness-of-fit index (GFI) is an early attempt to produce a fit statistic that was less sensitive to sample size which was first introduced by Jöreskog and Sörbom (1982). The GFI is an indicator of the relevant amount of variances and covariances accounted for by the model, it is generally considered as the most reliable measure of absolute fit in most circumstances (Diamantopoulos and Siguaw, 2000, p. 88). GFI is a non-statistical measure which indicates the overall degree of fit while being free from the degrees of freedom (Hair *et al*, 1998). The GFI is considered as an absolute index of fit because it compares the hypothesised model with no model at all (Chaudhuri, 1995). Values ranging from 0.80 to

0.89 are indicative of a reasonable fit (Doll *et al*, 1994). Values between 0.90 and 1.00 are considered to be a good fit (Diamantopoulos and Siguaw, 2000; Jöreskog and Sörbom, 1993). Moreover, a model with a GFI less than 0.8 should be rejected (Tanaka and Huba, 1985).

The adjusted goodness-of-fit index AGFI

The adjusted goodness-of-fit index (AGFI) is an extended version of GFI that is adjusted by the ratio of degrees of freedom for the proposed model to the degrees of freedom for the null model (Hair *et al*, 1998, p. 657). Values ranging from 0.80 to 0.89 are indicative of a reasonable fit (Doll *et al*, 1994). Values between 0.90 and 1.00 are considered to be a good fit (Diamantopoulos and Siguaw, 2000; Jöreskog and Sörbom, 1993).

RMR (root means square residual)

RMR is the mean absolute value of the covariance residuals. The closer RMR is to 0, the better the model fit. Values of 0.08 or less are desired (Hu and Bentler, 1999). RMR values are difficult to interpret due to their residual susceptibility to the sizes of the observed variances and covariances (Byrne, 1989).

The Standardised Root Means Square Residual (SRMR)

The Standardised Root Mean Square Residual (SRMR) is the average standardized residual value derived between the variance-covariance matrix for the hypothesized model and the variance–covariance matrix of the sample data (Bollen, 1989). The value of the SRMR should approximate or be smaller than 0.08 for a good-fitting model (Hu and Bentler, 1999).

RMSEA

Another fit index is the root-mean square error of approximation (RMSEA). Unlike the other indices, RMSEA does not require a null model in its calculation and does not conflict with the requirement for parsimony (Browne and Cudeck, 1993; Jöreskog and Sörbom, 1996). The root mean square error of approximation (RMSEA) represents closeness of fit. It measures the extent to which the model approximates the data (Browne and Cudeck, 1993).

"It differs from the SRMR in that it has a known distribution. Thus, it better represents how well a model fits a population, not just a sample used for estimation. It explicitly tries to correct for both model complexity and sample size by including each in its computation. Lower RMSEA values indicate better fit." (Hair *et al*, 2006, p. 748). Values less than 0.05 are considered of a good fit, and values as high as 0.08 represent reasonable fit, values ranging from 0.08 to 0.10 indicate mediocre fit and values of greater than 0.10 indicate a poor fit (Hair *et al*, 1995).

Normed fit index (NFI)

NFI compares the base model with the suggested model without considering the degree of freedom. It can have values between 0 and 1.00. 0.9 value and above is considered to be a reasonable fit (Hair *et al*, 1998).

Comparative fit index (CFI)

An improved version of NFI is the CFI. It is among the measures least affected by sample size, it is also a pure measure of model fit in the sense that model parsimony is not taken into account (Marsh *et al*, 1996). CFI varies from 0 to 1. CFI close to 1 indicates a very good fit (Bentler, 1990).

Tucker-Lewis index (TLI*)*

The last incremental fit index is the Non-Normed Fit Index (NNFI) also called the Tucker-Lewis Index (TLI) (Byrne, 1989). It is conceptually similar to CFI in that it involves a mathematical comparison of a specified theoretical measurement model and a baseline null model (Hair *et al*, 2006). A fit statistic of 0.9 or higher is considered good, and fit levels of around 0.8 are considered acceptable (Gerbing and Anderson, 1992).

This study assessed the quality of the measurement models by investigating unidimensionality (Gerbing and Anderson, 1988; Steenkamp and Van Trip, 1991), composite reliability, variance-extracted estimates, convergent validity, discriminant validity and homological validity (Gerbing and Anderson, 1988; Peter, 1981; Steenkamp and Van Trip, 1991). For a construct to have a good reliability, its composite reliability should be between 0.60 and 0.80, and the variance-extracted estimates should exceed 0.50 (e.g., Bagozzi and Yi, 1988; Fornell and Larker, 1981). The study will use CFA (confirmation factor analysis) to confirm the measurement model (Diamantopoulos and Siguaw, 2000).

4.4.6.1.2 Unidimensionality

Unidimensionality of a construct demonstrates that the multiple indicators of a construct are internally consistent and externally distinct from other measures. In confirmatory factor analysis, the overall fit of the model is used as the necessary and sufficient condition to examine whether a set of measurement items is unidimensional (Kumar and Dillon 1987; Steenkamp and Van Trijp, 1991). To assess unidimensionality, internal consistency and confirmatory factor analyses tests were performed on all the constructs. All coefficient alphas of the constructs surpassed 0.70 criteria for reliability acceptability and each of the constructs was evaluated by examining the statistical significance of each estimated loading, and the overall model fit indices were evaluated. All loadings exceeded 0.60, and each indicator *t*-value exceeded 12.69 (to be discussed in more detail in Chapter 6).

4.4.6.1.3 Composite reliability assessment

'Composite reliability', also called 'construct reliability', is a measure of reliability and internal consistency of the measured variables representing a latent construct. This must be established before construct validity can be assessed (Hair *et al*, 2006, p. 771). Composite reliability is a principal measure used in assessing the overall reliability of the measurement model, for every latent construct in the model. Composite reliability scores should be greater than 0.70, which indicates that the measures all consistently represent the same latent construct (Hair *et al*, 2006, Nunnally and Bernstain, 1994).

4.4.6.1.4 Average Variance Extracted (AVE) assessment

Average variance extracted is "a summary of convergence among a set of items representing a latent construct. It is the average percentage of variation explained among the items" (Hair *et al*, 2006, p. 773). The value of variance extracted should be greater than 0.50 to indicate that the observable variables truly reflect the construct in question and ensure the validity of the scale under investigation. This is because "if it is less than 0.50, the variance due to measurement error is larger than the variance captured by the construct, and the validity of the construct is questionable" (Fornell and Larcker 1981, p. 46). The composite reliability and average variance extracted are computed as:

$$Pc = \frac{\left(\sum_{i-1}^{p} \lambda i\right)^2}{\left(\sum_{i-1}^{p} \lambda i\right)^2 \quad \sum_{i-1}^{p} {}' + \lambda^2 i)}$$

(Jöreskog, 1971)

$$Pvc = \frac{\sum_{i-1}^{p} \lambda i^2}{\sum_{i-1}^{p} \lambda i^2 \quad \sum_{i-1}^{p} \left(1 \cdot + \bar{\ } i\right)}$$

(Fornell and Larcker, 1981)

Where:

λ_i: The i[th]standardised factor loadings on its corresponding factor.

1- λ^2_i: The variance of measurement error of each indicator.

P: The number of indicators.

4.4.6.1.5 Nomological validity

Nomological validity refers to the examination of the hypothesized relationships between constructs and the empirical links between indicators and their underlying dimensions (Peter, 1981; Peter and Churchill, 1986). The goodness-of-fit measures used to assess nomological validity as suggested by Steenkamp and Van Trijp (1991).

4.4.6.1.6 Convergent validity

Convergent validity is the extent to which the latent variable correlates to indicators pre-specified to measure the same construct (Anderson and Gerbing, 1988; Bagozzi *et al*, 1991; Gerbing and Anderson, 1988; Peter and Churchill, 1986; Steenkamp and Van Trijp, 1991). Convergent validity is assessed by reviewing the *t*-value tests for the factor loadings (Bagozzi and Yi, 1988). It is assessed also by an item's own reliability (ρ) and composite reliability (ρ_c) and average variance extracted (ρ_{vc}) (Anderson and Gerbing, 1988; Fornell and Larcker, 1981).

4.4.6.1.7 Discriminant validity

Discriminant validity is defined as the extent to which the indicators of one construct are distinct from the items of other latent variables (Bagozzi *et al*, 1991; Peter, 1981; Peter and Churchill, 1986). To assess the discriminant validity, this study will perform a chi-square difference test. Anderson and Gerbing (1988) stated that "discriminant validity can be assessed for two estimated constructs by constraining the estimated correlation parameter (φ_{ij}) between them to 1.00 and then performing a chi-square difference test on the values obtained for the constrained and unconstrained model" (p. 416). An alternative test for discriminant validity is to compute the average variance extracted (AVE) for each construct and comparing it with the square correlation between them, and if the AVE estimates are greater than squared correlations estimates for any of the constructs, then the discriminant validity is achieved (Fornell and Larcker, 1981).

In summary, the measurement model should indicate good quality of unidimensionality, reliability, convergent validity, and discriminant validity, to enable this study to conduct the structural model evaluation.

4.4.6.2 Assessing the structural model

Having identified and confirmed the underlying dimensions of the research constructs, the main purpose of this phase of data analysis is to examine the structural relationships among these constructs as postulated in the conceptual framework. If the results are not consistent with an a priori specified measurement model, then the measurement model should be re-specified, and re-analyzed (Anderson and Gerbing, 1988; Bollen, 1989; Hair *et al*, 2006; Tabachnick and Fidell, 2001). Two steps are performed for model respecification: First, the standardized residuals: Residual represents the individual differences between observed covariance terms and the fitted covariance terms. There are two kinds of residuals: fitted and standardized and the difference between the two resides in their interpretation difficulty. Standardized residuals are the raw residuals divided by the standard errors of the residual (Jöreskog and Sörbom, 1993).

Standardized residuals, in essence, represent estimates of the number of standard deviations the observed residuals are from the zero residuals that would exist if model fit were perfect (Byrne, 2001). Values greater than 2.58 are considered to be large (Jöreskog and Sörborn, 1988). Second, modification indices – a modification index is calculated for every possible relationship that is not free to be estimated, it shows the minimum decrease in the overall model's χ^2 value by freeing that single path. Modification indices larger than 4 suggest that the fit could be improved significantly be freeing the corresponding path (Hair *et al*, 2006).

However, changes in the model based solely on modification indices is not recommended because doing so would be inconsistent with the theoretical basis of CFA and SEM in general (Hair *et al*, 2006). Therefore, researchers are advised to modify the model only where there is substantive theoretical justification.

4.5 Conclusion

This chapter has reported the methodology used in this study in testing the conceptual framework. Operationalization of the constructs included developing measures based on the qualitative findings and utilising previous scales. Netnography methods were used for better understanding of the perceptions of customer experiences in resort-hotels in Sharm El Sheikh using customer reviews posted into two websites. After undertaking the qualitative research, the second phase was conducted using a self-administered questionnaire among 509 British customers in one of the local resort-hotel brands. The questionnaire was developed based on both the qualitative findings and the literature. Appropriate pre-testing with 56 respondents was undertaken to ensure that the research instrument was valid and reliable. Seven-point Likert scales were used to record the informant's responses. Data cleaning and screening steps including exploratory analyses were undertaken to test the integrity of the data. The study followed Anderson and Gerbing's (1980) two-stage approach which allows the measurement models and structural model to be comprehensively analysed. The analysis continued with the validity and reliability of each construct. Chapter 6 reports the results and findings from the quantitative stage of the investigation.

CHAPTER 5: THE QUALITATIVE FINDINGS

5.1 Introduction

This section provides an explanation of how the qualitative study was completed by explaining the data analysis and results. The netnography method in this study is conducted to validate the a *priori* conceptual framework and identify the additional relevant constructs that might not be identified in the literature. Also, the qualitative study aims to gather more in-depth information to advance the understanding of the customer experience dimensions, and the relevant factors affecting customer experience and the impact of customer experience upon brand loyalty.

5.2 Overview of the procedures followed in the qualitative analysis

An important aspect in conducting the current qualitative study is that the researcher does begin with a grand theory in mind to test the data. Coding in the early stage of data analysis was guided by the conceptual framework that has been developed on the basis of the literature. In this case, customer experience and its dimensions, the antecedents to customer experience and brand loyalty concept set the framework for coding and analyzing data. Coding of the narratives utilized both the start list of codes based on the constructs identified in the literature and similarly the open codes process. Initially, a start list of codes was created based on the range of constructs generated from the literature review. Miles and Huberman (1994) indicated that the start list of codes could be based on a "conceptual framework, list of research questions, hypotheses, problem areas, and/or key variables that the researcher brings to the study" (p. 58).

The essential task of categorizing involved bringing together the units of information that related to the same content (Lincoln and Guba, 1985). It is then important to "devise rules that describe category properties and that can, ultimately, be used to justify the inclusion of each data bit that remains assigned to the category as well as to provide a basis for later tests of replicability" (p. 347). The data coding process proceeded through a number of steps as explained by Esterberg (2002) and Huberman and Miles (1994). The texts were individually reviewed and coded to either the starting list or new open codes were formed in the process. Also memos were documented to note particular insights and ideas regarding the data analysis.

The coding process involved three phases: open coding, axial coding and selective coding. The 'open coding phase' (Miles and Huberman, 1984; Strauss and Corbin, 1998) focuses on linking the qualitative data to the research issues identified from the literature. Therefore, the open coding process reviewed the texts line-by-line and made a note of issues that related to the start list of codes and created new codes as the understanding of the data proceeded. The focus of the open coding approach is to find patterns in the texts, which are relevant to the literature. Initial open coding also focused on identifying codes that already known before the coding process because they were informed by the literature. During the second step, which is known as 'axial coding phase', the texts were analyzed to compare and contrast between themes which enable identification of patterns within the texts. Selective coding at the end "involves moving to a higher level of abstraction with the developed paradigmatic constructs, specifying relationships, and delineating a core category or construct around which the other categories and constructs revolve and that relates them to one another" (Spiggle, 1994, p. 495).

Initially, texts were analysed using QSR Nvivo Version 8.0 qualitative analysis software. All the texts have been stored electronically for further clarification if necessary. Nvivo 8.0 was used to review the text, code the data by assigning text to free nodes, build tree nodes that connect the free nodes into themes, reviewing the tree nodes (themes) for consistency, and proceeding through the qualitative data analysis. Gibbs (2002) indicated that the use of computer-assisted qualitative data analysis software, such as Nvivo, makes data analysis easier, more reliable, more accurate and more transparent. Esterberg (2002) credited the qualitative software as useful because of its capacities for data storage and retrieval. The use of Nvivo for this study made the manipulation and analysis of the data easier.

Patton (1990) defined content analysis as "the process of identifying, coding, and categorizing the primary patterns in the data" (p. 381). "The qualitative analyst's effort at uncovering patterns, themes, and categories is a creative process that requires making carefully considered judgments about what is really significant and meaningful in the data" (Patton, 1990, p. 406). The categories labelled with particular reference to concepts from customer experience literature based on a prior research driven code development approach (Boyatzis, 1998; Patton, 1990; Strauss and Corbin, 1990). This allowed for consistency of terminology and consistency with the prior work. Finally, the researcher linked the interpretation of the data with relevant research framework.

There is a little agreement among scholars about a definition of reliability and validity in qualitative research. This led some researcher to have a little concern about validity tests in their qualitative studies. Therefore, Lincoln and Guba (1985) suggested that the qualitative researcher substituted these concepts with trustworthiness. Towards that end the researcher used a theoretical sample rather than a statistically random sample, so that theoretical sampling will "maximize opportunities for comparing concepts along their properties for the similarities and differences enabling researchers to define categories, to differentiate among them, and to specify their range of variability" (Strauss and Corbin, 1990, p. 149). In addition to this, triangulating data through collecting data using both qualitative and quantitative methods will enhance the trustworthiness of the findings.

To determine the reliability of the coding through content analysis, stability was ascertained when the content was coded more than once by the researcher (Weber, 1985). Similarly, the coder reliability was tested with the assistance of an independent researcher (familiar with the topic) to give feedback on the categories identified. Overall, an agreement was found in the identification of the themes and consistency of allocation. Simple agreement is used in the present study; it is one of the most popular coefficients used to test the reliability of the coding. The simple agreement is a simple percentage, representing number of agreements divided by total number of measures (Kimberly, 2002). A conceptual formula for percent agreement could be written as follow:

$$PA_0 = A / n$$

Where PA_0 stands for "proportion agreement observed", A is the number of agreements between two coders, and n is the total number of unites the two coders have coded for the test (also, the maximum agreement they could achieve). This statistic ranges from .00 (no agreement) to 1.00 (perfect agreement), the perfect agreement is achieved in the current study.

5.3 Qualitative results

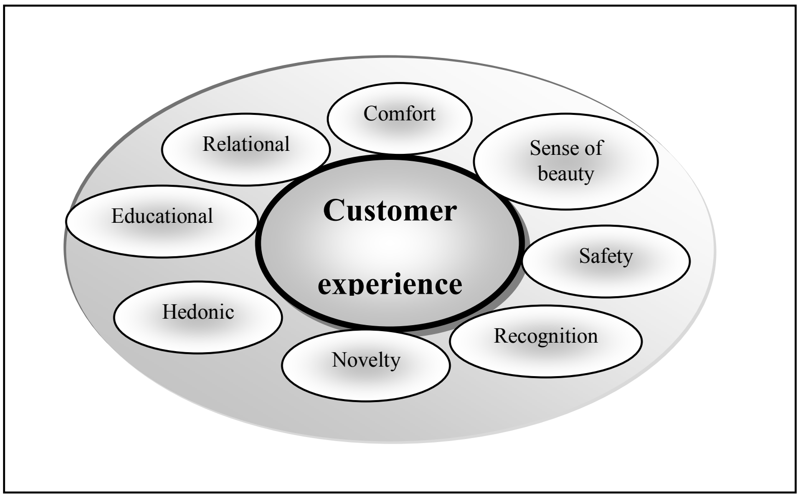
An analysis of the findings from the netnographic study related to the customer experience dimensions are discussed in the following section.

The content analysis has identified eight dimensions of customer experience applicable to customers visiting Sharm El Sheikh five-star hotels. Compared to dimensions identified by major studies on experience (Arnould and Price, 1993; Gentile *et al*, 2007; Holbrook and Hirschman, 1982; Mascarenhas *et al*, 2006; O'Loughlin *et al*, 2004; Otto and Ritchie, 1996; Pine and Gilmore, 1999; Poulsson and Kale, 2004). This study uncovered those dimensions (i.e. comfort, educational, hedonic, novelty, recognition, relational, safety and sense of beauty) which are highly relevant to customer experience in Sharm El Sheikh hotels and consistent with the findings of Otto and Ritchie (1996).

5.3.1 A priori dimensions supported

There are numerous dimensions of experience that characterize the feelings of customers in hotels. However, the scope of this inquiry is limited to only those dimensions referred by online customers who visited Sharm El Sheikh hotels and sent their reviews to the websites. This study gave support to the a priori dimensions generated from prior research findings. Figure 5.1 illustrates the eight dimensions (themes) of customer experience in the current study. The diagram presented the open coding process that contributes to the development of the customer experience theme. Also, Appendix E provides a table of the codes of the study and some figures about the coding process.

Figure 5.1: Experience dimensions identified from the qualitative study



Source: Developed for the study

5.3.1.1 Comfort

The comfort aspect of customer experience in their holiday was generally agreed and particularly stressed by older customers. Findings from the qualitative study indicated that the need for repose is an important element that is wedded to the customer decision when choosing where to spend a holiday. Additionally, the textual analysis of the customer reviews revealed a focus on the comfort and relaxation they experienced during their stay: "The day to leave came and we were sad. What a fantastic holiday. We have never felt so comfortable or welcome anywhere." and also "We stayed in the Royal Savoy on an all-inclusive basis for two weeks in early December. We enjoyed one of the most relaxing and enjoyable holidays to date".

The findings are consistent with (Crompton, 1979; Otto and Ritchie, 1996; Shoemaker, 1989). Customers referred to the basic amenities that hotels provide to ensure their comfort and relaxation, which may include rooms and the surrounding environment. A further elaboration on comfort was expressed in different messages – customers indicated that they felt relaxed throughout their experience, e.g. “We had a twin double-bed garden room, which was pretty good as rooms go. Everything we needed for a relaxing short break was there” and also “The waterfalls pool was very relaxing as it wasn’t too busy and also had relaxing music in the background”. Additionally, customers were motivated to go to the health spa to release physical and mental tension.

> “We went to the health spa for the Cleopatra package which was £35.00 and included a full body massage, a facial and face mask with cucumber, a body scrub, body wrap, sauna steam room and Jacuzzi, which is amazing value and was very relaxing. I would definitely recommend.” (Miss S Cottee, Sunrise Island View hotel review, posted October 2007, www.holidaywatchdog.com)

> “Travelling to the beach and pool area wasn't too cumbersome; the hotel ingeniously has a funicular ‘trolley’ which travels up and down the slope if you're too tired to handle the incline on the foot.” (Mr Christopher, Four Seasons Sharm El Sheikh hotel review, posted August 2008, www.tripadvisor.com)

Also to be considered as relaxation is the practice of driving around the resort for the purpose of savouring the passing sights. The previous post showed that customers felt relaxed while traversing up and down the slope in the resort using trolleys provided by the resort.

5.3.1.2 Educational

A major theme emerging among customers is the educational dimension. Educational experience or "Learning for fun" as termed by (Packer, 2006) includes a mixture of discovery, exploration, mental stimulation and excitement (Packer, 2006). Learning for fun is voluntary when learners themselves have a real choice regarding what, where, when, how, and with whom they learn. The program is energised by the needs and interests of the learner (Packer, 2006). Online communities' members made references about many educational experiences they had enjoyed. For instance, the PADI (Professional Association of Diving Instructors) open water diver course. PADI has the world's largest recreational diving membership. The diver training organization was founded in 1966 by John Cronin and Ralph Erickson. PADI members, including dive centers, resorts, educational facilities, instructors, and divemasters, teach the majority of the world's recreational divers. As one member recounted:

> "I have just returned from Sharm El-Sheikh, where I completed my open water PADI together with my two sons, aged 10 and 12y. We had two fantastic days. We had a really good instructor, very professional, funny and great with kids. We all thought he was excellent, and we all passed! The aquatic life we saw was amazing too!" (A female customer, Cameldive Club and Hotel review, posted September 2008, www.tripadvisor.com)

Some resorts deliberately cater to their customers' entertainment preferences, while attempting to maintain the education element as a secondary one. However, today's customers take the educational experience for granted. In a recent study conducted by Pennington-Gray and Kerstetter (2001) on the benefits sought by university educated women who travel for pleasure. Descriptive statistics of the twenty-seven benefit statements revealed that "to experience natural surroundings" (mean = 3.58) had the highest mean score, followed by "to seek an educational experience" (mean = 3.41). A visit to Sharm El Sheikh was thought to be enjoyable for all types of customers and highly educational, especially for the children of school age. This is what was mentioned by a customer:

> "The pier takes you right to the best snorkelling/diving experience in the world! There is no need to achieve that via a water craft, just jump right in and put your face in the warm clear water where colourful and amazing sea life greets you. I enrolled my eight-year-old daughter in a free snorkelling class and in one hour; she was doing her own snorkelling" (Ms M J Pope, Jaz Mirabel Beach Resort hotel review, posted June 2007, www.holidaywatchdog.com)

Resorts aim to cover all ranges of experiences, especially educational, to encourage customers to stay longer or become loyal. Another educational experience was noted in these narratives and this experience incorporated cooking classes, yoga classes and belly dance lessons – all organized by the hotel. Some members stated that in the following excerpts: "Besides snorkelling and diving, the hotel offers a good deal of other activities. My wife had two excellent massages and enjoyed the cooking classes at Arabesque, the hotel's Middle-Eastern restaurant" and "I did the yoga in the morning and also the belly dancing with Ruxy who knows what she is doing and is a brilliant dancer. Keep up the good work Ruxy!"

As the findings indicated, there is strong evidence that educational experience sought by customers is provided through the hospitality establishments. However, those establishments should be cautious about providing solely educational experiences and neglecting entertainment. The primary motivation of customers visiting the place is to have fun, not to learn something. However, they want to engage in an experience of learning because they enjoy the process of learning itself, rather than learning outcomes or knowledge gained (Packer, 2006). This educational element of experience is consistent with the view of Pine and Gilmore (1999) and Otto and Ritchie (1996) regarding the dimensions of service experience.

5.3.1.3 Hedonic

Findings illustrated that hedonic is central to customer experience in the hospitality and tourism context. The hedonic dimension incorporates excitement, enjoyment and memorability (Otto and Ritchie, 1996). Customer reviews stressed the importance of this dimension of experience. Hedonic aspects of the consumption experiences ties into the intangibility of the services provided in the hotel context such as adventure vacation, a memorable meal or the surroundings of a plush hotel (Titz, 2008). Firstly, a feeling of excitement is an important aspect that many members frequently referenced in their discussion, the most exciting parts of their experience were Bedouin experience and snorkeling. Moments of excitement that occurred were described by customers in the following two stories.

> "The Bedouin experience is another excursion we went on, it was great, we rode on camels and watched the sunset and also did some stargazing –

you look through a telescope and get to see the moon and Jupiter, and another flashing star, can't remember the name of it.” (Miss K Coombs, Conrad Sharm El Sheikh Resort review, posted September 2007, www.holidaywatchdog.com)

“I did eventually try snorkelling for the first time and it is an experience every one should try. My only regret is that I have seen the film Jaws, so you can imagine how my mind was running riot about getting into the water. I felt so nervous; I had only ever paddled in the sea before. I also have the added problem of having partial hearing in both ears, so I knew I would not hear Jaws coming. Don’t laugh – I am being serious, but I was really lucky as a knight in a shiny wetsuit came to my rescue. He was a staff member of the snorkelling/diving team. He helped me overcome my fear by coming into the water with me. Once he had calmed me down and got me to control my breathing, the film music in my head then turned from Jaws to The Snowman, (you know the bit where he is holding the boy's hand and flying across the rooftops} this was me, except I was flying above the sea bed. To glide across the surface of the water holding his hand and feeling very safe and seeing the rainbow of coloured tropical fish and the coral was awesome. When you sit on the beach you do not realise what beauty lies beneath the waves. This experience was one I will never forget and I would like to take this opportunity to thank this young man {whose name I did not get} for making it happen. I am looking forward to

> trying it again in September." (A 3female customer, Sultan Garden Resort reviews, posted August 2008, www.tripadvisor.com)

Secondly, the findings also showed that amusement was delivered to the consumers in two ways – passive entertainment, where customers are required to arrange for its delivery and customers simply seeing it enjoyable. The category of passive entertainment includes an enormous variety of activities such as watching the Italian show as noted below.

> "Within the complex is an open-air theatre, where the Italian entertainment squad put on a show every night, which can be anything from slapstick comedy or classical dance, to musicals like Dracula or Pinocchio! It's all in Italian of course, but very enjoyable nonetheless" (Mr D Smyth, Reef Oasis Blue Bay Hotel review, posted August 2007, www.holidaywatchdog.com)

In contrast to 'passive' entertainment there is 'active' entertainment, whereby customers participate in the activity to ensure their own amusement. But, sometimes participation in active entertainment requires a certain level of skill, knowledge to ensure satisfaction. This is what is explained by 'optimal condition theory', whereby flow experience occurs when there is a match between the perceived challenge and the skill level needed to handle the given challenge. If the challenge is too difficult and is above the individual's skill level, anxiety will set in. If the challenge is too easy, boredom will take over, eventually leading to depression (Csikszentmihalyi, 1988). Active entertainment includes simple activities such as: "aqua gym, darts, yoga, belly dancing and quizzes etc".

[3] Some customers did not mention their names, and the researcher recognized their gender from the context.

Entertainment activities are performed under the umbrella of the 'animation' department that is in charge of co-ordination of sports and cultural entertainment for children and adults, and are managed by recreation experts, called 'animateurs'. Costa *et al* (2004) stated that "The word animation derives from the Latin animus, which means soul, feelings, spirit, whereas animate as a verb stands for activating, enhancing life, giving breath, recreating and, in other terms causing a good mood, offering suggestion and possibilities for an active lifestyle (Jacovlev 1992)". Online community members made many references to particular events whereby they have been involved in through the animation team members who motivate them. For example, the entertainment staff or the animation team was a noted feature of the following narratives. As one member recounted:

> "The animation team were the best. Ronny, Jessica, Sam, Oscar Rhamy, Ali they made our stay really enjoyable and were so friendly and looked after you all really well. They always kept us entertained and the night entertainment was so funny. They were always getting people to join in with all the activities and the club dance at the end of the night." (Miss S Smith, Conrad Sharm El Sheikh Resort review, posted August 2007, www.holidaywatchdog.com)

Thirdly, experience gained has some degree of memorability (Pine and Gilmore, 1999) as mentioned by customers. Within certain narratives, customers expressed that they may occasionally try something that unexpectedly achieves joyful and memorable experience. As members post their messages, they made numerous references to the memorability of the experience they had, as indicated by the following examples. "This hotel resort was a slice of heaven. I have no doubt that our stay has created wonderful memories that will forever be etched into our minds and hearts", and "Riding through the very silent desert on a camel for a late night, camp fire dinner under millions of stars was an experience we will never forget". Furthermore, in some of the observations of the texts some interesting reflections on the memories were revealed. "The same goes for the climb to the top of Mount Sinai through the middle of the night to watch the sunrise at the top, absolutely exhausting but totally amazing. Egypt is unforgettable and we loved every minute". "The guy who talked about the stars was hilarious and it really is just a memorable night". On the basis of the results of the current study, the hotel brand must convey the memorability of the experience to the potential customers and then it must deliver the memorable experiences it promises.

Those experiences evoke different types of emotions. The affective emotional states elicited during the experiences can, and will, enable marketers and managers to better understand, design, and provide the experience that customers seek. Customers expressed some of those emotions in the following quotes: "Watch the sunrise at the top, absolutely exhausting but totally amazing", "The kids never got bored", "I am so excited to write this review!", "I read an earlier review by somebody that stated the entrance to the hotel reminded them of the entrance to Jurassic Park. How true! It was partly the thrill and relief of finally getting there safely", "In the evenings, there tends to be something going on at the theatre 'the massive Amphitheatre overlooking the beach had not been finished, but looks like it will be hugely impressive'", "Arrived home feeling fully satisfied from the week that I spent at this hotel" and "This wonderful hideaway, you walk in feeling that you are the only one who is in this hotel". Interestingly, a comment was made by one of the members on the emotions evoked: "It is difficult to express my emotions because the holiday was really, really nice, thanks to your hotel and special thanks to the hotel staff", this is what Davis *et al* (1991), based on the work of Maslow and others, described as the peak experiences: "…a feeling of deeper knowing or profound understanding, a deep feeling of love (for yourself , another, or all people), greater awareness of beauty or appreciation, a sense that it would be difficult or impossible to describe adequately in words"(p. 88).

5.3.1.4 Novelty

Comments about the uniqueness and individuality of the natural setting or the different excursions provided were seen as an indication of the novelty dimension. Novelty as an experiential need sought by customers was found in the customers posts. This finding is consistent with previous studies that investigated the novelty subject (Crompton, 1979; Dann, 1981). Those studies identified novelty as one of the pull factors that plays an important role in the decision-making processes that tourists utilize in their choice of destination. Conceptually, the term novelty implies newness or uniqueness. Need for novelty refers to the desire to go from a known to an unknown place, or to discover new experience, thrill, and adventure (Lee and Crompton, 1992). Lee and Crompton (1992) identified four dimensions of novelty paradigm – change from routine, thrill, boredom-alleviation, and surprise. Findings from the qualitative study were more consistent with the notions of change from routine, thrill, and surprise. Some reflections made by customers on the perception of the newness and uniqueness of the experience. For example, those two comments on the glass-bottom boat trip: "This was the highlight of my holiday as we saw all the coral reefs, the fish were like nothing I have ever seen before … we even saw a few clown fish 'Nemo fish'" and "A boat trip with snorkelling, it is literally like being in an aquarium and the fish are not scared of you they come right up to investigate 'once in a lifetime!!!'". Another example about a floating pier that customers can walk to the end of and see the fish from the pier: "A short walk down the house pier leads to a living aquarium where you can swim and snorkel with the resident fish – truly a one-off situation"

> "I had never been snorkelling before but once I had I wanted to go again and again. It was amazing; the fish actually swim right round you. The thing that put us off about it though was a stingray and three hammerhead sharks!!!!!!!!!! (Not at the same time though). We saw the stingray when snorkelling but it was right at the bottom of the sea and it wasn't interested in us. We saw the 3 sharks when we were eating tea at the Grillhouse. It was weird to see, but hotel staff says that they are always about but only at night." (Miss L Mottershead, Dreams Beach Hotel review, posted June 2008, www.holidaywatchdog.com)

As shown in the previous examples, customers were provided with a form of change that enabled them to experience something different. Findings from the netnographic study also showed that customer experiences are characterized by thrill or adventure for novelty-seeking customers, as recounted by one customer.

> "Do make sure you try the quad-biking in the desert excursion. It is an amazing journey. I tried it, but found it difficult for my small arms to steer, so I jumped on the back of my companion's quad. I am glad I did, as the experience was even better shared, and being able to chat about it as we saw more and more of the desert open up before us. I wasn't that bothered about not driving one myself, even though I did try. Go in the evening, as it is a more varied and amazing experience. We set off about

> 5:30 p.m. If you go in the evening, you see the sunset in the desert on your way. We stopped at a Bedouin camp where the kids are very playful and curious. Don't buy any goods from them as it is expensive. You then drive out to the echo valley where you stop and shout your name at the valley and hear it echo back at you. It is amazing. You drive back in the dusk with your headlights on. You always drive in a line behind the guide, so you are always safe and accounted for. Be careful, watch for random abandoned tyres in the desert sand when you drive back at night. (Miss N Wooding, Crowne Plaza Resort Hotel review, posted May 2008, www.holidaywatchdog.com)

Finally, surprise or unexpectedness as suggested by prior work is one of the dimensions of the novelty paradigm (Berlyne, 1960). Customers expressed surprise in their posts which stemmed from a discrepancy between what they expected and what they actually experienced. For instance: "The food surprised me, as it was a lot better than I expected", "I was pleasantly surprised with everything about the Hyatt. It is very clean, the staff are very professional and the decor and pool settings are wonderful", "On the whole we were pleasantly surprised with Egypt and will be going again and would recommend it to anyone". Another striking example explained the surprise element of novelty: "Our room cleaner was extremely helpful and every day when we came back to our room he had made something extraordinary with the towels. One day he made a heart, the next a flower, then a snake and the best one of all was a swan, it was amazing, I used to take a photo each day, it was a lovely surprise coming back to our room each day to see what he had made."

5.3.1.5 Recognition

Recognition refers to the feeling of importance (Otto and Ritchie, 1996). From customer comments, it is obvious that staff exhibiting certain types of behaviour which made them feel important, such as: “Everything is ‘with pleasure madam’ ” , “The staff treat you like royalty and insist on not letting you lift a finger, even when I tried!”, “My daughter was treated like a princess”, “The respect you get from the hotel was outstanding”, “We were met with consideration and regard at every moment” and “What I really liked overall is that that you were really looked after, all the staff were really friendly”. It was also noted that customers felt right at home with the staff, because the staff are happy to see them, always have a smile on their faces, warmly greeting guests, and calling them by their name. That was illustrated in the following comments: “Reception has been altered slightly but the welcome from the check-in staff, the security guards, the pool bar staff and pool attendants were the same as ever and they all seemed genuinely pleased to see us again”, “There is always a warm comforting welcome from the workers and the locals and they make you feel right at home” and “Egyptians are very friendly people who always smiled at me and remembered my name”.

This finding supports conclusions drawn by the previous study of Otto and Ritchie (1996) where recognition was identified as an important factor of service experience, customers wanted to feel a sense of personal recognition from their service encounters, such that they could feel important and confident that they were being taken seriously.

5.3.1.6 Safety

Sharm El Sheikh as a destination was perceived as a relatively safe region. This was particularly apparent in those reviews where customers referred to the safety and security perception. In the tourism literature, there is an emergent consensus that there is an association between crime and tourism and the crime rates are higher in tourist areas (Fujii and Mak, 1980; Pizam, 1982; Pizam and Mansfeld, 1996; Walmsley *et al*, 1983). Therefore, the safety of tourists is an increasing concern in holiday decision-making because if tourists feel unsafe or threatened at a destination, they are not likely to enjoy the experience or even take part in any activities.

Egypt as an international destination has witnessed few terrorist incidents. In the first half of the 1990s, terrorist groups tried to destabilizing the economy or gaining much needed media attention to achieve ideological objectives (Hall and O'Sullivan, 1996). As a consequence, Egypt has gained a reputation as being an unsafe place for a holiday for a certain period of time. However, this reputation has been changed, and that was obvious in the following comments: "After getting past the security fit for the White House", "Two women travelling alone, and we were very safe, very welcome and we had the most superb time", "If this is your first time to Egypt, like it was for us, all I can say is you are very safe. The people have a wicked sense of humour and love the Brits!". The results also revealed that hotel security staff, and certain security devices such as metal detectors, provide customers with a greater sense of safety. It is notable also that customers happily appreciate the lengthy safety and security procedures: "You are so well looked after by security guards etc., who all took the time to find out your name, that each night we returned back to the room from dinner, it felt fine", "On arrival you have to go through security and they have a quick look in your bag but that made us feel very very safe at all times" and "On arrival you are told to leave your bags outside as you have to go through a metal detector. Don't worry about this; this is something that Sharm does to keep you safe".

According to Prideaux (1996) resorts that offer a "hedonistic lifestyle had higher crime rates because of factors such as frustrated poorly paid seasonal workers and a drug subculture which led to a greater incidence of theft. Furthermore, those resorts have a large number of night clubs which led to higher levels of alcohol-related offences such as fighting, rape and rowdy behaviour. However, analysis of the customer reviews resulted in the absence of those behaviours, and many references were made related to safety issue, particularly striking examples are provided by the members of the online community:

> "Heard stories of people going out and about lots of hassle to buy from the locals but will say one thing, felt safe walking around as plenty of police about", "The hotel complex took about twenty minutes to walk around completely and in the evening a walk along was very lovely and you are completely safe as there are other hotels alongside you as well as security walking about all the time". Also, another example about the safety of belongings "On our first day we stupidly forgot to lock the safe. When we got back to the room we found a note left advising us that we should go to reception as the cleaner could not clean the room with the safe open. A security guard came up with us so that he could let us into our room and we could check the safe. Nothing had been taken. The room hadn't been cleaned but in the grand scheme of things, we really didn't mind. It was

very reassuring". (A female customer, LTI Grand Azure Hotel review, posted June 2008, www.holidaywatchdog.com)

5.3.1.7 Sense of beauty

Pine and Gilmore (1999) suggest that people value experiences that instil a sense of wonder, beauty and appreciation. Customers indicated that they had a great sense of beauty in their comments. Beauty is "an aspect of the experience of idealization in which an object(s), sound(s), or concept(s) is believed to possess qualities of formal perfection" (Hagman, 2002, p. 661). Sense of beauty has been recognized as an important human capacity and that the subjective experience of beauty is characterized by a sublime and exalted state that is unique, psychologically significant and desirable (Hagman, 2002). "The sense of beauty is the harmony between our nature and our experience. When our senses and imagination find what they crave, when the world so shapes itself or so moulds the mind that the correspondence between them is perfect, then perception is pleasure, and existence needs no apology (Santayana, 1896, p. 269)" as cited in (Hagman, 2002). In the sense of beauty there is a feeling of wholeness, pleasure, lessening of anxiety, awe, joy, excitement, optimism and contentment (Hagman, 2002). The display of the beauty may be man-made as found in art, reworks, architecture, or landscaped terrain (Stebbins, 1997),

"Walking through the grounds was difficult as we had to stop and admire the elegant and colourful landscaping at every turn and of course pose for photos", "Once we arrived at the top of the Domina Bay road, I was completely hypnotized by how beautiful the resort was", "Very beautiful hotel built on a hill with the reception/foyer/restaurants at the top. The

> rooms are all spread down the hillside and a waterfall runs down between them. There is a funicular railway/elevator that runs up and down the hillside which is very cool" and "I read an earlier review by somebody that stated the entrance to the hotel reminded them of the entrance to Jurassic Park. How true! It was partly the thrill and relief of finally getting there (safely) and partly awe that made our eyes widen at the beauty of the resort as we got driven to our room on a golfing style buggy". (Miss N Wooding, Crowne Plaza Resort Hotel review, posted May 2008, www.holidaywatchdog.com)

Similarly, the displays of beauty may be natural, as found in waterfalls, gardens coral reefs, or observing coloured fishes for their natural beauty. It is obvious, from the following posts that a sense of beauty is linked to a pleasurable experience evoking for customers:

> "The grounds are immaculate with bougainvillea, gardenia, and oleander. I don't know how they grow in the dry sandy soil but everything is beautiful", "The grounds are covered with beautiful flowers and waterfalls which make it a magical place to spend some time with the person you love", "Within three feet of getting into the water you will see beautiful colourful fish and the reef even though damaged has hundreds of beautiful fish" and "A glass bottom boat trip … was the highlight of my holiday as we saw all the coral reefs, the fish were like nothing I have ever seen before … It brought tears to my eyes to see something so beautiful" (Mrs L J Langmead, Conrad Sharm El Sheikh Resort review, posted February 2008, www.holidaywatchdog.com)

The above finding is congruence with two forms of tourist gaze: First, the romantic gaze which is an object of vision or awe consumed in solitude, involving a prolonged immersion, e.g. the early tourists to the Trossachs or the Lake District, whose gaze resulted in work of arts and literature. Second, collective form of gaze which means the organisation of a sustained and multifaceted nature, involving study and inspection of the environment, e.g. rainforest conservation holiday.

5.3.1.8 Relational

The netnography research captured another important component of customer experience which is the relational experience that involves the person, i.e. the consumption or use of a product with other people (Arnould *et al,* 1993; Gentile *et al*, 2007). Moreover, tourism provides an outlet for youth to experience sexuality and relationship (Page and Connelle, 2006).

Relational experience appeared as an important factor in customers' reviews. The results tend to confirm that social interaction is an integral part of their experience. It was evident that customers found interesting people with whom to develop a closer friendship. For example, "Staff was friendly … I and my friend Steph made good friends with two of the staff in the lobby bar … Zazza (as I call him) and Ali … such lovely guys and I actually miss them". Likewise, building and maintaining strong relationships was evident in the customer's posts. As explained by one female customer, her relationship with one member of the restaurant staff ended with thoughts about marriage:

> "While I was staying at Dreams beach I met someone known as Waggy, he works in the restaurant that is by the main pool. I had the chance to kiss him before Ramadan started and I didn't, damn it! I'm going back especially just to see him in February 2008. Really miss him loads, my family absolutely loved him and wanted him to marry me." (Miss S Louise Read, Dreams Beach Hotel review, posted October 2008, www.holidaywatchdog.com)

In the previous example, the peak experience turned out to be supporting consumer experience and becomes a background for the peak romantic experience (Quan and Wang, 2004).

> "We had a barman called Mukhtar by our poolside, he really made us feel at home, he spoke a number of languages, he could relate to his guest's, his English was great, we felt we made a really good friend, a friend for life, he is a genuine person, he got married yesterday, we wish him all the best and good luck in his future."

> "… and the younger one (barman) was just a truly special person, he always had a smile on his face and was great with the whole family especially my younger sister, and step-brother and sister, we did get on extremely well with him the whole week, he gave us his mobile number and we also gave him our numbers, and we regularly text or phone to see how he's getting on, we even have a photograph in our living room of him

with the whole family!" (Mr B C Rattu, Hilton Sharm Waterfalls Resort, posted July 2008, www.holidaywatchdog.com)

The previous comments indicated that the time it takes to make personal relationship with staff members is shorter, which gives an indication of the friendliness of the employees and their abilities to relate. The current finding is consistent with the communitas dimension of experience stated by Arnould *et al* (1993) and the collective form of tourist gaze.

5.3.2 Antecedents to customer experience

The following section demonstrates the antecedents of customer experience in light of the qualitative findings**:**

5.3.2.1 Perceived service quality

Service quality is extremely important to today's hospitality businesses to keep loyal customers, establish competitive edge and enhance the establishment image (Haksever *et al*, 2000; Wuest, 2001). Therefore, many scholars emphasize the importance of the provision of excellent service quality to sustain a competitive advantage in today's competitive global market (Denburg and Kleiner, 1993). Service quality in hospitality has been studied from different approaches, but the most popular approach is the SERVQUAL instrument (Knutson *et al*, 1991; Mei *et al*, 1999; Saleh and Ryan, 1991) as previously discussed in Chapter 2. Several specific instruments were developed based on SERVQUAL such as LODGSERV, a modified SERVQUAL instrument that was developed to measure hotel guests' expectations of service quality (Knutson *et al*, 1991), DINESERV a tool to measure service quality in restaurants (Stevens *et al*, 1995) and HOLSERV to assess service quality in the hospitality industry (Mei *et al*, 1999).

With regard to the functional part of the entire experience ‘perceived service quality’ or the supporting customer experience as described by Quan and Wang (2004), high quality standards were reported in customers’ comments as a contributing factor towards brand loyalty. For instance, “First class service and facilities. You could do no better as far as I am concerned! Needless to say we will be visiting the Hyatt again in the future”, “This hotel is the most presentable and well-designed in the whole area, and backed up with excellent food and good service generally, I cannot fault the place at all. If we came back to Sharm, I would come back here definitely … The food was wonderful I am going back in June”. The opposite scenario, “I am unsure whether or not I would return … it was expensive, we only spent four days at the hotel during the holiday!”. This finding is consistent with Zeithaml *et al* (1996) who asserted that the better the company’s service quality scores, the higher are its scores on loyalty.

Comments made by customers also highlighted that high service quality will provide a high quality of experience. This can be illustrated in the description provided by one customer: “Overall, we did enjoy the holiday and loved the hotel but the quality of food really brings this hotel down. If it wasn't for the food I think I would definitely return. Customers are likely to receive a higher quality of experience if the quality of the service delivered is excellent. In summary, this finding was supported by Kuutson and Beck (2003) who claimed that service quality has a directional relationship to the overall experience as an input to the real-time experience.

5.3.2.2 Advertising

While previous studies of cue usage by consumers have found that the cues used by consumers to infer service quality are vitally important. Likewise, the findings of the current study illustrated that the customers are more likely to use extrinsic cues to infer their experiences prior to the actual consumption experience. Some reflections on the advertising and price are in the following quotes:

> "The hotel was advertised in the itinerary as for snorkelling but there were no fish because it was in a hidden bay, water was only two feet deep, and no fish in sight because it's quite a way from the main sea." (Miss Emma, Hilton Sharks Bay Resort review, posted September 2008, www.tripadvisor.com)

> "We visited this resort for the first time on 14 January 2008 for one week. We were led to believe by the brochure and media that Sharm enjoys all year round sunshine, this is not the case. January and February are deemed to be their winter." (Mrs A Saunders, Baron Resort Hotel review, posted January 2008, www.holidaywatchdog.com)

> "We were given a sea view room and the room was exactly what was pictured in the brochure and other promotional material from the hotel. It was extremely comfortable and we were well looked after." (A male customer, Sultan Garden Resort review, posted July 2008, www.tripadvisor.com)

Because services are intangible, Parasuraman *et al*, 1985; Zeithaml (1988) asserted that cues such as price, brand name, advertising, and word-of-mouth are important to consumers as they attempt to judge the quality of a service prior to consumption. Experiences are intangible just like services and the analysis of the customer reviews demonstrates that customers rely heavily on price, advertising and word-of-mouth to infer their experience and judge it prior to the actual consumption experience. However, brand name as an extrinsic cue was not utilized by customers to predict the experience – they preferred to look at the hotel ranking.

5.3.2.3 Price perception

Previous studies showed that leisure travellers are more price conscious than business travellers (Knutson, 1988) and the higher the quality of the services the less sensitive the consumer to the price in the selection process (Knutson, 1988). In fact, the findings of the qualitative study showed that the price of service has been linked to customer experience judgement prior to the actual consumption experience. Additionally, online customers affirmed that the price is a cue helps them to formulate the expectations about the experience they will be immersed in during their visit to the place. Those findings were consistent with prior research on price-quality relationship (Leavitt, 1954; Tull *et al*, 1964; Monroe and Krishnan, 1985; Rao and Monroe, 1989). This relationship has been highlighted in the following posts:

> "Just got back from a week's stay at HSB (3 September to 10 September) and had a really nice holiday. The first thing you need to bear in mind is how much you actually paid for your holiday in exchange for what you should realistically expect from this place. We paid £500 in total and feel

> this was a fair price for what we got." (A male customer, Hilton Shark Bay Resort review, posted September 2008, www.tripadvisor.com)

> "I expected this standard of hotel to be expensive for food and drinks … but it was not! Of course you paid a little extra but nothing was unreasonably priced and I always felt that we got good value for money." (Mrs S Shenton, Hyatt Regency Sharm Resort review, posted June 2008, www.holidaywatchdog.com)

In general, price is a salient cue that help customer to formulate a framework of expectations about their experience.

5.3.2.4 Brand name

The findings of the qualitative study demonstrated that customers use the grading system in the hotel chain to choose, which emphasizes the internal quality element of the property (Cooper *et al*, 2005). The results showed that they rarely rely on the brand name as a cue to predict their experiences.

5.3.2.5 Employees

Customers' evaluations of their experiences are often influenced by the interpersonal interactions with the frontline staff, customer-contact employees. On the basis of the previous studies employee's effort has been found to have a strong effect on perceived service quality (Zeithaml, *et al*, 1985; Zeithaml *et al*, 1993), customer satisfaction (Hartline and Ferrell, 1996; Keaveney, 1995; Mohr and Bitner, 1995) and the overall performance (Hartline and Ferrell, 1996). Also, Bitner *et al* (1994) found that service providers play a critical role in customer experiences. Likewise, the findings of the current study showed the importance of frontline customer-contact employees.

Postings from online members illustrated a strong evidence of the role-prescribed customer service and extra-role customer service. The former referrers to a service provider's expected behaviour derived from implicit norms in the workplace or from explicit obligations as specified in organizational documents such as job description and performance evaluation forms (Brief and Motowidlo, 1986). The following comments show some examples of these expected customer service norms such as addressing customers by their names "The waiters were so friendly. Called us by our names every time we went in there, they really do put themselves out, and they do work a lot of hours and they still had a smile on their face". Warm greetings such as "The receptionist was extremely friendly by greeting us with "Welcome home" which definitely made me feel all nice", "There is always a warm comforting welcome from the workers" and "The hotel staff were impeccably dressed and they couldn't do enough for us".

The latter behaviour is extra role within the context of customer service which refers to "discretionary behaviours of contact employees in servicing customers that extends beyond formal role requirements" (Bettencourt and Brown 1997, p. 41). Employees must be able to address customer concerns in the area of customer service and delight them by providing "extra attention", "spontaneous exceptional services" and "little extras" to develop an emotional connection with them (Bitner *et al*, 1990). This includes specific service encounters in which employees go "out of the way" or "beyond the call of duty" for customers (Bettencourt and Brown, 1997).

> "Whilst there unfortunately, my son had an accident (he inadvertently went through the very clean sliding doors). The doctors, at the in-house clinic, were professional and polite and my son was patched up in the clinic. The medical service provided by the in-house clinic proved to be excellent – my son's dressings needed to be changed every day and by the time of our return Joshy was up and running in every sense of the word (he is six years old). I would like to stress how good the service provided by the hotel was. After the accident even the duty manager came and held Joshy's hand to comfort him. All the staff, from the security to the general manager went out of their way to make our stay enjoyable and help in adjusting to the change in circumstances. Joshy couldn't swim for a week. A DVD machine and movies were provided and a lovely chocolate confection was sent to Joshy in our room and a wheelchair provided (some examples of the kindness shown)." (Mrs G Potgieter, Coral Sea Resort Hotel review, posted July 2008, www.holidaywatchdog.com)

> "We are planning on going back in July, all the staff were very pleasant. The cleaners were fabulous, and kept us well stocked; they even made pretty flowers and stuff on our bed out of towels and my pyjamas. We did not have to lift a finger while there, I can't remember doing anything for myself, my chair was always pulled out for me, we would go to the bar and get sent back empty-handed as the bar staff would carry it for us".

(Miss V Hodgson, Holiday Dreams Beach review, posted September 2007, www.holidaywatchdog.com)

The following posts reflect the customer's evaluations of the entire experience and showed that employees' behaviour is arguably contributing to an enjoyable customer experience.

"It was the staff that made all the difference. Everyone, from the housekeeping guys, to the waiters, the beach boys, and management was cheerful, polite, and very courteous" (A male customer, Four Season Hotel review, posted July 2008, www.tripadvisor.com)

"The staff were one of the best factors of the holiday. We gave our cleaner a small tip everyday and were left fresh flowers every morning, and swans made out of towels on the bed etc. They really did pay attention to detail and made the rooms as clean and comfortable as possible. The waiters and bar staff were exceptional, we really did fall in love with most of them, they were the most friendly, loveliest people I have ever met, we really did grow close to a few of them." (Miss Allana Morton, Oriental Resort Hotel review, posted January 2008, www.holidaywatchdog.com)

"Well firstly I would like to say how amazing the staff at Dreams are, they are so attentive and are always interested in speaking with you, never rude, they will go out of their way to make your holiday enjoyable." (Mrs L Cooper, Dreams Beach Resort review, posted April 2008, www.holidaywatchdog.com)

This finding is congruent with the successful outcomes from previous studies that proved the strong impact of employees' behaviour on customer satisfaction and perceived service quality in marketing generally (Bitner *et al*, 1990) and in the hospitality industry specifically (Cheung and Law, 1998; Haynes and Fryer, 2000; Maxwell and Lyle, 2002; Worsfold, 1999). Furthermore, during service consumption, intrinsic cues become more relevant because they are consumed as the service is consumed (Zeithaml, 1988). Employee performance may be the most important of all the intrinsic cues for services. The study findings have underscored the importance of customer-contact employees in creating desirable customer experience. Likewise, employee cues such as courtesy, help, competence, the dress and interpersonal skills were proved to have a major impact on customers' experience. The following comments shows the employees cues "The staff are so caring and multilingual from the manager to the cleaners", "Friendly helpful staff", "the staff were amazing"," the waiters were so kind". "The manager Ghassan Dalal was a superb help and made our two weeks most enjoyable", "The animation team was great working from morning until night keeping everyone entertained", "There was a new lifeguard/pool attendant this year; a very pleasant, smiley young chap, called Ramadan. He looked after us well" and "The staff are the most pleasant and courteous I have ever come across".

Findings illustrated that employee performance is a crucial determinant of the experiential quality. Therefore, service firms must find ways to effectively manage their service providers to help ensure that their attitudes and behaviour are conducive to the delivery of a successful experience.

5.3.2.6 Servicescape

The Servicescape is a salient aspect when considering customer experience. Leisure services such as resorts and hotels require customers to spend extended period of time in the physical surrounding so that they can spend more money (Donovan and Rossiter, 1982; Foxall and Greenley, 2000; Sherman *et al*, 1997; Spies *et al*, 1997). The current study used the definition of Tomb and McColl Kennedy (2003) of service environment as the setting in which the customer purchases or consumes the service. The environment is comprised of contextual, physical and social elements. As such, it includes all those factors which frame the individual within that setting and which have some influence on their behaviour (p. 448).

The ambient factor

The findings of the current study showed that atmosphere can make a distinctive customer experience through colour, scent, or music. As online members made numerous comments on those atmospheric elements such as colour, smell, sound, and texture that evoke visceral reactions (Wall and Berry, 2007), for example: "The atmosphere in the restaurant is lovely (a little cave down by the beach) and very romantic", "The waterfalls pool was very relaxing as it wasn't too busy and also had relaxing music in the background", and "The entrance hall and lobby are spectacular – you get a kind of warm feeling that you have chosen the right place!", "Main hotel area which at night all lights up looked beautiful" and "The rooms were spacious and well decorated", "Many other weird and wonderful shaped and coloured fish" and also the comment of one customer on the colour of fishes and corals he saw within the Aquarius dive school "This was a once-in-a-lifetime experience for me as the fish are so brightly coloured and the coral is out of this world". Many customers negatively described the intangible elements such as: "The smell in the gardens was horrible; there was no night-time entertainment", "Pool music was dire 70s David Cassidy, Showaddywaddy – all day, every day – no really – went to beach in the end as it was driving me mad, and put earplugs in". Also, the negative comments such as "The ugly surroundings from the direct neighbour (which was under construction) was irritating and could be easily avoided by the hotel. The hotel was completely full (like most of the big hotels in Sharm in October) which of course reduced the effect of the pleasant surroundings and atmosphere".

The design factors

In addition to the intangible elements of the atmospheric elements such as colour, music, temperature and scents that comprise service experiences, the atmosphere is also composed of tangible elements such as building, carpeting, fixture and point-of-sale decoration" (Hoffman and Turley, 2002, p. 35). The following comments showed the customers assessment to some of the tangible elements:

> "Very tasteful décor", "The decor and general layout of the place was great", "…our lovely Mediterranean style villa. We had to photograph our villa as we fell in love with it and desired to borrow some design features for our own home in San Diego, California." (A female customer, Four Season Resort review, posted June 2008 www.tripadvisor.com)

Architecture, layout, and the interior design of the facilities were found to strongly influence customers' experiences, for instance: "Everything around the resort has a grand appearance, much of the architecture is marble and there are winding pathways between room blocks and water features at every glance. They certainly don't do things by half in Egypt!" and "The location, facilities, layout and food are excellent."

The natural setting: Customers in Sharm El Sheikh resorts are surrounded by authentic and natural settings which help to establish the sense of beauty and provide a discriminative customer experience: “The terrace was beautiful with a wooden bench, a table and two chairs, the view was honestly breathtaking, and we sat here for a few hours everyday!”, “We did not see one cloud in Sharm El Sheikh until the day we were due to leave!!”, “It was about forty-eight degrees while we were there, very very hot”, “Temperature was at best about twenty-two degree centigrade so it was pretty good” and “The beach was too hot when we went and in an hour or two it was the most we could handle”, “Walking through the grounds was difficult as we had to stop and admire the elegant and colourful landscaping at every turn and of course pose for photos” and “Private balcony overlooking the beautiful Red Sea was breathtaking!”

The human factor

Turley and Chebat (2002) emphasized the value of the “atmospheric design” including the human factor as part of the setting. This inclusion is important because many services are performed in the presence of other customers (Tomb and McColl Kennedy, 2003) and customers usually observe other customers’ behaviour and that will influence their own behaviour (Zajonc, 1965). The customer’s maximization of certain experiential needs he/she seeks to gain such as joy, relief, and pleasure is dependent on that of the other people in the service encounter. Other customers or employees may produce situations whereby the customers feel annoyed, angry or even happy. As mentioned by many customers in their reviews, Russians customers are not particularly friendly and treat the staff badly, therefore this behaviour spoilt their holiday experience.

> "The Russians: A lot of people mention the Russians as being a great bone of contention. They are. I don't think the Egyptians much like them either. I was told by many Egyptians during my stay that they find the Russians rarely smile at them or seem very friendly. One miserable Russian lady even snapped in Russian at my companion for laying a beach towel down on a vacant sun lounger! If you are going to lay your beach towel down on a vacant sun lounger 'God forbid', just make sure you can read minds and know that the vacant lounger hasn't been reserved for a non-present friend who can't even be bothered to come down to the lounger to secure it for themselves!" (Miss N Wooding, Crowne Plaza Resort Hotel review, posted May 2008, www.holidaywatchdog.com)

5.3.2.7 Core service

In the hotel context, many aspects are considered highly important core services for customer in hotel selection, such as: food (Barsky and Labagh, 1992), comfortable rooms (Knutson, 1988; Weaver and McCleary, 1991; Weaver and Oh, 1993), safety and security (Knutson, 1988; Lockyer, 2002; Weaver and McCleary, 1991) and parking and other facilities such as cable TV (Weaver and McCleary, 1991; Weaver and Oh, 1993).

Conceptually, the core service can be identified as 'supporting customer experiences' such as eating, sleeping and playing, which is different from the peak touristic experience which is in a sharp contrast to daily experience (Quan and Wang, 2004). "If the attractions that constitute the major motivation to pleasure travel are disappointing, then, even the high quality of other consumer services such as accommodation cannot fully compensate for this deficiency and regret" (Quan and Wang, 2004, p. 300). The total tourist experience might be spoiled if the supporting consumer experience went sour, even if the peak touristic experience of the attractions is good. Therefore, the total quality of the tourist experience relies on the mutual support and reinforcement between these dimensions. The findings from the netnographic study showed the impact of the supporting customer experience 'core service' such as accommodation, food and other services on the peak customer experience.

Accommodation

Accommodation can serve as an integral part of the supporting customer experience of the holiday, even though it may not act as a primary motivating factor (Wight, 1998). Prior work paid attention to the tangible offerings such as range of amenities and the efficiency of services provided by accommodation establishments such as hotels, resorts, etc. (Saleh and Ryan, 1992; Weaver and McCleary, 1991). Similarly, in the current study findings customers reported some aspects of the experience they had gained related to the accommodation provided, e.g. "There is plenty of drawer/cupboard/ wardrobe space and a programmable safe. There is even a 'menu' of pillows! One can choose from soft, semi-rigid, hard or very hard! This is all listed on a leaflet, saying, 'Pillows á la carte'! The double bed is huge in our room", "The rooms are cleaned in the morning and then a man comes round at about 6.30 p.m. to see if everything is OK and to hand everyone a small package containing a chocolate or mini biscuit", "The standard rooms we book have hairdryers in the bathrooms, complementary flip-flop type slippers, bathrobes, kettle and mugs", "One can hire an ironing board and iron from the housekeeping services; there is also a laundry service", "The bathroom is clean, large and modern. Plenty of mirrors, and a lovely walk-in shower, although it took all day to drain away" and "The fridge was well stocked with cans of soft drinks every day, as well as two 600 ml bottles of water every day, and a large two-litre bottle every so often as well. You could make tea and coffee if you wanted."

In the previous studies, there has been little attention given to the experiential nature of accommodation products. However, in the findings of the current study, the enjoyment of the accommodation as a core service can be shown through the experiential aspects reported by guests. Indeed, analysis of the reviews revealed the importance of accommodation as an important integral aspect of the supporting customer experience. Guests reported that they had experienced certain emotions from accommodation that they found to be beneficial. 'Comfort', 'safety', 'pleasure' and 'sense of beauty' were experienced by customers from the accommodation, the following quotes confirmed this. "The air con and safes are free which made a pleasant change", "The rooms were great; spacious, clean and the beds were so comfy", "The room is fabulous! Very clean, very comfortable and very contemporary", "You have a safe for your valuables" and also the distinctiveness of the amenities provided, such as towel shapes, was a very influential factor that affected customer experience, as the following guest comment highlighted:

> "Our room cleaner was extremely helpful and every day when we came back to our room he had made something extraordinary with the towels. One day he made a heart, the next a flower, then a snake and the best one of all was a swan, it was amazing. I used to take a photo each day, it was a lovely surprise coming back to our room each day to see what he had made." (A female customer, Iberotel Palace Hotel review, posted July 2007, www.holidaywatchdog.com)

From an experiential view, accommodation providers need to understand their guests in terms of the experiences they seek and gain (McIntosh and Siggs, 2005). Indeed, getting away from the offering of standardized accommodation products, such as that provided by many motels and hotels, is arguably an important part of the success of customer experience particularly as tourists seemingly seek to integrate and align their accommodation choice with their overall holiday motivations (Johnston-Walker, 1999).

Food

The importance of food and drink was often stressed in customers' reviews as a supporting customer experience that is representing the extension of the daily dining experience. According to Quan and Wang (2004) food consumption could be part of the peak experience in tourism, which is in contrast with the daily experience The role of food consumption is either a means to meet the basic needs of the body, or to get a sense of the ontological comfort of home when tourists travel (Quan and Wang, 2004). The functional attributes of food were highlighted in the customers' comments: "Excellent service, food presented better and better quality", "To our surprise, the food, while expensive, is excellent, ample and varied", "The food is excellent with plenty of variety given the choice of restaurants", "and the food was lovely! A great variety, there was something for everyone!" and "Food is varied, well cooked, and nicely presented."

However, food consumption in tourism is not a simple repeat of daily eating habits and routines, it is a form of change from the daily routine (Quan and Wang, 2004). According to Quan and Wang (2004) there are two types of variety-seeking behaviours in food consumption. One is routine rotation of various ingredients across time. For example, one may eat American foods on weekdays, but also regularly eat at Chinese, Mexican or Italian restaurants on weekends. Such a type of variety-seeking behaviour can be called 'routine variety-seeking' behaviour. Findings obtained from online customers confirmed this type of variety seeking behaviour, as mentioned in the following comment that the restaurant serves a wide range of international dishes for customers who do like to try different foods, and not only typical traditional home food.

> "The food was superb – we enjoyed the buffet which served anything you could want – salads, fresh fruit, cakes, pastas, all kinds of meats both barbequed and in sauces, lovely fish, Chinese, Mexican – you name it … we enjoyed the Egyptian the best, then the Italian" (Mrs J Kenna, Magic Life Imperial Hotel review, posted October 2007, www.holidaywatchdog.com)

The quest for various foods is one of appealing experiences customers seek; however, food consumption is also the extension of ontological comfort of home as asserted by (Quan and Wang, 2004). English customers who want the typical English food recounted:

> "There is an English place about ten shops down called Churchill, great people who run it, and the food is lovely, typical English breakfast for about £5. Churchill's is just next to the hotel, and do the best fry-ups, and it's perfect for that little taste of home. The food is quite good really, you can have your eggs anyway you like for breakfast, and every day the restaurants have a country theme for the food. On English night it was fish and chips (well potato wedges) or Shepherd's Pie. (A female customer,

Jaz Mirabel Beach Resort Hotel review, posted January 2007, www.holidaywatchdog.com)

The other type of variety-seeking behaviour can be called 'novelty-seeking'. It refers to the situation in which people may eat some food that they have never tried before. For example:

> "The food was OK. I'm a fussy eater and I managed to eat OK. I tried things I'd never eaten before and got away with them." (Mr P Roxby, Concorde El Salam Hotel review, posted August 2007, www.holidaywatchdog.com)

Other services

Beach services – including sunbeds around the pools and along the beach with towels and parasols etc. Customers' comments on beach services include:

> "The sunbeds are laid out tastefully with thatched parasols, so there is no lining-up like sardines. The beach towels were available in all areas where they may be required and you only needed your towel pass and they would be handed to you. The beach bar is great – it serves burgers, chips, hot dogs and salad. You can sit in the shade and watch the day go by. (Miss A Zold, Reef Oasis Blue Bay Hotel review, posted July 2008, www.holidaywatchdog.com)

Internet and media services – the hotel core service is completed with Internet connectivity and other TV channel and programmes.

> "…and satellite TV, many more UK channels than normally received in Europe including a choice of 3 films, CNN, MTV, cartoon and comedy channels. Another top tip for all you footie fans, you can catch all the Sky games on channels 29 and 30, but also check the foreign channels for other Premier League games". (Mr P J Hartley, Sultan Gardens Resort Hotel review, posted January 2008, www.holidaywatchdog.com)

Additionally, hotels offer customers opportunities to actively plan and organize their trips and also book their accommodation through online booking using the hotel website. One customer commented on that by saying:

> "Internet booking in advance was easy and we got picked up from our hotel and taken to the nearby dive centre, and returned home at the end of the day". (A female customer, Cameldive Club and Hotel review, posted September 2008, www.tripadvisor.com)

The opposite scenario was mentioned by another customer.

> "The Internet café was rubbish though, the speed was at a snails pace and the connection kept crashing … there are also plenty of places in the town to get online and it's cheaper there." (A female customer, Hilton Fayrouz Hotel review, posted July 2007, www.holidaywatchdog.com)

Activities and excursions – hotels make an effort to enhance the total customer experience by providing exciting and diverse excursions co-ordinated by the animation department which is in charge of outdoor activities, as well as other health and recreation-related services. Likewise, the hotels provide a variety of water activities on the beach.

> "The hotel offers a wide range of excursions through its Activity Centre, plus a variety of water-sports, parasailing, sailing, boat trips and tennis. Table tennis, mini soccer, large outdoor chess and a Subex diving centre. One can also rent bicycles from the activity centre and cars (!) from a desk in reception … and you can enjoy water activities like water skiing, paragliding, snorkelling, scuba diving, speedboat trips, and other things too. There were so many activities on the beach – you could hire canoes, pedals and catamarans or take a ride on a banana boat. These activities were all affordable – great if you have a hoard of children, or want to play at being a child yourself, which is what we did! (Mrs H Hill, Iberotel Palace Hotel review, posted January 2008, www.holidaywatchdog.com)

Healthcare centres – hotels offer a wide range of health care services and facilities tailored to meet customers' experiential needs. For instance, as recounted by an online member, "We went to the health spa for the Cleopatra package which was £35.00 and included a full body massage, a facial and face mask with cucumber, a body scrub, body wrap, sauna steam room and Jacuzzi which is amazing value and was very relaxing, I would definitely recommend.". Another service offered is the hydrotherapy experience. The customer steps into the relaxing atmosphere and enjoys exotic treatments such as massages and beauty treatments. These services are performed by qualified therapists using natural products which leave the customer glowing and relaxed. “The fitness centre was lovely and has an indoor pool, hairdressers, beauty rooms, sauna etc. We both had a massage which was a lovely to start to a relaxing holiday”.

However, healthcare services are important, those services could be a source of outrage and ruin the customers' entire experience if it is not properly designed and managed, that is what a female customer recounted in her short story.

> “The last straw was when my husband ran a bath for me and as I sat in the water he pressed the button to start the Jacuzzi, I don’t even know how to describe the colour of what came out, it was a dark, brown, lumpy mess! I was outraged! This was our honeymoon and it was being ruined!” (Mrs H Gray, Coral Sea Resort Hotel review, posted June 2008, www.holidaywatchdog.com)

Golf buggy – is the main means of transportation in some resorts. It is a relatively new way of getting around the place, and is used for short and long distances over sandy roads. “Travelling to the beach and pool area wasn't too cumbersome, the hotel ingeniously has a funicular ‘trolley’ which travels up and down the slope if you're too tired to handle the incline on foot”. Getting around the place is easy and comfortable for the customer. They get driven to and from their rooms by calling the reception desk and ask for a golf buggy.

> “If you’re feeling lazy, then simply ring reception and ask for a golf buggy to take you to wherever you want to go in the complex. Incidentally, it’s very flat, so ideal for buggies, mobility scooters and wheelchairs”. (A

> male customer, Maritim Jolie Ville Resort & Casino review, posted December 2007, www.holidaywatchdog.com)

Location and accessibility – of the hotel is an essential factor that customers mentioned in their reviews. They described the perfect location of some hotels that only takes few minutes to go to the beach or stroll to Naama bay, a buzzing place that comes alive at almost midnight and stays busy with shops, bars and clubs until late at night. The proximity of the hotel to the city centre was a valued amenity as stated by many customers.

> "The beauty of this hotel is its location. It's right in the heart of Naama, yet when inside the grounds it's so private and quiet … the location is absolutely perfect!". (A male customer, Maritim Jolie Ville Resort & Casino review, posted December 2007, www.holidaywatchdog.com)

Medical services – In addition to the previously mentioned services provided by the resorts for their inhabitants, medical services are also provided to ensure their safety. Some online members mentioned that they felt safe because of the professional medical service they had experienced. The following two stories viewed the medical service as an important contributing element to assuring safety experience.

> "The hotel has a doctor on call 24 hours a day which was reassuring for me as I did become unwell. It was not due to anything I had eaten, just old age and high blood pressure. I was given treatment and was back on my feet the same day." (A female customer, Sultan Garden Resort review, posted August 2008, www.tripadvisor.com)

> “Whilst there my son unfortunately had an accident (he inadvertently went through the very clean sliding doors). The doctors, at the in-house clinic, were professional and polite and my son was patched up in the clinic. The medical service provided by the in-house clinic proved to be excellent – my son’s dressings needed to be changed every day and by the time of our return Joshy was up and running in every sense of the word (he is six years old). (Mrs G Potgieter, Coral Sea Resort Hotel review, posted July 2008, www.holidaywatchdog.com)

The second post illustrates the proficiency and excellence of the medical service provided. In addition to this, the customer stressed the role of the human factor (doctors) and the speed of the treatment “by the time of our return Joshy was up and running in every sense of the word (he is six years old)”.

> “All seven of our party fell ill with a bacterial gut infection, not caused by too much sun, alcohol or lack of water but by eating infected food either at source, or that had been contaminated by the bad hygiene standards of people in the restaurant who did not bother with the serving spoons provided. We are still suffering now we are home.” (Mrs A Mckenna, Coral Sea Resort Hotel review, posted July 2008, www.holidaywatchdog.com)

The opposite scenario was mentioned by another online member in the previous comment, whereby evidence has been given that if the core service (food) went sour (food contamination) then that would affect the entire experience and even the effect may extend to the post-consumption phase.

5.3.2.8 Past experience

The findings from the online communities showed strong evidence that past experience is used by the customers to either anticipate the experience or to compare with the current experience. Members made numerous references to their past experience as indicated by the following examples. “I have stayed at Dreams beach twice and my second time was just as magical and exciting as the first. … First I would like to thank everybody for such a good rest in your hotel. I was there with my wife. I should say that I have been to Egypt four times and that time was the best … There is quite a large library facility now in the Seagulls block. The gym area is bigger now, but I didn't go in (near the spa).”

> “Reception has been altered slightly but the welcome from the check-in staff, the security guards, the pool bar staff and pool attendants were the same as ever and they all seemed genuinely pleased to see us again.” (A male customer, Maritim Jolie Ville Resort & Casino review, posted December 2007, www.holidaywatchdog.com)

The evaluation of the experience by each customer will vary based on some factors – among those factors is the past experience with the service provider. Customers need an experience that exceeds their expectations and fulfils the experiential needs they want. Many references were made to these experiential needs, such as feeling welcome in the previous post.

5.3.2.9 Pre-consumption-mood

Research on mood showed that it has an impact on product-performance evaluations (Miniard *et al*, 1992). Similarly, the current findings from the netnographic study illustrated its impact on the entire experience.

> "Our arrival really put us in a bad mood. We left the house in Manchester at 6 a.m. and arrived at the hotel at 8 p.m. local time (total 12 hours travelling … Sharm airport is a nightmare! We had arranged with the hotel for a taxi transfer. When we arrived at the hotel we were told that they were charging us double for the taxi because our flight was delayed an hour! I told them that I emailed our flight number so why did they not check it like taxi firms should do. They said 'show me the email' as though I was lying. My comment was 'give me Internet access and you can have it'. I didn't expect I would need to print it out to prove that I emailed our flight number. This really did not create the best first impression and we were extremely anxious about what the rest of our stay and indeed the rest of the staff would be like. We found reception staff to be rude and unhelpful." (Miss Emma, Hilton Sharks Bay Resort review, posted September 2008, www.tripadvisor.com)

In the previous example the bad mood initially was elicited by an organic condition which is fatigue (Frijda, 1986) "total 12 hours travelling". Next, the bad mood being longer lasting for the whole day and resistant to changes in the event surrounding it (Frijda, 1986) because of the stressful conditions "charging us double", "They said 'show me the email' as though I was lying”. The following posting powerfully showed how the customer’s negative mood on arrival has been altered to a positive mood.

> “… The flight on the way out was awful. The staff had such a bad manners and did not want to help with anything. When I arrived at the hotel I was greeted by the reception and they were brilliant, they told me everything I needed to know about the serving times and so on. They handed me my room key and also a towel card. My bag was delivered to my room by a very nice gentleman. I then went down to the restaurant and all the waiters greeted me and then showed me to a table and sorted drinks out for me. There was a wide selection of different foods so I had plenty to choose from.” (Miss E Shaw, Oriental Resort Hotel review, posted August 2007, www.holidaywatchdog.com)

The emotions exhibited by a service provider or the front line employees, played an essential role in changing the negative mood of the customer. Such as, “When I arrived at the hotel I was greeted by the reception”, “They were brilliant they told me everything”, “My bag was delivered to my room by a very nice gentleman”, “all the waiters greeted me”. Generally speaking, the humanic clues (Wall and Berry, 2007) such as the warm, friendly smile and sincere greeting of the staff, in addition to professional services will lead to a prevalent outcome which is the positive mood that in turn will affect the customer evaluation of the entire experience.

5.3.2.10 Word-of-mouth

Anticipation of the experience is built up by word-of-mouth (WOM), through which the customers make their own expectations. The importance of word-of-mouth is particularly evident when the customers have no prior experience. One of the customers illustrated the importance of WOM as exchanging advice with other members, he said "It always amazes me that people do not carry out some basic research on the Internet before travelling somewhere they have never visited before. By doing so, you are immediately armed with all relevant information so nothing should be a surprise once you arrive". As such, the customers rely mainly on word-of-mouth to predict their experiences. An online member explained as follows:

> "It was our first visit to Egypt so were both a little nervous as we heard all the stories of food problems and water problems so we went well prepared medicine-wise! To our surprise we didn't need them. Our hotel was excellent and very clean." (A male customer, Conrad Sharm El Sheikh Resort review, posted October 2007, www.holidaywatchdog.com)

In the previous quote, the online member begins with a reference to their first visit to Egypt and negative word-of-mouth that they have heard about the food problems there. That negative word-of-mouth left them nervous until they experienced the reality, which was different. The impact of online word-of-mouth or (e-WOM) was apparent in many reviews that have been sent by the customers, for example, "We were just looking for a beautiful place to relax, drink and sunbathe, and I stumbled across a trip advisor and it put me off going so much... we were both super nervous". Likewise, they made some comments showing the effect of the mixed reviews, in other words, the negative and positive word-of-mouth. For instance, one customer said "To be honest I was a bit apprehensive after reading very mixed reviews on all three hotels". Obviously, the mixed reviews have an impact on the customer but those reviews, surprisingly, didn't prevent them from visiting the place. In the following example, is another reflection made on the real experience that surprised them and diminished the negative information they had.

> "Arrived at the hotel not knowing what to expect as had mixed reviews, but were pleasantly surprised at how friendly the staff were and how they immediately made you feel welcome." (Mr S Thompson, Amphoras Holiday Resort Hotel review, posted September 2007, www.holidaywatchdog.com)

Consumers rely heavily on referrals from others, however, the mixed word-of-mouth, i.e. negative and positive, may confuse the customer in predicting his/her experience. With the recent technological advances and the new forms of communication, the electronic word-of-mouth has emerged as a potential predictor that customers utilize to get information. However, the following example demonstrates that traditional word-of-mouth has higher credibility than e-WOM, as the member commented by saying that they booked the holiday because her friend at work went last year and she loved it, despite the negative reviews she read online.

> "After reading some of the negative reviews I was rather wary of what to expect. My friend at work went last year and she loved it, so we booked, and I am so glad we did. We are hoping to go back in September this

> year.” (Mrs L Agnew, LTI Grand Azure Hotel review, posted March 2008, www.holidaywatchdog.com)

These findings contradict the Hennig-Thurau *et al* (2004) study findings that suggest e-WOM effects on consumers may be very similar to face-to-face WOM effects and the results are in congruence with Herr *et al* (1991) that face-to-face WOM is highly accessible and easy to retrieve because such information is vivid. According to the above findings, those postings demonstrate an important point that word-of-mouth is a powerful source of influence in assisting customers to predict the consumption experience.

5.3.3 Brand loyalty as a consequence of customer experience

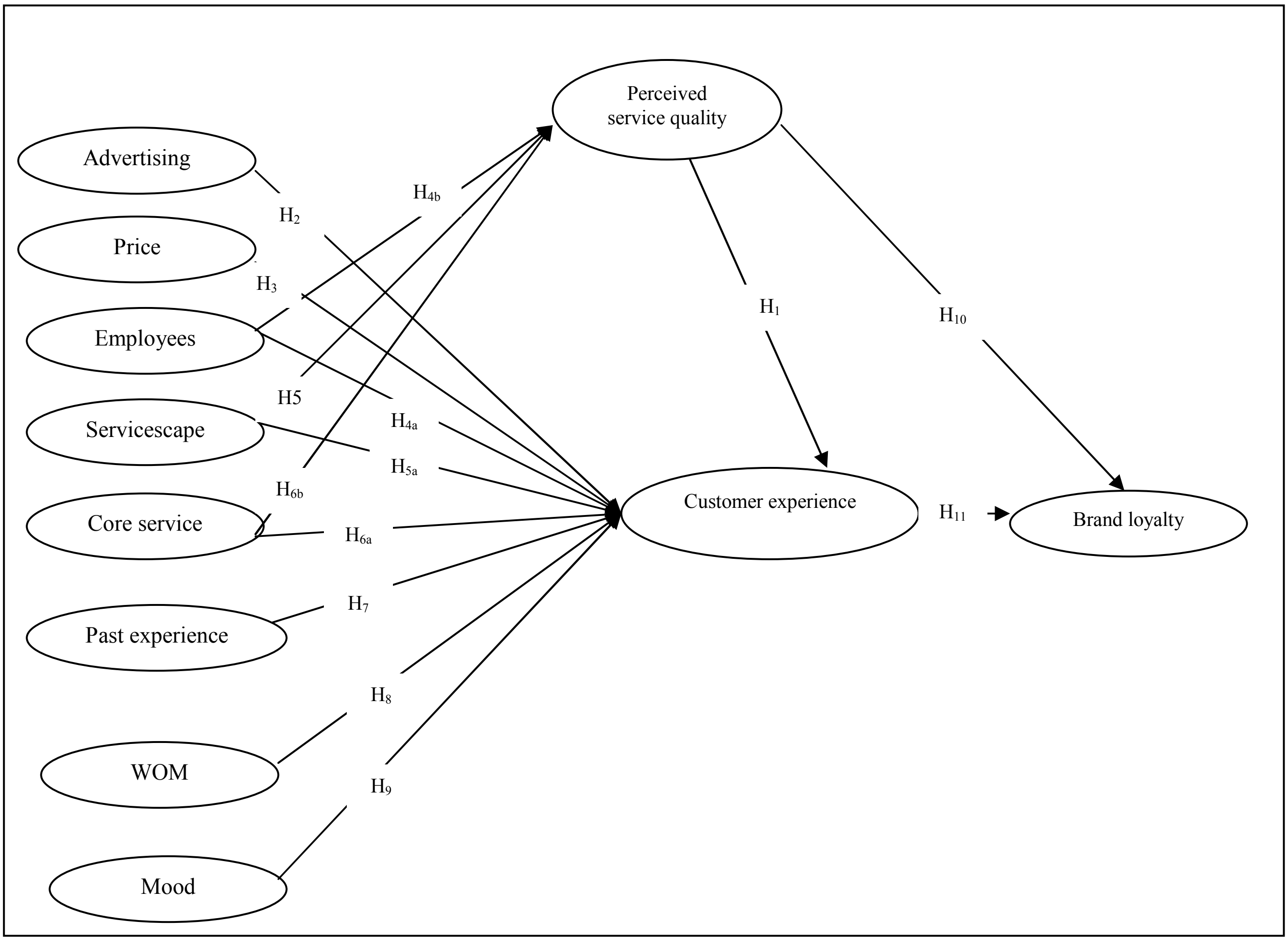
Customers’ actual experiences are most influential in establishing brand loyalty. As shown in customers’ assessment of their experiences, they ended their reviews with statements like these.

> “I have had the most enjoyable fun-packed, relaxing, de-stressing holiday and I have already booked up to go back in September 2008 … We are thinking to come to this hotel next year to stay in your hotel and to see this nice staff and our famous Moataz and Mahmoud … Safe environment, we had three teenagers they just loved it, we were actually thinking of going back … We are planning on going back in July, all the staff were very pleasant.”

Surely, a well-orchestrated customer experience is the one thing which brings together the different aspects of the experience and leads to loyal customers. In the previous comments, customers stressed some individual factors which are the most influential of the experience that make them think of going back again or being loyal to the brand. For instance, “enjoyable fun” represents the hedonic factor, “relaxing” represents the comfort factor, “nice staff and our famous…” representing relational experience, “safe environment” which indicates the safety dimension and finally “very pleasant” which represents pleasure or the hedonic aspect. The finding of the current study is congruent with customer experience literature (Barsky and Nash, 2002; Berry *et al*, 2002) which claimed that customer experience affects loyalty behaviour. Therefore, it has been argued that a well-orchestrated experience is deemed to be a major contribution to creating brand loyalty. In other words, positive experience will be translated into a brand-loyal customer.

As a qualitative exploratory study, the first study gives a richness of data that provides the basis to develop the second quantitative study. The first study provides better understanding of the following research questions. RQ1 – What are the underlying dimensions that constitute the construct of customer experience? RQ2 – What are the factors that contribute to positive or negative customer experience? RQ3 – What impact does customer experience have on brand loyalty?. The literature review has led to the development of the research conceptual framework and the hypotheses to be tested in the second quantitative study. The qualitative study confirmed the research model and the research hypotheses with minor exceptions. As a result the following framework is the outcome of the literature search and is supported by qualitative study. One hypothesis regarding how the brand name impacts on customer experience was dropped.

Figure 5.2: Revised research conceptual framework



5.4 Summary

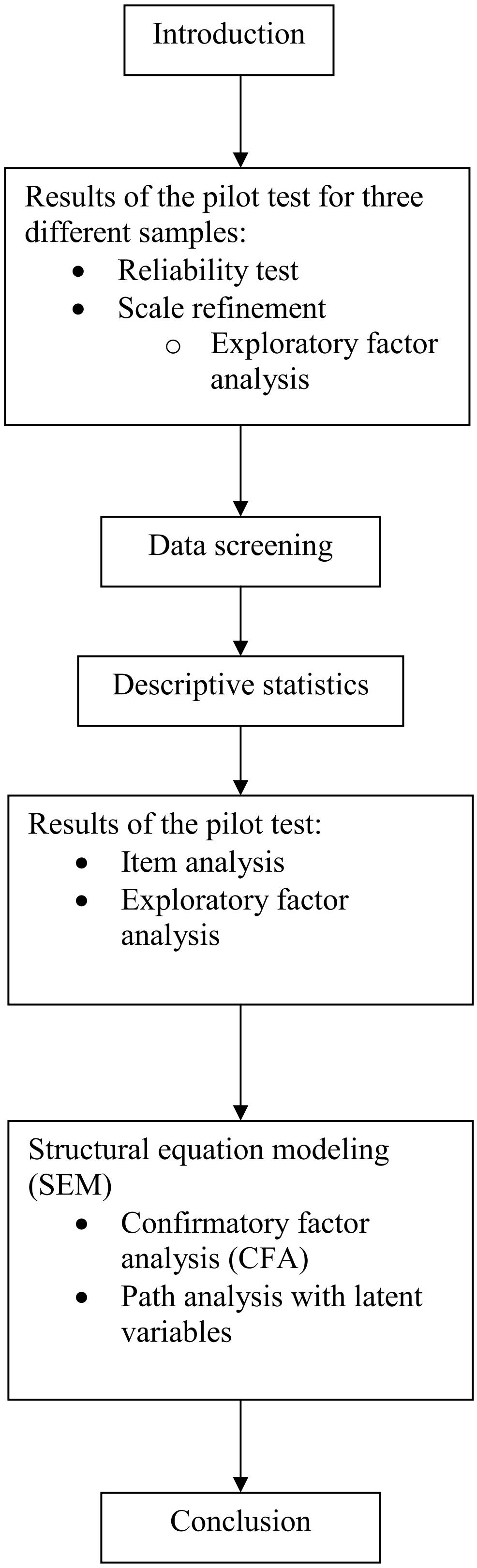
The chapter discussed the qualitative phase of the study that sought to address a number of aims and research questions. Firstly, the data collection and analysis were explained. The results of the qualitative analysis were presented. These results were structured around the main themes identified from the literature. Some of the themes are expanded upon, and integrated into the literature on tourism experience and placed in the context of relevant theories. A model of the determinants of customer experience and its consequences was developed on the basis of the qualitative study and literature reviews alike.

CHAPTER 6: DATA ANALYSIS

6.1 Introduction

Chapter 4 identified the research methodology used in the current study. This chapter details the process of data collection and the results. As discussed in Chapter 4, this involved a multi-stage procedure. First, data examination and screening to prepare for subsequent quantitative analyses and then the descriptive statistics are presented. Next, a reliability test was performed on measurement scales to ensure that they achieve an acceptable level of reliability for further analysis. The subsequent step was to subject each multi-item measurement scale to an exploratory factor analysis to identify their underlying dimensions. The resulting solutions were then re-assessed using confirmatory factor analysis. Finally, structural equation modeling was used to test the hypothesized relationships between the research constructs as postulated in the conceptual model, and to assess the overall goodness-of-fit between the proposed model and the collected data set. Conclusions are drawn in the last section.

Figure 6.1: Data analysis steps



Source: Developed for the current research

6.2 Pilot study

As proposed in Chapter 4, a pilot study was conducted to assess the reliability and validity of all construct measurements. This study was conducted on 60 British tourists (see Table 6.1); however, 4 questionnaires were discarded due to the massive amount of missing data and low quality of responses. The data from 56 respondents was then used to refine the measures by analyzing reliability and dimensionality.

Table 6.1: Demographic profile of British customers' pre-test sample (N=56)

Sample size (n)	%	N
Age		
19 years old or less	5.8	3
20 to 29 years	32.7	17
30 to 39 years	23.1	12
40 to 49 years	11.5	6
50 to 59 years	21.2	11
60 years old or more	5.8	3
Total	100	52
Gender		
Male	40.4	21
Female	59.6	31
Total	100	52
Marital status		
Single	38.5	20
Married	59.6	31
Divorced	1.9	1
Total	100	52
Education		
Up to high school	38.8	19
Bachelor's degree	28.6	14
Master's degree or higher	18.4	9
N/A	14.3	7
Total	100	49
Occupation		
Managers	24.4	9
Staff in private companies	18.9	7
Student	8.1	3
Others*	48.6	18
Total	100	37

*others includes: social carer, retired, nurse, fitness administrator, hairdresser, housewife, dog groomer, pilot, builder, electrician, actress, lecturer and surgeon.

6.2.1 Reliability test

In assessing a multi-item scale, internal consistency reliability assessment is the first step to be undertaken so as to avoid additional dimensions produced by factor analysis due to garbage items (Churchill, 1979).

Cronbach's alpha is the most commonly used tool for testing the reliability of a multi-scale measurement tool. The purpose of this test is to assess whether all items are measuring the same thing (DeVellis, 1991). De Vaus (2002) and Nunnally (1978) mentioned that the value of alpha equal to 0.70 or above indicates that the items make a reliable set. Items of the construct should be checked to see to what extent they reflect the content validity (De Vellis, 1991). Reliability analysis was first used to remove items with low item-total correlations (<0.3) (Nunnally, 1978). Coefficient alpha value above 0.7 is generally accepted to demonstrate a high level of homogeneity within the scale and to determine whether the item reflects a single dimension (Churchill, 1979; Hinkin *et al*, 1997; Nunnally, 1967; p. 226) However, Nunnally (1978) suggests that a coefficient alpha of 0.5 or 0.6 is satisfactory in the early stages of research. Table 6.2 shows the results of the reliability test.

Table 6.2: The results of the reliability test

Constructs	Items	Corrected item-total correlation	Cronbach's alpha if the items deleted	Cronbach's alpha	Sample size (N)*
Advertising	AD01	0.913	0.891	0.934	51
	AD02	0.917	0.889		
	AD03	0.689	0.962		
	AD04	0.867	0.906		
Price perception	PP01	0.821	0.842	0.888	52
	PP02	0.672	0.878		
	PP03	0.643	0.884		
	PP04	0.794	0.849		
	PP05	0.728	0.775		
Servicescape	SE01	0.547	0.776	0.803	47
	SE02	0.514	0.781		
	SE03	0.749	0.736		
	SE04	0.717	0.742		
	SE05	0.655	0.758		
	SE06	0.500	0.783		
	SE07	0.130	0.843		
Employees' performance	EM01	0.629	0.935	0.929	56
	EM02	0.786	0.917		
	EM03	0.802	0.916		
	EM04	0.874	0.906		
	EM05	0.871	0.906		
	EM06	0.824	0.912		
Core services	CS01	0.677	0.784	0.843	50
	CS02	0.649	0.786		
	CS03	0.678	0.779		
	CS04	0.539	0.822		
	CS05	0.617	0.797		
Past experience	PE01	0.962	0.000	0.977	4
	PE02	0.124	0.977		
	PE03	0.823	0.286		
Word-of-mouth	WO01	0.398	0.952	0.877	43
	WO02	0.826	0.804		
	WO03	0.839	0.798		
	WO04	0.915	0.927		
Pre-consumption mood	MO01	0.554	0.967	0.918	51
	MO02	0.990	0.861		
	MO03	0.919	0.853		
	MO04	0.907	0.858		
Customer experience	CE01	0.765	0.918	0.928	53
	CE02	0.808	0.917		
	CE03	0.826	0.915		
	CE04	0.769	0.918		
	CE05	0.821	0.916		
	CE06	0.674	0.923		
	CE07	0.664	0.923		
	CE08	0.649	0.926		

	CE09	0.581	0.927		
	CE10	0.697	0.922		
Perceived service quality	SQ01	0.813	0.856	0.897	55
	SQ02	0.835	0.847		
	SQ03	0.705	0.897		
	SQ04	0.763	0.871		
Brand loyalty	BL01	0.527	0.593	0.824	53
	BL02	0.658	0.501		
	BL03	0.626	0.525		
	BL04	0.179	0.824		

* Missing data accounts for the discrepancies among the total Ns.

Source: Developed for the current study by the researcher

6.2.2 Exploratory Factor Analysis (EFA)

Following item analysis, the items for each construct was inspected before performing the factor analysis and subsequent reliability testing, and one negatively worded item was reverse coded to ensure that all statement responses were in the same direction. The 'past experience' construct was hypothesized to be measured as single-item indicators; therefore, it was not included in this analysis. Remaining measurement items were subjected to a series of exploratory factor analyses with varimax rotation to reduce the set of observed variables to a smaller, more parsimonious set of variables. Eigen values and variance were used to identify the number of factors to extract (Hair *et al*, 1998; Nunnally and Bernstein, 1994). After Exploratroy Factor Analysis, items exhibiting low factor loadings (<.40), high cross-loadings (>.40), or low communalities (<.50) were deleted (Hair *et al*, 2006). The remaining items then were resubmitted to another round of exploratory factor analysis. Additionally, Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of Sphericity were performed to see if using factor analysis is appropriate (Norusis, 1992).

Exploratory factor analysis was conducted to examine the factorial structure of the scales and also reliability analysis was performed on all scales using SPSS 16.0. The data were subjected to exploratory factor analysis using principle component analysis and orthogonal (varimax) rotation (Hair *et al*, 2006). Principle component analysis was used as it explains common, specific and random error variance (Hair *et al*, 2006; Hinkin *et al*, 1997). Items that were inconsistent (i.e. low loadings, multiple loadings, low communalities) with the hypothesized factor structure or that attenuated reliability were considered for removal in each run prior to assessing the measurement model with CFA in the second study (See Table 6.3). After trimming items, overall scale reliability met minimum acceptable standards of about 0.70 or greater. For each scale, factors demonstrating an Eigen value greater than one were extracted, as the number of factors to be extracted was set using Eigen value ≥ 1 as the main criterion (Pallant, 2001). Also, a scree plot was obtained to clarify if any other factors might be present (Tabachnik and Fidell, 2001). The resultant factor analysis was examined and items that showed substantial and similar loadings on more than one factor were excluded (Hair *et al*, 2006). Similarly, items that demonstrated a factor loading of 0.4 or below were deleted unless there was a specific theoretical reason for retention. The reliability of each resulting factor was then assessed using its Cronbach's alpha value. The results of the EFA are presented in Table 6.4.

Menon *et al* (1996) recommended that when there are many constructs to be examined, assessing fewer measurement models yields more reliable results. Therefore, items were divided into five groups to ensure that the number of observations per item for each analysis was at least 5:1 (Cavusgli and Zou, 1994; Hair *et al*, 2006). The categorization was based on literature review whereby theoretically related constructs were joined together. The first group consisted of the advertising and price perception; both were classified as extrinsic cues to predict customer experience. Moreover, combining them together resulted in 9 items for EFA. This number satisfied the rule of thumb 5:1.

The first concern was data screening, assumption testing and sampling adequacy. The R-matrix or the correlation matrix showed that the variables correlate fairly well but not perfectly, which is required for factor analysis. In doing so, the researcher scanned the significance values of any variable to see whether the majority of values are greater than 0.05 and then examined the correlation coefficients for values greater than 0.9, but no single variable was detected.

Having checked the determinant of the correlation matrix, and its value was 0.001 which is greater than 0.00001, the researcher was confident that the multicollinearity is not a problem for these data. Next, the researcher checked the KMO values for individual variables which were produced on the diagonal of the anti-image correlation matrix and all the values were above the bare minimum of 0.5 (Kaiser, 1974). Kaiser-Meyer-Olkin measure of sampling adequacy was 0.744 which indicating a good acceptance (Hutcheson and Sofroniou, 1999). Barlett's Test of Sphericity was significant at ($p < 0.001$) which means that the R-matrix is not an identity matrix; therefore, there are some relationships between the variables. The Cronbach's alpha for Advertising and price perception constructs were 0.934 and 0.888 respectively. After the first run of EFA, Item PP03 was highly cross-loaded on both factors 'Price perception' and 'Advertising', therefore, this item was deleted. As a result, the Cronbach's alpha of price perception construct after the deletion of this item became 0.884 and all the items loading were above 0.6. Generally, items with factor loading less than 0.5 and had communalities less than 0.6 were excluded (Hair *et al*, 2006). For those constructs, the items with communalities less 0.5 were excluded. Two factors have been extracted and after rotation (rotation converged in 3 iteration) most variables loaded highly onto the two factors.

The second group consisted of 'Employees performance' and 'Servicescape' constructs that were classified as extrinsic cues that affect customer experience. In other word, those factors were classified as exogenous variables. The combination resulted in 12 items that were still approximately satisfying the rule of thumb with a sample size of 56. Similar procedures to the previous group were used. The correlation matrix showed that all the variables were correlated fairly well but not perfectly which is adequate to perform factor analysis. The majority of significance values of any variable were less than 0.05 and also correlation coefficients were less than 0.9. KMO values for individual variables which were produced on the diagonal of the anti-image correlation matrix were above the bare minimum of 0.5 (Kaiser, 1974). Moreover, Kaiser-Meyer-Olkin (KMO) measures and Bartlett's test of Sphericity showed the sample met the criteria and is suitable for conducting factor analysis. The KMO measure of sampling adequacy was 0.826., indicating a meritorious acceptance (George and Mallery, 2001). In addition, a significance value (< .05) of Bartlett's Test of Sphericity indicated that the data is suitable for factor analysis because the assumption of multivariate normality is met and the correlation matrix is not an identity matrix.

The results of the first run of EFA revealed a two-factor solution after rotation. However, two items SE01 and EM01 were eliminated due to the low communalities (less than 0.5). In the second run of EFA, all the factor loadings to both factors were above 0.7 with the exception of one item SE04 which was 0.684. Consequently, the Cronbach's alpha for 'Servicescape' construct became 0.824 and item to total correlations for all variables were above 0.5 (Hair *et al*, 2006). For 'Employees' performances' construct, Cronbach's alpha was 0.895 and item to total correlation for all variables were above 0.7 and all communalities were acceptable, ranging from .52 to .86 for all items. Despite the assertion made by Grove and Fisk's (1997) the social aspects of the environment must be included in any study of environmental effects on customers. Item SE07 showed lower reliability, therefore, it was excluded.

The third group includes both 'Word-of-mouth' and 'Pre-consumption mood', this group contains 8 items. All the variables were correlated fairly well and KMO values for individual variables were above the bare minimum of 0.5 (Kaiser, 1974). Kaiser-Meyer-Olkin measure of sampling adequacy was 0.755 which indicating good acceptance according to Hutcheson and Sofroniou (1999) and Barlett's Test of Sphericity was significant at ($p < 0.001$). Two-factor solution was produced after rotation. The communalities of one variable WO01 was 0.259 therefore this item was dropped. After the second run of EFA, all the factor loadings for both factors were above 0.7 and the Cronbach's alpha for Word-of-Mouth and pre-consumption mood were 0.862 and 0.940 respectively. Item to total correlations for both construct were above 0.5 (Hair *et al*, 2006).

The fourth group is consisted of the 'Perceived service quality' and 'Customer experience' 14 items. All the variables were correlated fairly well but not perfectly. KMO values for individual variables which were produced on the diagonal of the anti-image correlation matrix were above the bare minimum of 0.5 (Kaiser, 1974). Kaiser-Meyer-Olkin measure of sampling adequacy was 0.881 which is great according to Hutcheson and Sofroniou (1999). Barlett's Test of Sphericity was significant at ($p < 0.001$) which means that the R-matrix is not an identity matrix; therefore, there are some relationships between the variables. A two-factor solution was produced after rotation. However, items CE01, CE02, CE03, CE05 and SQ03 were highly cross-loaded, therefore those items were deleted. Similarly, items CE09 and CE10 were loaded on a perceived service quality factor which could not be theoretically justified. The second run of factor analysis, all the factor loadings for both factors were above 0.7, with the exception of item. The Cronbach's alpha for customer experience and perceived service quality were 0.928 and 0.905 respectively, and item to total correlations for both construct were above 0.5 (Hair *et al*, 2006).

The core service and brand loyalty were in the fifth group, all the variables were correlated fairly well but not perfectly. KMO values for individual variables which were produced on the diagonal of the anti-image correlation matrix were above the bare minimum of 0.5 (Kaiser, 1974). Kaiser-Meyer-Olkin measure of sampling adequacy was 0.747 which is good according to Hutcheson and Sofroniou (1999). Barlett's Test of Sphericity was significant at ($p < 0.001$) which means that the R-matrix is not an identity matrix; therefore, there are some relationships between the variables. Two-factor solution was produced after rotation. All the loadings were above 0.7 and Cronbach's alpha for brand loyalty construct was 0.780 with item to total correlation above 0.5 for all variables. For core service construct, Cronbach's alpha was 0.804 with item to total above 0.5 for all variables.

Table 6.3: A summary of item purification process

Construct	Items dropped	Reasons for dropping the items
Price perception	PP03	Highly cross-loaded on other factors that could not be justified conceptually
Servicescape	SE01	Low communalities <0.5
	SE07	Low reliability , Item to total correlation is less than 0.3
Word-of-mouth	WO01	Low communalities <0.5
Customer experience	CE01 CE02 CE03 CE05	Multiple loadings on two factors
	CE09 CE10	Highly cross-loaded on other factors that could not be justified conceptually
Perceived service quality	SQ03	Highly cross-loaded on other factors that could not be justified conceptually
Brand loyalty	BL04	Low reliability, Item to total correlation is less than 0.3

Source: Developed for the current study

In summary, the results showed that the internal consistency of the constructs of the study is relatively high as for Cronbach alpha was greater than 0.7 for all the constructs (Hair *et al,* 1995). Additionally, items assigned to each dimension consistently exhibited high loadings on their constructs (see Table 6.1). Factor loadings of all the items were fairly high indicating a reasonably high correlation between the hypothesized factors and their individual items. Further scale validity assessment is performed on the measurement model using confirmatory factor analysis (Netemeyer *et al*, 2003) and results are reported in the next section. The main survey questionnaire was finalised as a result of this pilot study.

Table 6.4: Results of the exploratory factor analysis of the pilot study

Construct	Cronbach's alpha	Item-total correlation		Mean	SD	EFA			Items deleted
						Final loading	Variance Extracted	MSA	
Advertising	0.934	AD01	0.913	4.5000	1.63195	0.909	57.113	0.687	
		AD02	0.917	4.5400	1.65628	0.902			
		AD03	0.689	4.8000	1.66599	0.831			
		AD04	0.867	4.5600	1.71619	0.896			
Price perception	0.864	PP01	0.765	5.1600	1.55655	0.838	79.267		PP03
		PP02	0.663	5.4000	1.55655	0.752			
		PP04	0.801	5.2000	1.55655	0.876			
		PP05	0.774	5.2600	1.48200	0.874			
Servicescape	0.841	SE02	0.576	5.6909	1.31758	0.707	53.309	0.822	SE01
		SE03	0.690	5.4545	1.38535	0.760			SE07
		SE04	0.675	4.9091	1.39141	0.684			
		SE05	0.743	5.9455	1.29698	0.875			
		SE06	0.551	5.4545	1.27393	0.723			
Employees	.935	EM02	0.775	5.8909	1.18122	0.854	71.662		EM01
		EM03	0.807	5.8000	1.40633	0.834			
		EM04	0.876	5.8909	1.16544	0.875			
		EM05	0.883	6.0182	1.13024	0.918			
		EM06	0.822	5.6000	1.34164	0.861			
Word-of-mouth	0.952	WO02	0.848	3.6585	2.09296	0.899	53.650	0.747	WO01
		WO03	0.891	3.7073	2.13593	0.958			
		WO04	0.958	3.6098	2.03566	0.979			
Pre-consumption mood	0.918	MO01	0.554	5.8293	1.28262	0.730	85.918		
		MO02	0.900	5.7317	1.53337	0.943			
		MO03	0.919	5.4634	1.65978	0.944			
		MO04	0.907	5.5122	1.67514	0.949			

Customer experience	0.856	CE04	0.799	4.6604	1.67497	0.851	61.717	0.838	CE01, CE02, CE03, CE05, CE09, CE10
		CE06	0.726	4.1321	1.60573	0.892			
		CE07	0.732	4.6415	1.42902	0.816			
		CE08	0.581	4.7358	1.87238	0.550			
Perceived service quality	0.897	SQ01	0.830	5.0000	1.66410	0.852	77.446		SQ03
		SQ02	0.854	5.2453	1.75308	0.869			
		SQ04	0.726	5.0755	1.96947	0.876			
Core service	0.828	CS01	0.677	5.7917	1.20210	0.746	47.613	0.747	
		CS02	0.649	5.6250	1.39337	0.758			
		CS03	0.678	5.4583	1.35204	0.824			
		CS04	0.539	5.2292	1.58771	0.736			
		CS05	0.617	5.1250	1.59287	0.731			
Brand loyalty	0.840	BL01	0.704	4.3958	1.71029	0.834	67.294		BL04
		BL02	0.717	4.0000	1.75038	0.880			
		BL03	0.690	5.0833	1.73614	0.796			

Source: Developed for the current study

6.3 The main survey

Demographic characteristics are provided in Table 6.5. Results showed that majority of the respondents were females (63.5%), most of them were between the ages of 30 to 39 (22.5%). The majority of customers are married (62.4%), as opposed to single (31%). Results also showed that a high percentage (50.3%) of the respondents has up to a higher school education and with regard to the occupation, the results indicates that only (15.9) %.of the respondents were working as managers while more than half of the respondents (59.4%) were working at different jobs such as: actress, bookkeeper, bus driver, nurse, business owner, fire fighter, hairdresser, housewife, musician, university lecturer and police officer social carer, retired, fitness administrator, dog groomer, pilot, builder, electrician and surgeon.

Table 6.5: Demographic profile of British customers' main survey sample (N=509)

Sample size (n)	%	N
Age		
19 years old or less	5	25
20 to 29 years	22.1	111
30 to 39 years	22.5	113
40 to 49 years	25	126
50 to 59 years	18.1	91
60 years old or more	7.4	37
Total	100	503
Gender		
Male	36.5	183
Female	63.5	318
Total	100	501
Marital status		
Single	31	152
Married	62.4	306
Divorced	6.5	32
Total	100	490
Education		
Up to high school	50.3	246
Bachelor's degree	22.3	109
Master's degree or higher	16.6	81
N/A	10.8	53
Total	100	489
Occupation		
Managers	15.4	63
Staff in private companies	12.7	52
Student	4.9	20
Retired	4.9	20
Teacher	2.7	11
Others*	59.4	243
Total	100	409

*Others includes: Actress, bookkeeper, bus driver, nurse, business owner, fire fighter, hairdresser, housewife, musician, university lecturer and police officer social carer, retired, fitness administrator, dog groomer, pilot, builder, electrician and surgeon.

6.3.1 Data screening and characteristics of sample

The data were examined and screened and descriptive statistics were reported so that the researcher thoroughly understood the data as suggested by Hair *et al* (2006). Data screening followed procedures outlined by Tabachnick and Fiddell (2001). First, the dataset was searched for missing values and questionnaires with substantive missing data and poor quality responses (i.e. those who answered neutral or either extreme for all items) were removed prior to analysis. Second, the descriptive statistics for all variables of interest were calculated and examined. Third, the normality of data distribution of the variables was studied. The final step is dealing with detecting outliers at the univariate and multivariate levels, all tests were performed using SPSS 0.16 and the results of each procedure are described briefly below.

6.3.1.1 Missing data analysis

Missing data usually occurs when a respondent fails to answer one or more survey questions. According to Hair *et al* (2006) there are two types of missing data. First, data that is classified as ignorable missing data which are expected and part of the research design and specific remedies for missing data are not needed because the allowances for missing data are inherent in the technique used. In the current study, the data collected regarded the construct of 'past experience' is considered an ignorable missing data, because question number six in the questionnaire was asking the respondents to skip question number seven if the answer was 'No', then question number seven is considered an ignorable missing data (see the questionnaire in Appendix C).

Second, missing data that cannot be classified as ignorable occur for many reasons and in many situations (Hair *et al*, 2006) and these missing data fall into two classes – known versus unknown processes based on their source. First, missing data processes are known to the researcher in that they can be identified due to the procedural factors, such as errors in the data entry that create invalid codes, failure to complete the entire questionnaire, or even the morbidity of the respondents. In these situations, the researcher has little control over the missing data processes, but some remedies may be applicable if the missing data are found to be random. Second, unknown missing data processes are less easily identified and accommodated. Most often these instances are related directly to the respondent. One example is the refusal to respond to certain questions, which is common in questions of a sensitive nature (e.g. income or controversial issues). The researcher should anticipate these problems and attempt to minimize them in the research design and data collection stages of the research. However, they still may occur, and the researcher must now deal with the resulting missing data. But all is not lost. When the missing data occur in a random pattern, remedies may be available to mitigate their effect (Hair *et al*, 2006).

According to Tabachnick and Fidell (2001), the amount of missing data was firstly assessed, and then the pattern of missing data examined to determine whether or not missing data occur randomly or relate to specific items. Otherwise, the missing data will lead to biased estimates of results (Tabachnick and Fidell, 2001).

Determine the extent of the missing data

According to Hair *et al* (2006) the most direct means of assessing the extent of missing data is by tabulating the number of cases with missing data for each variable. This simple process will identify not only the extent of missing data but also any exceptionally high level of missing data that occur for variables. Therefore, the researcher checked the level of missing data for all the variables and found it too low, as the missing data percentage ranges from 0.0 to 5.9 (see Appendix B) which was considered too low, as the rule of thumb "Missing data under 10% for an individual case or observation can generally be ignored" (Hair *et al*, 2006, p. 55). As a result of the absence of excessive levels of missing data, no cases or variables were deleted, and then the next step is to diagnose the randomness of the missing data.

In order for the researcher to ascertain whether the missing data process occurs in a completely random manner. Little's MCAR test was performed using SPSS 16.0, this test analyzes the pattern of missing data on all variables and compares it with the pattern expected for a random missing data process (Hair *et al*, 2006). As a result of this test, the missing data process was classified as MCAR or (Missing Completely At Random), that will allow the researcher for wider range of potential remedies (Little MCAR test: Chi-square = 1543.838, df = 1542, Sig. = .482). The null hypothesis for Little's MCAR test is that the data are missing completely at random (MCAR), as the results showed the level of significance is greater than 0.05. Therefore, the researcher concluded that the data are missing completely at random. There was minimal missing data, and the missing data were missing in random and systematic patterns. As a result, the complete case approach (known as listwise deletion) was used with variables with missing data because it has been considered most appropriate for SEM (Hair *et al*, 2006) and also it will not result in substantial loss of the overall sample size.

6.3.1.2 Outliers' detection

Outliers refer to "observations with a unique combination of characteristics identifiable as distinctly different from the other observations" (Hair *et al*, 2006, p. 73). These outliers might be very high or very low scores (extreme values), and could result in non-normality data and distorted statistics (Hair *et al*, 1995; Tabachnick and Fidell, 2001). To identify univariate outliers, all the scores for a variable were converted to standard scores. In the case of small sample size (80 or fewer cases), a case is an outlier if its standard score is ±2.5 or beyond (Hair *et al*, 2006). If the sample size is larger than 80 cases, a case is an outlier if its standard score is ±3.0 or beyond. The result of this analysis indicated that the data contained a number of univariate outliers.

To detect the multivariate outliers, Mahalanobis D^2 (d-squared), which is a multi-dimensional version of a z-score, measures the distance of a case from the centroid (multi-dimensional mean) of a distribution, given the covariance (multi-dimensional variance) of the distribution (Hair *et al*, 2006). The larger the value of the Mahalanobis D^2 for a case, and the smaller its corresponding probability value, the more likely the case was to be a multivariate outlier. Mahalanobis D^2 was computed in SPSS 16.0 with the regression procedure for a set of independent variables. The save option added the D^2 values to the data set. Mahalanobis D^2 is distributed as a chi-square statistic with degrees of freedom equal to the number of independent variables in the analysis. A case is a multivariate outlier if the probability associated with its D^2 is 0.001 or less.

By exploring the Mahalanobis distances and resulting chi-square values ($p<.001$) for the dataset, (92) cases were determined as multivariate outliers. According to Hair *et al* (2006) outliers should be retained unless there is a proof that they truly deviate from the normal and are not representative of any observation of the population. Furthermore, if the outliers are problematic, they can be accommodated in a way that will not seriously distort the analysis. Therefore, rather than delete items identified as outliers, those items were retained in the final analysis.

6.3.1.3 Testing the normality assumption

Following the assessment of missing data and outliers' detection, normality of distribution of the data was assessed. Normality is a fundamental assumption in multivariate analysis particularly in structural equation modeling. If the variation from the normal distribution is sufficiently large, resulting statistical tests are invalid (Hair *et al*, 2006; Tabachnick and Fidell, 2001). In the current study, normality of variables was assessed by graphical (histogram and normal probability plot) and statistical methods. Normal probability plot (or so called Q-Q plot) is a statistical technique that makes assessing the normality easier than others (Norusis, 1995). It shows the observed value and the values are expected if the data are a sample from a normal distribution. The points should cluster around a straight line if the data are normally distributed. It is recommended that visually assessing normal probability plots is more appropriate for larger sample sizes (Hair *et al*, 1995). Through visual inspection, the distribution of values for some variables was not clustered around the straight line, therefore, the assessment of these probability plots indicated that there was deviation from normality for some variables, but no adjustments such as transformation of the data have been made in this stage of analysis. Kolmogorov-Smirnov and Shapiro-Wilk W statistic were also calculated for each variable (Shapiro and Wilk, 1965) and the results showed that all the univariate variables have a non-normal distribution.

The other method used is skewness and kurtosis. Kurtosis is the ‘peakedness’ or the ‘flatness’ a measure of the distribution compared to the normal distribution (Hair *et al*, 2006). For a normal distribution, the value of the kurtosis statistic is zero. Distributions that are taller or more peaked than the normal distribution are termed ‘leptokurtic’, while a distribution that is flatter is termed ‘platykurtic’ (Hair *et al*, 2006). Skewness is a measure of the asymmetry of a distribution that is used to describe the balance of the distribution. The normal distribution is symmetric and has a skewness value of 0 (Curran *et al*, 1996). A positive skewness denotes a distribution shifted to the left, whereas a negative skewness indicates a shift to the right (Hair *et al*, 2006, p. 80). In this study, as shown in Table 6.6, the analysis indicated that a number of variables fell outside the acceptable range for values of skewness and Kurtosis ±3 (Hair *et al*, 2006). However, the impact of kurtosis and skewness is diminished in large samples, thus indicating the deviation from normality may not make a substantive difference in further analysis (Tabachnik and Fidel, 2001). Table 6.6 shows data screening results for the variables analyzed in the study with means, standard deviations, skewness and kurtosis values for each individual variable. Additionally, in this study, to test the multivariate normality Mardia’s coefficient was used (Browne 1982). Mardia’s (1970) coefficient of multivariate normality provided by LISREL indicated that the assumption of multivariate normality was not tenable. The statistics of multivariate normality are provided in the table below

Table 6.6: Skewness and Kurtosis values

Items	Mean	SD	Skewness		Kurtosis	
			Statistic	Std. Error	Statistic	Std. Error
AD01	5.1470	1.4875	-0.880	.111	0.564	.222
AD02	5.2289	1.3978	-0.915	.111	0.940	.221
AD03	5.2495	1.5379	-1.030	.111	0.756	.221
AD04	5.0950	1.4923	-0.828	.111	0.492	.222
PP01	5.6220	1.3352	-1.181	.109	1.528	.218
PP02	5.5542	1.4035	-1.155	.109	1.139	.218
PP04	5.6321	1.4203	-1.147	.110	0.990	.220
PP05	5.6402	1.4420	-1.166	.109	0.973	.217
SE02	5.9332	1.1516	-1.557	.108	3.528	.216
SE03	5.5835	1.3702	-1.031	.108	0.601	.216
SE04	5.2075	1.3982	-0.697	.109	0.223	.217
SE05	6.1002	1.1838	-1.696	.108	3.065	.216
SE06	5.8605	1.3065	-1.357	.108	1.638	.216
EM02	6.1925	1.2806	-2.120	.108	4.617	.216
EM03	6.1984	1.2367	-1.955	.108	3.888	.216
EM04	6.0157	1.3383	-1.661	.108	2.543	.216
EM05	6.2515	1.1821	-2.249	.108	5.807	.216
EM06	5.6424	1.5259	-1.245	.108	1.165	.216
WO02	3.4342	2.0134	0.171	.108	-1.184	.216
WO03	3.9544	2.2239	-0.115	.108	-1.407	.216
WO04	3.7829	2.2245	0.021	.108	-1.405	.216
MO01	5.6518	1.4952	-1.208	.110	1.095	.219
MO02	5.5540	1.6234	-1.179	.110	0.725	.220
MO03	5.4070	1.6986	-1.017	.112	0.211	.223
MO04	5.5926	1.5686	-1.189	.111	0.879	.222
CE04	5.0434	1.6072	-0.624	.112	-0.206	.223
CE06	4.3057	1.7455	-0.177	.110	-0.744	.219

CE07	4.8972	1.6086	-0.569	.110	-0.300	.220
CE08	4.8198	1.8282	-0.500	.110	-0.751	.220
SQ01	5.3807	1.5255	-1.085	.111	0.649	.221
SQ02	5.5842	1.4466	-1.203	.108	1.199	.217
SQ04	5.7149	1.4358	-1.296	.108	1.470	.217
CS01	5.8346	1.3279	-1.383	.109	1.974	.217
CS02	5.7525	1.3449	-1.423	.109	2.201	.217
CS03	5.6896	1.2619	-1.211	.108	1.598	.217
CS04	5.1478	1.5486	-0.834	.109	0.373	.217
CS05	4.6122	1.5693	-0.518	.109	-0.004	.217
BL01	4.3755	1.8025	-0.346	.109	-0.730	.218
BL02	3.8586	1.8577	-0.063	.109	-1.047	.218
BL03	5.5720	1.5155	-1.114	.108	0.762	.217

Source: Developed for the current study

6.3.1.4 Homoscedasticity

The presence of unequal variances (heteroscedasticity) can also create problems for multivariate analyses (Hair *et al*, 2006). An examination of the scatterplots did not produce any concerns over heteroscedasticity. Also, Levene test is used in the present study to assess the variances of metric variables are equal across a nonmetric variable (gender). The results indicating that Levene's test is non-significant (i.e. > 0.05) and the variances are not statistically different. As a result, the homogeneity of variance assumption is tenable, the Levene statistic value and statistical significance are provided in Appendix (D).

6.3.1.5 Multicollinearity

Multicollinearity exists when there is a strong correlation two or more predictors in the model. High level of mulitcollinearity poses a threat to the model because the standard errors of the *b*-coefficients will increase, which in turn affects whether these coefficients are found to be statistically significant. Also, multicollinearity will limit the size of *R* and make it difficult to asses the individual importance of a predictor (Field, 2005). One way to identify the multicollinearity is to check the correlation matrix for high correlations (i.e. >.80). The researcher has checked the correlation matrix and hasn't found any correlations above >.80. Another method to check the mulitcollinearity is the VIF (variance inflation factor); it indicates whether a predictor has a strong linear relationship with other predictors. SPSS provides collinearity diagnostics of which VIF and tolerance statistics. According to Myers (1990) if the largest VIF is greater than 10 then it indicates a serious problem. In the current study, the largest value of VIF is 7.86 and there is no tolerance below 0.1 (Menard, 1995). Therefore, the researcher is confident that there is no concern over the mulitcollinearity in this study.

In summary, results of these preliminary analyses indicated problems with the data. The data contained outliers and were not normally distributed. Data transformation to achieve approximate normality is recommended. However, it was decided to proceed with additional analyses and then use the normal score option in LISREL 8.80. Having examined the multivariate assumptions, the next step is to analyze the data to examine the factor structures of the constructs and the reliability estimates.

6.3.2 Confirmatory Factor Analysis (CFA) and measurement model

As discussed in Chapter 4, structural equation modeling (SEM) is used to test the measurement model and structural model. Towards that end, the two-stage approach recommended by Anderson and Gerbing (1988) is adopted. Firstly, confirmatory factor analysis using LISREL 8.80 is performed to specify the causal relationships between the observed variables (items) and the underlying theoretical constructs. Secondly, the paths or causal relationships between the underlying exogenous and endogenous constructs were specified in the structural model (second stage).

The study followed a two-step approach as recommended by Anderson and Gerbing (1988). The first step in this approach is to develop an acceptable measurement model before building on this model to predict causal relationships among the study variables. In this approach, the validity of the constructs is examined by confirmatory factor analysis (CFA) i.e. measurement model assessment and the relationship between the constructs also examined (the structural model). The measurement model for the current study is discussed in the section below:

Confirmatory factor analysis is a technique used to test whether the theoretically imposed structure of the underlying constructs exist in the observed data (Anderson and Gerbing, 1982). It allows for testing whether the indicators of the specific construct converge or share the high proportion of variance in common, i.e. convergent validity through the computation of the factor loadings (the size of the factor loading is one important consideration in the case of high convergent validity (Hair *et al*, 2006), variance extracted and composite reliability for each construct (Baggozi *et al*, 1991; Gerbing and Anderson, 1988; Fornell and Larcker, 1981). Moreover, confirmatory factor analysis is used to test discriminant validity of the constructs, i.e. the extent to which a construct is truly distinct from other constructs. Using CFA is also necessary to assure that constructs have nomological validity. In CFA the overall fit of the model is used as the necessary and sufficient condition to examine the nomological validity (Steenkamp and Van Trijp, 1991).

The psychometric properties of the measurement and structural models were examined using the maximum likelihood (ML) estimation method by CFA because it is the most widely employed technique in most SEM programs, more efficient and unbiased when the assumption of multivariate normality is met (Hair *et al*, 2006). In fact, in the current study, the assumption of multivariate normality has been violated as mentioned earlier. However, MLE could still be applicable, because it has proven fairly robust to violations of the normality assumption (Hair *et al*, 2006), and also Olsson *et al* (2004; 2000) found that it produces reliable results under any circumstances compared to other techniques. Furthermore, the sample size met the criterion of having at least five observations for each variable (Anderson and Gerbing, 1988; Bentler and Chou, 1987; Hair *et al*, 2006). Therefore, the use of MLE was encouraged.

The chi-square statistic is the most common index of overall fit (Hair *et al* 2006; Hoyle, 1995). However, the chi-square test in confirmatory factor analysis is highly sensitive to sample size. Other fit indices were used, such as CFI, GFI, Root Mean Square Error of Approximation (RMSEA) and standardized RMR (sRMR), to check the validity of the measurement model to overcome the problem of chi-square sensitivity to the large sample size and standard error due to ML application (Bentler and Chou, 1987). The current study used the covariance matrix as input in conducting SEM analysis. All analyses were performed on covariance matrices and this choice was primarily based on interpretive and statistical issues as recommended by Hair *et al* (2006). (1) *Interpretation* – correlation matrix holds no advantage over covariance matrix in terms of standardized results because it is simple to produce these results by requesting a completely standardized solution. (2) *Statistical impact* – the use of correlations can lead to errors in standard error computations.

6.3.2.1 The measurement model

The first run of CFA for the measurement model indicated that item CS01 has loading less than 0.5 (0.44), as a result this item is considered for deletion for the next run to increase the level of model fit. In addition, the initial results of the confirmatory factor analysis of the measurement model showed a considerable satisfactory level of fit. The chi-square (χ^2) = 1750.62, df = 695, P-value = .000, CFI = 0.98, TLI = 0.98, GFI=0.83, AGFI= 0.80, NFI= 0.96 and RMSEA=0.059. While chi-square was significant[4], other values suggest an adequate fit to the model. Therefore, the measurement model could be judged as providing an acceptable fit.

The revised confirmatory factor analysis model, after the deletion of CS01, showed that the model received a significant fit to the data. The chi-square (χ^2) = 1688.40, df = 657, P-value = .000, CFI = 0.98, TLI = 0.98, GFI=0.84, AGFI= 0.81, NFI= 0.96 and RMSEA=0.060. In this thesis, the normed chi-square (χ^2/df) is used, in conjunction with other measures, as an indicator of overall fit. It is considered the most popular parsimonious fit index used to evaluate the appropriateness of the model (Hair *et al*, 1995) but it is also sensitive to the

[4] The chi-square value is very sensitive to the sample size and statistically significant, especially with a large sample (Anderson and Gerbing, 1988, Bagozzi and Yi, 1988).

sample size since chi-square is a major component in this measure. The ratio of the chi-square to the degrees of freedom was 2.56 which was considered within the acceptable range of 2 to 5 (Marsh and Hovecar, 1985). Additionally, RMSEA is considered as one of the most informative criteria in structural equation modeling because it takes into account the error of approximation in the population (Byrne, 1989). Values of less than 0.05 indicate a good fit, values ranging from 0.08 to 0.10 indicate mediocre fit and values of greater than 0.10 indicate a poor fit (Diamantopolous and Siguaw, 2000; Hair *et al*, 2006). Moreover, a model with a GFI less than 0.8 should be rejected (Tanaka and Huba, 1985). In light of the criteria above, the model satisfied these requirements and showed a satisfactory fit. Table 6.7 summarizes the results of confirmatory factor analysis test.

Table 6.7: Results of the confirmatory factor analysis of the main survey

Constructs	Items	SMC	Loadings	*t*-value	Alpha
Advertising	I reacted favourably to the advertisements.	0.69	.83	24.38	0.94
	I felt positive towards the advertisements.	0.77	.88	26.03	
	The advertisements motivated me to make the holiday decision.	0.81	.90	22.77	
	The advertisements led me to infer what the experience would be like.	0.77	.88	21.21	
Price perception	Was reasonable.	0.81	.90	19.61	0.91
	Helped me make my decision.	0.66	.81	16.79	
	The price was still reasonable.	0.76	.82	26.26	
	I was pleased with the price I paid.	0.64	.80	25.83	
Atmosphere	The temperature was comfortable.	0.50	.71	16.93	0.86
	The lighting was appropriate.	0.48	.69	17.02	
	The aroma was enticing.	0.59	.77	18.20	
	The natural environment (such as, sea and gardens) was attractive.	0.52	.72	18.25	
	The overall design of this hotel was interesting.	0.59	.77	19.25	
Employees' performance	Employees were always willing to help.	0.86	.93	25.75	0.94
	Employees were polite and courteous.	0.86	.93	25.46	
	Employees gave me personal attention.	0.77	.88	22.78	
	Employees were friendly and pleasant.	0.86	.93	25.87	
	Employees took the time to get to know me personally	0.59	.77	18.82	
Core services	Leisure services (swimming pool, fitness and healthcare centre and sauna) were pleasant.	0.48	.69	15.96	0.77
	Accommodation was comfortable.	0.58	.76	17.65	
	Excursions and trips offered were exciting.	0.56	.75	16.59	
	Educational services (diving, yoga, cooking, and belly dance classes) were pleasant and thought-provoking.	0.39	.63	12.69	
Word-of-mouth	My friends provided some different ideas about the hotel.	0.38	.62	14.03	0.87
	The word-of-mouth helped me make a decision.	0.85	.92	23.79	
	The word-of-mouth influenced my evaluation.	0.86	.93	24.30	
Pre-consumption mood	Sad………………………..Happy	0.76	.87	23.24	0.95
	Bad mood……….............Good mood	0.94	.97	27.10	
	Irritable………..................Pleased	0.92	.96	26.28	
	Depressed………………......Cheerful	0.83	.91	25.43	
Customer experience	I felt like I was doing something new and different.	0.71	.84	20.77	0.83
	The experience was highly educational to me	0.56	.75	19.57	
	I felt a sense of beauty.	0.62	.79	17.22	
	I made new acquaintances and friends.	0.39	.63	14.40	
Perceived service quality	I would say that this hotel provides superior service.	0.74	.86	23.48	0.91
	I believe this hotel offers excellent service.	0.74	.86	23.33	
	This hotel was a place that worth staying in.	0.74	.86	21.91	
Brand loyalty	I am very loyal to this hotel.	0.58	.76	18.35	0.82
	I would continue to come to this hotel even if the price was higher.	0.38	.62	15.32	
	I would highly recommend this hotel to my friends.	0.83	.91	21.27	

Chi-square	Df	Chi-square/df	CFI	GFI	NFI	TLI	AGFI	RMSEA
1688.40	657	2.56	0.98	0.84	0.96	0.98	0.81	0.060

Source: Developed for the current study

Even though the model provides a good fit, CFA also provides additional information that might suggest information to improve the model fit. According to Hair *et al* (2006) path estimates, standardized residuals, modification indices and specification search are useful diagnostic cues to identify problems with the measure.

Path estimate – as mentioned earlier item CS01 was dropped because of the loading was below 0.5 and no potential problem has been identified with the rest of the items (all the loadings were above the threshold range from 0.62 to 0.95 and the *t*-values range from 12.69 to 12.69) using path estimate.

Standardized residuals – "Residuals refer to the individual differences between observed covariance terms and the fitted covariance terms and the standardized residuals are the raw residuals divided by the standard error of the residual "(Hair *et al*, 2006, p. 769). The residuals values are used to identify item pairs for which the specified measurement model doesn't accurately re-create the observed covariance between those two items. As a rule of thumb, standardized residuals less than 2.5 doesn't suggest a problem, between 2.5 to 4.0 it deserves some attention, and greater than 4.0 indicates an unacceptable degree of error (Hair *et al*, 2006). The researcher investigated the standardized residuals values and found a number of item pairs where the standardized residual value was above 4.0. However, and as recommended by Hair *et al* (2006), the researcher, after careful consideration, avoided making any changes based solely on empirical criteria because doing so would be inconsistent with the theoretical basis of CFA.

Modification indices – "a modification index is calculated for every possible relationship that is not free to be estimated. It shows how much the overall model χ^2 would be reduced by freeing that single path" (Hair *et al*, 2006, p. 769). Modification indices of approximately 4.0 or greater suggest that the model fit could be improved by freeing the corresponding path. Similarly, changes based on modification indices alone are not recommended, therefore, the researcher made no changes to the research model because all the indices were not justified by theory.

Specification searches – "A specification search is an empirical trial-and-error approach that uses model diagnostics to suggest changes in the model. In fact, when we make changes based on diagnostic indicators, we are performing a specification search" (Hair *et al*, 2006, p. 769). This approach is also not recommended (Hair *et al*, 2006). The measurement model in this stage has been evaluated in two steps. The first step assesses the unidimensionality for each factor, and the second step aims to assess the reliability and validity of each construct. These two steps are discussed below.

6.3.2.1.1. Common method bias test

The common method bias implies that the covariance among measured items is driven by the fact that some or all of the responses are collected with the same type of scale (Hair *et al*., 2006, p.833). To determine the presence of common method variance bias among the study variables, a Harman's (1967) one-factor test was performed following the approach outlined by (Podsakoff *et al*., 1984). All the items of the study were entered into a principle component analysis with varimax rotation. According to this technique, if a single factor emerges from the factor analysis or one general factor accounts for more than 50 % of the covariation. The results indicated that there is no single factor in the factor structure. Therefore, it does not appear to be a common method bias concern in the present study.

6.3.2.2 Assessing the unidimensionality

The constructs in the proposed model were each assessed for unidimensionality. Unidimensionality is the existence of one latent trait underlying the data (Hattie, 1985). In confirmatory factor analysis, the overall fit of the model is used as the necessary and sufficient condition to examine whether a set of measurement items is unidimensional (Kumar and Dillon, 1987; Steenkamp and Van Trijp, 1991). Unidimensionality is evident with each item loading onto the underlying construct; all items were subjected to a confirmatory factor analysis (CFA). An inspection of factor loadings shows that all items had significant factor loadings with *t*-values exceeding 1.96. All the constructs have high alpha coefficients greater than 0.7. Some further items had SMCs of less than 0.5 which meant the construct explained less than half the variance in the item.

6.3.2.3 Convergent validity

Convergent validity is assessed based on the factor loadings of each item of a unidimensional construct. Convergent validity is achieved because the factor loadings of the measurement items are significant and substantial, i.e.>0.5 (Hair *et al*, 2006), as well as the model receiving a satisfactory level of fit. Also, the convergent validity of the measures is assessed by measuring the composite reliabilities of each of the constructs. The results indicated high levels of construct reliability and average variance extracted for all latent variables (see Table 6.8). Because all *t* values were significant (p = .05) and the average variances extracted were greater than 0.50, convergent validity was established.

Table 6.8: Composite reliability and variance extracted

Constructs	Composite reliability	Variance extracted
Advertising	0.93	0.76
Price perception	0.90	0.69
Atmosphere	0.85	0.53
Employees performance	0.95	0.79
Core services	0.80	0.50
Word-of-mouth	0.87	0.70
Pre-consumption mood	0.96	0.80
Customer experience	0.84	0.57
Perceived service quality	0.90	0.74
Brand loyalty	0.81	0.60

Source: Developed for the current study

6.3.2.4 Discriminant validity

Discriminant validity assesses the degree to which measures of different concepts are distinct (Bagozzi, 1994, p. 20). Discriminant validity of the measures was assessed on the basis of criteria recommended by Anderson and Gerbing (1988). Two models were compared, a measurement model that constrained the correlation between each pair of constructs equal to one was run and another model where the phi correlation between constructs was set to vary (unconstrained model). The chi-square difference with one degree of freedom was greater than 3.841 for all models. Nonetheless, all models in which the correlation constrained to one showed bad fit, therefore, discriminant validity was confirmed (Bagozzi and Philips, 1982).

An alternative method to determine discriminant validity is suggested by Fornell and Larcker, 1981). In this approach, in order to establish discriminant validity the researcher needs to compare the variance extracted estimate for each construct with the squared interconstruct correlations associated with that construct (Fornell and Larcker, 1981). All construct pairs in the model were tested for discriminant validity using Fornell and Larcker's (1981) stringent criteria. Almost all the variance extracted estimates are greater than the corresponding interconstruct squared correlation estimates with the exception of some construct pairs (See Table 6.9). As a result, the χ^2 test for discriminant validity was successfully applied and confirmed discriminant validity (Anderson and Gerbing, 1988; Garver and Mentzer, 1999).[5] To summarise, the measures in the measurement model have adequate reliability, convergent and discriminant validity.

6.3.2.5 Nomological validity

Assessment of nomolgical validity is based on the correlation matrix (Hair *et al.*, 2006) provided in Table 6.9. The results support the prediction that these constructs are positively related to one another and these relationships simply make sense.

Table 6.9: Constructs correlation matrix (standardized)

	AD	PP	SE	EM	CS	WO	MO	CE	SQ	BL
AD	1.00	**0.22**	**0.27**	**0.13**	**0.26**	**0.05**	**0.04**	**0.16**	**0.22**	**0.15**
PP	0.47	1.00	**0.36**	**0.24**	**0.36**	**0.04**	**0.01**	**0.18**	**0.34**	**0.31**
SE	0.52	0.60	1.00	**0.41**	**0.64**	**0.03**	**0.09**	**0.36**	**0.48**	**0.46**
EM	0.36	0.49	0.64	1.00	**0.40**	**0.02**	**0.03**	**0.20**	**0.48**	**0.28**
CS	0.51	0.60	0.80	0.63	1.00	**0.08**	**0.05**	**0.53**	**0.55**	**0.52**
WO	0.22	0.21	0.18	0.13	0.29	1.00	**0.00**	**0.14**	**0.05**	**0.05**
MO	0.21	0.11	0.30	0.17	0.22	0.00	1.00	**0.03**	**0.03**	**0.03**
CE	0.40	0.43	0.60	0.45	0.73	0.37	0.17	1.00	**0.44**	**0.55**
SQ	0.47	0.58	0.73	0.69	0.74	0.23	0.18	0.66	1.00	**0.79**
BL	0.39	0.56	0.68	0.53	0.72	0.23	0.16	0.74	0.89	1.00

Note: Values below the diagonal are correlation estimates. Values above the diagonal are squared correlations.

Source: Developed for the current study

5 The construct pairs that did not meet the discriminant validity test of Fornell and Larcker (1981) but met those of Anderson and Gerbing (1988) were servicescape and core service (χ^2= 110.48), core service and customer experience (χ^2= 153.25), core service and perceived service quality (χ^2= 198.12), core service and brand loyalty (χ^2 = 631.55), perceived service quality and brand loyalty (χ^2= 61.89).

Table 6.10: Correlation between each pairs of the study constructs and models' fit

Models	χ2	Df	χ2 difference	Models	χ2	Df	χ2 difference
Unconstrained AD/PP	235.27	19		Unconstrained PP/SE	201.50	26	
Constrained AD/PP	1357.44	20	1122.17	Constrained PP/SE	1037.02	27	835.52
Unconstrained AD/SE	196.98	26		Unconstrained PP/EM	173.56	26	
Constrained AD/SE	1233.26	27	1036.28	Constrained PP/EM	1347.17	27	1173.61
Unconstrained AD/EM	160.46	26		Unconstrained PP/CS	202.37	26	
Constrained AD/EM	2804.74	27	2644.28	Constrained PP/CS	576.46	27	372.09
Unconstrained AD/CS	145.38	19		Unconstrained PP/WO	111.03	13	
Constrained AD/CS	557.48	20	412.1	Constrained PP/WO	720.05	14	609.02
Unconstrained AD/WO	91.35	13		Unconstrained PP/MO	140.54	19	
Constrained AD/WO	690.57	14	599.22	Constrained PP/MO	2041.85	20	1901.31
Unconstrained AD/MO	111.17	19		Unconstrained PP/CE	167.57	19	
Constrained AD/MO	2026..50	20	1915.33	Constrained PP/CE	880.16	20	712.59
Unconstrained AD/CE	111.17	19		Unconstrained PP/SQ	122.02	13	
Constrained AD/CE	887.97	20	776.80	Constrained PP/SQ	753.57	14	631.55
Unconstrained AD/SQ	89.77	13		Unconstrained SE/EM	194.34	34	
Constrained AD/SQ	794.90	14	705.13	Constrained SE/EM	983.26	35	833.83
Unconstrained AD/BL	114.90	13		Unconstrained SE/CS	204.30	34	
Constrained AD/BL	552.16	14	437.26	Constrained SE/CS	314.78	35	110.48

Models	χ2	Df	χ2 difference	Models	χ2	Df	χ2 difference
Unconstrained SE/WO	85.10	19		Unconstrained EM/SQ	79.24	19	
Constrained SE/WO	708.62	20	623.52	Constrained EM/SQ	624.51	20	835.52
Unconstrained SE/MO	93.07	26		Unconstrained EM/BL	141.86	19	
Constrained SE//MO	1359.45	27	1266.38	Constrained EM/BL	491.14	20	349.29
Unconstrained SE/CE	143.25	26		Unconstrained CS/WO	85.22	19	
Constrained SE/CE	687.21	27	543.96	Constrained CS/WO	760.07	20	674.85
Unconstrained SE/SQ	96.06	19		Unconstrained CS/MO	99.53	26	
Constrained SE/SQ	555.98	20	459.92	Constrained CS/MO	763.12	27	663.59
Unconstrained SE/BL	142.28	19		Unconstrained CS/CE	155.41	26	
Constrained SE/BL	404.87	20	262.59	Constrained CS/CE	308.66	27	153.25
Unconstrained EM/CS	167.56	34		Unconstrained CS/SQ	87.14	19	
Constrained EM/CS	501.47	35	333.91	Constrained CS/SQ	285.26	20	198.12
Unconstrained EM/WO	68.46	19		Unconstrained CS/BL	128.46	19	
Constrained EM/WO	686.40	20	617.94	Constrained CS/BL	298.70	20	631.55
Unconstrained EM/MO	72.46	26		Unconstrained WO/MO	30.13	13	
Constrained EM/MO	1987.39	27	1914.93	Constrained WO/MO	1940.14	14	1910.01
Unconstrained EM/CE	150.49	26		Unconstrained WO/CE	45.39	13	
Constrained EM/CE	905.63	27	755.14	Constrained WO/CE	810.26	14	764.87

Models	**χ2**	**Df**	**χ2 difference**	**Models**	**χ2**	**Df**	**χ2 difference**
Unconstrained WO/SQ	7.20	8		Unconstrained CE/SQ	40.80	13	
Constrained WO/SQ	762.80	9	755.6	Constrained CE/SQ	527.53	14	486.73
Unconstrained WO/BL	8.22	8		Unconstrained CE/BL	46.42	13	
Constrained WO//BL	464.64	9	456.42	Constrained CE/BL	220.54	14	174.12
Unconstrained MO/CE	45.37	19		Unconstrained PP/BL	138.86	13	
Constrained MO/CE	896.66	20	851.29	Constrained PP/BL	479.61	14	340.75
Unconstrained MO/SQ	17.52	13		Unconstrained BL/SQ	94.10	8	
Constrained MO/SQ	779.67	14	762.15	Constrained BL/SQ	155.99	9	61.89
Unconstrained MO/BL	24.48	13		Discriminant validity is evident, as the results indicate that the critical value χ2 (1) = 3.84 was comfortably exceeded in all pairwise comparison tests.			
Constrained MO/BL	501.22	14	476.74				

Source: Developed for the current study

6.3.3 Structural model evaluation

The structural model aims to specify which latent constructs directly or indirectly influence the values of other latent constructs in the model (Byrne, 1989). The structural model testing was conducted after the measurement model was validated and a satisfactory fit achieved (Anderson and Gerbing, 1988). Thus, the theoretical model has been specified to test the sixteen causal paths, which are represented in the hypotheses (H1, H2, H3, H4a, H4b, H4c, H5a, H5b, H5c, H6a, H6b, H6c, H7, H8, H9 and H10). Based on the significant parameter estimates results, the standardized estimated for ten out of sixteen hypotheses were statistically significant and in the hypothesized direction. Thus, these hypotheses were supported. Further details about the hypotheses of this thesis are discussed in the following section.

In the proposed theoretical model discussed in Chapter 3, the underlying constructs were classified into two groups, including exogenous constructs (advertising, price perception, employees performance, servicescape, core service, pre-consumption mood and word-of-mouth) and endogenous constructs (customer experience, perceived service quality and brand loyalty). To evaluate the structural model, the coefficient parameter estimates were examined along with the goodness-of-fit indices to assess if the hypothesized structural model fits the data. If it did not fit, the requirement was to respecify the model until one was achieved that exhibited both acceptable statistical fit and indicated a theoretically meaningful representation of the observed data (Anderson and Gerbing, 1988; Hair *et al*, 2006, Tabachnick and Fidell, 2001).

In testing the hypothesized model, results presented in Table 6.12 indicate that the hypotheses H3, H4b, H5b, H6a, H6b, H7, H1, H9 and H10 were supported. The standardized estimate for these hypotheses were all significant (γ = -.07, .27, .27, .54, .37, .16), (β = .31, .70 and .28, respectively). The hypotheses H2, H4a, H5a and H8 were rejected because they were not statistically significant (γ = –.01 –.12, .04, .01, respectively).

The model was defined by 39 items that identified the ten factors. The covariance matrix among the variables was used to test the model. The goodness-of-fit indices show that this model fits the data adequately, even though the chi-square was significant. The chi-square was (χ^2 = 1727.95, df = 668). The GFI was .83, AGFI = .80, CFI = .98, TLI = .98, RSMEA = .06, χ^2 /df = 2.59.

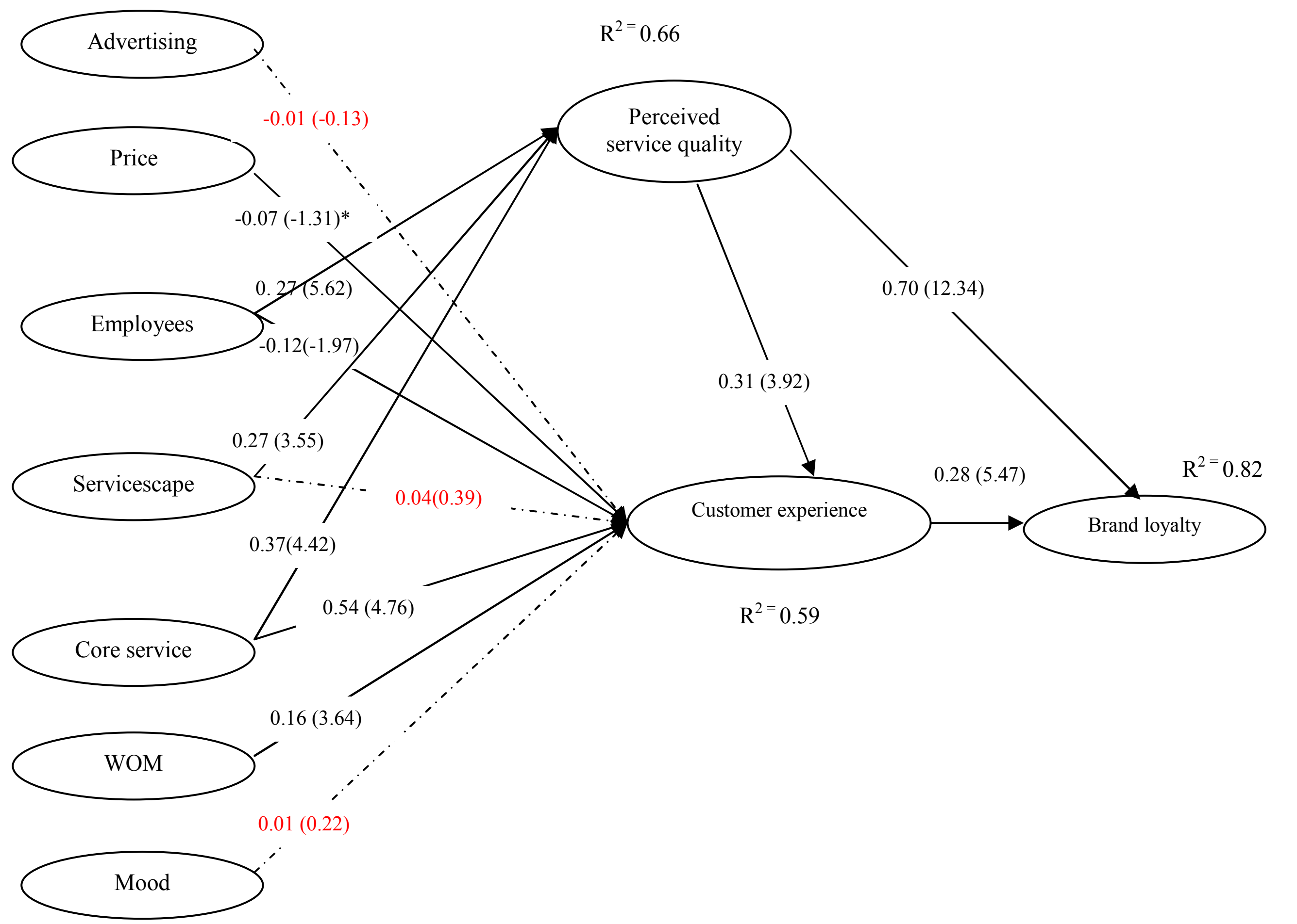
Figure 6.2 summarizes the results obtained for each hypothesized path and also goodness-of-fit statistics, indicating the overall acceptability of the structural model analyzed. CFI value (0.98) was accepted within the thresholds for indicating a good fit, Tucker-Lewis index was .98 and RMSEA value (0.060) also within the thresholds for indicating a good fit (Hair *et al*, 2006). To supplement these findings, the chi-square ratio index (2.59) was also found to match the requirements set by academicians (e.g. Carmines and McIver, 1981; Marsh and Hovecar, 1985). Furthermore, most path coefficients were significant (P <.05).

The causal relationships among independent constructs price perception, employee's performance, core service, word-of-mouth and customer experience were positive and statically significant at the .05 level. The findings provide strong empirical evidence for H1, H3, H4b, H5b, H6a, H6b, H7, H9 and H10. Regarding the consequences, the path coefficients between perceived service quality to customer experience and from customer experience to brand loyalty were confirmed (i.e. positive and significant at the 0.05 level). Core service had the strongest effect on customer experience ($\gamma = .54$, $p < 0.05$). The model explained 59% of the variance in the customer experience construct. Investigating the consequences, in sum, perceived service quality had the strongest effect on brand loyalty ($\beta = .70$, $p < 0.05$), followed by customer experience ($\beta = .28$, $p < 0.05$). Thus, hypotheses H9 through H10 were supported by the findings. The derived model explained about 66% of the variance in perceived service quality and 82% in the brand loyalty construct.

6.3.4 Testing mediation

The hypothesized mediating effect of perceived service quality was examined using the procedures recommended by Baron and Kenny (1986). The findings indicated that perceived service quality has no, partial, and full mediating role in the relationship between employees, core service and servicescape, respectively, on customer experience, supporting hypothesis H6c and rejecting both hypotheses H4c and H5c. Testing for mediation was performed through a three-step process: First, examining the direct effects model, to ensure the existence of the direct relationship between the independent and dependent variables. Second, a mediator model, where the direct links between the antecedents set and the customer experience construct were excluded by setting the gamma coefficient to zero for those relationships. Third, a combined model that include both direct effects and mediator effects, where, the gamma coefficients for direct relationships were estimated freely. The difference between the chi-square values for the mediator and combined models was computed and the results was compared with the chi-square value within one degree of freedom ($\chi^2_{\text{critical}} = 3.841$). The model with smaller chi-square was considered a better model (Diamantopoulos and Siguaw, 2000).

Figure 6.2: Validated structural model



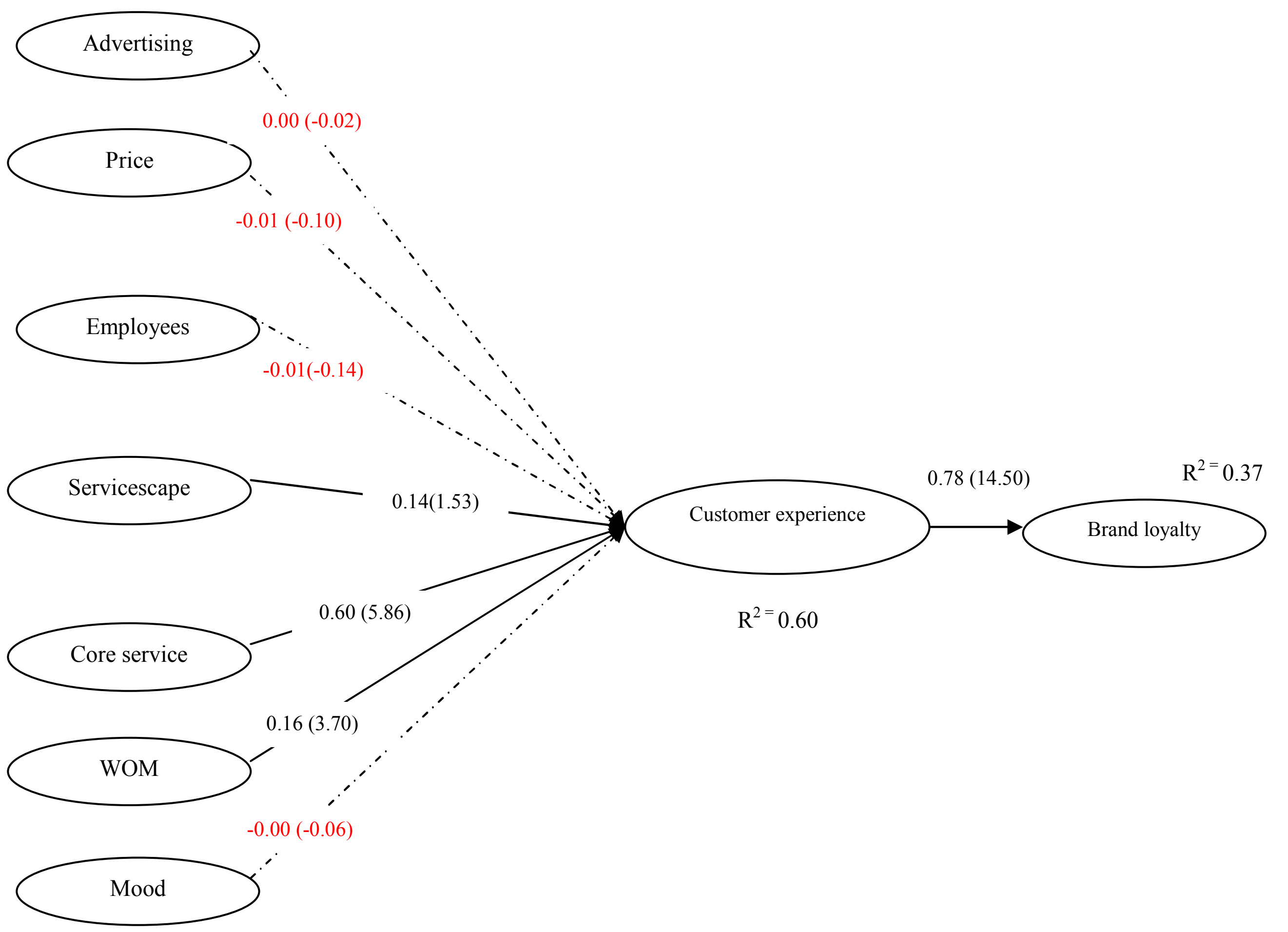
Chi-Square	Df	Chi-square/df	CFI	GFI	RMR	TLI	AGFI	RMSEA
1727.95	668	2.59	0.98	0.83	0.11	0.98	0.80	0.060

* *t* values greater than 1.282 were significant at 0.90 confidence level and *t* values greater than 1.96 were significant at 0.95.
Solid lines indicate significant relationships, and dotted lined indicate nonsignificant relationships.

Source: Developed for the current study

The results of the direct effects model test are presented in Figure 6.3. The goodness-of-fit indices indicated a good fit, and model predicted 60% of the variance in customer experience, 37% of brand loyalty. However, only two of the three direct paths were significant. Both core service and servicescape were antecedents to customer experience. In the case of employees' performance construct where no direct relationship exists, it is impossible for perceived service quality to be a mediator. Accordingly, hypothesis H4c was rejected.

Figure 6.3: Direct effects model



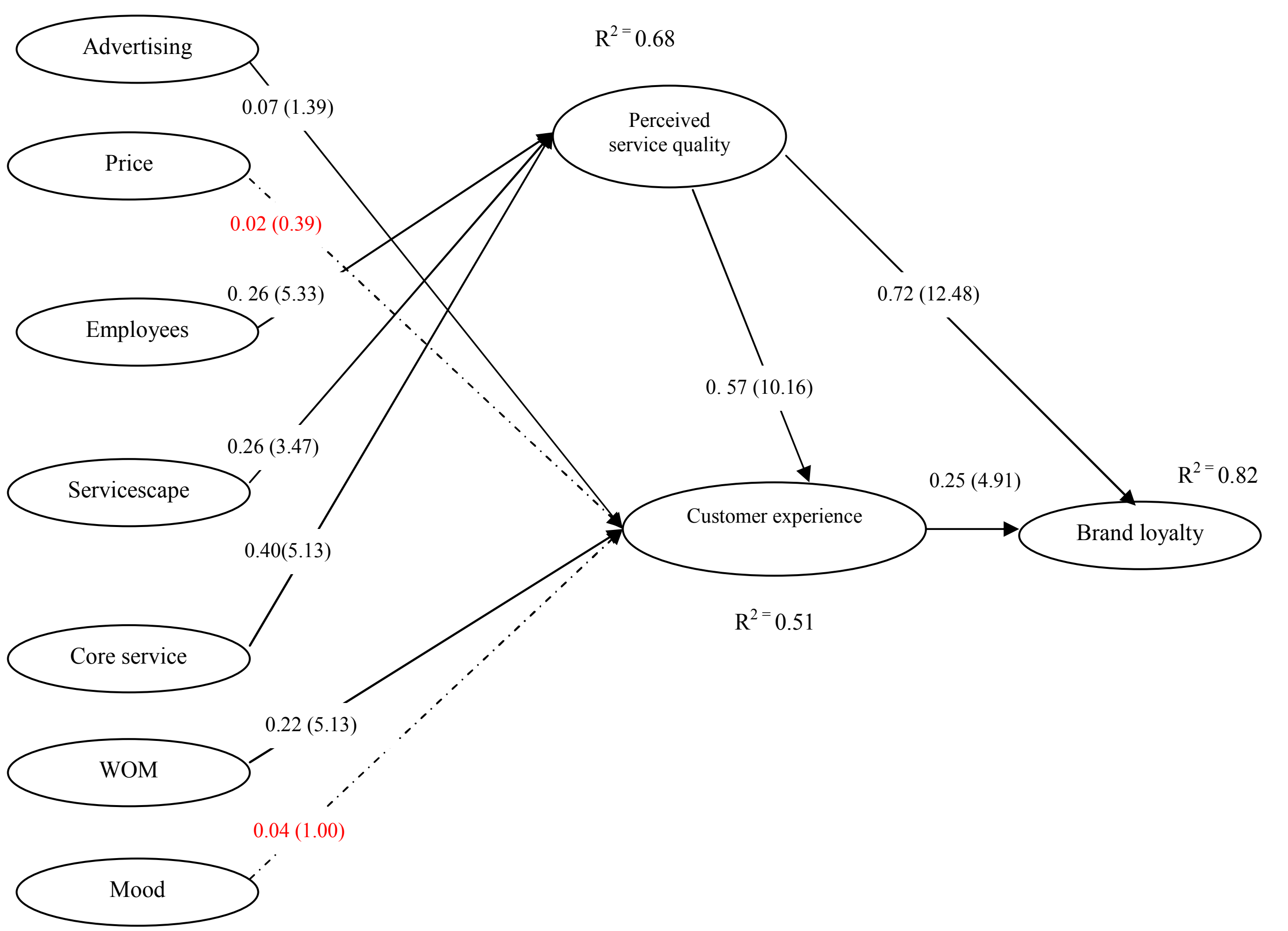
Chi-Square	Df	Chi-square/df	CFI	GFI	RMR	TLI	AGFI	RMSEA
1529.38	565	2.59	0.97	0.84	0.12	0.97	0.81	0.062

* *t* values greater than 1.282 were significant at 0.90 confidence level and *t* values greater than 1.96 were significant at 0.95.
Solid lines indicate significant relationships, and dotted lined indicate nonsignificant relationships.

Source: Developed for the current research

The results of the mediator model test are presented in Figure 6.4. This model provided a slightly worse fit than the direct effects model, with the RMSEA indicating a reasonable fit 0.062, and CFI = 0.97. All the paths in this model were significant with the exception of two paths from price perception and mood to customer experience, suggesting that the mediation by perceived service quality is possible for the effect of servicescape and core service on customer experience, but not for employees' performance construct since the direct relationships were not found in first step. This model predicted 51% of variance in customer experience, and 82% of brand loyalty. The results of the combined effects test (the original model of the study) again provided a reasonable fit (see Figure 6.2).

Figure 6.4: Mediation model



Chi-square	Df	Chi-square/df	CFI	GFI	RMR	TLI	AGFI	RMSEA
1770.21	671	2.59	0.98	0.83	0.11	0.98	0.80	0.061

* *t* values greater than 1.282 were significant at 0.90 confidence level and *t* values greater than 1.96 were significant at 0.95.
Solid lines indicate significant relationships ($p < 0.05$), and dotted lined indicate nonsignificant relationships

Source: Developed for the current research

A χ^2 difference test demonstrated that the combined effects model had a slightly better fit than the mediator model, $\chi^2 = 42.26$, $p < 0.05$. To determine whether particular relationships in the model were partially mediated by perceived service quality or were better represented by direct paths, the completely standardized parameter estimates in the combined effects and direct effects models were compared, and direct and indirect effects from the final model were examined (Holmbeck, 1997).

Compared with the direct effects model, the path coefficient between servicescape and customer experience was reduced by 0.10 and the relationship became not significant. Since, the effect was eliminated in the combined effects model, this suggesting full mediation of this relationship by perceived service quality (Hair *et al*, 2006). An examination of the indirect effects also supports full mediation of the effect of servicescape on customer experience (see Table 6.11). Indirect effects account for 66.7% of the total effects of servicescape on customer experience, suggesting that they do account for a substantial portion of the prediction of customer experience.

Table 6.11: Completely standardized indirect effects and *t*-values for the combined effects model

Indirect relationships	**Indirect effect**	***t*-value**	**Total effect**	***t*-value**
SE →SQ →CE	0.08	13.92	0.12	14.31
CS →SQ →CE	0.11	17.33	0.65	22.09

Source: Developed for the current study

Similarly, the direct effect of core service on customer experience was decreased by 0.06 in the combined versus direct effects model but the relationship remains significant, suggesting partial mediation by customer experience (Hair *et al*, 2006). Again, indirect and direct effects were significant in the final model (see Table 6.11), with 16.7% attributed to indirect effects.

Table 6.12: Results of testing the hypotheses

Hypotheses	Path estimates	*t*- value	Test results
H1: Perceived service quality will have a positive effect on customer experience.	0.31	3.92	Accepted
H2: Advertising will have a positive effect on customer experience during the service consumption.	-0.01	-0.13	Rejected
H3: Price perception of services will have a positive effect on customer experience during the service consumption.	-0.07	-1.31*	Accepted
H4a: Employees or service personnel will have a positive effect on customer experience during service consumption.	-0.12	-1.97	Rejected
H4b: Employees or service personnel will have a positive effect on perceived service quality.	0. 27	5.62	Accepted
H4c: The impact of employees on customer experience will be partially mediated by the perceived service quality.			Rejected
H5a: Servicescape or setting will have a positive effect on customer experience during service consumption.	0.04	0.39	Rejected
H5b: Servicescape or setting will have a positive effect on perceived service quality.	0.27	3.55	Accepted
H5c: The impact of servicescape on customer experience will be partially mediated by perceived service quality.			Rejected
H6a: Core service will have a positive effect on customer experience during service consumption.	0.54	4.76	Accepted
H6b: Core service will have a positive effect on perceived service quality.	0.37	4.42	Accepted
H6c: The impact of core service on customer experience will be partially mediated by perceived service quality.			Accepted
H7: Word-of-mouth will positively influence customer experience during the service consumption.	0.16	3.64	Accepted
H8: Customer pre-consumption mood will positively influence customer experience during the service consumption.	0.01	0.22	Rejected
H9: perceived service quality will positively contribute to brand loyalty.	0.70	12.34	Accepted
H10: customer experience will positively contribute to brand loyalty.	0.28	5.47	Accepted

*$p < 0.1$.

Source: Developed for the current study

6.3.5 Results of testing the hypotheses

In total, sixteen hypotheses are tested (see Table 6.12). The implications of these results are further discussed in Chapter 7.

Perceived service quality and customer experience

As shown earlier, hypothesis H1 explained the relationship between the exogenous variable (perceived service quality) and endogenous variable customer experience. As outlined in Table 6.12, the hypothesized relationship was found to be significant ($\gamma = .31$, *t*-value = 3.92). Thus, this hypothesis was supported.

Advertising and customer experience

The hypothesis representing the relationship between advertising and customer experience H2 was not supported, as the parameter estimates were non-significant ($\gamma = -0.01$, *t*-value = -0.13) (see Table 6.12).

Price perception and customer experience

Hypothesis three (H3) is the relationship between price perception and customer experience. As hypothesized, price perception was found to be positively related to customer experience. Results showed a significant path ($\gamma = –0.07$, *t*-value = –1.31), and thereby H3 was supported (see Table 6.12).

Employee's performance and customer experience

The three hypotheses (H4a, H4b and H4c) explain the relationship between employee's performance as exogenous variables and customer experience as an endogenous variable. Results in Table 6.12 indicate that one of the three hypotheses is statistically significant. The path from employee's performance to customer experience (H4b) was significant (ß = 0.27, *t*-value = 5.62). Thus, this hypothesis was supported. According to Table 6.12, the hypothesis explaining the relationship employee's performance and customer experience (H4a) was rejected because it was not found to be significant in the hypothesized direction (γ = –0.12, *t*-value = 1.97). Also (H4c) explaining the mediating role of perceived service quality between employee's performance and customer experience was rejected.

Servicescape and customer experience

Hypotheses (H5a, H5b and H5c) explain the relationship between servicescape as exogenous variables and customer experience as an endogenous variable. H5b which explains the relationship between servicescape and perceived service quality was supported as the parameter estimate was significant (γ = 0.27, *t*-value = 3.55). According to Table 6.12, the hypothesis explaining the relationship servicescape and customer experience (H5a) was rejected because it was not found to be significant in the hypothesized direction (γ = 0.04, *t*-value = 0.39). The third hypothesis (H4c) explaining the mediating role of perceived service quality between employee's performance and customer experience was also rejected.

Core service and customer experience

The three hypotheses (H6a, H6b and H6c) explain the relationship between core service as exogenous variables and customer experience as an endogenous variable were all supported. Table 6.12 showed that the three hypotheses are statistically significant. The path from core service to customer experience (H6a) was significant (γ = 0.54, *t*-value = 4.76). Hypothesis (H6b) that explaining the relationship core service and perceived service quality was found to be significant in the hypothesized direction (γ = 0.37, *t*-value = 4.42). In addition, (H6c) the hypothesis that explaining the mediating role of perceived service quality between core service and customer experience was supported.

Word-of-mouth and customer experience

Hypothesis H7 represents the relationship between the exogenous variable word-of-mouth and endogenous variable customer experience. According to the results presented in Table 6.12, it has been found that this hypothesis was statistically significant ($\gamma = 0.16$, *t*-value = 3 .64), and thus accepted.

Pre-consumption mood and customer experience

The hypothesis representing the relationship between pre-consumption mood and customer experience H8 was not supported, as the parameter estimates were non-significant ($\gamma = 0.01$, *t*-value = 0.22) (see Table 6.12).

Perceived service quality and brand loyalty

The hypothesis represents the relationship between perceived service quality and brand loyalty (H9). This hypothesized relationship was found to be significant (ß = 0.70, *t*-value = 12.34), supporting this hypothesis.

Customer experience and brand loyalty

As shown in Table 6.12, hypothesis H10 explains the relationships between the exogenous variable customer experience and the endogenous variable brand loyalty was supported as the hypothesized relationship was found to be significant (ß = .28, *t*-value = 5.47).

6.4 Summary

This chapter reported the results of the data analysis for the quantitative phase of this thesis. Following this, the demographic characteristics of this sample have been described. The descriptive analysis showed very low levels of missing data and the data are missing completely at random, but some skewness and kurtosis was present in the responses. The two-step procedure of Anderson and Gerbing (1988), which required measurement models to be estimated before the structural analysis, was followed. The items for the exogenous constructs were derived from the literature and the qualitative findings. After running the reliability and EFA test, it was decided to delete twelve items from six constructs: PP03 from price perception, SE01 and SE07 from servicescape, WO01 from word-of-mouth, CE01, CE02, CE03, CE05, CE09 and CE10 from customer experience, SQ01 from perceived service quality and BL04 from brand loyalty, as they were highly cross-loaded on other factors that could not be theoretically justified, had low communalities or low reliability.

The second part of data analysis is the use of SEM, which was conducted in two stages, the measurement model and the structural model. In the first stage, the fit of measurement model was assessed by using a CFA. At this point the assessment, of all indicators was highly loaded on their specified factors and the overall goodness-of-fit indices suggesting acceptance of the model. Each construct was then tested for reliability and validity. Cronbach's alpha, composite reliability and average variance extracted were examined. Accordingly, all constructs were reliable. In addition, convergent, discriminant and nomological validity for each construct were confirmed.

The next stage, the assessment of the structural model, has also been undertaken. The structural model results showed a good fit of the model to the data. Some pathways were significant while other pathways were non-significant, i.e. ten out of the sixteen hypotheses were supported. The structural model indicated that three variables (core service, price perception, and word-of-mouth) had a different level of impact on the focal construct and customer experience had a greater impact on brand loyalty. Thus the model provides a strong test of the hypothesized relationships between the constructs of interest. In addition, having examined standardized residual and modification indices, re-specification for the structural model was not needed.

The mediation effect of perceived service quality on the impact of the antecedent's core service, employees and servicescape on the focal construct was tested. The results showed that perceived service quality construct partially mediated the impact of antecedent core service and fully mediated the impact of core service on customer experience. However, the hypothesized mediation effect of perceived service quality on the relationship between employees and customer experience was not confirmed.

The next chapter discusses the above results in detail in order to answer the three research questions outlined in Chapter 1. Further, it draws the implications for both practice and theory; discusses the limitations of this thesis; describes the directions for further research; and identifies the final conclusions.

CHAPTER 7: RESULTS AND DISCUSSION

7.1 Introduction

The purpose of this thesis was to investigate the role of customer experience in building brand loyalty and the results of this study were presented in the previous chapter. In this chapter the validation of the measurement model and the results are discussed in more detail. An evaluation of the research hypotheses and their significance are summarized. Followed by, implications from the qualitative and quantitative study. The findings are then further discussed in terms of the contribution to marketing theory and relevance to marketing managers. Next, the limitations of the current study and recommendations are outlined. Finally, implications for future research are explored.

7.2 Overview of study

This research project examined the concept of customer experience and its dimensions. The study also identified the antecedents of customer experience and this involves factors that are most likely to have a significance influence on customer experience and its impact on brand loyalty within the context of the hospitality industry. The topic is important because in the last decades, providing good service to customers is not enough to sustain brand loyalty and create competitive advantage (Berry *et al*, 2002; MacMillan and McGrath, 1997; Prahalad and Ramaswamy, 2004; Schembri, 2006). Customer experience was claimed to affect loyalty behaviours (Barsky and Nash, 2002; Berry *et al*, 2002). As a consequence, the interest in customer experience has increased at an astonishing rate (Addis and Holbrook, 2001; Caru` and Cova, 2003; Forlizzi and Ford, 2000; LaSalle and Britton, 2003; Milligan and Smith, 2002; Ponsonby-McCabe and Boyle, 2006; Prahalad and Ramaswamy, 2004; Shaw and Ivens, 2002; Schembri, 2006; Schmitt, 1999; Schmitt, 2003; Smith and Wheeler, 2002). However, so far, limited empirical research has been carried out in this area to capture the true meaning of the concept (Arnould and Price, 1993; Barsky and Nash, 2002; Gentile *et al*, 2007; Jones, 1999). Furthermore, a few companies properly adopted the customer experience, but most companies failed to do so because the literature lacks an integrative theoretical framework to address this research problem (Gentile *et al*, 2007).

To investigate this research problem a multi-method research approach was adopted (Creswell, 2003; Deshpande, 1983; Zinkhan and Hirschheim, 1992). A sequential approach consisting of qualitative research, which acts as the foundation for the quantitative study, was implemented. The qualitative findings generally showed that eight dimensions of customer experience (comfort, educational, hedonic, novelty, recognition, relational, safety and sense of beauty) are applicable to customers visiting Sharm El Sheikh five-star resort-hotels. The findings were consistent with major studies on experience (Arnould and Price, 1993; Gentile *et al*, 2007; Holbrook and Hirschman, 1982; Mascarenhas *et al*, 2006; O'Loughlin *et al*, 2004; Otto and Ritchie, 1996; Pine and Gilmore, 1999; Poulsson and Kale, 2004). Netnography method was adopted by using content analysis of customer reviews of their experiences with specific resort-hotel brands in Sharm El Sheikh in Egypt. Qualitative method (netnography) was used in conjunction with quantitative methods, to investigate a domain of customer experience that has received little attention to date (Deshpande, 1983; Zinkhan and Hirschheim, 1992).

Internet usage all over the world has taken off in an unprecedented way. Individuals use Internet as a medium with which they can chronicle their lives. Market researchers began to shift to online communities to get introspective narratives that are produced by the customers (Carù and Cova, 2008). Netnography, therefore, has been used to cover customer experiences in this study and followed the guidelines provided by Kozinets (2002) to the online context.

The study implied a quantitative approach to the next phase of this research. The findings of the netnographic study were used to develop a robust theoretical model that explains the relationship between customer experience and other important factors. A questionnaire was developed on the basis of the reviewed literature and the qualitative study to quantify, supplement and complement the first phase. The theoretical model was then operationalized in this phase.

As mentioned earlier in Chapter 4, items generated from both literature review and qualitative study were subjected to qualitative and quantitative refinements. Face validity was assessed by academics and as a result a number of items were dropped. Next, the developed scale was tested using statistical data reduction techniques, i.e. exploratory factor analysis (EFA) in the pilot test and confirmatory factor analysis (CFA) in the main survey.

The quantitative data was analysed using LISREL 8.80 and the results showed that customer experience is unidimensional construct in this study. Additionally, the constructs of interest showed a high degree of reliability, convergent, nomological and discriminant validity. A number of statistically significant pathways were confirmed between customer experience and other constructs, with satisfactory fit indices for both the measurement and structural model. Finally, the overall structural model is evaluated and a discussion of these findings is described in the next section.

A conceptual model was developed that showed the impact of the antecedents on the focal construct customer experience, which in turn influenced brand loyalty as a consequence. The model was then tested using a sample of British tourists visiting Egypt and staying at Pickalbatros resorts. The results of the tests demonstrate strong support for the model. Specifically, the measurement model is assessed in the main study using the convenience samples of English tourists. The confirmatory factor analysis showed that the model received a significant fit to the data. The chi-square (χ^2) = 1688.40, df = 657, *P*-value = 0.000, CFI = 0.98, TLI = 0.98, GFI = 0.84, AGFI = 0.81, NFI = 0.96 and RMSEA = 0.060 following the principles recommended by (Anderson and Gerbing, 1988; Hair *et al*, 2006, Tabachnick and Fidell, 2001).

In testing the hypothesized model, the results presented in Table 6.12 indicate the hypotheses H3, H4b, H5b, H6a, H6b, H7, H1, H9 and H10 were supported. The standardized estimate for these hypotheses were all significant (γ = –0.07, 0.27, 0.27, 0.54, 0.37, 0.16), (β = .31, 0.70 and 0.28, respectively). The hypotheses H2, H4a, H5a and H8 were rejected because they were not statistically significant (γ = –0.01, –0.12, 0.04, 0.01, respectively). This following section evaluates the conceptual model by first summarizing the supporting evidence for the hypotheses.

7.3 Focal construct

Despite the importance of the theme of customer experience, the construct of customer experience is not well defined in the marketing literature (Carù and Cova, 2003). Few definitions of customer experience discussed earlier in Chapter 2 and also analysis of those conceptualizations was provided (Carbone and Haeckel, 1994; Gentil *et al*, 2007; Meyer and Schweger, 2007; Pine and Gilmore, 1999; Robinette *et al*, 2002; Schmitt, 1999; Shaw and Ivens, 2002). Insufficient empirical research has been done on experience consumption from the consumer perspective. Therefore, this study attempted to gain meaningful degree of understanding of customer experience construct.

The findings of the qualitative study were treated as indicative only due to the qualitative nature of the study, and further quantitative research was carried out to confirm the results of the netnography study. The quantitative results, specifically, illustrated four aspects of the experience construct in the context of resort-hotels in Sharm El Sheikh in Egypt. The first one focuses on the educational experience customers have during the holiday and this was consistent with (Otto and Ritchie, 1996; Pine and Gilmore, 1999). The findings showed that the customer experienced "free-choice learning" as suggested by Packer (2006), of diving, snorkelling, quad biking, star gazing etc. This experience is autotelic which means "having itself as its only purpose" Csikszentmihalyi (1990) and it is characterized by a mixture of discovery, exploration, mental stimulation and excitement (Packer, 2006). The findings emphasize the importance of notion of the educational element of experience that customers seek. The educational experience was clearly evident in customers' comments.

> "Me and my husband went diving in the Red Sea with the Aquarius dive school … This was a once in a lifetime experience for me as the fish are so brightly coloured and the coral is out of this world. There is camel and horse riding on the beach". (Mrs H Foster, Conrad Hotel review, posted July 2008 www.holidaywatchdog.com)

Another aspect of customer experience in the present study was the novelty component. Early conceptualizations of the tourist experience by Cohen (1979) emphasize its distinctiveness from everyday life, and highlighted the quest for novelty as a key element that a person who travels away from home seeks. Novelty is defined as the desire to go from a known to an unknown place, or to discover new experience, thrill, and adventure (Snepenger, 1987). The novelty element is also emphasized in the findings of the qualitative and quantitative study, as shown below.

> "We also went quad biking in the desert which was so much fun and a boat trip with snorkelling. It is literally like being in an aquarium, and the fish are not scared of you they come right up to investigate (once in a lifetime!)" (Miss S Cottee, Sunrise Island View Hotel review, posted October 2007 www.holidaywatchdog.com)

This finding is consistent with previous studies in marketing literature such as (Poulsson and Kale, 2004) and tourism literature that referred to experiencing novelty as one of the push factors that are considered to be socio-psychological motivations that motivate individuals to travel (Dann, 1981; Lee and Crompton, 1992).

In addition, the qualitative research captured another important component of customer experience which was confirmed by the quantitative study. The relational experience which represents the experience of having a relationship with new people in the place, which involves the person, consumption or use of a product with other people (Gentile *et al*, 2007). Young adulthood is a time to experience sexuality and relationship and tourism provides a useful outlet for such needs (Page and Connelle, 2006).

> "While I was staying at Dreams beach I met someone known as Waggy, he works in the restaurant that is by the main pool. I had the chance to kiss him before Ramadan started and I didn't, damn it! I'm going back especially just to see him in February 2008. Really miss him loads, my family absolutely loved him and wanted him to marry me." (Miss S Louise Read, Dreams Beach Hotel review, posted October 2008 www.holidaywatchdog.com)

Awareness and appreciation of beauty is a sense that has been uncovered by the qualitative study and confirmed by the quantitative study. The results showed that there is an emphasis on the beauty of the place, the word 'beauty' mentioned regularly in customers reviews, as illustrated below.

> "I read an earlier review by somebody that stated the entrance to the hotel reminded them of the entrance to Jurassic Park. How true! It was partly the thrill and relief of finally getting there (safely) and partly awe that made our eyes widen at the beauty of the resort as we got driven to our room on a golfing style buggy. Everything looks beautifully lit here at

night". (Miss N Wooding, Crowne Plaza Resort Hotel review, posted May 2008 www.holidaywatchdog.com)

Aesthetic value is assumed to be derived from the consumption experience (Holbrook, 1994; 1999) that customers seek for a variety of reasons, including its sensory, emotional, cognitive, and transcendent dimensions (Csikszentmihalyi and Robinson, 1990). It is classified under a sensorial component of customer experience whose stimulation affects the senses (Gentile *et al* 2007). In addition, it is the last realm in experience dimensions (Pine and Gilmore, 1999) that immerses the customers in an environment where the participant becomes immersed in the occurrence and/or the surroundings. These results of the current study came in accordance with the above literature to confirm that a sense of beauty is an important human capacity (Hagman, 2002) that customers value because of the feeling of wholeness, pleasure, lessening of anxiety, awe, joy, excitement, optimism and contentment (Hagman, 2002).

7.4 Discussion of the hypotheses tests

The results of testing the research hypotheses are discussed in this section. After examining the focal construct, the antecedents, and finally the consequences are examined. The discussion continues with the implications as to how perceived service quality mediates the effects of servicescape (H3), employee's performance (H4), and core service (H5) on customer experience. In the following section the findings for the antecedents are examined.

7.4.1 Antecedents of customer experience

The qualitative findings confirmed that there were several antecedents for customer experience that will assist the customer in predicting his/her experience such as; price, advertising and word-of-mouth. However, the finding of the qualitative study shows that brand name is not an important consideration in predicting customer experience. Other factors have been found to strongly influence customer experience and contribute in enhancing (or discouraging) the experience: these include employee's performance, servicescape, core service and perceived service quality. Those antecedents were depicted as latent exogenous variables in the structural model. A measurement model for those constructs was estimated and showed good fit indices. The relevant items loaded on to the underlying constructs as predicted, although some items were deleted in the scale purification process (Steenkamp and Van Trijp, 1991).

The current research supports the idea that service quality is a key driver of customer experience. Previous studies have founded service quality to be an antecedent to some behavioural variables in marketing literature such as customer satisfaction (Anderson *et al*, 1994; Grönroos, 1984, 1990a and b, 2001), loyalty (Kandampully, 1998; Zeithaml *et al*, 1990, 1996) and value (Laroche *et al*, 2004). Knutson and Beck (2003) claimed that service quality has directional relationship to the overall experience. However, this assumption has not been tested yet. This study is the first to empirically assess the relationship between perceived service quality and customer experience. The results showed that the hypothesized relationship is statistically significant. This is despite the criticism researchers made regarding the SERVQUAL instrument (Reeves and Bednar, 1994; Buttle, 1996). This study concludes that SERVQUAL remains a useful instrument in building great customer experience. In the service industry, and hospitality in particular, service quality is a major concern of marketing managers because the ultimate goal of the businesses is to increase profits. However, improving the technical aspects of services using SERVQUAL is not sufficient to retain customers (Gyimóthy, 2000). Therefore, managers must invest money and effort in improving perceptions of service quality in conjunction with the holistic component of service experience, so that customers become loyal and spread positive word-of-mouth comments.

The notion that advertising is a predictor to customer experience is not generally supported in this study. This hypothesis is not well supported by the data. This finding is consistent with the Legg and Baker (1987) argument that the intangible nature makes it difficult for customers to understand the service at the pre-purchase stage, and to evaluate the service experience at the post-purchase stage. Furthermore, the transformational advertising for the selected brand poorly connected the service benefits to the consumer's life experience (Mittal, 1999).

Due to the subjective nature of experience, experience is intangible like service, and the incorporeal existence is one of the major problems that face advertising professionals. Physical representation, or using ancillary physical elements as tangible symbols of the service product (Mittal, 1999), is claimed to be a solution to that problem as it will help in three ways: (1) by creating an identity for the service firm by consistently showing the same visual images of the tangible elements, (2) by serving as surrogate cues to quality (e.g. the professional appearance of employees, and (3) sometimes by promoting an inference of some specific service attribute.

Another strategy to overcome the generality is documentation (Berry and Clark, 1986) that means "showing facts and figures about the service delivery system" such as the number of tourists that finished PADI license. The information in the adverts helps to structure the experience and appreciate it (Evans *et al*, 1996). Additionally, the generality of subjective claims in the ads can be overcome by depicting a specific service episode that exemplifies the subjective feature claim, that is, by using a service performance episode strategy (Mittal, 1999). Another reason that could justify this finding is the non-searchability of intangibles – in other words, services generally lack search attributes that can be evaluated before the purchase (Darby and Karni, 1973). This problem can be addressed by service professionals obtaining client testimonials and stimulating word-of-mouth (Mittal, 1999). Abstractness could be another reason, which refers to something that is "thought of apart from any particular instances or material objects" (Breivik and Troye, 1996).

All the experience dimensions are abstract rather than concrete (such as novelty, educational, relational and sense of beauty) and the dimensions are difficult to visualize. However, a strategy is presented by Mittal (1999) which can alter 'abstractness' into concrete by depicting a service benefit episode, which is known as the 'service consumption episode strategy'. A final probable reason is the mental impalpability (Zeithaml and Bitner, 1996). "Some services are too complex, multi-dimensional, or nascent; consequently it is difficult to mentally grasp them … A vacation trip to a foreign country is neither abstract nor general; yet, it is mentally impalpable, at least for persons not exposed to foreign cultures. Likewise, a yoga class, a virtual reality recreational game … are examples of services that are relatively difficult to mentally grasp" (Mittal, 1999, p. 101).

The result of the test of hypothesis three supports the notion that price perception has a direct, positive effect on customer experience. Previous studies asserted that there is a relationship between price and perceived quality (Leavitt, 1954; Monroe and Krishnan, 1985; Rao and Monroe, 1989; Tull *et al*, 1964). This study has advanced the stream of price-quality relationship by validating the relationship between price and customer experience. The inference of experience from price is ubiquitous, despite the fact that a number of other factors were introduced in this study on which the customer can rely to infer his/her experience.

The direct effect of customer-contact employees on customer experience appears to make intuitive sense. The results, however, reveal that employee's performance is not a direct antecedent of customer experience. Nonetheless, partial support for the hypothesized effects of employees on customer experience is evident through the indirect effect of perceived service quality. Furthermore, the assertion that employees' performance has a direct, positive effect on perceived service quality was supported and consistent with previous studies in marketing (Bitner 1990; Bitner *et al*, 1990; Bitner *et al*, 1994; Bowen and Schneider 1985; Darden and Babin, 1994; Grönroos, 1983; Zeithaml *et al*, 1985; Zeithaml *et al*, 1993) and similarly the findings are consistent with hospitality literature which examined various aspects of the relationship between employee's performance and service quality in the hospitality industry (Cheung and Law, 1998; Haynes and Fryer, 2000; Maxwell and Lyle, 2002; Worsfold, 1999). In addition, the link from employees to customer satisfaction and switching behaviour is found throughout the literature (Keaveney, 1995; Mohr and Bitner, 1995). This research, however, is the first to link employee's performance to customer experience. Therefore, this finding emphasizes the need for more research into the effects of employees on the customer experience.

The study exhibits no support for the hypothesized effects of servicescape on customer experience. Despite the lack of support for the direct relationship between servicescape and customer experience, the indirect relationship through perceived service quality was largely supported. As the service quality literature suggests that physical evidence such as noise level, odours, temperature and colours may influence perceived service quality (Bitner, 1990). Likewise, the findings of the present study provide evidence that consumer perceptions of the physical environment, or servicescape, contribute to perceived service quality. The marketing literature also showed that physical environment affect customer's perception of the service experience (Baker *et al*, 1992; Bitner, 1990) on sales (Donovan and Rossiter, 1982; Donovan *et al*, 1994; Milliman, 1986), time spent in the store (Grossbart *et al*, 1990), satisfaction (Doyle and Broadbridge, 1999), and customer retention (Babin and Attaway, 2000). However, the findings of the current study showed that atmosphere can indirectly affect customer experience through perceived service quality. This finding supported the importance of servicescape as a major determinant of the perceived service quality in the service sector in general.

The test of hypothesis four supports the assertion that the core service has a direct, positive effect on customer experience and perceived service quality. Core services in the resort-hotel context include many aspects such as: food (Barsky and Labagh, 1992), comfortable rooms (Kuntson, 1988; Weaver and McCleary, 1991; Weaver and Oh, 1993), safety and security (Kuntson, 1988; Lockyer, 2002; Weaver and McCleary, 1991) parking and other facilities such as cable TV (Weaver and McCleary, 1991; Weaver and Oh, 1993). Core services are also considered a supporting customer experience (Quan and Wang, 2004). The findings from the current study showed the impact of the core service such as accommodation, food and other services has highest impact among other variables on customer experience, therefore the findings are congruent with (Quan and Wang, 2004) which illustrated that if the core services are inadequately delivered, the entire customer experience is most likely to be unsatisfying.

The findings provide no support for the hypothesized antecedent effect of pre-consumption mood on customer experience. The results demonstrate that customer pre-consumption mood may not be particularly effective. This is a rather surprising result, particularly in the light of the previous studies (Babin *et al*, 1998; Clark and Isen, 1982; Isen *et al*, 1978; Mano and Oliver 1993; Mattila and Wirtz, 2000; Miniard, *et al*, 1992). A probable explanation is that the pre-consumption mood in this study was measured after their consumption experience, by asking respondents to recall their mood prior to arrival to the resort, as a result, recall bias may affect the impact of pre-consumption mood on the entire experience because it may have been combined with other affective responses during consumption experience. Another more likely explanation is the lengthy stay at the resort (over a fortnight) and that may have led to a minimal effect of either positive or negative mood on customer experience.

The findings illustrated the importance of word-of-mouth as a key predictor of customer experience. Experience is basically intangible and customers cannot directly predict, therefore, they seek evaluation from the experience of past customers. This finding emphasized the important role WOM plays in influencing customer expectations and perceptions in the information search phase of the buying process (Stock and Zinsner, 1987; Woodside *et al*, 1992). The significant relationship between WOM and customer experience is consistent with previous studies that showed WOM can influence decisions either positively (Engel *et al*, 1969; Richins, 1983) or negatively (Bolfing, 1989; Tybout *et al*, 1981).

7.4.2 Brand loyalty as a consequence of customer experience

In the marketing literature, loyalty has been widely recognised as being of the utmost importance (Howard and Sheth, 1969; Oliver, 1999). Barsky and Nash (2002) and Berry *et al* (2002) assumed that loyalty may be an outcome of customer experience. Research findings have offered robust evidence in this respect, demonstrating a definite positive relationship between customer experience and attitudinal brand loyalty. The relationship between customer satisfaction and brand loyalty is well established in the literature (Bitner and Hubbert, 1994; Oliver, 1999). However, this is the first empirical study to link customer experience to brand loyalty. The relationship between perceived service quality and brand loyalty is validated in numerous previous studies (Boulding *et al*, 1993; Cronin and Taylor, 1992; Gremler and Brown, 1996). Consistent with prior studies, this study also found a positive relationship between perceived service quality and brand loyalty.

7.4.3 The mediation effect of perceived service quality

The findings answered the question as to whether the perceived service quality might in fact mediate the relationships between employee's performance, servicescape, core service and customer experience. This assumption is tested and reported subsequently in the previous chapter. The results demonstrate that perceived service quality fully mediate the relationship between servicescape and customer experience. The findings also indicate that perceived service quality partially mediates the impact of core service on customer experience. The findings re-emphasize the importance of perceived service quality as a consequence of the servicescape (Bitner, 1990; 1992) and core services provided (Barsky and Labagh, 1992; Knutson, 1988; Weaver and McCleary, 1991; Weaver and Oh, 1993).

The mediation effect of perceived service quality on the relationships between employees and customer experience was not found; instead the indirect relationship was evident. The findings are consistent with previous studies which demonstrated that service employees and their behaviours and attributes affect perceived service quality (Bitner *et al*, 1990; Bowen and Schneider, 1985; Hartline and Ferrell, 1996). However, this is the first study to link employee's performance to customer experience.

CHAPTER 8: CONCLUSION

8.1 Introduction

This section aims to provide conclusions to the research problem namely, what are the dimensions of customer experience, what factors influence customer experience and what influence customer experience has upon brand loyalty. The implications of these research findings are also discussed in this chapter.

In summary, customer experience is a unidimensional construct that constitutes (educational, novelty, relational and sense of beauty aspects) in the context of the present research. The study provided a research model that has been proved to be a useful theoretical model for predicting customer experience. Price perception, core service and word-of-mouth are factors that influence customer experience directly. Additionally, the higher the degree of perceived service quality, the greater the customer experience, and in turn, the more loyal the customer to the brand. No direct effect towards customer experience was found in terms of advertising, employee's performance, servicescape and pre-consumption mood. However, employee's performance and servicescape are factors that showed an indirect effect on customer experience through perceived service quality. This research has thus answered the original research question, i.e. 'What are the dimensions of customer experience and what are the factors influencing customer experience?' The theoretical and managerial implications of these findings are elaborated upon in the next section. In addition, the future research avenues arising from the current study are presented in the final section, followed by the conclusion to this chapter.

8.2 Implications of research findings

The implications regarding research findings starting with theoretical implications are discussed in the following section, followed by managerial implications.

8.2.1 Theoretical implications

This study was conducted based on gaps found in the literature, i.e. 'What is customer experience?' and 'What constitutes customer experience?' The literature gaps are summarized as follows: First, the concept of customer experience is poorly defined and not well established in the marketing literature (Carù and Cove, 2003). Second, there is a lack of empirical studies on customer experience, its dimensions, antecedents and consequences. Third, there is a lack of explanatory models and theory building studies in the area of customer experience (Gentile *et al*, 2007). Fourth, the assumption of Barsky and Nash (2002) and Berry *et al* (2002) that customer experience affects loyalty has not been tested and validated yet. This study used a multi-disciplinary approach: netnography in the first phase and self-administered questionnaires in the second phase to assure more comprehensive data collection procedures – then more sophisticated data analysis technique using structural equation modeling was performed. The theoretical implications are summarized next.

This section evaluates the contribution to marketing theory. Customer experience has gained great attention in the marketing literature. The first contribution to this research is the examination the of customer experience construct within the hospitality context. Nonetheless, the development and testing of a research model that explains the relationships between the construct of customer experience, its antecedents and its consequences in a new context

(Egypt). The research stream on customer experience has not yet reached a consensus about what customer experience is (Carù and Cove, 2003). Little research has been conducted in different contexts such as river rafting (Arnould and Price, 1993), tourism (Otto and Ritchie, 1996), financial companies (O'Loughlin *et al*, 2004) and a range of industries – gaming, rock climbing gyms, theme parks, museums, hot air balloon rides, etc. (Poulsson and Kale, 2004) and some widely known brands (Gentile *et al*, 2007).

Another major gap in the existing body of knowledge regarding customer experience was a lack of explanatory models, theory building studies, interpretation, conceptualization offering a common terminology, a shared mindset in the existing literature, and the lack of structural managerial approaches (Gentile *et al*, 2007) as mentioned previously. This knowledge gap exists generally in marketing literature and more specifically in the Egyptian context. The study provided a validated framework which identified some factors that either discourage or encourage consumer experience in the hospitality context in an attempt to address this gap. This study has focused on the customer experience in the service sector from the consumer's perspective to gain a deeper understanding of the role played by the customer experience in building brand loyalty. This study has investigated the concept of customer experience and the relationship among other variables. The findings showed that four key components of customer experience from the consumer perspective – educational, novelty, relational and sense of beauty aspects. The results of the study will help service managers to identify the experiential needs of customers to be improved in order to strengthen the brand loyalty (to be discussed in detail in the next section).

This research used both qualitative and quantitative methodologies. It combined results from empirical studies on marketing, consumer behaviour, branding and tourism. Netnography was used to validate and refine those results from the literature for better understanding of the concept of customer experience in the hospitality context. Finally, structural equation modeling (SEM) was used to develop and test the model of customer experience, antecedents and consequences.

Another theoretical contribution of this study is the netnography method (Kozinet, 1997, 1998, 2001 and 2002) used to uncover the dimensions of customer experience that helps the researcher to gain more understanding about the topic. Netnography has not been widely used as a marketing research technique. Only a few marketing researchers have adapted netnographic methods (Kozinets and Handelman, 1998; Brown *et al*, 2003; Nelson and Otnes, 2005). Moreover, the use of netnography in a multi-method approach allowed the researcher to get an overwhelming amount of data that was useful in identifying the different aspects of customer experience, which had not previously been examined, and refining the research conceptual framework. The model was then translated into a survey design for the next quantitative phase. The netnography methodology and SEM had not commonly been widely used in this area of research. Such an attempt should therefore set a new standard for research conducted in this field.

In the quantitative stage, measurement items of the study constructs were identified, refined, and subjected to rigorous statistical testing to check validity and reliability, although, many items and constructs were deleted from the conceptual model in the scale validation process. The results showed that a high degree of construct validity, reliability, and discriminant validity for each of the constructs within the model. In addition, satisfactory fit indices with significant pathways in the hypothesized direction between the theorized constructs were evident. This study, therefore, makes a contribution to the literature by modifying the scales used to measure certain constructs and testing them within the context of a developing country. The findings confirmed that most of the measurement items satisfied the reliability and validity criteria in the hotel context in Egypt, although some items were deleted. Another contribution is the assessment of mediating role of perceived service quality variable within the model.

The results of the hypotheses testing demonstrate that, apart from advertising and pre-consumption mood, all the antecedents' constructs have either direct or indirect impact on customer experience. The theoretical implications of the statistically significant and non-significant relationships are presented.

Estimation of the structural model established the relative weighting of the antecedent constructs that affected customer experience. The core service construct had the greatest impact, followed by word-of-mouth and then the price perception. Accordingly, this research provides a major step forward in the prediction of factors influencing consumer experience in a specific context, namely hospitality and travel. The findings have important implications for hospitality establishments wanting to create a memorable customer experience (to be discussed in the next section). The current study is also beneficial for marketers to understand the consumer's experiential needs in order to help them tailor the experience that is most suitable for their customers. For example, based on the findings, when building strong brand-loyal customers in the resort context the primary focus should be on educational, novelty, relational and esthetic experiences. By designing customer experience, the resort-hotel brand will perform well compared to other competing brands.

This research is one of the first to empirically validate the assumption made by Barsky and Nash (2002) and Berry *et al* (2002) that customer experience has a greater impact on brand loyalty. Additionally, this is the first research to empirically distinguish between the quality of service and the quality of experience as claimed by Otto and Ritchie (1996) in the service setting. The conclusion was that perceived service quality is a major determinant that will enhance the customer experience.

8.2.2 Managerial implications

This study has focused on customer experience in the resort-hotel context from the customer's perspective and its effect on brand loyalty. The results of this study suggest a number of implications for service, marketing and brand managers. In addition, the research provides some guidance on customer experience design as outlined next.

Egypt is a global hotspot where tourism is comprehensive and diversified. There are continuing aggressive expansion plans, new brand launches of hospitality establishments and an increasing number of tourists. The knowledge of customer experience and the challenge of creating great customer experience is of utmost importance. Also, factors that contribute in enhancing customer experience are useful for organizations to understand. The findings indicate that customer experience has a positive and significant effect on brand loyalty. This contribution will help brand managers to understand the important role of customer experience and its dimensions.

Some of these elements are under a company's control while others are uncontrollable such as consumer mood or word-of-mouth. Therefore, companies must try to reduce the degree of influence of certain constructs such as word-of-mouth that may negatively influence customer experience by setting an effective way to deal with customer complaints, and ensuring that their establishments provide high quality services. In order to provide great customer experience, companies must ensure that they provide superior service quality to the consumer at reasonable prices to be consumed in a favourable atmosphere. To sum up, the results of this study, especially concerning factors discouraging or encouraging consumers' experiences are important and useful to companies in order to provide the service that meets consumer experiential needs.

Many marketers acknowledge the importance of customer experience, but they have very little knowledge of what the components of customer experience in the hotel context are, and also what the factors affecting customer experience are. The results of this research showed that core service has the stronger effect. This confirms that core service provided by the establishment is one of the critical factors to achieve great customer experience. This finding can be used by brand managers to redirect their planning when attempting to enhance customer experience by emphasizing the core service provided in order to positively influence consumer experience. From a managerial perspective, managers should focus on basic attributes such as providing safe food, clean rooms and bathrooms, efficient leisure services and entertainment programs – because if the core services are of poor quality, then the overall experience is likely to be negative (Quan and Wang, 2004).

Furthermore, an implication is made for hospitality professionals to incorporate the measurement of service quality in their quality improvement program in order to understand customers' perceptions of actual service delivered. This will also help them to stay ahead of their customers by anticipating their needs. Managers need to focus on creating a service culture, building an empowered service-delivery system, facilitating a customer listening orientation and developing responsive service guarantees as suggested by Enz and Siguaw (2000). Moreover, managers should develop a service improvement program that includes the training of service personnel, and empowering them to deliver service excellence. Training is considered as one of the most importance general management strategies to meet customer needs (Harel and Tzafrir, 1999). Service firms generally, and resort-hotels specifically, should invest in people as much as in machines (Schlesinger and Heskett, 1991) and provide them with effective training programs that enhance their skills to meet customers' experiential needs.

Thus, this study provides a comprehensive understanding of the concept of 'customer experience' in a hospitality context and the main factors that encourage or discourage the experience – resulting in a loyal customer. Moreover, the findings also demonstrated that local brand managers must focus on other factors such as price perception and word-of-mouth that will enhance customer experience and in turn build brand loyalty. This knowledge gives valuable input that will help marketing managers design, plan an unforgettable customer experience that would sustain loyal customers and increase profits.

Moreover, while advertising is commonly viewed as a key marketing tool used to build strong brands, this study has shown that advertising is less useful in relation to customer experience. The lesson for local brand managers in Egypt is that in order to survive they need to focus on transformational advertising that international hotel brands are heavily reliant on in their promotional campaigns. This contribution is meaningful for local brands in developing countries, where famous international brands such as Hilton and Sheraton are dominant. It is also important that marketing managers invest enough in advertising and promotion to increase the familiarity and popularity of both company and brand to customers before visiting the place. Marketing managers must also focus on the content of information to be placed on the adverts whether online or other types of promotion, presenting it in an enjoyable and entertaining way that reflects the experience that the customer will encounter with their brand. The study also suggests that the design of the social servicescape should consider the consumption experience and the degree and desirability of the social interaction that will happen through the delivery of the service.

8.3 Limitations and future research

As with all research projects, this study has several limitations. The following section elaborates the limitations posed by the research setting, research design and measurement issues.

8.3.1 Limitations of the study

The researcher attempted to expand the understanding of the construct of customer experience, its antecedents and its consequences. Although the endeavour was worthwhile, it was not without its limitations.

First, the netnography study, by its nature, was restricted to those customers who sent their reviews online. Moreover, the focus of the study was on customer reviews that are written in English. The study did not consider those customers who did not post their reviews online. The results could be different if the study included both the online and the offline tourist community in order to examine their experiences. Therefore, care should be taken in interpreting these findings. Given that this research represents a first attempt to examine the construct of customer experience, its antecedents and its consequences, for which limited previous literature was available. It is possible that some important constructs were not properly included in the research conceptual model or the model includes some constructs that may not be completely appropriate.

A further limitation is that this survey used many measurement scales adapted from previous literature, and refined by using results from the qualitative (netnography) study. Even though all proposed measurement scales displayed good psychometric properties, some measurement items were eliminated during the item purification process. The deletion of these items could be due to the fact that the items did not measure the construct domain very well.

Although the hotel context provides a vast array of opportunities for employee-customer contact that provokes emotions and feelings of customers towards the services provided (MacMillan and MacGrath, 1997), the focus of this research on the hospitality industry would certainly limit the generalizability of the findings to industries other than hospitality. In addition, the study focuses on only one local hotel brand 'Pickalbatros' which would be significantly different compared to other competing local and international hotel brands in Egypt – this may have influenced the survey results. Furthermore, the findings may be limited to the Egyptian context and may not necessarily reflect customer 'tourist' experience in other countries. Therefore, there is a need to replicate and extend this study to other contexts.

Within the quantitative phase, it was decided to conduct the survey on a sample of British tourists who visited the country. This decision was made because the British are ranked among the most numerous tourists visiting Egypt, after Russians and Germans (SIS, 2007). The consumption behaviour and attitude of British customers cannot be generalized to the whole population of tourists in Egypt. Therefore the findings of this research provide limited understanding of the customer experience, only from the British customers' point of view. Accordingly, it would be useful to conduct an empirical research on different types of tourists because the findings may not be strictly generalized to all other nationalities. These limitations do not minimize the significance of the findings in this study. However, it directs the attention for future research by identifying and aiding further improvement in this area.

8.3.2 Future research

Having identified the limitations of the study, this section then provides some suggestions for future research to extend the current body of knowledge in the literature on service marketing, consumer behaviour and branding.

This study was the first study on the topic of customer experience in Egypt which attempts to empirically examine customer experience using the mixed methods approach by adapting netnography principles and testing and validating a conceptual framework using SEM. Given the increasing attention to customer experience in recent years, the lack of systematic and empirical research in this area is quite alarming (Gentile *et al*, 2007). This study has only examined customer experience with resort-hotel brands in Egypt – which is significantly different when compared to other contexts. It would be interesting to examine the generalizability of the model and whether the findings could be replicated to other contexts and different types of businesses other than the hospitality industry.

This study acts as the foundation for other future research to build on – namely on the issue of customer experience from the consumer perspective. However, managing and designing customer experience could also be investigated from the corporate perspective. Therefore, further research should focus on the company side and find out more about customer experience design.

The structural model may be applied to other brands, rather than just hotel brands, to validate the model and make further refinements on the structural model to show whether the findings of this study hold true or not. Bearing in mind that the measures used in the current study in the hotel context cannot be adopted exactly to measure the constructs of interest in another context – some constructs would be irrelevant. Furthermore, some of the results of this study were unexpected, e.g. the direct effects of advertising, employees, servicescape and pre-consumption mood on customer experience were not found to be significant. Therefore, future research could investigate this issue further.

Finally, this study was based on one nationality of respondents. Therefore, the study cannot be generalized to the whole population of tourists, neither in Egypt nor in other countries. Future studies should be conducted with respondents from other nationalities or cultures to confirm whether the model still provides the same results and to make further improvements on the theoretical model.

8.4 Conclusions

The research problem focuses on the role of customer experience on building brand loyalty within the hospitality context. This research is the first empirical study of its kind in Egypt.

The study followed the mixed-method approach in order to give a better understanding of a more complex phenomenon and get accurate results. A mixed-method research approach allowed the development of a theoretical model from the netnography method, which was then tested on British customers. The study used structural equation modeling to analyze collected data. The key finding is that customer experience is represented by four aspects: educational, novelty, relational and sense of beauty. Furthermore, a key determinant in customer experience was the core services provided as the link from the core services to customer experience was statistically significant. Other predicting variables were identified such as price perception and word-of-mouth that are used as cues by the study respondents to predict their experience and also as a determinant in the evaluation of their experiences. This study also showed that brand loyalty is derived not only from perceived service quality but from customer experience. The structural equation analysis showed satisfactory fit indices and construct validity. The results also demonstrated that some pathways were not significant and some variables would not be able to explain and predict customer experience. Since this is the first study to identify the construct of customer experience, there was no theoretical justification from prior research.

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APPENDIX A

Table 1.1: Tourist numbers by nationality, year 2007

Nationality	**Tourist numbers**
Russian Federation	1331259
Germany	881903
United Kingdom	866920
Italy	852053
France	394421
Libya	376501
Saudi Arabia	353990
Poland	281878
USA	218445
Israel	203861

Source: Adapted from:

http://www.sis.gov.eg/PDF/En/Tourism/060100000000000010007.pdf

Retrieved on: 14.8.08

APPENDIX B

Univariate Statistics

	N	Mean	Std. Deviation	Missing		No. of Extremes(a)	
	Count	Percent	Low	Count	Percent	Low	High
AD01	483	5.1470	1.48754	26	5.1	20	0
AD02	485	5.2289	1.39775	24	4.7	15	0
AD03	485	5.2495	1.53796	24	4.7	22	0
AD04	484	5.0950	1.49230	25	4.9	20	0
PP01	500	5.6220	1.33517	9	1.8	22	0
PP02	498	5.5542	1.40353	11	2.2	23	0
PP04	492	5.6321	1.42026	17	3.3	21	0
PP05	503	5.6402	1.44202	6	1.2	23	0
SE02	509	5.9332	1.15162	0	.0	10	0
SE03	509	5.5835	1.37017	0	.0	18	0
SE04	506	5.2075	1.39817	3	.6	9	0
SE05	509	6.1002	1.18379	0	.0	51	0
SE06	509	5.8605	1.30648	0	.0	13	0
EM02	509	6.1925	1.28063	0	.0	43	0
EM03	509	6.1984	1.23671	0	.0	48	0
EM04	509	6.0157	1.33832	0	.0	63	0
EM05	509	6.2515	1.18206	0	.0	36	0
EM06	509	5.6424	1.52597	0	.0	25	0
WO02	508	5.8346	1.32798	1	.2	19	0
WO03	509	5.7525	1.34487	0	.0	20	0
WO04	509	5.6896	1.26192	0	.0	14	0
MO01	494	5.1478	1.54855	15	2.9	21	0
MO02	490	4.6122	1.56934	19	3.7	34	0
MO03	479	3.4342	2.01339	30	5.9	0	0
MO04	482	3.9544	2.22395	27	5.3	0	0
CE04	479	3.7829	2.22454	30	5.9	0	0
CE06	494	5.6518	1.49517	15	2.9	23	0
CE07	491	5.5540	1.62338	18	3.5	31	0
CE08	489	5.4070	1.69861	20	3.9	0	0
SQ01	486	5.5926	1.56859	23	4.5	27	0
SQ02	507	5.0434	1.60720	2	.4	19	0
SQ04	507	4.3057	1.74547	2	.4	0	0
CS01	506	4.8972	1.60855	3	.6	20	0
CS02	505	4.8198	1.82824	4	.8	32	0
CS03	507	5.3807	1.52550	2	.4	38	0
CS04	505	5.5842	1.44658	4	.8	24	0
CS05	505	5.7149	1.43575	4	.8	23	0
BL01	498	4.3755	1.80251	11	2.2	0	0
BL02	502	3.8586	1.85769	7	1.4	0	0
BL03	507	5.5720	1.51548	2	.4	26	0

a Number of cases outside the range (Q1 - 1.5*IQR, Q3 + 1.5*IQR).

APPENDIX C: Questionnaire

Dear participants,

My name is Ahmed Rageh and I am a postgraduate student at Brunel University, West London, United Kingdom. I am conducting a research project to better understand customer experience in the hotel industry and find out more about the experiential needs of the tourists visiting Sharm El Sheikh. This is an anonymous survey whereby all responses will remain confidential. The data collected will be used for academic purposes only and has been approved by the Brunel Business School ethics committee. The results of this study will help service managers to better understand your experiences and provide services that meet your needs.

Your participation is strictly voluntary, however, we really appreciate your help in filling in the questionnaire, it will take only about 10 minutes to complete.

Important:

- Please wait to fill in the questionnaire until after you have finished your stay at the hotel.
- There is no right or wrong answer, it is your experience.
- Please fill in the address section at the end of this survey, so that we can send the $150 prize if your name was drawn as a winner.
- Finally, once you have finished, please hand in the questionnaire to the survey administrator.

Sincerely,

Ahmed Rageh Ismail

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SECTION I:

INSTRUCTION: This section asks questions which use rating scales. Please choose the number that best describes your opinion. There are no right or wrong answers. For each statement, please use the following scale:

Strongly disagree	Somewhat disagree		Neither agree nor disagree	Somewhat agree		Strongly agree
1	2	3	4	5	6	7

1. **The following statements describe your attitude towards the advertisements of the hotel you stayed in (TV ads, newspapers, magazines, brochures and websites) before visiting the place. Please select the response that best reflects your attitude.**

		Strongly disagree						Strongly agree
1.1	I reacted favourably to the advertisements.	1	2	3	4	5	6	7
1.2	I felt positive towards the advertisements.	1	2	3	4	5	6	7
1.3	The advertisements motivated me to make the holiday decision.	1	2	3	4	5	6	7
1.4	The advertisements led me to infer what the experience would be like.	1	2	3	4	5	6	7

2. The following statements describe your perception of the service's price. Please select the responses that best describe your perception.

Before booking this holiday, the price of the whole package (accommodation and other services provided by the hotel)…

		Strongly disagree						Strongly agree
2.1	Was reasonable.	1	2	3	4	5	6	7
2.2	Helped me make my decision.	1	2	3	4	5	6	7
2.3	Led me to infer what the experience will be like.	1	2	3	4	5	6	7

At the end of the holiday…

2.4	The price was still reasonable.	1	2	3	4	5	6	7
2.5	I was pleased with the price I paid.	1	2	3	4	5	6	7
2.6	The price provided value for money.	1	2	3	4	5	6	7

3. The following statements describe your evaluation of the hotel environment. Please select the responses that best describe your evaluation.

		Strongly disagree						Strongly agree
3.1	The background music was appropriate.	1	2	3	4	5	6	7
3.2	The temperature was comfortable.	1	2	3	4	5	6	7
3.3	The lighting was appropriate.	1	2	3	4	5	6	7
3.4	The aroma was enticing.	1	2	3	4	5	6	7
3.5	The natural environment (such as, sea and gardens) was attractive.	1	2	3	4	5	6	7
3.6	The overall design of this hotel was interesting.	1	2	3	4	5	6	7

3.7	The other customers that were present during my stay positively affect my experience.	1	2	3	4	5	6	7

4. The following statements relate to your opinion about the service employees in the resort. Please select the responses that best describe your opinion.

		Strongly disagree						Strongly agree
4.1	Employees were well dressed and appeared neat.	1	2	3	4	5	6	7
4.2	Employees were always willing to help.	1	2	3	4	5	6	7
4.3	Employees were polite and courteous.	1	2	3	4	5	6	7
4.4	Employees gave me personal attention.	1	2	3	4	5	6	7
4.5	Employees were friendly and pleasant.	1	2	3	4	5	6	7
4.6	Employees took the time to get to know me personally.	1	2	3	4	5	6	7

5. The following statements describe your evaluation of the ice. Ple select the responses that best describe your evaluation.

		Strongly disagree						Strongly agree
5.1	The food and beverage were of poor quality.	1	2	3	4	5	6	7
5.2	Leisure services (swimming pool, fitness and healthcare centre and sauna) were pleasant.	1	2	3	4	5	6	7
5.3	Accommodation was comfortable.	1	2	3	4	5	6	7
5.4	Excursions and trips offered were exciting.	1	2	3	4	5	6	7
5.5	Educational services (diving, yoga, cooking, and belly dance classes) were pleasant and thought-provoking.	1	2	3	4	5	6	7

6. Have you stayed in this hotel before?

a. Yes ☐ (if yes, then go to Q.7) b. No ☐ (If no, then go to Q.8)

7. The following statements describe your past experience (last visit to the same hotel). Please select the responses that best describe your experience.

		Strongly disagree						Strongly agree
7.1	My past experience with this hotel has in general been excellent.	1	2	3	4	5	6	7
7.2	Based on my last visit, I had a low expectation of this hotel.	1	2	3	4	5	6	7
7.3	My decision to visit this place again was based on my last visit to the hotel.	1	2	3	4	5	6	7

8. The following statements relate to your opinion about the word-of-mouth (either online 'customer reviews' or interpersonal communications) concerning the hotel brand. Please select the responses that best describ[illegible]inion.

		Strongly disagree						Strongly agree
8.1	The reviews I read online influenced my view about the hotel.	1	2	3	4	5	6	7
8.2	My friends provided some different ideas about the hotel.	1	2	3	4	5	6	7
8.3	The word-of-mouth helped me make a decision.	1	2	3	4	5	6	7
8.4	The word-of-mouth influenced my evaluation.	1	2	3	4	5	6	7

9. The following statements are about your mood before the service consumption experience. Please select the number that best describes your mood.

My mood before arriving to the hotel was…

9.1	Sad	1	2	3	4	5	6	7	Happy
9.2	Bad mood	1	2	3	4	5	6	7	Good mood
9.3	Irritable	1	2	3	4	5	6	7	Pleased
9.4	Depressed	1	2	3	4	5	6	7	Cheerful

10. The following statements describe your experience at the hotel. Please select the responses that best describe your experience.

Strongly disagree — Strongly agree

10.1	My experience was entertaining.	1 2 3 4 5 6 7
10.2	My experience was a memorable experience.	1 2 3 4 5 6 7
10.3	My experience was exciting.	1 2 3 4 5 6 7
10.4	I felt like I was doing something new and different.	1 2 3 4 5 6 7
10.5	I felt a sense of comfort.	1 2 3 4 5 6 7
10.6	The experience was highly educational to me.	1 2 3 4 5 6 7
10.7	I felt a sense of beauty.	1 2 3 4 5 6 7
10.8	I made new acquaintances and friends.	1 2 3 4 5 6 7
10.9	I felt safe.	1 2 3 4 5 6 7
10.10	I felt that I was important, respected and welcomed.	1 2 3 4 5 6 7

11. The following statements describe your evaluation of the overall service quality. Please select the responses that best describe your evaluation.

		Strongly disagree						Strongly agree
11.1	I would say that this hotel provides a superior service.	1	2	3	4	5	6	7
11.2	I believe this hotel offers excellent service.	1	2	3	4	5	6	7
11.3	This is the best hotel I have ever stayed in.	1	2	3	4	5	6	7
11.4	This hotel was a place that worth staying in.	1	2	3	4	5	6	7

12. The following statements describe your attitudinal brand loyalty. Please select the responses that best describe your brand loyalty.

		Strongly disagree						Strongly agree
12.1	I am very loyal to this hotel.	1	2	3	4	5	6	7
12.2	I would continue to come to this hotel even if the price was higher.	1	2	3	4	5	6	7
12.3	I would highly recommend this hotel to my friends.	1	2	3	4	5	6	7
12.4	For me, the hotel brand is the same as other hotels.	1	2	3	4	5	6	7

SECTION II: Information about yourself (optional)

INSTRUCTION: Please place a mark in the category that best describes you – or fill in the blank. Your responses are for research purposes only. They will be kept confidential and reported as aggregate data only.

1. **What is your nationality?**
   ………………….

2. **Your gender**

   a. Male ☐ b. Female ☐

3. **Your age**

   a. Less that 19 years ☐ b. 20 to 29 ☐ c. 30 to 39 ☐

   d. 40 to 49 ☐ e. 50 to 59 ☐ f. 60 years or more ☐

4. **Your marital status**

   a. Single ☐ b. Married ☐ c. Divorced ☐

5. **Your level of education is**

   a. Up to high school ☐ b. Bachelor’s degree ☐

   c. Master’s degree or higher ☐ d. N/A ☐

6. **What is your current occupation?**
   ………………………………….

7. **What is the duration of the stay?**
   ………………………………….

8. **Address you would like your prize sent to:**

Name
Street address
City
Province/state
Postal code
Country

Thank you for taking the time in filling in the questionnaire. Your information is very valuable and greatly appreciated.

APPENDIX D: Test of Homogeneity of Variance

		Levene Statistic	df1	df2	Sig.
AD01	Based on Mean	1.050	1	434	.306
	Based on Median	1.523	1	434	.218
	Based on Median and with adjusted df	1.523	1	422.706	.218
	Based on trimmed mean	1.193	1	434	.275
AD02	Based on Mean	1.922	1	434	.166
	Based on Median	2.698	1	434	.101
	Based on Median and with adjusted df	2.698	1	406.135	.101
	Based on trimmed mean	2.686	1	434	.102
AD03	Based on Mean	.824	1	434	.365
	Based on Median	.390	1	434	.532
	Based on Median and with adjusted df	.390	1	426.262	.532
	Based on trimmed mean	.299	1	434	.585
AD04	Based on Mean	.228	1	434	.633
	Based on Median	.623	1	434	.431
	Based on Median and with adjusted df	.623	1	430.911	.431
	Based on trimmed mean	.212	1	434	.645
PP01	Based on Mean	.039	1	434	.844
	Based on Median	.211	1	434	.646
	Based on Median and with adjusted df	.211	1	433.555	.646
	Based on trimmed mean	.030	1	434	.863
PP02	Based on Mean	.569	1	434	.451
	Based on Median	.854	1	434	.356
	Based on Median and with adjusted df	.854	1	424.533	.356
	Based on trimmed mean	.904	1	434	.342
PP04	Based on Mean	.092	1	434	.762
	Based on Median	.171	1	434	.679
	Based on Median and with adjusted df	.171	1	429.829	.679
	Based on trimmed mean	.258	1	434	.612
PP05	Based on Mean	1.538	1	434	.216
	Based on Median	.562	1	434	.454
	Based on Median and with adjusted df	.562	1	410.233	.454
	Based on trimmed mean	1.301	1	434	.255
SE02	Based on Mean	.051	1	434	.822
	Based on Median	.019	1	434	.890
	Based on Median and with adjusted df	.019	1	433.913	.890
	Based on trimmed mean	.100	1	434	.752
SE03	Based on Mean	.119	1	434	.730
	Based on Median	.297	1	434	.586

	Based on Median and with adjusted df	.297	1	425.753	.586
	Based on trimmed mean	.183	1	434	.669
SE04	Based on Mean	1.060	1	434	.304
	Based on Median	.358	1	434	.550
	Based on Median and with adjusted df	.358	1	422.344	.550
	Based on trimmed mean	.389	1	434	.533
SE05	Based on Mean	4.470	1	434	.035
	Based on Median	1.566	1	434	.211
	Based on Median and with adjusted df	1.566	1	390.152	.212
	Based on trimmed mean	1.576	1	434	.210
SE06	Based on Mean	1.995	1	434	.159
	Based on Median	.676	1	434	.412
	Based on Median and with adjusted df	.676	1	415.411	.412
	Based on trimmed mean	1.830	1	434	.177
EM02	Based on Mean	4.331	1	434	.038
	Based on Median	3.103	1	434	.079
	Based on Median and with adjusted df	3.103	1	432.703	.079
	Based on trimmed mean	1.846	1	434	.175
EM03	Based on Mean	6.447	1	434	.011
	Based on Median	5.182	1	434	.023
	Based on Median and with adjusted df	5.182	1	433.796	.023
	Based on trimmed mean	3.346	1	434	.068
EM04	Based on Mean	.546	1	434	.460
	Based on Median	.203	1	434	.653
	Based on Median and with adjusted df	.203	1	416.852	.653
	Based on trimmed mean	.430	1	434	.513
EM05	Based on Mean	4.787	1	434	.029
	Based on Median	4.426	1	434	.036
	Based on Median and with adjusted df	4.426	1	433.075	.036
	Based on trimmed mean	2.761	1	434	.097
EM06	Based on Mean	1.442	1	434	.230
	Based on Median	1.016	1	434	.314
	Based on Median and with adjusted df	1.016	1	422.277	.314
	Based on trimmed mean	1.567	1	434	.211
CS01	Based on Mean	.197	1	434	.657
	Based on Median	.014	1	434	.904
	Based on Median and with adjusted df	.014	1	431.109	.904
	Based on trimmed mean	.029	1	434	.865
CS02	Based on Mean	5.064	1	434	.025
	Based on Median	3.425	1	434	.065
	Based on Median and with adjusted df	3.425	1	387.914	.065

	Based on trimmed mean	5.416	1	434	.020
CS03	Based on Mean	1.745	1	434	.187
	Based on Median	.554	1	434	.457
	Based on Median and with adjusted df	.554	1	385.304	.457
	Based on trimmed mean	1.234	1	434	.267
CS04	Based on Mean	.007	1	434	.932
	Based on Median	.055	1	434	.814
	Based on Median and with adjusted df	.055	1	433.520	.814
	Based on trimmed mean	.000	1	434	.998
CS05	Based on Mean	.010	1	434	.922
	Based on Median	.009	1	434	.923
	Based on Median and with adjusted df	.009	1	429.578	.923
	Based on trimmed mean	.001	1	434	.975
WO02	Based on Mean	.570	1	434	.451
	Based on Median	.001	1	434	.971
	Based on Median and with adjusted df	.001	1	433.827	.971
	Based on trimmed mean	.473	1	434	.492
WO03	Based on Mean	.229	1	434	.633
	Based on Median	.110	1	434	.741
	Based on Median and with adjusted df	.110	1	433.395	.741
	Based on trimmed mean	.136	1	434	.713
WO04	Based on Mean	.060	1	434	.807
	Based on Median	.087	1	434	.768
	Based on Median and with adjusted df	.087	1	433.896	.768
	Based on trimmed mean	.029	1	434	.864
MO01	Based on Mean	.045	1	434	.832
	Based on Median	.028	1	434	.868
	Based on Median and with adjusted df	.028	1	430.498	.868
	Based on trimmed mean	.052	1	434	.820
MO02	Based on Mean	2.820	1	434	.094
	Based on Median	1.180	1	434	.278
	Based on Median and with adjusted df	1.180	1	407.889	.278
	Based on trimmed mean	2.203	1	434	.138
MO03	Based on Mean	.748	1	434	.388
	Based on Median	.119	1	434	.730
	Based on Median and with adjusted df	.119	1	429.776	.730
	Based on trimmed mean	.307	1	434	.580
MO04	Based on Mean	.076	1	434	.782
	Based on Median	.000	1	434	.988
	Based on Median and with adjusted df	.000	1	431.910	.988
	Based on trimmed mean	.034	1	434	.854
CE04	Based on Mean	.013	1	434	.909

	Based on Median	.057	1	434	.811
	Based on Median and with adjusted df	.057	1	431.640	.811
	Based on trimmed mean	.010	1	434	.921
CE06	Based on Mean	.587	1	434	.444
	Based on Median	.199	1	434	.656
	Based on Median and with adjusted df	.199	1	433.573	.656
	Based on trimmed mean	.532	1	434	.466
CE07	Based on Mean	.275	1	434	.600
	Based on Median	.132	1	434	.716
	Based on Median and with adjusted df	.132	1	427.883	.716
	Based on trimmed mean	.411	1	434	.522
CE08	Based on Mean	.001	1	434	.971
	Based on Median	.338	1	434	.561
	Based on Median and with adjusted df	.338	1	433.774	.561
	Based on trimmed mean	.100	1	434	.752
SQ01	Based on Mean	.032	1	434	.857
	Based on Median	.542	1	434	.462
	Based on Median and with adjusted df	.542	1	431.348	.462
	Based on trimmed mean	.039	1	434	.843
SQ02	Based on Mean	.269	1	434	.604
	Based on Median	.872	1	434	.351
	Based on Median and with adjusted df	.872	1	427.713	.351
	Based on trimmed mean	.670	1	434	.414
SQ04	Based on Mean	.735	1	434	.392
	Based on Median	.650	1	434	.421
	Based on Median and with adjusted df	.650	1	422.636	.421
	Based on trimmed mean	.959	1	434	.328
BL01	Based on Mean	.055	1	434	.815
	Based on Median	.169	1	434	.681
	Based on Median and with adjusted df	.169	1	433.415	.681
	Based on trimmed mean	.003	1	434	.953
BL02	Based on Mean	.088	1	434	.767
	Based on Median	.167	1	434	.683
	Based on Median and with adjusted df	.167	1	433.524	.683
	Based on trimmed mean	.021	1	434	.886
BL03	Based on Mean	.018	1	434	.892
	Based on Median	.304	1	434	.582
	Based on Median and with adjusted df	.304	1	431.762	.582
	Based on trimmed mean	.168	1	434	.682

APPENDIX E: The coding of the reviews

Theme (tree node)	Definition	Sub-theme (free node)	Definition	Sample quote
Advertising	This is an extrinsic cue on which consumers will rely more heavily to make pre-purchase decisions due to the intangible nature of experience and to predict experience prior to consumption			The second was advertised in the itinerary as for snorkelling but there were no fish because it was in a hidden bay, water was only 2 feet deep and no fish in sight because it's quite a way from the main sea.
Brand loyalty	Brand loyalty is a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future, thereby causing repetitive same-brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour.			I really am at a loss to understand why/how anybody could be negative about this hotel, I have returned rested and full of vigour and ready for anything. I can honestly say that in the years (many!) that I have been holidaying abroad this resort comes very close to the top if not actually at the top of my list and I will be returning, I suspect more than once!
Core service	It is a substantive service which is best understood as the essential function of a service.	Food	Food provided by the hotel	The food at the El Arabesque restaurant, although pricey, was worth every penny. I never conceived of spending $80 for a breakfast buffet for two adults and one child, but we were making plans to return each morning before we had even finished our first meal! Imagine having three chefs prepare everything from fantastic omelettes with shrimp, fresh crepes with all the fresh toppings, and dazzling fresh cut fruit as you order it. The breads are all freshly made as were the crescents that were kept under hot lights. The melon and mango juices were of coarse all fresh, the variety of cheeses

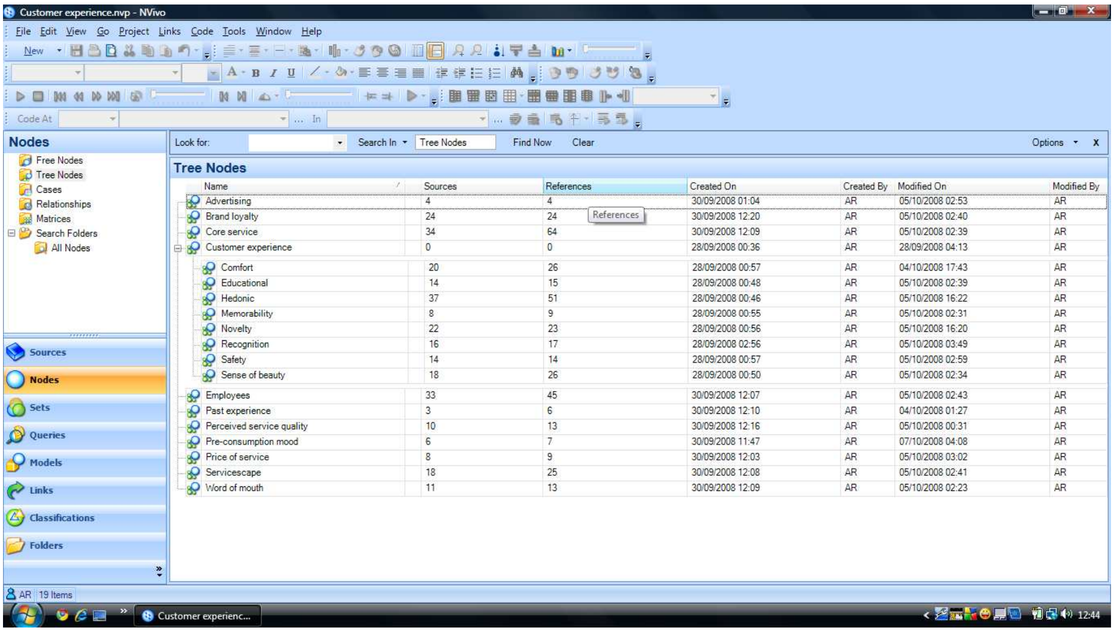
				rivalled the best Parisian delis, and the hot dishes were all accompanied by the best toppings that comes to the imagination! All this was situated on a terrace overlooking the Red Sea! Clearly, our meals in this restaurant were far better than any meal we had on our subsequent trip through London, Northern Italy, and Prague!
		Accommodation	The room provided by hotel	The rooms were great; spacious, clean and the beds were so comfy", "The room is fabulous! Very clean, very comfortable and very contemporary
		Location	The location of the hotel	The location is absolutely perfect!!! The hotel has its own private beach which is cleaned in the early morning before you ever set foot on it so it is spotless.
Customer experience	Emotions provoked, sensations felt, knowledge gained and skills acquired through active involvement with the firm pre, during and post consumption.	Comfort	The comfort and relaxation element of the experience	We stayed in a Regency Club Junior Suite, which had a comfortable two-room setup. I also had a body massage this time with a lady called Hand (?). She was very experienced and I was extremely relaxed afterward. I told her I had a neck injury and she was very gentle in that area.
		Educational	The educational dimension of experience of learning for fun	I do definitely recommend the diving as it's the best thing I have done. Me and my family all got our diving licence out there, and the diving staff were so helpful and i really felt safe with them, and there manager was very professional and knew what he was doing.
		Hedonic	Excitement	"The Bedouin experience is another excursion we went on, it was great, we rode on camels and watched the sunset and also did some stargazing – you look through a telescope and get to see the moon and Jupiter, and another flashing star, can't remember the name of it."
			Enjoyment	Within the complex is an open-air theatre, where the Italian entertainment squad put on a show every night, which can be

				anything from slapstick comedy or classical dance, to musicals like Dracula or Pinocchio! It’s all in Italian of course, but very enjoyable nonetheless
			Memorability	This hotel resort was a slice of Heaven. I have no doubt that our stay has created wonderful memories that will forever be etched into our minds and hearts.
		Novelty	Change from routine	The snorkelling was fantastic and the fish spectacular - walking along the submerged jetty and seeing all the fish so close up was great.
			Thrill	The Bedouin experience is another excursion we went on, it was great, we rode on camels and watched the sunset also did some stargazing - you look through a telescope and get to see the moon and Jupiter, and another flashing star (Can't remember the name of it)
			Surprise	Our room cleaner was extremely helpful and every day when we came back to our room he had made something extraordinary with the towels. One day he made a heart, the next a flower, then a snake and the best one of all was a swan, it was amazing, I used to take a photo each day, it was a lovely surprise coming back to our room each day to see what he had made.
		Recognition	It refers to the feeling of importance	The staff treats you like royalty and insist on not letting you lift a finger, even when I tried!”
		Safety	Safety and security perception of the experience	On arrival you have to go through security and they have a quick look in your bag but that made us feel very very safe at all times”
		Sense of beauty	The sense of beauty is the harmony between our nature and our experience. When our senses and imagination find what they crave, when	I read an earlier review by somebody that stated the entrance to the hotel reminded them of the entrance to Jurassic Park. How true! It was partly the thrill and relief of finally getting there (safely) and partly awe that made our eyes widen at the beauty of the resort as we got driven to our room on a golfing style buggy

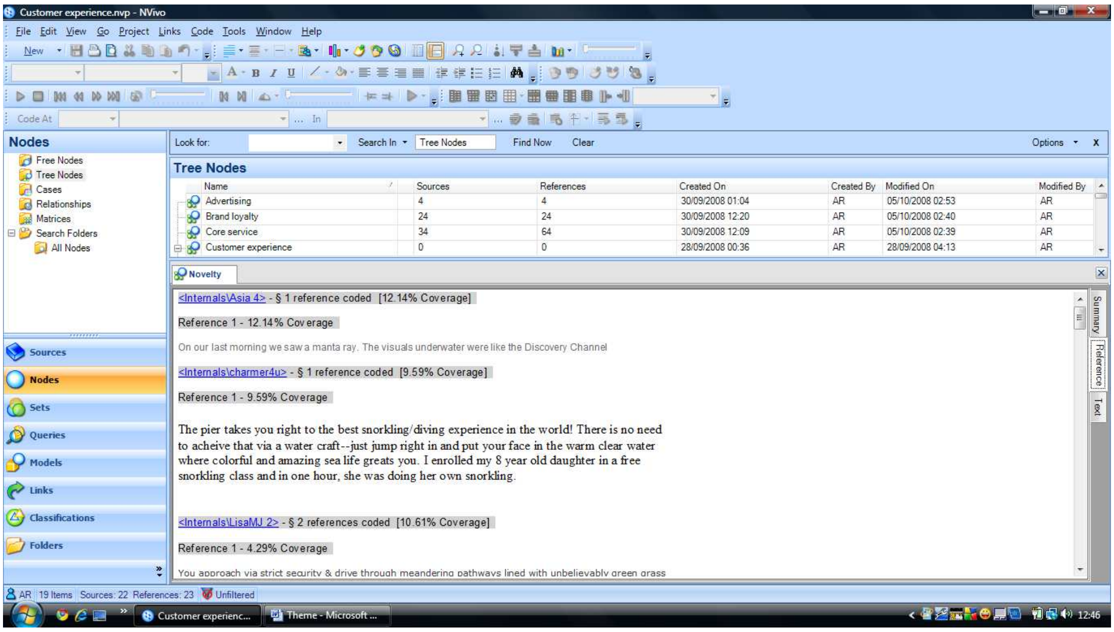
			the world so shapes itself or so moulds the mind that the correspondence between them is perfect, then perception is pleasure, and existence needs no apology	
		Relational	the relational experience that involves the person, i.e. the consumption or use of a product with other people	"While I was staying at Dreams beach I met someone known as Waggy, he works in the restaurant that is by the main pool. I had the chance to kiss him before Ramadan started and I didn't, damn it! I'm going back especially just to see him in February 2008. Really miss him loads, my family absolutely loved him and wanted him to marry me
Customer-contact employees	It is an intrinsic cue that has a major impact on customer perception of customer experience			Again linking with the reception staff, don't bother informing them of death traps because they will not listen. The jetty was getting worse every day, it is in desperate need of repair. The individual blocks were not connected to each other properly thus making it extremely wobbly. It is only a matter of time before an accident happens and someone falls into the water hurting themselves on the coral. We informed reception who thanked us for telling them and then did nothing about it. I am very shocked at the state of the jetty, there are no ropes to hold onto so if a boat passes and creates waves and you happen to be in the wrong place you risk falling in or trapping your foot in a 6 inch gap. If it was tightened up it would be much better and we did not think the hotel saw guest safety as important.
Past experience	A customer's last experience with the firm would have a positive effect on his/her expectations of the next service experience			I have stayed at dreams beach twice and my second time was just as magical and exciting as the first

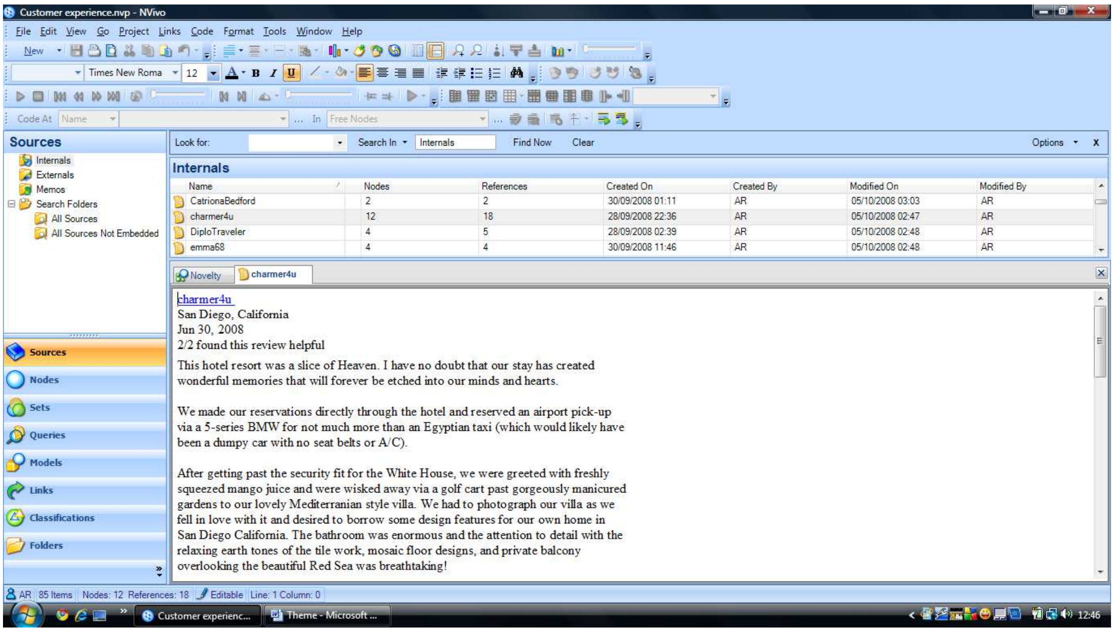
Perceived service quality	This is a consumer's judgement about an entity's overall excellence or superiority			The Blue Bay resort has to be the best value high quality hotel in Sharm El Sheikh
Pre-consumption	Mood is defined as a mild, pervasive and generalized affective state rather than intense emotions that are easily induced			On arrival at the airport we were greeted by our Thomas Cook rep Jo who took our journey induced exhaustion into account and told us everything we needed to know and then left us to relax on the way to the hotel. On arrival the hotel was gorgeous- that place is like a palace! Our room was beautiful and huge we had double beds, armchairs fridge the lot and still plenty of space.
Price perception	This is an extrinsic cue on which consumers will rely more heavily in order to make pre-purchase decisions due to the intangible nature of experience and to predict consumption experience			Prices are very good considering it's a 5 star hotel. You can get a pizza and a drink from the pool bar for 40LE (£4)! And the restaurants, room service and mini bar are just as reasonable... superb!
Servicescape	Servicescape or atmospherics are composed of both tangible elements (the building, carpeting, fixtures, and point-of-purchase decorations) and intangible elements (colours, music, temperature, scents) that comprise service experiences	The ambient factors	atmospheric elements such as colour, smell, sound, and texture that evoke visceral reactions	The atmosphere in the restaurant is lovely (a little cave down by the beach) and very romantic", "The waterfalls pool was very relaxing as it wasn't too busy and also had relaxing music in the background
		The design factors	tangible elements such as building, carpeting, fixture and point-of-sale decoration	Very tasteful décor", "The decor and general layout of the place was great", "…our lovely Mediterranean style villa. We had to photograph our villa as we fell in love with it and desired to borrow some design features for our own home in San Diego, California.

		The human factor	It is important because many services are performed in the presence of other customers	The Russians. Everything you read and a lot worse is true, I went with an open mind and was shocked at the rudeness of some, not all though, but we made a joke of it and it didn't spoil the holiday.
Word of mouth	It is the message about an organisation, its credibility and trustworthiness, its way of operating and its services, communicated from one person to another			It was our first visit to Egypt so were both a little nervous as we heard all the stories of food problems and water problems so we went well prepared medicine-wise! To our surprise we didn't need them. Our hotel was excellent and very clean.



Appendices


Customer experience.nvp - NVivo
Nodes
Free Nodes
Tree Nodes
Cases
Relationships
Matrices
Search Folders
All Nodes
Tree Nodes
Advertising
Brand loyalty
Core service
Customer experience
Novelty
<Internals\Asia 4> - § 1 reference coded [12.14% Coverage]
Reference 1 - 12.14% Coverage
On our last morning we saw a manta ray. The visuals underwater were like the Discovery Channel
<Internals\charmer4u> - § 1 reference coded [9.59% Coverage]
Reference 1 - 9.59% Coverage
The pier takes you right to the best snorkling/diving experience in the world! There is no need to acheive that via a water craft--just jump right in and put your face in the warm clear water where colorful and amazing sea life greats you. I enrolled my 8 year old daughter in a free snorkling class and in one hour, she was doing her own snorkling.
<Internals\LisaMJ 2> - § 2 references coded [10.61% Coverage]
Reference 1 - 4.29% Coverage
You approach via strict security & drive through meandering pathways lined with unbelievably green grass


Customer experience.nvp - NVivo
Sources
Internals
Externals
Memos
Search Folders
All Sources
All Sources Not Embedded
Internals
CatrionaBedford
charmer4u
DiploTraveler
emma68
charmer4u
San Diego, California
Jun 30, 2008
2/2 found this review helpful
This hotel resort was a slice of Heaven. I have no doubt that our stay has created wonderful memories that will forever be etched into our minds and hearts.
We made our reservations directly through the hotel and reserved an airport pick-up via a 5-series BMW for not much more than an Egyptian taxi (which would likely have been a dumpy car with no seat belts or A/C).
After getting past the security fit for the White House, we were greeted with freshly squeezed mango juice and were wisked away via a golf cart past gorgeously manicured gardens to our lovely Mediterranian style villa. We had to photograph our villa as we fell in love with it and desired to borrow some design features for our own home in San Diego California. The bathroom was enormous and the attention to detail with the relaxing earth tones of the tile work, mosaic floor designs, and private balcony overlooking the beautiful Red Sea was breathtaking!

Appendix F: Skewness, Kurtosis, and Mardia's coefficients of composite variables

Test of univariate and multivariate normality for continuous variables of the structural model (Mardia's coefficient)

Variable	Skewness		Kurtosis		Skewness and Kurtosis	
	Z-Score	P-Value	Z-Score	P-Value	Chi-Square	P-Value
AD01	-6.973	0.000	2.413	0.016	54.453	0.000
AD02	-7.201	0.000	3.140	0.002	61.716	0.000
AD03	-7.884	0.000	2.690	0.007	69.388	0.000
AD04	-6.645	0.000	1.944	0.052	47.940	0.000
PP01	-8.845	0.000	4.370	0.000	97.341	0.000
PP02	-8.687	0.000	3.618	0.000	88.561	0.000
PP04	-8.596	0.000	3.275	0.001	84.622	0.000
PP05	-8.791	0.000	3.269	0.001	87.971	0.000
SE02	-10.841	0.000	6.862	0.000	164.609	0.000
SE03	-8.076	0.000	2.317	0.021	70.589	0.000
SE04	-5.892	0.000	1.048	0.295	35.808	0.000
SE05	-11.345	0.000	6.428	0.000	170.016	0.000
SE06	-9.822	0.000	4.593	0.000	117.566	0.000
EM02	-12.935	0.000	7.696	0.000	226.552	0.000
EM03	-12.353	0.000	7.163	0.000	203.905	0.000
EM04	-11.201	0.000	5.861	0.000	159.805	0.000
EM05	-13.366	0.000	8.404	0.000	249.273	0.000
EM06	-9.258	0.000	3.710	0.000	99.464	0.000
WO02	-9.943	0.000	5.112	0.000	125.001	0.000
WO03	-10.143	0.000	5.433	0.000	132.398	0.000
WO04	-9.082	0.000	4.526	0.000	102.961	0.000
MO01	-6.753	0.000	1.575	0.115	48.082	0.000

MO02	-4.474	0.000	0.086	0.931	20.026	0.000
MO03	1.531	0.126	-16.401	0.000	271.330	0.000
MO04	-1.044	0.297	142.506	0.000	20308.954	0.000
CE04	0.189	0.850	183.238	0.000	33576.155	0.000
CE06	-8.934	0.000	3.514	0.000	92.157	0.000
CE07	-8.757	0.000	2.624	0.009	83.571	0.000
CE08	-7.843	0.000	0.990	0.322	62.495	0.000
SQ01	-8.767	0.000	3.000	0.003	85.856	0.000
SQ02	-5.367	0.000	-0.975	0.330	29.758	0.000
SQ04	-1.637	0.102	-5.569	0.000	33.689	0.000
CS01	-4.942	0.000	-1.547	0.122	26.819	0.000
CS02	-4.404	0.000	-5.646	0.000	51.271	0.000
CS03	-8.375	0.000	2.450	0.014	76.146	0.000
CS04	-9.004	0.000	3.766	0.000	95.251	0.000
CS05	-9.485	0.000	4.286	0.000	108.333	0.000
BL01	-3.108	0.002	-5.336	0.000	38.136	0.000
BL02	-0.578	0.563	-11.352	0.000	129.197	0.000
BL03	-8.540	0.000	2.759	0.006	80.537	0.000