

**EXPERIENTIAL MARKETING PRACTICES LEADING TO CONSUMER  
LOYALTY IN RESTAURANT BUSINESS**

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- Spine -

## **Abstract**

The experiential marketing is an emerging marketing field, which allows companies to differentiate the brands by creating unique, pleasurable and memorable experiences, which appeal to all senses, the heart and the mind. Hospitality industry and specifically restaurants can be mentioned as having the advantage in the experiential marketing context, as this is the area where all the senses can be engaged and personalized experiences can be presented directly to the customer.

Based on the theoretical framework, this study proposed a conceptual model to examine how experiential marketing practices, suggested by Schmitt (1999) as the strategic experiential modules (SEMs), affect expectation disconfirmation, customer satisfaction and customer loyalty in different types of restaurants.

In order to check the formulated hypotheses, the structural equation modeling analysis was used. The results of the study showed that the perception of affective (FEEL) and creative cognitive (THINK) experiences had a direct positive impact on expectation disconfirmation and indirectly through expectation disconfirmation affected customer satisfaction. Moreover, a relationship between expectation disconfirmation and customer satisfaction was supported and an indirect effect of expectation disconfirmation through customer satisfaction to customer loyalty was indicated. Furthermore, a direct positive effect of customer satisfaction to customer loyalty was proved. Finally, the study did not indicate a significant difference in relationship between experiential marketing practices and expectation disconfirmation among fine dining, casual dining, fast casual and quick service restaurants.

The managerial implications and recommendations for future research were discussed.

**Keywords:** Experiential marketing, Disconfirmation, Customer satisfaction, Customer Loyalty

JEL: M310 Marketing

JEL: M390 Marketing and Advertising: Other

## **Resumo**

O marketing experiencial é um campo de marketing emergente, que permite às empresas diferenciar as marcas através da criação de experiências únicas, agradáveis e memoráveis, que apelam a todos os sentidos, desde o coração até à mente. A indústria hoteleira e mais razão podem ser mencionadas como tendo a vantagem no contexto do marketing experimental, visto que nesta área todos os sentidos podem ser apelados para criar experiências personalizadas que por sua vez podem ser apresentadas directamente ao cliente.

Com base nas referências teóricas, este estudo propõe um modelo conceitual para examinar como as práticas de marketing experiencial, sugeridas por Schmitt (1999) como os módulos experimentais estratégicos (SEMs), afectam a não confirmação expectativa, a satisfação do cliente e a fidelização de clientes em diferentes tipos de restaurantes.

A fim de verificar as hipóteses formuladas, foi utilizada a análise de equações estruturais. Os resultados do estudo mostraram que a percepção de experiências do ponto de vista afetivo (SENTIR) e cognitivo-criativo (PENSAR) tiveram um impacto positivo direto na não confirmação expectativa e indirectamente através da não confirmação expectativa na satisfação do cliente. Além disso, a relação entre a não confirmação expectativa e satisfação do cliente foi apoiada e um efeito indirecto da não confirmação expectativa através da satisfação do cliente da respectiva fidelidade do mesmo foi indicado. Demonstrou-se ainda um efeito positivo direto da satisfação do cliente para a fidelização do mesmo cliente. Finalmente, o estudo não indica uma diferença significativa na relação entre as práticas experienciais de marketing e não confirmação expectativa entre restaurantes de alta-cozinha, jantar casual, casual rápido e restaurantes de serviço rápido.

Foram discutidas as implicações gerenciais e recomendações para futuras pesquisas.

**Palavras-chave:** Marketing Experiencial, Não Confirmação, Satisfação do Cliente, Fidelização de Clientes

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*“A journey is best measured in friends, rather than miles.”*

*Tim Cahill*

This completed study is not just my personal challenge and achievement, but much much more- it is a reality and its greatest value is my personal satisfaction at knowing that in every step of my life there have been people who are always there for me and to whom I feel deeply grateful.

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## Sumário Executivo

A crescente concorrência em negócios de hospitalidade levou empresas a expressar a sua vantagem competitiva, a diferenciar-se dos respectivos concorrentes e a encontrar formas eficazes e originais de comunicá-las aos clientes, levando por sua vez a que os emergentes campos de marketing, tais como o marketing experiencial, recebessem mais atenção.

O marketing experiencial permite, desta forma, que as empresas mudem o seu modelo de comunicação com os clientes de *one-to-all* para um modelo *one-to-one*, a fim de assegurar a comunicação eficaz com o cliente como parceiro de diálogo iguais. Essa é a maneira de se envolverem com os clientes a um nível totalmente diferente de antes - criando experiências que tocam todos os sentidos do cliente e estimulam os seus sentimentos, emoções e mente.

Cada vez mais as empresas melhoram a sua apresentação visual, escolhendo cuidadosamente as texturas, sons, marca e cheiros – o espectro de possibilidades em marketing experiencial é muito amplo. No entanto, o negócio na área da restauração é considerado como uma das poucas áreas, no qual todos os sentidos podem ser estimulados incluindo uma variação de gostos / sabores, criando as experiências a experiência mais ricas e interessantes.

Este estudo forma um modelo conceptual de avaliação das práticas de marketing experiencial (sensorial – SENTIDOS; afectivo – SENTIR; criatividade cognitividade – PENSAR; comportamentos físicos e estilos de vida – AGIR, e social identidade - RELACIONAR) (Schmitt, 1999), relacionando não confirmação expectativa, satisfação e respectiva lealdade dos clientes.

Mesmo assim, a preocupação básica do negócio na prática são geralmente experiências sensoriais, o estudo salientou o efeito direto de experiências afetivas e criativo-cognitivas para não confirmação expectativa com o efeito mais forte de experiências afetivas.

Isso mostra que o cliente de restaurante moderno está disposto a receber as experiências de refeições que tocam os seus sentimentos, que conseguem surpreender e intrigar, bem como envolver as suas habilidades de resolução de problemas.

O estudo apontou a importância da não confirmação expectativa de satisfação do cliente e indicou a não confirmação expectativa como a variável mediadora através do qual experiências afectivas e criativo-cognitivo afectam a satisfação do cliente.

Este facto apoia a teoria de Oliver (1980) indicando que a não confirmação expectativa é a diferença entre as expectativas e o desempenho real. A avaliação positiva do desempenho real, superando as expectativas do cliente leva à satisfação do cliente e então à fidelidade do cliente. Estas ligações foram apoiadas por esta pesquisa também. Além disso, o estudo

mostrou que clientes satisfeitos estavam mais dispostos a desenvolver a sua acção de lealdade do que a sua lealdade cognitiva, ou seja em outras palavras, os clientes satisfeitos estão dispostos a desenvolver a sua atitude positiva em relação à marca e partilhá-la boca-a-boca.

O foco do estudo foi revelar o efeito moderador de diferentes tipos de restaurantes para a relação entre as práticas de marketing experiencial e não confirmação expectativa. A pesquisa foi organizada em restaurantes alta-cozinha, jantar casual, restaurantes de serviço rápido-casual e refeições rápidas. As análises não mostraram o efeito significativo de tipos de restaurante, o que levou à conclusão de que o cliente está esperando para ter as experiências que envolvem os seus sentimentos e mente, não importa se ele toma um café num bar da esquina ou vai para um restaurante com estrela Michelin durante várias horas para jantar.

O marketing experimental dá a liberdade de criatividade e imaginação dos comerciantes, no entanto, desafia também os especialistas em marketing na área da restauração, bem como como estimular o mundo interno do cliente é importante para entender que cada pessoa é diferente e existem muitos factores dificilmente previsíveis, tais como estímulos ambientais ou o estado emocional do cliente, que podem afetar a percepção da mesma experiência.

O limite entre a resposta positiva e a decepção é muito fino, de modo que os empresários da restauração devem ser sensíveis e flexíveis no que diz respeito ao feedback dos clientes, a fim de serem capazes de mudar a experiência atempadamente. A implementação de práticas de marketing experiencial pode apresentar alguns desafios para os especialistas em marketing, no entanto, este estudo mostrou que a capacidade de superar as expectativas dos clientes no que diz respeito às experiências afectivas e criativo-cognitivas levará à satisfação e fidelidade do cliente.

## Chapter 1: Introduction

### 1.1.Introduction to the topic

The development of economy from extracting commodities to staging experiences (Pine II and Gilmore, 1998) has changed the game rules for market players and has shifted the main focus of market research in the academic environment. While there have been several attempts to conceptualize the emerging marketing field, **strategic experiential modules (SEMs)** proposed by Schmitt (1999) provide a detailed and helpful tool, which continues to be popular in modern marketing research.

In order to define the experiences, an exclusive example of the theater environment (Pine and Gilmore, 1998) was provided, where goods are used as props and services are used as the stage, and where real-time action guarantees memorable events for customers. Such experiences stimulate all the senses, evoke different feelings and emotions and encourage consumers to think and act as well as to express themselves. **Experiences touch customers personally and engage them in unique ways**, so the challenge for business marketers and researchers is to identify what experiences can leave the most favorable impression on customers and encourage them to develop a positive attitude and behavior towards the brand. Product and service characteristics are no longer market differentiators in modern economic conditions; customers are already taking these characteristics for granted and demand some additional value from consumption experiences. In order to **satisfy the customer, it is necessary to create memorable, pleasurable, sensual and sometimes extraordinary experiences**.

Experiential marketing is a great shift from one-to-all communication, where the company tries to attract customers' attention through one way communication, to one-to-one dialogue, because customers require personal attention, they need interaction with the company and are ready to respond by participating in active communication. Service industry has an advantage in the experiential marketing context, as the nature of business enables companies to have a dialogue with customers and provides personal experiences directly.

Hospitality industry is one of the largest industries worldwide and restaurants are a main force in the economy (Ernst & Young, 2013). It is one of the most dynamic service industries which has experiential nature of its own - even the serving of morning coffee can be turned into an exceptional ritual which can make a difference to the customer's day, while dining can be an experience involving much more than just satisfying a utilitarian need.

Restaurant business is very adaptive to new market rules and it provides many possibilities for creating memorable experiences and communicating with customers. Kotler (1973), when analyzing the atmospherics factors as the components of the overall experience, agreed that restaurant business is one of a few business areas where vision, touch, olfactory, sound and taste can be used very effectively. All these senses are already an existing part of restaurant business: restaurants are creating different interior and exterior decors, innovative lightning solutions, taste variations, soundtracks and smells. For example, “Starbucks” lovers are offered custom CDs with the music playlists which have been specifically created for this chain, they can enjoy the aroma of coffee brewing, which is part of this brand, and savour the coffee, which has been handcrafted by the barista. “Hard Rock Café” invites customers to get acquainted with the culture and spirit of rock'n'roll, and what is more, share this experience with others (branded memorabilia has made its way into some customers’ personal collections). The world’s best restaurant “El Celler de Can Roca” offers its customers familiar foods in different textures and variations besides hosting food shows and providing exceptional experiences. These are just a few examples drawn from restaurant business which illustrate that, with the help of sensorial characteristics, restaurants are able to deliver powerful experiences, which engage customers’ feelings, emotions and minds. It is important to mention, however, that each customer has different needs and perceptions of the same experiences, and many researchers have proved that ability to meet customers’ expectations is a success formula to positive outcomes and evaluation of an experience (customer loyalty). Oliver’s (1980) expectation-disconfirmation model can be a useful tool in assessing the chances for an experience to meet customers’ needs.

Experiential marketing practices have been explored only in a few empirical researches focused on one particular restaurant type. However, expectations can vary depending on a restaurant the customer chooses; therefore, expectations for a full-service Michelin - starred restaurant, where reservations for a dining experience are made half a year in advance, should be different from the ones for a neighborhood family restaurant, where the customer dines each weekend.

### **1.2. Research objectives**

The present research mostly focuses on the atmospheric factors of the experiences and their impact on customer behavior, as only the impact of a restaurant’s physical environment (Ryu and Han, 2011; Ryu and Jang, 2007; Ryu and Han, 2010) or just the impact of one variable (like olfactory (Anggie and Haryanto, 2011)) on satisfaction and customer loyalty has been

analyzed in some studies. Thus, **the main goal of this research is to evaluate the impact of experiential marketing practices on the customer's satisfaction and loyalty.**

Previous research has dealt with the meeting of expectations as a crucial factor in impacting customers' overall satisfaction. However, there is only one study in experiential marketing, where the expectations disconfirmation is included in the model as an intermediate variable between experiential marketing determinants and customer satisfaction. Even though the disconfirmation was evaluated in the study of Ryu and Han (2011), their research was based solely on a restaurant's physical environment, while the aim of this research is to implement this proposed model using all experiential marketing variables.

To conclude, even though experiential marketing practices or just sense experience variables have been analyzed in academic research dealing with restaurant environment, it has been focused on one particular type of restaurants, such as trendy coffee shops (Nadiri and Gunay, 2013), upscale restaurants (Ryu and Han, 2011; Ryu and Jang, 2007), quick service chain restaurants (Nigam, 2012) and quick-casual restaurants (Ryu and Han, 2010). **It stands to reason to believe that expectations for particular experiences can vary according to the type of the restaurant; therefore, the specific goal of this study is to test this hypothesis.**

### **1.3. Structure of the dissertation**

This dissertation consists of 5 main chapters (Figure 1):

**Chapter 1** provides a short description of the background of the research topic, where the emergence of experiential economy is explained, experiential marketing main concepts are defined, experiential marketing challenges and possibilities in restaurant business are discussed and the current situation in this market is outlined. The purpose of this chapter is to highlight the importance of the topic analyzed and to identify the gaps in previous studies which can be addressed in the present study. In the end of this chapter, the main objectives of this study are established and the structure of this dissertation is presented.

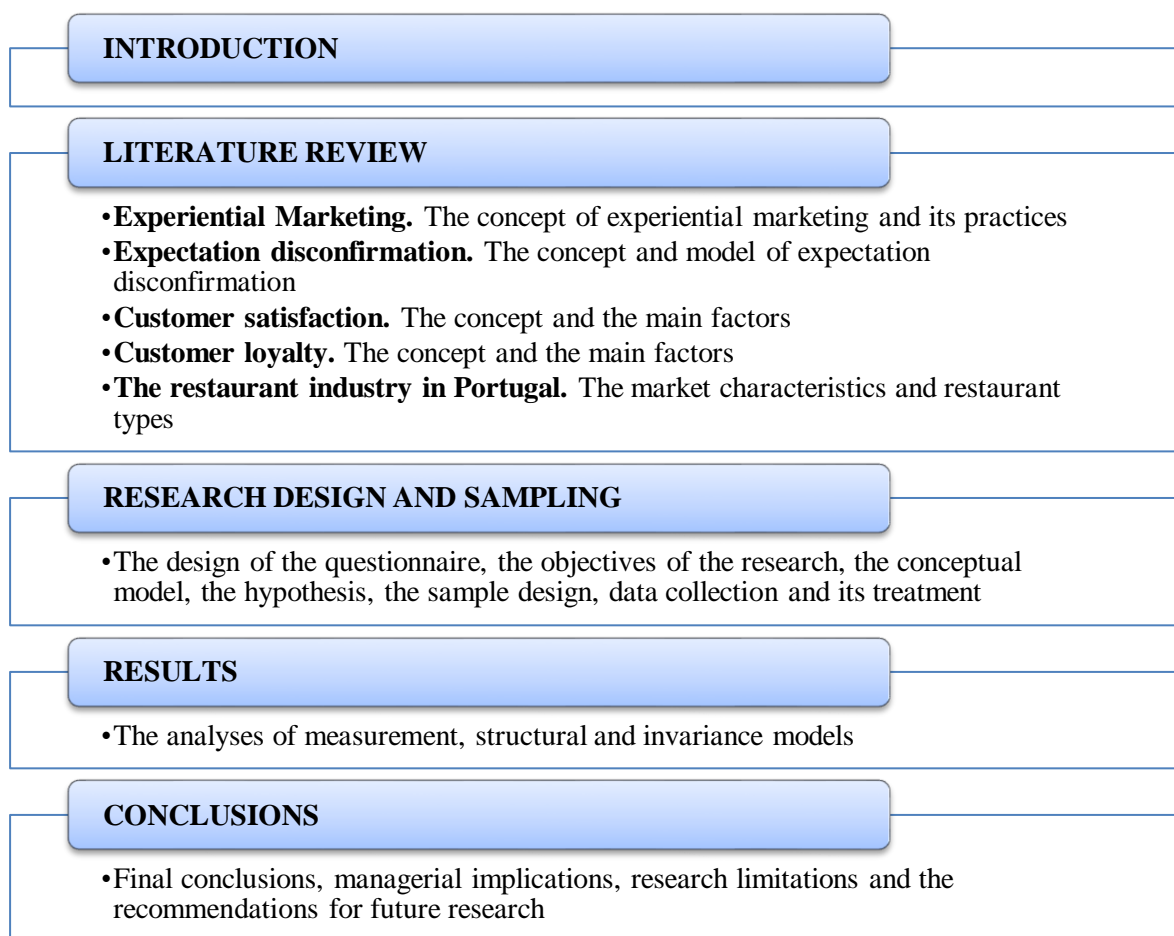
**Chapter 2** presents the literature review. Literature review itself is divided into 5 parts: in the first part the emergence of experiential economy is examined, the main concept of experiential marketing is identified and the experiences (sense, feel, think, act and relate) are explained.

In the second part, the expectation disconfirmation model is presented and its relationship with experiential marketing and customer satisfaction is analyzed.

The third part discusses the customer satisfaction concept, analyzes the factors, which can influence overall customer satisfaction, and demonstrates the relationship of this variable with experiential marketing and customer loyalty.

The purpose of the fourth part is to conceptualize customer loyalty, identify and explain conative and action loyalty and evaluate the relationship between customer loyalty and customer satisfaction, as well as expectation disconfirmation.

Finally, the last part is dedicated to the analysis of the Portuguese restaurant market, and to the presentation of the main segments of restaurants.



**Figure 1** Structure of the dissertation. Source: own elaboration.

*Chapter 3* deals with research design and sampling methodology, used in order to measure the experiential marketing practices (SEMs), expectation disconfirmation, customer satisfaction and customer loyalty, as well as with different types of restaurants as a mediating variable. The purpose of this chapter is to present the scales used, the design of the

questionnaire, the main objectives of empirical research, the conceptual model designed, the hypothesis checked, the sample design, data collection and its treatment.

**Chapter 4** reveals the results of measurement and structural models analyses, discusses the testing of hypotheses and invariance models.

**Chapter 5** presents the conclusions of the research, compares them with prior studies, suggests managerial implications and identifies limitations of the study and the recommendations for future research.

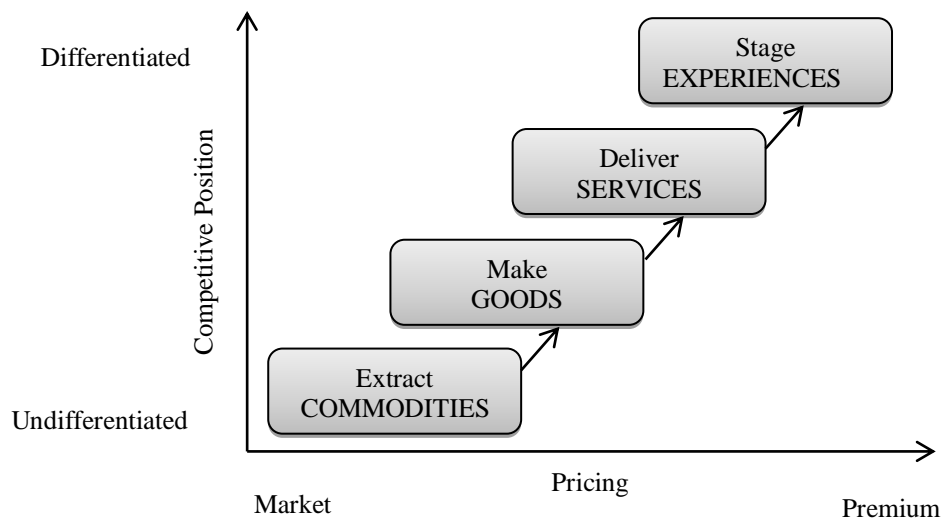


## Chapter 2: Literature Review

### 2.1. Experiential Marketing

In empirical researches and theoretical studies experiential marketing has been getting more and more attention. This emerging marketing field represents experiences as a powerful marketing tool and a great differentiator in a highly competitive market.

Pine II and Gilmore (1998) were the first authors who defined the market as a progress, transitioning from extracting commodities or making goods to adding additional value with services and, finally, reaching the experience economy when the quality or the service, following the goods, is taken for granted and additional value is created by differentiated experiences:



**Figure 2** The progression of economic value. Source: Pine II and Gilmore (1998: 98 p.).

On the basis of the analysed progression above, Pine II and Gilmore (1998: 98) offered the definition of an experience: *“An experience occurs when a company intentionally uses services as the stage, and goods as props, to engage individual customers in a way that creates a memorable event.”*

A new marketing concept has given a stimulus to subsequent studies and researches which proposed different interpretations of experiences themselves. Gilovich et al. (2015) in their research equated experiential marketing practices with experiential purchases and compared them with material purchases, concluding that experiential purchases give long-lasting feeling of satisfaction, actively encourage customers to share these experiences and create a stronger sense of belonging. Contrary to what the previously mentioned findings suggest, Schmitt et al. (2015) were convinced that experiences cannot be bought, and they can occur after the purchase process as well.

Therefore, experiences cannot be compared to material purchases, as the latter can also result in an experience; e. g. when customers dine out, they buy food, yet unconsciously they expect to enjoy the experience.

Conversely, Josiam and Henry (2014) pointed out that, while dining, people are motivated not just by utilitarian motivations (such as a good meal), but also by hedonic experiences; customers are interested in unusual and unique experiences, which do not follow regular rules (hedonic in nature).

Pine and Gilmore (1998) indicated that “*experiences are not exclusively about entertainment, companies stage an experience whenever they engage customers in a personal, memorable way*”. Holbrook and Hirschman (1982) supported the “experiential view” idea in their studies and concluded that the real stimulation and origin of consumption is the ability to awaken the fantasies, touch the feelings and have fun.

Marketers have analysed what is good experience, and have concluded that it is memorable (Pine II and Gilmore, 1998), pleasurable (Pine II and Gilmore, 1998), extraordinary (de Farias et al., 2014) and allowing the customer to exploit all his/her senses (Schmitt, 1999; Pine II and Gilmore, 1998). Additionally, Smilansky (2009) defines experiential marketing as a change from one-way communication to two-way communication, when the brand evokes personality and creates additional value for customers. Not only does it make customers watch and listen, but also enables some back-and-forth communication as well as sharing with third parties.

In order to bring these experiential marketing ideas into practice, it was necessary to conceptualize and characterize the experiences.

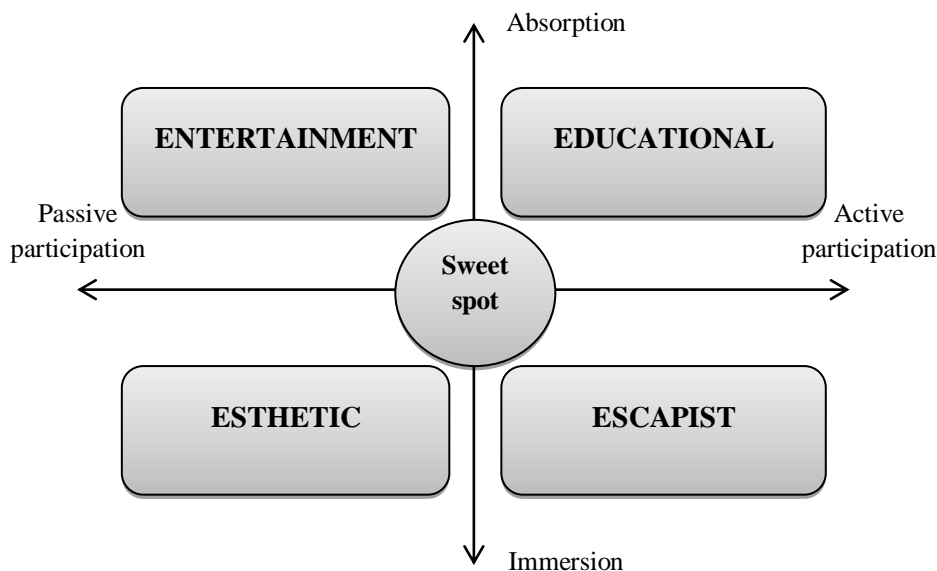
One of the first comprehensive studies was made by Pine and Gilmore (1998) (Figure 2), where the authors indicated that all experiences vary according to 2 main constructs:

**customer participation** and **connection**.

Customer participation evolves from passive participation, where customers’ involvement is very low with a tendency from passive observation of the experience to active participation when customers become the co-creators of the experience.

Meanwhile, customers’ connection represents the customers’ link with the experience - from absorption, where the customer is just an indifferent spectator, to immersion, when the experience can stimulate all the senses actively. In evaluating these constructs, the authors have identified 4 types of experiences:

- **Educational.** This type of experience allows customers to participate in the process; however, their relationship with the experience is more likely that of absorption (for example, cooking classes or wine tasting).
- **Escapist.** This type of experience provides knowledge and new skills to customers, but at the same time it requires more immersion from customers (for example, acting in a play, creating your own chocolate candies).
- **Esthetic.** These experiences require immersion from customers who, however, are more likely to remain spectators (for example, on wine trips customers are recommended to visit wineries, but they prefer to just enjoy the view).
- **Entertainment.** These are the experiences in which customers are passive participants and usually do not engage in active participation (e.g. watching performances, concerts, chef shows).



**Figure 3** The four realms of experience. Source: Pine and Gilmore, 1998: 102.

Pine and Gilmore (1998) indicate that all 4 experiences are not represented as totally independent, since the strongest impression can be reached only by combining them, i.e. reaching the “sweet spot”. The most characteristic example, provided by the authors, is Walt Disney World where all the realms are used to create one consistent experience.

Petkus (2002) in his study analyzes the concept suggested by Pine and Gilmore (1998) and concludes that the Entertainment Realm advocates senses, the Education Realm - learning, the Escapist Realm - doing and the Esthetic Realm - being. This idea relates to the experiential marketing concept of Schmitt (1999), who proposed strategic experiential modules (SEMs) to create customer experiences: **sensory experiences** (SENSE), **affective**

**experiences (FEEL), creative cognitive experiences (THINK), physical experiences, behaviours and lifestyles (ACT) and social-identity experiences (RELATE).**

These are the experiences, which affect individuals on different personal levels, so, in order to reach the best results, it is necessary to combine several experiences at the same time.

### **2.1.1. Sense**

Schmitt (1999) defines these experiences as the ones which heighten all the senses – sight, sound, touch, taste and smell.

Sensory stimulations were widely analyzed in psychological and marketing studies.

One of the first authors who brought forward the importance of environment in marketing was Kotler (1973) who introduced the “Atmospherics” concept. He defined atmospherics as an all-inclusive buying environment which arouses all the senses: **visual** (colours, lights, dimensions and shapes); **aural** (musical environment, volume); **olfactory** (scents) and **tactile** (cleanliness, temperature). As Kotler (1973) concentrated mostly on retailing atmosphere, he indicated that **taste** cannot be included in the concept of atmospherics.

**The influence of interior design and décor** on the customer’s perception of overall experience and behaviour was analyzed in the restaurant business context. Studies have revealed that interior design and décor can be used as a strong marketing tool which can affect customers’ attitude, emotions, value perceptions, perceived quality, satisfaction, and behaviour (Wall and Berry, 2007; Ryu and Han, 2010; Ryu and Han, 2011; Kim and Moon, 2009; Ryu and Jang, 2007). Ariffin et al. (2012) study shows that restaurant style and lighting can stimulate word-of-mouth intentions and bring in repeat customers.

Most of the empirical researches conducted in restaurant environment have shown the direct servicescape impact on customers’ emotional response (Pullman and Gross, 2004), which results in the states of arousal and pleasure (Ellen and Zhang, 2014, Ryu and Jang, 2007). Additionally, the researchers who analyzed **the sound factor** and conducted studies on the importance of background music have indicated that it can affect emotions, influence the customer’s satisfaction and the perceived waiting time (Magnini and Parker, 2009), as well as influence the dining speed (Milliman, 1986). Milliman (1986) assessed the impact of background music in a restaurant on the customer’s behaviour and concluded that slow-tempo music makes customers prolong their dining experience and consume a larger amount of alcoholic drinks.

In the 4<sup>th</sup> century BC Aristotle proposed the theory of aisthesis or sensation which was based on 5 senses. He indicated that all these senses have a great hierarchical system where the

“top” sense is **touch**, while others just support this sense (Krishna, 2011). The touch impact on customers was analyzed in U.S. restaurants, where waitresses were asked to touch customers after their meal and inquire whether everything had been to their satisfaction. In their study Stephen and Zweigenhaft (1985) suggest that a waitress’s touch not only increases her tips, but that customers’ generosity also varies depending on the gender of the client - women in this situation turned out to be more generous.

Even though Kotler (1973) in his atmospherics concept indicated that the **taste** sensor could not be used in most of the cases, he had to agree that restaurant business is one of a few business areas where taste is one of the sensors which can be used effectively to improve the overall experience. The taste studies showed that a person’s ability to identify the basic tastes (sour, sweet, salty, bitter and umami), combined with smell, can trigger emotions and evoke memories (Jacobsen, 2008).

Krishna (2011) in his study suggested that **olfactory** information, differently from other senses, has a direct connection to memories. This fact was tested in a bakery shop empirical research conducted by Angie and Haryanto (2011) who in their study on BreadTalk revealed that pleasant smell can influence a positive attitude to the brand and help to recall some pleasant memories, encourage pro-social behaviour and make customers spend more time in the bakery, as well as increase their spending when shopping. Similarly, Spangenberg et al. (1996) in their study demonstrated that olfactory influence on customers is significant: their perceived time for exploring the store and waiting in line or for assistance is much shorter. Although different sense experiences can generate profound outcomes, the best results can be reached just by engaging all the sensors (Morgan et al., 2008), and, in order to keep the consistency of the brand story and provide customers with the overall multi-sensory experience, restaurants sometimes choose a themed environment (establishing a Rock’n’Roll based museum in “Hard Rock Café” or creating rainforest atmosphere with waterfalls and forest creatures in “Rainforest Café”), which allows them to facilitate control on customer experience, differentiate the brand more effectively (Foster and McLelland, 2015) and link thematic elements with the events in order to follow the brand story (Pine II and Gilmore, 1998). Kim and Moon (2009) study on themed restaurants suggests that thematic restaurant’s servicescape has a significant impact on perceived quality and pleasure-feeling, which lead to revisit intentions.

The study of Hirschman and Holbrook (1982) states that multisensory experiences can have 2 images - **historical** (recollection of past events) and **fantasy** (multisensory images are

brought together and experienced as mental phenomena - an experience, which did not occur in the past), and they both involve feelings.

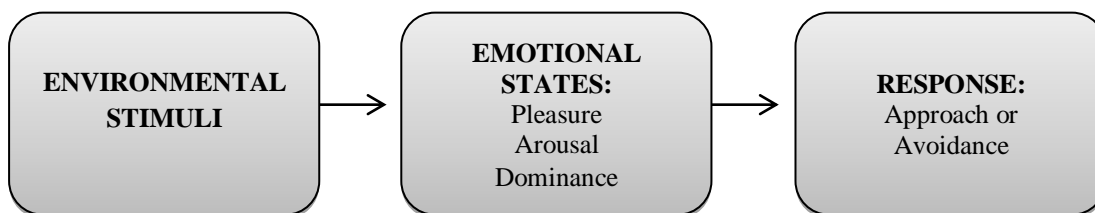
### 2.1.2. Feel

Kotler (1973), when proposing the atmospherics concept, claims that it is important to distinguish the difference between intended and perceived atmospheres as responses to one's surroundings; hence, they can vary from person to person.

As an extension of this idea, Pine and Gilmore (1998) asserted that each experience must leave impressions on customers as the “takeaways” of the created experience. Additionally, Schmitt (1999) opted for affective experiences as the ones which trigger inner feelings - from positive feelings for the brand to strong emotions. In these experiences the most important thing is to identify the stimuli, which evoke emotions and can vary depending on different cultures and people. This idea was supported by Pine and Gilmore (1998) who suggested that commodities, goods or services are external to customers, while experiences are very internal and the same experience can evoke different responses in each customer - it varies depending on the experience itself and the state of mind of the customer, as well as other situational factors.

Mehrabian- Russell model (1974) (Figure 3) was the model that laid great emphasis on the customers' **response to environmental stimuli**.

The researchers indicated that environmental stimuli lead to approach or avoidance responses. However, as a mediating factor, the emotional state of the customer plays a great role in influencing the final response. Pleasure, arousal and dominance as main emotions, which can affect the customers' perception, were included in the model.



**Figure 4** The Mehrabian- Russell model. Source: Mehrabian & Russell, 1974.

As the response to these ideas of mixed reactions to different stimuli, restaurants offer a diversity of different environments, which they identify as authentic, relaxed, “all you can eat”, “as home”, efficient and distinction environment (de Rezende and Silva, 2012).

### 2.1.3. Think

These are cognitive experiences which stimulate the customer's problem-solving side of the brain (Schmitt, 1999). Kahnney (1993) in his book indicates the main factors which can pose a great challenge to the marketers. Firstly, he points out that each individual sees and understands the same problem differently, so in the same situation the behaviour of different customers can differ. Secondly, intensity of the effort put into addressing a problem depends on how frequently the customer faces the same problem - when first confronted with it he/she needs more time and effort to solve it rather than having dealt with it on several occasions. This idea goes hand in hand with Csikszentmihalyi (1997) who presented the "flow experiences" concept, which refers to challenges and skills, and who concluded that the flow occurs when the customer uses maximum skills in order to overcome the challenge which cannot be too low or too high. He claimed that "flow experiences" lead to learning. Schmitt (1999) pointed out that in order to encourage customers' problem-solving skills, it is a good idea to use surprise, intrigue and provocation factors. The **"think" experiences are the most effective when surprise is implemented in visual and verbal communication and when it is linked to intrigue** (Lindgreen and Vanhamme, 2003). Schmitt (1999) added that surprise should be positive in order to delight customers. However, in their study Lindgreen and Vanhamme (2003) opted for a thick line between positive and negative surprises, as each positive surprise raises customers' expectations and companies face the risk of failing to meet these expectations with new experiences, which would lead to negative surprise and the customer's disappointment. Researchers have indicated that raising the customer's expectations in this case would increase the costs for the company, so the surprise factor should be used in experiences which are aimed at attracting new customers rather than increasing the satisfaction and loyalty of existing customers. As has been stated in the studies, "Think" experiences should be able to surprise customers, challenging their mind and problem-solving skills at the same time. In this respect, restaurants do not stop surprising their customers by suggesting unusual combinations of tastes and presentations of food, or attracting people by offering them unique experiences such as dining in the dark or *al fresco*, offering surprise menus or providing a possibility to be served by robots. Moreover, in order to trigger problem-solving skills, restaurants implement technologies in their daily services suggesting interactive menus, tabletop ordering, smart tables or mobile-ordering applications as well as product creation.

#### 2.1.4. Act

These experiences encourage customers to make changes in their lifestyles and behaviour using motivation, inspiration and emotional factors (Schmitt, 1999).

In his psychological study Schau (2014) introduced the “fresh start” concept which involves the **customer’s need for something new**, such as setting new goals or searching for new future-oriented experiences, in this way triggering changes in consumer behaviour (e.g. life-style changes or limited spending) and consumption activities.

Two types of inspiration are identified in the studies of inspiration: the new goals and the new means for already existing goals (Böttger, 2015). With regard to that, marketing communication can help customers form totally new goals, as well as introduce some new products or experiences which can be of valuable assistance in achieving their immediate goals. However, the research has indicated that the inspirational effect can differ depending on the customer’s mindset, goals system and expertise level.

Based on the above, Hung (2014) analyzes celebrity endorsement as a marketing communication tool and underlines two motives behind customers’ entertainment experiences: aspiration ( the need for individuality and diversification, which can be represented by celebrities) and playfulness ( the need for some distraction to brighten the daily routine, which can be satisfied by presenting fun and exciting content).

Even though restaurants usually use celebrity endorsement in their marketing communication, focusing on the head chef of the restaurant, there are restaurants which use celebrities to promote the restaurant image; for example, McDonald’s has had many deals with different celebrities such as Mary Lou Retton or Michael Jordan. Moreover, in terms of changing life style trends, restaurants align with celebrities in creating menus for vegetarians, establishing lactose-free ice-cream cafes or salad bars.

In order to change the behaviour or lifestyle of the customers, it is important to motivate or inspire them to act. Those motivations can vary for each customer, so marketers should be conscious of their target customers and offer them those customized marketing experiences, which could encourage them and touch each of them personally.

#### 2.1.5. Relate

These experiences are a combination of all previous experiences; however, the spectrum is wider and gets further beyond the inner personality and personal feelings - it is **the wish to improve yourself and get closer to future ideal yourself, the need to be accepted by others and to belong to some social group** (Schmitt, 1999).



Hedonic consumption usually refers not to the properties that each product possesses, but more to the way people would like to see reality, i.e. to their fantasies (Hirschman and Holbrook, 1982). Additionally, Gilovich et al. (2015) present the experience as the construct of the customer's memories, stories he/she shares and self identity which he/she wants to create.

Drawing on this construct, Chugani et al. (2015) indicate that personal identity is a combination of emotions and mind, which guide people in their life decisions. These two approaches have an effect on brand choice, as, apart from expected sensory, behavioural or mental joy, customers benefit from emotional and self-identity advantages (Tsai et al., 2015). Customers are more willing to choose those experiences which have a stronger connection with their identity (Chugani et al., 2015) and help to identify, strengthen and improve their self-concept (Tsai et al., 2015).

The concept of identity is widely analyzed in a psychological and marketing context. Psychologists tend to separate two concepts of the self: the real-self and the ideal-self. With regard to this, Hosany and Martin's (2012) research in the context of a cruise experience reveals that an ideal-self match with the experience is very important when evaluating the overall experience. Additionally, Joji and Ashwin's (2012) research proves that customers with stronger real-self and self-esteem are more willing to attach themselves emotionally to the brand. However, if a person does not have high self-esteem, hedonic product/brand characteristics help him/her to connect his/her ideal-self to the brand personality and create an attachment to the brand. In other words, the gap between real-self and ideal-self is an attractive opportunity for marketing efforts.

Furthermore, Gilovich et al. (2015), while analyzing experiential purchases in their study, emphasize that enjoyment derived from experiential purchases is in their "relatedness", i.e. when people relate to the people of the same interests or the same experiences. Experiential purchases are expected to give more satisfaction to the customer than material purchases, because they provide a deeper connection with others.

This opinion was supported by Morgan et al. (2008), who suggested that choosing stylish up-scale restaurants for a dining out experience can be the way to display one's social class and status, while sharing these experiences with friends or online groups can be the symbol of identity.

Each customer is a personality who has a wish to be accepted and to express himself and his social group or class. Marketers can concentrate on the experiences far beyond the

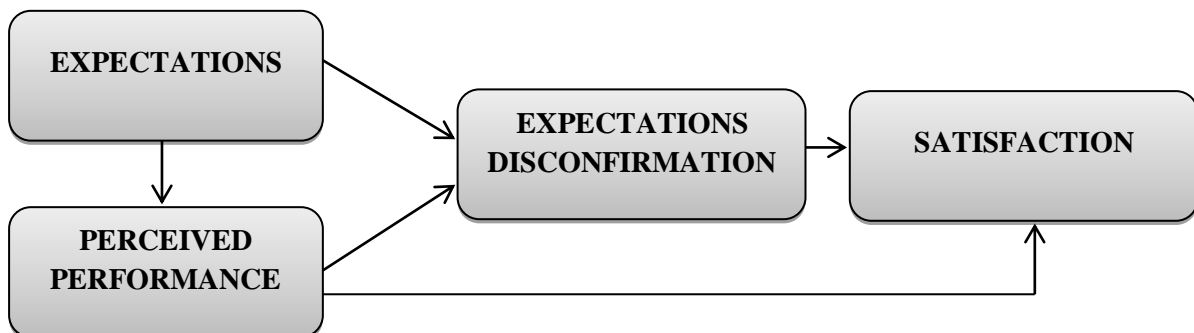
personality level and create experiences which can meet this need of self-identity and belongingness.

## 2.2. Expectation Disconfirmation

From experiential marketing conceptualization it is obvious that each customer has his/her own personality with different behaviour patterns, mood, social environment and expectations. In order to evaluate a company's performance and the customer's perception of different experiences, expectations disconfirmation model was proposed.

Oliver's (1980) expectation disconfirmation model (Figure 4) defines disconfirmation as the evaluation of an expectation- performance gap, which can be affected by objective evaluation as well as a psychological state, previous satisfactions and attitudes. Tse et al. (1990) stated the main variables of this model:

- **Expectations** refer to the benefits that a customer expects to gain from one or another experience. This construct in the model is directly connected to a perceived performance and expectation disconfirmation through which it influences the post-purchase satisfaction. This variable is the basis for the comparison with the performance and the final judgment of the overall experience.
- **Perceived performance** is the performance which represents the exact personal evaluation of the actual performance of the product/service. This construct is believed to be affected by pre-purchase expectations and has direct influence on expectation disconfirmation through which it affects satisfaction indirectly. The model also implies that perceived performance can have a direct impact on overall satisfaction.
- **Expectation disconfirmation** refers to post-purchase evaluation and is the comparison between the customer's original expectations and the product/service performance. The positive expectation disconfirmation (the perceived performance exceeding the original expectations) is believed to lead to the customer's satisfaction.



**Figure 5** The expectation disconfirmation model. Source: Oliver, 1980.

Spreng and Page (2003) define the concept of disconfirmation as a gap between the pre-purchase standard and the actual performance. They conclude that in the pre-purchase stage customers have expectations and desires, and disconfirmation can be evaluated by both of these factors. In analyzing different disconfirmation assessment methods they found a **strong positive performance impact on disconfirmation**, i.e., the higher the company's performance, the more chances it has to exceed expectations. This hypothesis was tested out in Ryu and Han's (2011) research, where they analyzed the effect of atmospheric determinants on perceived disconfirmation and concluded that facility aesthetics, lighting, layout and service staff directly affect expectation disconfirmation.

In order to evaluate expectation disconfirmation, Oliver (1980) suggests asking customers to evaluate product performance on the scale from "better than expected" to "worse than expected". From the way customers perceive the experience, it is possible to identify different types of disconfirmation:

- **Positive disconfirmation** occurs when the company's performance exceeds the pre-purchase expectations and desires. This leads to the customer's positive evaluation of the experience.
- **Zero disconfirmation** exists in a situation, where a company's performance meets the expectations of customers; however, even though the experience satisfies the client, it does not provide additional pleasure.
- **Negative disconfirmation** ensues when expectations are much higher than the perceived performance and customers go through negative emotions for the experience and the brand.

Oliver's (1980) model of expectation disconfirmation demonstrated customer satisfaction as one of the main variables in the model which is affected by expectation disconfirmation and the perceived performance (Tse et al., 1990).

Previous researches have proved that there is a **direct relationship between disconfirmation and customer satisfaction** (Bigne et al., 2008; Loureiro, 2014; Wirtz and Bateson, 1999). Drawing on this idea, Wirtz and Bateson (1999) developed Russell's model of affect with satisfaction model and concluded that there is a significant relationship between disconfirmation and pleasure, while both these variables positively affect satisfaction. Additionally, Spreng and Page (2003) tested out the expectation disconfirmation model as well as alternative measures to evaluate disconfirmation, and concluded that disconfirmation has a significant influence on customer satisfaction. Similarly, Molinari et al. (2008) carried

out an empirical study in a B2B service environment in order to identify the linkage between disconfirmation, satisfaction, quality and value and their impact on loyalty variables. The results revealed that disconfirmation has a positive significant effect on satisfaction and quality. Besides, the study found a linkage between satisfaction and repurchase intentions, as well as **the direct linkage between disconfirmation and repurchase intentions and word-of-mouth (WOM).**

In order to evaluate customer satisfaction, many studies have been conducted to create one system for measuring the satisfaction index. Fornell et al. (1996) in their research, based on consumer satisfaction index analysis in the U.S. market, analyzed perceived quality, perceived value and customer satisfaction as the determinants of customer satisfaction. This index was tested in different contexts from manufacturing companies and retail channels to service companies. In this study they discovered that disconfirmation is a powerful tool in forecasting customer satisfaction, as it is the comparison of consumption experience and expectations. According to the authors, expectations are created by experiential as well as non-experiential information such as advertising and WOM.

The expectation disconfirmation model was generated by Ryu and Han (2011) in upscale and casual dining restaurant environments and the study concluded that **expectation disconfirmation has a direct influence on customer satisfaction, as well as customer loyalty.**

In order to create the experiences which could meet the desires and expectations of customers, it is important to understand how badly people want to be entertained and how much space they need for participation in these experiences; in other words, the experience should be the result of co-creation (Morgan et al., 2008); just by acknowledging customers' needs it is possible to guarantee the positive perception of a company's performance.

### 2.3. Customer Satisfaction

Marketing researchers suggest evaluating customer **satisfaction as the construct influenced by cognitive and affective factors** (Loureiro et al, 2014). The cognitive perspective refers to Oliver's (1980) expectation disconfirmation model which indicates that customer satisfaction is the result of purchase experience evaluation compared to pre-purchase expectations. In other words, consumer satisfaction is the result of expectancy-disconfirmation (Tsai et al., 2015). On the other hand, the affective perspective represents customer satisfaction as the construct influenced by psychological factors (Mano and Oliver, 1993).

Conversely, Kanning and Bergmann (2009) do not agree with this idea and in their research, based on disconfirmation model, declare that satisfaction is not explained by the gap between expectations and performance, but that performance alone represents customer satisfaction.

Further research on the subject was conducted in supporting this idea and analyzing a direct relationship between experiential marketing constructs and customer satisfaction.

Lee et al. (2010) in their study on discount shopping malls proved that **experiential marketing has a significantly positive influence on the customer's satisfaction.**

Equivalent researches were made in hospitality business environment - the research involving cruise tourists indicated that tourists' experiences have a significant positive effect on their satisfaction (Hosany and Martin, 2012). Similarly, Jin et al. (2013) in their study on full-service restaurants in the U.S. revealed that entertaining environment, pleasant service and additional value (money, time, etc.) encourage the customer's trust and satisfaction.

Furthermore, Pantelidis (2010) in his research, based on the content analysis of customer comments on an online restaurant guide, proved that the top three factors explaining customer satisfaction in restaurant business are food quality, service, and atmosphere.

Drawing on Schmitt's (1999) experiential marketing concept, Lin et al. (2007) in their research aimed to check the relationship between experiential marketing practices, customer satisfaction and loyalty in four famous coffee chain stores in Taipei. Their study revealed that the *feel* and *relate* experiences have significant positive influence on customer satisfaction, where *relate* experience has the strongest impact on this construct. Unlike the previous study, the research of Alkilani et al. (2013) in the social network environment displayed different tendencies and indicated a positive relationship between *sense* and *feel* experiences and customer satisfaction, but the relationship between this construct and *think*, *act* and *relate* experiences was not found. Conversely, Pham and Huang's (2015) research pointed out that *sense*, *think* and *feel* experiences affect customer satisfaction through the intermediate constructions of functional, emotional and novelty values.

The affective customer satisfaction perspective refers to the emotional side of the customer's relationship with the brand or experience. To emphasize this idea, customer satisfaction was included in relationship marketing studies and researches. Customer loyalty, satisfaction, trust and brand personality are indicated as the main variables to evaluate customer - brand relationship (Loureiro, 2012).

In order to measure and evaluate customer satisfaction, researchers and marketers concentrated on the factors which can exert a positive effect on this construct. In most of the researches the main factor influencing customer satisfaction in hospitality sector is **food**

**quality** (Pantelidis, 2010) which refers to cooking skills and accuracy. Secondly, the behaviour and attitude of the **service people**, such as communication style, body language and tone of voice, play a great role (Zhang et al., 2014). Thirdly, Ryu and Han (2010) indicated that, when the service and food quality are guaranteed, the **environment** (the exterior and interior details, the lightning, sounds, olfactory, etc.) can exert considerable influence on overall customer satisfaction.

Zhang et al. (2014), while analyzing these factors in Chinese hospitality sector, concluded that all these three factors are significant components of customer satisfaction and that a human factor can make up for the lack of quality in an environmental factor. However, this does not work the other way around - impressive atmospherics cannot change the evaluation of incompetent service staff in overall customer satisfaction.

The proposed list of the main factors of customer satisfaction in hospitality business was expanded by Mathe-Soulek et al. (2015) in their research concerning a quick service restaurant chain, where it was indicated that the key components to be present in restaurants are food taste, accuracy and temperature of the environment. The research also suggests that, apart from the presence of the key components, attention should be paid to cleanliness, service speed and clear communication of the service staff.

Loureiro et al. (2014) conclude that cognitive elements are more important in the utilitarian sector, while positive effect gets more importance in hedonic areas, where the customer-brand relationship becomes more important.

Even though the customer satisfaction construct is widely analyzed in different marketing areas and various business sectors, its cardinal importance is the **direct impact of customer satisfaction on positive outcomes and customer loyalty** (Loureiro et al., 2014; Hallowell, 1996; Alegre and Cladera, 2009; Bigne et al., 2008; Chaudhuri and Holbrook, 2001; Suh and Yi, 2006; Lee et al., 2010; Lin et al., 2007; Molinari et al., 2008; Ryu and Han, 2010), as it helps to guarantee the sales and a company's profitability.

## **2.4. Customer Loyalty**

Growing sales and profitability are generally the ultimate business goals. It is widely accepted that it costs six times more to attract a new customer than to retain a loyal customer, who guarantees the growth in the sales (Nigam, 2012) and higher profitability (Hallowell, 1996; McDougal and Levesque, 2000). This is the reason why customer loyalty is the central focus in customer behaviour and relationship marketing studies.

Loyalty is (Oliver, 1997:34) “*a deeply held commitment to rebut or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having potential to cause switching behavior*”. This refers to a strong relationship with and a positive attitude and behaviour to one particular brand in the context of other alternatives.

Both academics and practitioners agree that **consumer satisfaction directly affects the brand attitudes** (Suh and Yi, 2006; Loureiro et al., 2014), **positive WOM** (Pantelidis, 2010; Ryu and Han, 2011) and the **wish to repurchase** (Alegre and Cladera, 2009; McDougall and Levesque, 2000; Fornell et al., 1996). This significant relationship with customer satisfaction was proved in the empirical researches in the contexts of banks (Hallowell, 1996), coffee chain stores (Lin et al., 2007), theme parks and interactive museums (Bigne et al., 2008), discount shopping malls (Lee et al., 2010) and restaurants (Ryu and Han, 2010; Jin et al., 2013). Bigne et al. (2008) study pointed out that satisfaction does not have a significant effect on on-the-purchase behaviour and affects just long-term behaviour-loyalty and willingness to pay more.

Straube (1997) in his research suggested that loyal customers are satisfied customers, but loyal behaviour is mostly encouraged by the feelings of affiliation and personal connection between customers and the brand/company and staff. The most important values are recognition, personalized service and being treated like an individual. This could be achieved by using the customer's name during the service, recommending regular orders, offering personal advice and so on. This emotional attachment was analyzed in Jin et al. (2013) research in the U. S. full service restaurants and it showed different behavioural tendencies between different genders: male customers are more likely to develop behavioural relationship with the restaurant concerning the relationship quality, while women are more likely to base their loyalty on attitudinal and emotional attachment.

In their research Bigne et al. (2008) proved a direct connection between the consumer loyalty and expectation disconfirmation in theme parks and interactive museums. This idea was supported by Ryu and Han's (2011) study in upscale restaurants, which indicated that the positive disconfirmation of physical environment affects the customer's intentions to return and to recommend the restaurant to others. Similarly, Molinari et al. (2008) in their research also found a direct connection between positive disconfirmation and positive WOM and repurchase intentions in B2B context.

Additionally, in various studies more determinants which can directly affect customer loyalty are indicated. Loureiro et al. (2014) in their study demonstrated a significant effect of trust on

customer loyalty. Furthermore, Hennig- Thureau et al. (2002) in their study on the relational benefits and relationship quality impact on relationship outcomes indicated that commitment plays a great role in encouraging customer loyalty. The other researchers showed that perceived value (McDougal and Levesque, 2000) and experiential value (Nadiri and Gunay, 2013) have a significant effect on customer loyalty intentions.

A more recent research has revealed that in restaurant industry, in order to evoke positive behavioural intentions in casual dining restaurants, it is important to guarantee fair and reasonable prices as well as communication between the customer and staff, as these are the factors that affect positive emotions (Namkung and Jang, 2010). In addition, the four main reasons to increase the level of patronage in restaurant business are food quality, service quality, atmosphere (Ryu and Han, 2010) and price perception (Haghighi et al., 2012).

Ryu and Han (2010) stated that when dining out customers search for very different experiences from those available at home and this fact can generate the necessary motivation to visit a certain restaurant.

In order to evaluate and measure customer loyalty in marketing researches **there are two types of customer loyalty: conative and action loyalty.**

### 2.4.1 Conative Loyalty

Conative loyalty implies that positive attitudes towards the brand evoke behavioural re-purchase intentions and the customer becomes less sensitive to the alternatives in the market (Evanschitzky, Wunderlich, 2006). This definition is supported by Chaudhuri and Holbrook's (2001) concept of customer loyalty from two aspects- **purchase and attitudinal loyalty**, where attitudinal loyalty reveals the "love" for the brand and commitment while purchase loyalty refers to repurchase. Adiri and Gunay (2013) added that re-purchase is a conviction to buy again some particular product or buy any product from a particular company.

According to Hennig-Thureau et al. (2002: 237), "*a high level of satisfaction provides the customer with a repeated positive reinforcement*". In their study, Molinari et al. (2008) tested this idea in B2B environment and found out that satisfaction and value have a significant effect on repurchase, while quality does not affect the repurchase intentions, as it can depend on a different perception of quality and other variables which can affect the final decision. By contrast, Straube (1997) in his article argues that satisfied customers do not always return, but he agrees that in order to encourage repeat purchases it is important in restaurant business to go further beyond the expectations and find out what makes customers loyal. He agrees that customer satisfaction leads to loyalty.



### 2.4.2. Action Loyalty

This concept of customer loyalty refers to “*saying positive things about the company to others, recommending the company or service to others, paying a price premium to the company, <.....> expressing a preference for a company over others, by continuing to purchase from it*” (Zeithaml et al., 1996: 34).

In other words, it is **the positive attitude toward the brand and the willingness to share the recommendations** about it with others. WOM is a behavioural intention when people share opinions about their experiences (Kim and Moon, 2009). The encouragement of the positive WOM is a powerful marketing tool which can help to save the expenses for promotion and advertising (Ariffin et al., 2011).

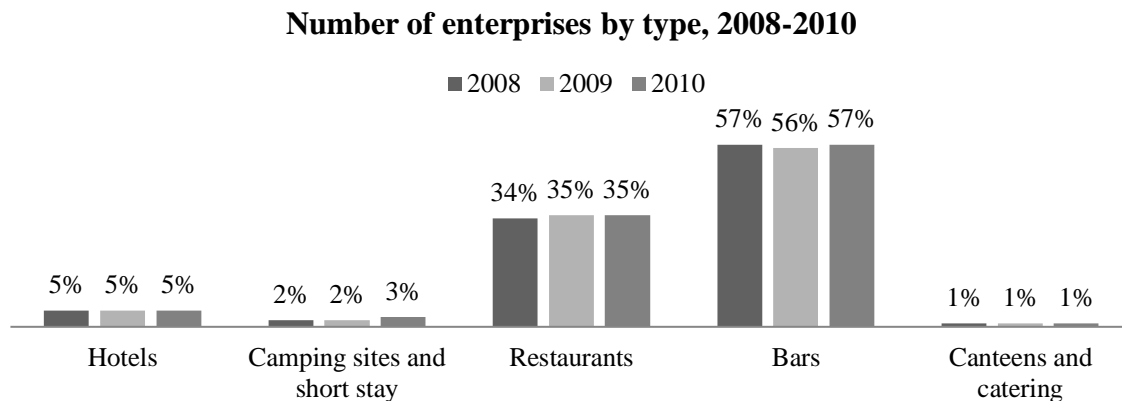
Ryu and Han (2011) in their research in upscale restaurants revealed that positive disconfirmation and satisfaction are the factors influencing a positive WOM and customers' intentions to pay more. Conversely, Straube (1997) in his article agreed that satisfied customers lead to loyalty, however, he noted that only satisfied customers do not become the advocates of a restaurant and do not tend to spread the positive WOM; therefore, additional satisfaction and value should be created.

Overall, when the experience is memorable and enjoyable, people are more willing to share and make others participate together (Adiri and Gunay, 2013). Besides, customers who feel that brand experience has created some additional value and interacted with them on the personal level are willing to become the brand advocates and share the WOM (Smilansky, 2009).

### 2.5. Restaurant Industry in Portugal

Portuguese hospitality structure is based on food and beverages, as it forms three quarters of all hospitality market (Ernst & Young, 2013). Hospitality sector is the fastest growing sector in Portuguese economics. With regard to the structure of the turnover in 2014, restaurants constituted the largest part of the turnover of Portuguese hospitality sector (39, 8%), exceeding even the hotel sector (Instituto Nacional de Estatística, 2015). Besides, restaurants employ 43% of the hospitality sector workforce (Ernst & Young, 2013).

The number of restaurant enterprises between 2008 and 2010 in Portugal was under 30,000 (Ernst & Young, 2013), where the largest part consisted of bars (57%) and restaurants (35%) (Figure 6).



**Figure 6** Number of enterprises in Portuguese hospitality sector by type, 2008- 2010. Source: Ernst&Young, 2013.

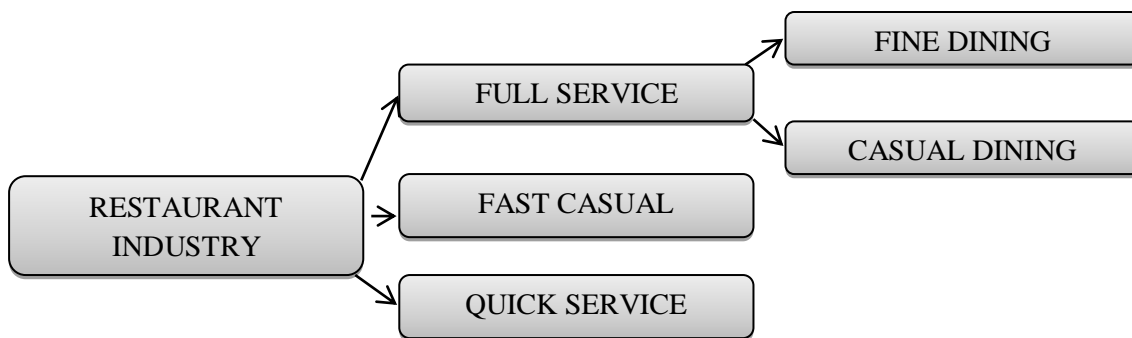
A great number of bars appeared as the result of the developments in beer culture (Ernst&Young, 2013) and the need for different places to go out to. Restaurants in this case refer to all food institutions: from the smallest family restaurants or quick-service restaurants to upscale restaurants.

Economic crisis resulted in the changes of customer behaviour – Portuguese customers limited their expenditures and restricted their dining-out experiences, however, in 2014 economic recovery was on its way (Euromonitor, 2015) and, according to the statistics, people settled into their old routine and tended to go out at least once or twice per week. The economic crisis changed the market game rules and, in order to adapt, restaurants focused on price-sensitive consumers, offered different menus or made special suggestions - concentrating on the utilitarian features of this service. However, as market research has revealed (Euromonitor, 2015,) Portuguese customers are very selective when it comes to food and give preference to Portuguese cuisine and longer dining time, and that relates to the subject of experiential marketing. Regular customers are willing to consider dining out as an evening experience, where they can enjoy themselves, spend more time in the restaurant and at the same time provide restaurants with an opportunity to surprise, engage and stimulate their senses, feelings and minds with experiences.

Experiences touch people on a very unique and personal level, so they are different for each personality (Muthiah, Suja, 2013; Schmitt, 1999). Some authors, analyzing the expectation disconfirmation model, have indicated that expectations vary. Wall and Berry (2007), who analyzed the perception of service quality in hospitality sector, indicated that dining expectations for luxurious hotels would be much higher than for budget hostels. This infers the necessity to segment and evaluate different types of restaurants in order to get to know

their customers better and create the experiences which could generate the expected reactions and outcomes.

In hospitality literature there are many different groupings of the restaurants indicated, however, in one of the general restaurant classifications restaurants are grouped according to the level of service provided and 4 groups of restaurants are suggested (Sarlas, 2015) (Figure 6):



**Figure 7** The types of restaurants. Source: Sarlas, 2015.

Full service restaurants offer dining experience as a special occasion with formal and full service throughout the evening where guests are seated at tables, and waiting staff take their orders and provide table service. The structure of these restaurants is bigger, as the team consists of kitchen staff, hosts, servers and bartenders. These restaurants include fine dining and casual dining restaurants:

**Fine dining** restaurants are the highest quality and complete service restaurants. An upscale restaurant's price list for entrees is usually more than 20\$. Such a restaurant pays a lot of attention to a unique and pleasant décor, which is the main factor for the perceived value - décor, lighting and music invoke the mood and frame the elegant and unique concept of this restaurant. Visual appeal is enhanced by the best chefs, well-trained servers, sommeliers as well as special dishes presented with an extensive knowledge of food and wine - all come together to create an exceptional dining experience. This type of restaurants corresponds to the Michelin star restaurants, like "Pedro Lemos" in Porto, "Bon Bon" in Carvoeiro, "Ocean" in Vila Vita Parc or "Fontaleza do Guincho" in Cascais. Additionally, according to TripAdvisor, some other upscale restaurants in this category should be mentioned: "DOP" in Porto, "Casa de Chá da Boa Nova" in Porto, "Via Graça" in Lisbon, etc.

**Casual dining** restaurants guarantee full service, however, the experience is less remarkable and these restaurants are more popular among families, as prices are more affordable (the entree prices are in the range of 10-15\$). Guests are seated at the tables by hosts, professional servers explain the menu items and take the order, however, the serving style is

not as formal as in fine dining restaurants. These restaurants can specialize in one type cuisine as in fine dining restaurants, but food presentation and preparation solutions are not so exceptional. The atmosphere in the restaurant is less formal, family-friendly, but the consistency between the atmosphere, the overall concept and the menu is maintained.

According to the TripAdvisor, these restaurants in Portugal could represent the category of casual dining restaurants: “Clube de Jornalistas” in Lisbon, “Frangasqueira Nacional” in Lisbon, „As Velhas“ in Lisbon or „Tapabento” in Porto.

**Fast Casual** (or quick-casual, limited-service) restaurants are an intermediate concept between full service and quick service types of restaurants. As an intermediate between top and lower service quality restaurants, fast casual restaurants offer better quality food and more pleasant atmosphere than quick service restaurants, but prices are lower than in full service restaurants (the price for a meal fits into the 7-10\$ range) and suggestions for a complete set (e.g. meal+drink) are available. The main focus of the service is speed and convenience, however, the service is usually limited to the service counter, where customers make their food choices while standing in the queue and then pay the cashier. These restaurants usually do not ask for pre-payment. Moreover, the atmosphere can vary from the very basic to the very detailed and colourful, depending on the restaurant culture and menu items. Pizza places („Pizza Hut“ or “Telepizza”), burger and sandwich restaurants („Alef Burger Bar“ in Faro or “A Sandeira do Porto” in Porto), snack bars (“Barba’z” in Porto), etc. fall into this category.

**Quick service restaurants** concentrate on the speed and convenience. The service style includes the service counter, cashiers and the board menus, usually hanging on the walls or from the ceilings. Fast-food restaurants usually belong to this type of restaurants and, even though the food is cheap (no more than 6\$) and the menu is full of special suggestions, it is not only about fast food: the atmosphere is usually simple, the decor minimalistic, however, quick service restaurants can create very exceptional “look and feel” atmosphere (good examples could be coffee shops). All fast food restaurants can be included in this category (“McDonald’s” or “Burger King”), cafes (“Starbucks” or “Jeronymo”), small pastry cafes (“NATA Lisboa” or “Tupi” in Porto), bread shops, etc.

### Chapter 3: Methodology

In this chapter the chosen research method is described and justified. First, the main objective of the research is established. Then, the adopted conceptual model and research hypotheses are presented, followed by an examination of data collection methods and questionnaire design. Finally, the research sample design is analyzed and the description of data treatment is provided.

#### 3.1. Research Objectives

The main objective of this study is to identify the experiential marketing practices, proposed by Schmitt (1999) as strategic experiential modules (SEMs), and their impact on consumer satisfaction and loyalty. The specific goal of this research is to analyze the connection between experiential marketing practices, expectation disconfirmation, customer satisfaction and consumer loyalty. Thus, the study aims to test whether expectations for specific experiences vary depending on different types of restaurants.

#### 3.2. Conceptual Model and Research Hypotheses

In order to achieve the main objectives, the research was conceptualized and hypotheses were formulated.

In literature review, the following determinants of experiential marketing practices were identified (Schmitt, 1999): *sense, feel, think, act* and *relate* and they were used as the main constructs in this research. Additionally, the key theory, which represents the customer satisfaction expectation disconfirmation model, was formed (Oliver, 1980) where satisfaction construct is represented as the perception of the gap between expectations and the company's actual performance. From the analysis of the model variables, it is logical to predict that customers' perception of different experiences can influence the expectation disconfirmation.

Based on the above, the following hypotheses were formulated:

H 1a: *Sense* experiences positively influence expectation disconfirmation.

H 1b: *Feel* experiences positively influence expectation disconfirmation.

H 1c: *Think* experiences positively influence expectation disconfirmation.

H 1d: *Act* experiences positively influence expectation disconfirmation.

H 1e: *Relate* experiences positively influence expectation disconfirmation.

Furthermore, in order to test out the opinion expressed by other researchers (Kanning and Bergmann, 2009; Lee et al., 2010; Hosany and Martin, 2012; Jin et al., 2013; Pantelidis, 2010; Lin et al., 2007; Alkilani et al., 2013; Pham and Huang, 2015), who tested the direct

influence of performance on customer satisfaction, the following hypotheses were put forward:

H 2a: *Sense* experiences positively influence customer satisfaction.

H 2b: *Feel* experiences positively influence customer satisfaction.

H 2c: *Think* experiences positively influence customer satisfaction.

H 2d: *Act* experiences positively influence customer satisfaction.

H 2e: *Relate* experiences positively influence customer satisfaction.

Previous studies have proved a direct relationship between expectation disconfirmation and customer satisfaction (Bigne et al., 2008; Loureiro, 2014; Wirtz and Bateson, 1999; Spreng and Page, 2003; Molinari et al., 2008; Ryu and Han, 2011) as well as customer loyalty (conative and action) (Molinari et al., 2008; Ryu and Han, 2011). So, drawing on this idea, the hypotheses for this research were formulated:

H 3: Expectation disconfirmation positively influences customer satisfaction.

H 4a: Expectation disconfirmation positively influences customer conative loyalty.

H 4b: Expectation disconfirmation positively influences customer action loyalty.

Furthermore, in the research analyzed in literature review we saw a direct impact of customer satisfaction on customer loyalty (Loureiro et al., 2014; Hallowell, 1996; Alegre and Cladera, 2009; Bigne et al., 2008; Chaudhuri and Holbrook, 2001; Suh and Yi, 2006; Lee et al., 2010; Lin et al., 2007; Molinari et al., 2008; Ryu and Han, 2010). In relation to that, the following hypotheses were formed:

H 5a: Customer satisfaction positively influences customer conative loyalty.

H 5b: Customer satisfaction positively influences customer action loyalty.

Even though in previous studies nobody has analyzed the impact of different restaurants on the evaluation of the experiences and expectation disconfirmation, according to available literature, we can predict that expectations for the experience and its perception will vary depending on the restaurant type the customer has chosen. In order to check this idea, the mediating variables of different types of restaurants were included in the model: fine dining, casual dining, fast casual and quick service restaurants, and the following hypotheses were formulated:

H 6a: Restaurant type (fine dining, casual dining, fast casual and quick service restaurants) has a significant moderating role in the relationship between *sense* experience and expectation disconfirmation.

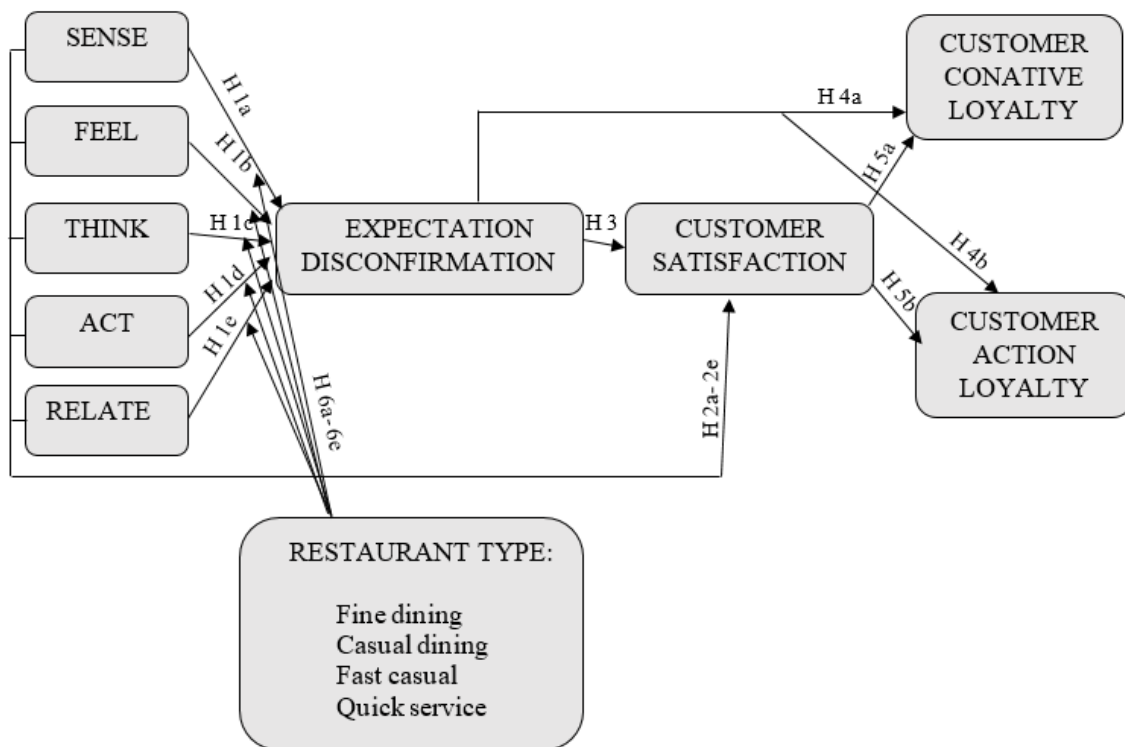
H 6b: Restaurant type (fine dining, casual dining, fast casual and quick service restaurants) has a significant moderating role in the relationship between *feel* experience and expectation disconfirmation.

H 6c: Restaurant type (fine dining, casual dining, fast casual and quick service restaurants) has a significant moderating role in the relationship between *think* experience and expectation disconfirmation.

H 6d: Restaurant type (fine dining, casual dining, fast casual and quick service restaurants) has a significant moderating role in the relationship between *act* experience and expectation disconfirmation.

H 6e: Restaurant type (fine dining, casual dining, fast casual and quick service restaurants) has a significant moderating role in the relationship between *relate* experience and expectation disconfirmation.

Based on the literature review and the formulated hypotheses, the following conceptual framework was proposed (Figure 8):



**Figure 8** The Proposed conceptual Framework. Source: own elaboration.

### 3.3. Data Collection

After considering different aspects of quantitative and qualitative approaches to research, the quantitative approach was adopted. This approach uses the data analysis methods which are more structured and formal, and allows to draw conclusions as well as define several

variables through numbers and objective hard data (Schmidt and Hollensen, 2006). The data for the research was collected using surveys, which is the easiest method to gain evaluative feedback and statistical data from a larger number of respondents in different restaurants.

First of all, the pilot testing of the questionnaire was administered and 15 randomly selected people were interviewed in order to make sure that the questions presented in the questionnaire were understandable and the questionnaire was effective enough to be delivered to a wider audience. The validated questionnaire was sent to 4 restaurants, which had agreed to participate in this research. Each of the selected restaurants represented a different type of restaurants, mentioned in the theory review:

“Casa de Chá da Boa Nova” represents a fine dining restaurant type. The restaurant is located in Leça da Palmeira, in Porto, perched on the rocks with a wonderful view of the ocean. The ancient building and dining space, set in an exceptional landscape permeated with the smell of the ocean, create a unique experience. The restaurant is focused on precise service and food quality. The concept of the restaurant consists of several extensive menus ranging from 6 to 12 courses, based on traditional Portuguese cuisine that takes advantage of the fresh fish and shellfish caught on the coast of Portugal. The menu prices start at 80 euros for two people and go up to 75 or 120 euros per person including full service. The team consists of a host/hostess, who takes people to their table, waiting staff and the sommelier, who offers customers a full list of international and national wines and suggests wines that will best complement each particular food menu item.

“Tapabento” is a great example of a casual dining restaurant. The family-run restaurant creates home-like environment from the first moments of the dining experience. The restaurant is located in downtown Porto, in an old antique building. Both the atmosphere and the interior in the restaurant are very traditional including the table linen, interior details, as well as the serving plates of traditional dishes. The main idea is for the food to promote the concept of Portuguese cuisine, however, food presentation and taste variations are modern. Moreover, prices are lower - entrees prices vary from 5 euros to 19 euros. The ‘customer-friendly’ restaurant staff communication style is very informal and easy going, making customers feel at home and allowing them to have a casual chat with the personnel and the restaurant owner.

„Barba‘z“ was chosen as a fast casual concept restaurant. It is a good example of a quick service snack bar which offers Portuguese snacks such as bifanas, sandwiches, meat or cheese plates, Portuguese sausage, etc. The menu items do not exceed 10 euros and two people can have dinner for less than 25 euros. The overall concept of the restaurant creates



very free and casual atmosphere- the interior is very basic; however, using small details such as industrial wire spools as tables, different arrangements of wooden wine boxes and the possibility for bar customers to create one-of-a-kind wall art on the white walls using permanent markers make this restaurant exceptional. This bar is run by a young couple who are responsible for the service (welcoming, cooking and serving), thus creating an informal, home-like and free style dining mood around. The whole concept of the bar is based on Portuguese traditions and cuisine, therefore, not only the food on the menu represents Portuguese culture, but also among the activities the bar has on offer are the bar specials and a possibility to watch live football on TV, while during the city's major event (São João) special meal deals are available as well.

„NATA Lisboa“ in this research represents a quick service restaurant type. The aim of this café is to spread the passion for *pastel de nata* in all four corners of the world, and the strategy is really working- you can find the same franchising cafes all around Portugal, as well as in UK (Peterborough), Belgium (Antwerp), UAE (Abu Dhabi), Austria (Vienna), France (Paris) and Spain (Pamplona, Bilbao and Barcelona). „NATA Lisboa“, with the help of great pastry professionals, has developed the *pastel de nata* recipe and, as a result, the same unique, fresh and warm *pasteis de nata* are available to people around the globe. Even though the brand focus is on this Portuguese pastry masterpiece, which can be enjoyed in all cafés for 1 euro/piece, there is some other pastry, breakfast menus and small snacks on offer which do not exceed 2,5 euros (menus- 6 euros). The brand „NATA Lisboa“ received the Time Out Award in 2012 as the Portuguese Brand of the Year and the chain cafés make a full use of the brand - its colours are represented in the interior of the cafés with the only decorations being take-away bags and special food and drink offers advertised on mini posters hanging from the ceiling and on the walls. The atmosphere in the cafés is user-friendly and informal, so customers feel free to order at the counter or just have a chat with bilingual staff and ask for table service.

Participation was confidential and anonymous. In order to achieve the main goal, the customers were asked to participate in the survey right after the dining experience. Furthermore, the survey was conducted on-the-spot while the participants' impressions of the experience were still unbiased and fresh in their minds. An indirect questioning method was used, and the researcher's and respondent's contact was avoided, while the waiters participating in the survey had access only to the basic information regarding the survey. The collection of data was organized in May and June, 2016 in all partnership restaurants. A convenience sampling was employed, allowing the researcher to reach a part of large

population in a relatively short time using fewer resources (Etikan et al., 2016) and 287 surveys were distributed almost evenly among the restaurants: 67 in fine dining, 77 in casual dining, 70 in fast casual and 73 in quick service restaurants. Due to the subjective nature in selecting a sample from the implemented sampling technique, the sample should not be taken as representing all the population.

### **3.4. Questionnaire Design**

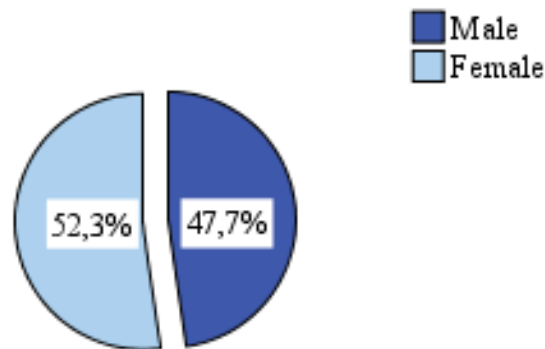
The questionnaire was developed on the basis of the literature review and the measurement items were adapted from the existing scales with minor changes following the theoretical background (Appendix 1). The questionnaire included twenty two statements (Schmitt, 1999; Nadiri et al., 2013) which measured the evaluation of the obtained experience feedback and covered all aspects of Schmitt's (1999) proposed SEMs model. In order to measure the expectation disconfirmation, the proposed scale of Oliver (1980) was used, which suggests evaluating the overall impression by asking to evaluate the two statements: "Overall, the experience was better than I expected" and "Overall, I expected something better from this experience". This scale had been tested and used in other researches in hospitality business (Bigne et al., 2008; Ryu and Han, 2011). Furthermore, five statements were used, based on the measurement widely applied in academic research (Bigne et al., 2008; Ryu and Han, 2011; Nadiri et al., 2013; Jin et al., 2013) to measure customer satisfaction. To measure the conative and action loyalty, five statements were formulated using Ryu and Han (2011), Bigne et al. (2008), Jin et al. (2013), Bobalca et al. (2012), Molinari et al. (2008), Nadiri et al. (2013). The participants were asked to evaluate their perception using a 7-point Likert-type scale (from "strongly disagree" to "strongly agree"). Finally, the questionnaire included questions on demographic and psychographic profile of the respondents - they were asked to provide the main demographic information (gender, age, occupation), as well as the frequency of their visits to the restaurant and the criteria that determined their choice of particular restaurant.

The primary questionnaire was developed in English (because the literature review and measurement scales were originally English) and then translated into Portuguese (Appendix 2). Subsequently, the Portuguese version was translated back into English to ensure that all items were translated and understood correctly (Brislin, 1970). The major part of the questionnaires (66,2%) were filled in Portuguese language, while the rest of the respondents (33,8%) had chosen to fill them in English.

### 3.5. Sample Design

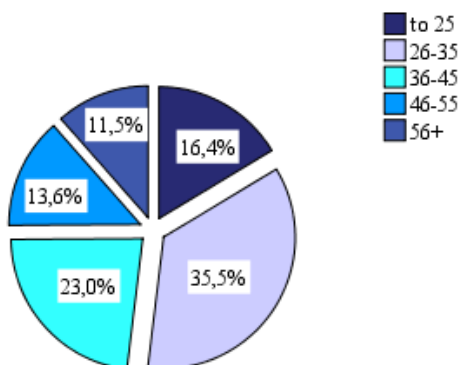
The target population in this research was restaurants' customers who had decided to choose the restaurant for their dining out experience and were willing to evaluate their experience by filling out the questionnaire.

The final sample consisted of 287 respondents. The distribution by gender was 52,3% (n=150) women and 47,7% (n=137) men, as indicated in the Figure 9.



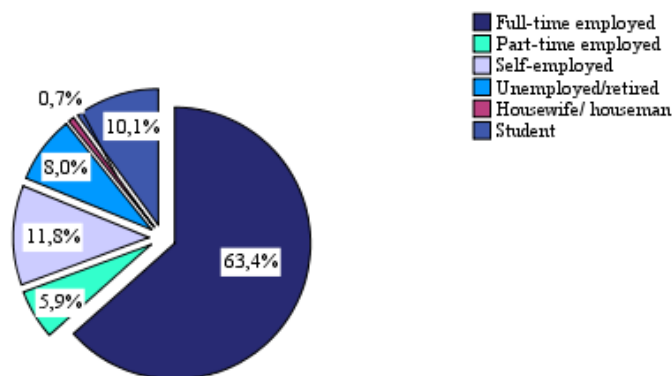
**Figure 9** The distribution of the respondents according to gender. Source: own elaboration.

Even though the distribution of the respondents by gender was almost equal, the distribution by age groups showed different tendencies. The most active respondents were in 26-35 age group (35,5%) and 36-45 (23%) age group (Figure 10).



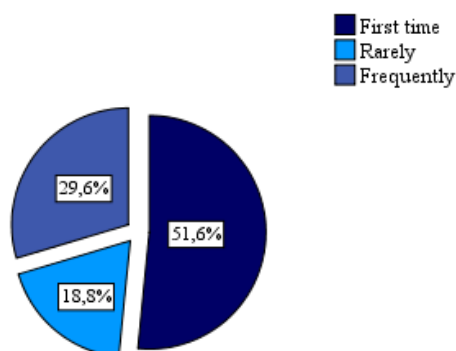
**Figure 10** The distribution of the respondents according to the age group. Source: own elaboration.

What concerns the respondents' occupation breakdown, the largest groups consisted of full-time employed (63,4%) respondents, followed by self-employed (11,8%), students (10,1%), unemployed/retired (8%), part-time employed (5,9%) and housewives/househusbands (0,7%) (Figure 11).



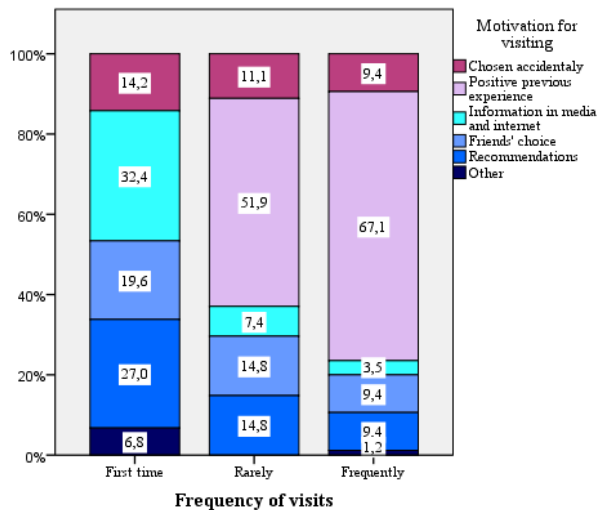
**Figure 11** The distribution of the respondents according to occupation. Source: own elaboration.

The major part of the respondents (51,6%) were first time visitors in the restaurant, while 18,8% of the respondents indicated that they were rare visitors in the restaurant and 29,6% of the respondents were repeat visitors (Figure 12).



**Figure 12** The distribution of the respondents according to the frequency of restaurant visits. Source: own elaboration.

The main factors motivating customers' choice of a particular restaurant were a positive previous experience and recommendations. However, motivating factors varied according the frequency of restaurant visits. For first-time customers the most important motivation was recommendations (27%) and information in the media or on the Internet (32,4%), while rare or regular restaurant visitors were reluctant to trust either recommendations or information sources, but were more inclined to rely on their previous experience which had served as motivation source for more than 50% of the customers who had visited the restaurant more than once (Figure 13).



**Figure 13** The distribution of the respondents according to the motivation and frequency of restaurant visits. Source: own elaboration.

### 3.6. Data analysis

In order to analyse the formed model the Structural Equation Modeling (SEM) was employed, as it is a technique evaluating the dependence relationships between several constructs of an integrated model, projected according the theoretical background and measured by several variables (Malhotra et al., 2012). In this research the Anderson and Gerbing's (1988) two-step approach was employed and AMOS 18.0 software was used. The implemented approach divided the data analysis into two stages:

- Measurement model stage: the validity of model constructs was evaluated. For this purpose the confirmatory factor analysis (CFA) was run. CFA enabled to determine whether the items represent the inherent constructs (experiential marketing practices, perceived disconfirmation, customer satisfaction and customer loyalty) reliably. Cronbach's alphas, item reliabilities and average variance extracted (EVA) were also checked. (see Chapter 4.1.)

- Structural model: the structural analysis was employed to estimate the model formed through SEM and to test the hypotheses formulated. (see Chapter 4.2.)

In order to check the effect of different types of restaurants on the perception of experiential marketing practices and expectation disconfirmation, the tests for model constants were run and the non-restrained model, which referred to the model without fixed factor loadings, was compared to the full-metric model where all underlying factors were constrained to be equivalent in order to check out the measurement invariance. The mediation effect of a restaurant type in the developed model and the indirect effect of this variable between experiential marketing practices and expectation disconfirmation were checked. Finally, the tests results were evaluated and the hypotheses were tested. (see Chapter 4.3.)

## Chapter 4: Results

In this chapter the results of the data analysis are presented and illustrated. First, the measurement model is developed and specified and its validity parameters are explained. Then, the structural model is analyzed and the hypotheses are checked. Finally, invariance models are analyzed.

### 4.1. Measurement Model

After the evaluation of the first analysis of the measurement model, the model was reduced and the observed variables „The interior and exterior of the restaurant were attractive and attention catching“ and „The lightning was pleasant and created a good atmosphere“ representing *sense* experiences, and „This restaurant interested me and I follow it or plan to start following it in their website, media and social media“ representing *think* experiences were deleted due to their lower factor loadings and low squared multiple correlations. The modification of the measurement model was minor (deleted less than 10% of the observed variables), so the data analysis was extended (Malhotra et al., 2012).

**Table 1** Results of confirmatory factor analysis: factor loadings, Cronbach's alphas, composite reliability

	Factor Loadings	Cronbach's alphas	Composite Reliabilities
<b>SENSE EXPERIENCES:</b>		0,86	0,881
<i>The visual presentation of the food was attractive</i>	0,781		
<i>The material associated with the service (menu, uniforms, etc.) were visually appealing and attention catching</i>	0,691		
<i>The background music offered relaxing and pleasant atmosphere</i>	0,549		
<i>There was nice and pleasant smell in the restaurant</i>	0,678		
<i>The meals were fresh</i>	0,777		
<i>The taste of the meals was pleasant</i>	0,777		
<i>Furniture was clean and comfortable</i>	0,752		
<b>FEEL EXPERIENCES:</b>		0,75	0,764
<i>I felt myself comfortable and happy in this restaurant</i>	0,821		
<i>The restaurant had intimate and relaxing atmosphere</i>	0,750		
<b>THINK EXPERIENCES:</b>		0,76	0,770
<i>This restaurant organized activities, which took my attention</i>	0,635		
<i>This restaurant experience surprised me</i>	0,833		
<i>This restaurant managed to intrigue me</i>	0,702		
<b>ACT EXPERIENCES:</b>		0,93	0,926
<i>This restaurant made me think about my lifestyle</i>	0,887		
<i>This restaurant reminded me about the activities I want/can do (inspire/ motivate)</i>	0,900		
<i>This restaurant's experience made me think about my behavior</i>	0,908		
<b>RELATE EXPERIENCES:</b>		0,89	0,877
<i>In this restaurant I felt myself, the concept of the restaurant represents me</i>	0,847		
<i>This restaurant help me to develop my relationship with my social environment</i>	0,900		
<i>My friends from my social environment prefer this restaurant, so this makes me to prefer this restaurant as well</i>	0,749		
<i>Be a customer of this restaurant is one of the activities of social class I belong to</i>	0,696		
<b>EXPECTATION DISCONFIRMATION:</b>		0,67	0,718
<i>Overall, the dining experience was better than I expected</i>	0,922		
<i>Overall, I expected something better from this restaurant experience</i>	0,549		
<b>CUSTOMERS SATISFACTION:</b>		0,95	0,951
<i>I am satisfied with the decision to eat out in this restaurant</i>	0,913		

## Experiential Marketing Practices Leading to Consumer Loyalty in Restaurant Business

<i>I really enjoyed myself in this restaurant</i>	0,800		
<i>Overall, I am satisfied with this restaurant</i>	0,928		
<i>Considering all my experiences with this restaurant, my choice to dine out in this restaurant was a wise one.</i>	0,935		
<i>The overall experience I got in this restaurant put me in the good mood</i>	0,881		
<b>ACTION CUSTOMER LOYALTY:</b>		0,96	0,965
<i>I will say positive thing about this restaurant to others</i>	0,949		
<i>I will recommend this restaurant to someone, who seeks my advice</i>	0,951		
<i>I will encourage friends and relatives to visit the restaurant</i>	0,949		
<b>CONATIVE CUSTOMER LOYALTY:</b>		0,76	0,822
<i>I would like to come back to this restaurant in the future</i>	1,014		
<i>I intend to keep dining out at this restaurant</i>	0,624		

Source: own elaboration.

In order to evaluate the fit of the measurement model to the data, several fit measures were used: the absolute fit indices (Chi- square ( $X^2$ ), the root mean square residual (RMSEA)) and incremental fit indices (Tucker- Lewis Index (TLI) and comparative fit index (CFI)). The measurement model analysis showed unsatisfied fit to the data ( $X^2=970,662$  with the degree of freedom (d.f.)= 389,  $p=,00$ ), as Chi-square test for the formed model was significant. However, previous studies showed that Chi-square test can be effected by the sample size which is more than 50 ( $n=287$ ), and suggested relying on other model fit indices (Marsh et al., 2004). The other indices showed the great data fit:  $X^2/df=2,495$  ( $\leq 3$ ), CFI= 0,926 ( $\geq 0,9$ ), TLI= 0,911 ( $\geq 0,9$ ), RMSEA= 0,72 ( $\leq 0,08$ ).

In order to evaluate the reliability of the constructs, Cronbach's alphas and composite reliability were evaluated (Table 1). Cronbach's alphas of all variables exceeded 0,60 and fulfilled the acceptable level requirements (Hair et al., 2006). The composite reliabilities of the construct varied from 0,718 (expectation disconfirmation) to 0,965 (customer action loyalty), which means that all variables exceeded the threshold level of 0,70 (Fornell and Larcker, 1981). The observed variables representing measured variables have internal consistency and the reliability of the measurement scales used in the model were trustworthy.

**Table 2** Results of confirmatory factor analysis: correlation matrix and EVA

	SENSE	FEEL	THINK	ACT	RELATE	ED	CS	AL	CL	EVA	$\sqrt{EVA}$
SENSE	1,000									0,517	0,719
FEEL	0,913	1,000								0,618	0,786
THINK	0,731	0,700	1,000							0,530	0,728
ACT	0,363	0,484	0,468	1,000						0,807	0,898
RELATE	0,399	0,461	0,464	0,891	1,000					0,643	0,802
ED	0,582	0,658	0,631	0,413	0,428	1,000				0,576	0,759
CS	0,677	0,696	0,583	0,358	0,399	0,784	1,000			0,797	0,893
AL	0,665	0,672	0,523	0,357	0,400	0,696	0,866	1,000		0,902	0,950
CL	0,589	0,569	0,460	0,326	0,364	0,614	0,775	0,868	1,000	0,709	0,842

Note. SENSE= *sense* experiences, FEEL= *feel* experiences, THINK= *think* experiences, ACT= *act* experiences, RELATE= *relate* experiences, ED= expectation disconfirmation, CS= customer satisfaction, AL= customer action loyalty, CL= customer conative loyalty, CR= composite reliability

Source: own elaboration.

Convergent validity was tested evaluating the item loadings in all the factors (Table 1). The recommended cut-off level is 0,70 and minimum- 0,50 (Malhotra et al., 2012) and all the factors fit this condition: there were 24 items with loading  $\geq 0,70$  and 7 items with the loading between  $\geq 0,5$  and  $< 0,70$ . All the loadings were statistically significant at  $p < 0,05$ . The average variance extracted (EVA) indicated the satisfactory convergent validity with the values  $> 0,5$ , as the variables account more than 50% percent of observed variables.

Discriminant validity is achieved when the square root of the EVA is larger than correlation coefficients. 5 cases out of 36 did not satisfy this condition, however, due to a bigger correlation matrix (36 estimates) and taking into account the fact that 4 cases were found among the variables, which assess different aspects of experiential marketing and customer loyalty, some degree of intercorrelation can be explained. Overall, the items of the scales used were reliable and valid enough to test the structural model.

## 4.2. Structural Model

After making sure that the data is reliable and valid, the Structural Equation Modeling (SEM) was handled in order to check the relationship between the model constructs. The model fit indices ( $X^2/df(399)=2,47$ , CFI= 0,925, TLI= 0,913, RMSEA= 0,72) showed a good fit to the data of the structural model. The experiential marketing practices explained 51,7% of the expectation disconfirmation variable and the overall variance explained in customer satisfaction and customer loyalty were more than 50% (customer satisfaction- 69,8%, customer conative loyalty-59,7% and customer action loyalty- 75,5%) which proved that the formed structural model could present the included variables well and reached a satisfactory goodness of fit in predicting the total variables (Table 3).

**Table 3** Results of Structural Equation Modeling

<i>Hypotheses</i>	<i>Coefficients</i>	<i>t-Values</i>	<i>Results</i>
<i>H 1a: Sense experiences → expectation disconfirmation</i>	-,367	-1,135	Not supported
<i>H 1b: Feel experiences → expectation disconfirmation</i>	,709*	2,063	Supported
<i>H 1c: Think experiences → expectation disconfirmation</i>	,378**	3,120	Supported
<i>H 1d: Act experiences → expectation disconfirmation</i>	-,183	-0,867	Not supported
<i>H 1e: Relate experiences → expectation disconfirmation</i>	,237	1,270	Not supported
<i>H 2a: Sense experiences → customer satisfaction</i>	,346	1,667	Not supported
<i>H 2b: Feel experiences → customer satisfaction</i>	,049	0,215	Not supported
<i>H 2c: Think experiences → customer satisfaction</i>	-,088	-0,969	Not supported
<i>H 2d: Act experiences → customer satisfaction</i>	-,091	-0,643	Not supported
<i>H 2e: Relate experiences → customer satisfaction</i>	,111	0,854	Not supported
<i>H 3: Expectation disconfirmation → customer satisfaction</i>	,595**	5,569	Supported
<i>H 4a: Expectation disconfirmation → customer conative loyalty</i>	,012	0,168	Not supported
<i>H 4b: Expectation disconfirmation → customer action loyalty</i>	,044	0,699	Not supported
<i>H 5a: Customer satisfaction → customer conative loyalty</i>	,763**	7,735	Supported

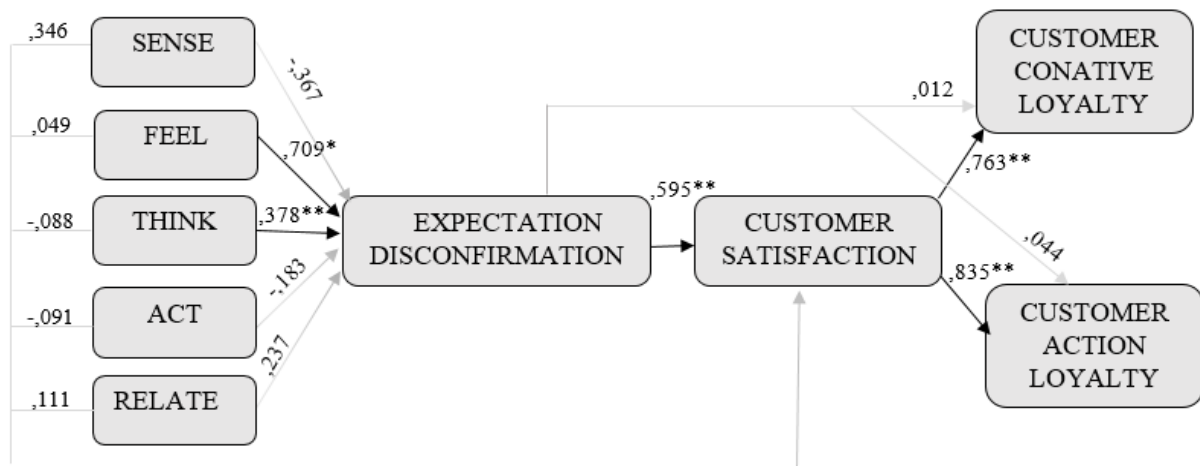


<i>H 5b: Customer satisfaction → customer action loyalty</i>	,835**	12,547	Supported
$R^2(\text{expectation disconfirmation})=,517$			
$R^2(\text{customer satisfaction})=,698$			
$R^2(\text{customer conative loyalty})=,597$			
$R^2(\text{customer action loyalty})=,755$			
$X^2/\text{df} (399)=2,47, CFI= 0,925, TLI= 0,913, RMSEA= 0,72$			

Note. \*-  $p<0,05$ ; \*\* -  $p<0,01$

Source: own elaboration

Table 3 represents the results of the structural model analyses and the causal relationships between latent variables are graphically represented in Figure 14. The Figure 14 represents the path analyses results, where the black solid lines indicate the statistically significant paths, while the grey solid lines- non-significant paths. The relationship between experiential marketing practices and expectation disconfirmation tests showed the significant positive regression paths from *feel* ( $\beta=,709$ ,  $t=2,063$ ,  $p<0,05$ ) and *think* ( $\beta=,378$ ,  $t=3,120$ ,  $p<0,01$ ) experiences, supporting the hypotheses 1b and 1c. However, the paths from *sense* ( $\beta=-,367$ ,  $t=-1,135$ ,  $p>0,05$ ), *act* ( $\beta=-,183$ ,  $t=-,867$ ,  $p>0,05$ ) and *relate* ( $\beta=,237$ ,  $t=1,27$ ,  $p>0,05$ ) experiences were not significant and hypotheses 1a, 1d and 1e were not supported.



Note. \*-  $p<0,05$ ; \*\* -  $p<0,01$ ; → - Hypothesis supported; →- Hypothesis not supported

**Figure 14** The causal relationships between latent variables. Source: own elaboration.

The test of the direct relationship between experiential marketing practices and customer satisfaction did not show any significant regression path : *sense* ( $\beta=,346$ ,  $t=1,667$ ,  $p>0,05$ ), *feel* ( $\beta=,049$ ,  $t=,215$ ,  $p>0,05$ ), *think* ( $\beta=-,088$ ,  $t=-,969$ ,  $p>0,05$ ), *act* ( $\beta=-,091$ ,  $t=-,643$ ,  $p>0,05$ ) and *relate* ( $\beta=,111$ ,  $t=,854$ ,  $p>0,05$ ). Thus, the hypotheses 2a, 2b, 2c, 2d, 2e were not supported. However, in order to evaluate the effect of expectation disconfirmation as the mediator between experiential marketing practices and customer satisfaction, an indirect effect was analyzed. The results of the analyses (Table 4) indicated that *feel* ( $\beta_{\text{FEEL-ED}}$ -

$CS=,422$ ,  $p<0,01$ ) and *think* ( $\beta_{THINK-ED-CS}=,225$ ,  $p<0,01$ ) experiences affected customer satisfaction significantly through expectation disconfirmation. In other words, the expectation disconfirmation performed as mediator between these experiential marketing practices and customer satisfaction in this structural model.

**Table 4** The comparison of standardized direct and indirect effects of experiential marketing practices on customer satisfaction

	<i>Direct effect without ED</i>	<i>Direct effect with ED</i>	<i>Indirect effect</i>
$SENSE \rightarrow ED \rightarrow CS$	,136	,346	-,218
$FEEL \rightarrow ED \rightarrow CS$	,461	,049	,422**
$THINK \rightarrow ED \rightarrow CS$	,139	-,088	,225**
$ACT \rightarrow ED \rightarrow CS$	-,197	-,091	-,109
$RELATE \rightarrow ED \rightarrow CS$	,251	,111	,141

Note. SENSE= *sense* experiences, FEEL= *feel* experiences, THINK= *think* experiences, ACT= *act* experiences, RELATE= *relate* experiences, ED= expectation disconfirmation, CS= customer satisfaction, \*-  $p<0,05$ , \*\*=  $p<0,01$

Source: own elaboration.

The regression path from expectation disconfirmation and customer satisfaction was significant ( $\beta=,595$ ,  $t=5,569$ ,  $p<0,01$ ), thus supporting hypothesis 3. However, the direct paths from expectation disconfirmation to customer conative ( $\beta=,012$ ,  $t=0,168$ ,  $p>0,05$ ) and action ( $\beta=,044$ ,  $t=,699$ ,  $p>0,05$ ) loyalty were not significant and hypotheses 4a and 4b were not supported. The tests for the mediating factor of customer satisfaction between expectation disconfirmation and customer loyalty indicated that the direct regression paths between variables are significant, when the variable customer satisfaction is not present in the structural model ( $\beta_{ED-AL}=,807$ ,  $p<0,01$  and  $\beta_{ED-CL}=,711$ ,  $p<0,01$ ) (Table 5). Moreover, the indirect effects between expectation disconfirmation and customer action loyalty ( $\beta_{ED-CS-AL}=,497$ ,  $p<0,05$ ) and customer conative loyalty ( $\beta_{ED-CS-CL}=,454$ ,  $p<0,01$ ), with customer satisfaction as mediator, were indicated (Table 5).

**Table 5** The comparison of standardized direct and indirect effects of expectation disconfirmation on customer loyalty

	<i>Direct effect without CS</i>	<i>Direct effect with CS</i>	<i>Indirect effect</i>
$ED \rightarrow CS \rightarrow AL$	,807**	,044	,497*
$ED \rightarrow CS \rightarrow CL$	,711**	,012	,454**

Note. ED= expectation disconfirmation, CS= customer satisfaction, AL= customer action loyalty, CL= customer conative loyalty, \*-  $p<0,05$ , \*\*=  $p<0,01$

Source: own elaboration.

Lastly, the regression paths between customer satisfaction and customer loyalty were checked and the significance of the paths to customer conative loyalty ( $\beta=,763$ ,  $t=7,735$ ,  $p<0,01$ ) and

customer action loyalty ( $\beta=.835$ ,  $t=12.547$ ,  $p<0.01$ ) was proved. Thus, hypotheses 5a and 5b were supported.

As the result of the path tests between different constructs of experiential marketing practices and expectation disconfirmation, the perception of *feel* and *think* experiences directly and positively affected the expectation disconfirmation, while the effects of perception of *sense*, *act* and *relate* experiences to expectation disconfirmation were not indicated. The perception of *feel* experiences ( $\beta=.709$ ) was the most important explanatory variable for expectation disconfirmation, followed by *think* experiences ( $\beta=.378$ ). Moreover, the indirect effect analyses showed the same tendencies- the *feel* experiences ( $\beta=.422$ ) affected customer satisfaction through expectation disconfirmation stronger than think experiences ( $\beta=.225$ ). The regression path analyses did not prove a direct relationship between experiential marketing practices and customer satisfaction, which indicates that the performance itself does not directly lead to customer satisfaction. The hypotheses testing showed a strong positive relationship between expectation disconfirmation and customer satisfaction ( $\beta=.595$ ), which means that the positive perception of experience leads to customer satisfaction while, on the other hand, according the path testing, expectation disconfirmation does not lead to customer loyalty. However, expectation disconfirmation affects customer loyalty through customer satisfaction. In other words, the positive perception of the experience leads to customer satisfaction and then to customer loyalty. In support of the idea, the direct effects of customer satisfaction on customer loyalty were found where customer satisfaction had stronger positive influence on conative ( $\beta=.835$ ) rather than action ( $\beta=.763$ ) loyalty.

#### 4.2. Invariance Models

In order to check the hypotheses 6a, 6b, 6c, 6d and 6e, the collected data were divided into 4 groups: fine dining ( $n=67$ ), casual dining ( $n=77$ ), fast casual ( $n=70$ ) and quick service ( $n=73$ ) restaurants. For this purpose, the measurement invariance confirmatory factor analysis test was run in order to compare the non-restricted model (none of the factor loadings in the groups were fixed) to the full-metric model (all factor loadings in the groups were indicated as equal). The full-metric model fit results (Table 6) were not satisfying ( $X^2=4458.385$ ;  $d.f.=1662$ ;  $X^2/d.f.=2.683$ ;  $RMSEA=.077$ ;  $CFI=.755$ ;  $TLI=.726$ ) and Chi-square difference between non-restricted and full-metric models was significant ( $\Delta X^2(66)=200.965$ ;  $p<.01$ ). Thus, the invariance test of structural model results did not fulfill the requirements and the full-metric model was not supported.

**Table 6** The results of the invariance test

<i>Hypotheses</i>	<i>Baseline model</i>	<i>Nested model</i>	<i>Chi- square difference test</i>
<i>H 6a: Sense experiences→ perceived disconfirmation</i>	FD: $\beta=.511^{**}(t=2,122)$ CD: $\beta=-.333 (t=-.886)$ FC: $\beta=-.709 (t=1,783)$ QS: $\beta=-.738 (t=-.961)$ $X^2(1707)=4572,122$	$X^2(1599)=4257,924$	$\Delta X^2(3)=.503$ ; $p>.05$ (insignificant)
<i>H 6b: Feel experiences→ perceived disconfirmation</i>	FD: $\beta=.217 (t=.725)$ CD: $\beta=.854 (t=1,745)$ FC: $\beta=-.139 (t=-.431)$ QS: $\beta=.188 (t=.141)$ $X^2(1707)=4572,122$	$X^2(1599)=4257,998$	$\Delta X^2(3)=.578$ ; $p>.05$ (insignificant)
<i>H 6c: Think experiences→perceived disconfirmation</i>	FD: $\beta=-.129 (t=-.433)$ CD: $\beta=-.117 (t=-.501)$ FC: $\beta=-.319 (t=-1,916)$ QS: $\beta=-.569 (t=-.824)$ $X^2(1707)=4572,122$	$X^2(1599)=4258,948$	$\Delta X^2(3)=1,527$ ; $p>.05$ (insignificant)
<i>H 6d: Act experiences→perceived disconfirmation</i>	FD: $\beta=-.114 (t=-.603)$ CD: $\beta=-.12 (t=-.443)$ FC: $\beta=.00 (t=.00)$ QS: $\beta=-.571 (t=-.869)$ $X^2(1707)=4572,122$	$X^2(1599)=4253,496$	$\Delta X^2(3)=-3,925$ ; $p>.05$ (insignificant)
<i>H 6e: Relate experiences→ perceived disconfirmation</i>	FD: $\beta=-.139 (t=-.889)$ CD: $\beta=-.06 (t=-.21)$ FC: $\beta=-.193 (t=-.392)$ QS: $\beta=-.255 (t=-.427)$ $X^2(1707)=4572,122$	$X^2(1599)=4252,415$	$\Delta X^2(3)=-5,006$ ; $p>.05$ (insignificant)
<i>Model fit to the data:</i>			
<i>Non-restricted model: <math>X^2=4257,421</math>; d.f.=1596; <math>X^2/d.f.=2,668</math>; RMSEA=.077; CFI=.767; TLI=.729</i>			
<i>Full-metric invariance model: <math>X^2=4458,385</math>; d.f.=1662; <math>X^2/d.f.=2,683</math>; RMSEA=.077; CFI=.755; TLI=.726</i>			
<i>Chi – square difference test: <math>\Delta X^2(66)=200,965</math>; <math>p&lt;.01</math>(significant)- full-metric invariance not supported</i>			
<i>Baseline model: <math>X^2=4572,122</math>; d.f.=1707; <math>X^2/d.f.=2,678</math>; RMSEA=.077; CFI=.749; TLI=.727</i>			

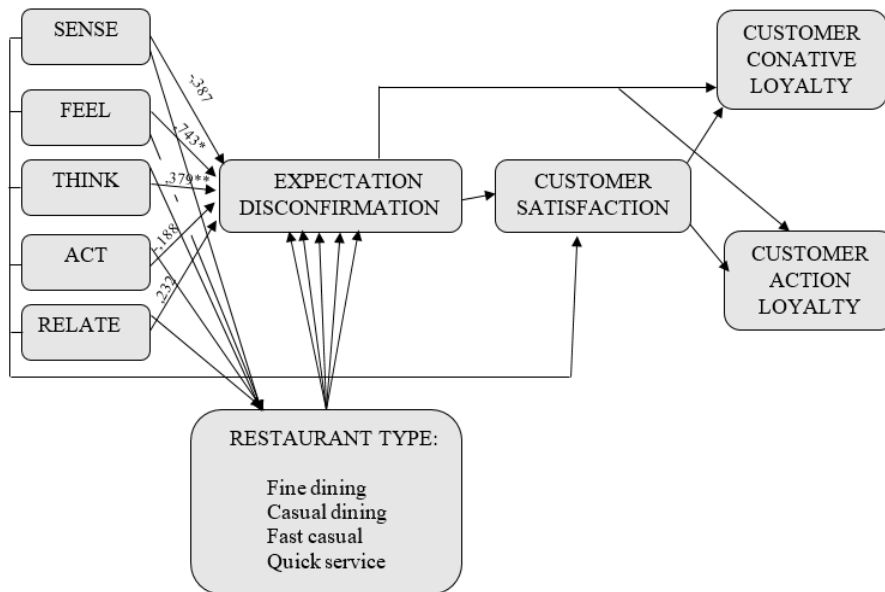
Note. FD= fine dining restaurant, CD= casual dining restaurant, FC= fast casual restaurant, QS= quick service restaurant, \*\*-  $p<0.01$

Source: own elaboration.

In support to these conclusions, the baseline model analyses showed the same tendencies: even though the baseline model showed the significant regression path between *sense* experiences and expectation disconfirmation ( $\beta=.511, t=2,122, p<.01$ ) in fine dining restaurants, the Chi-square difference test showed that the paths from *sense* experiences ( $\Delta X^2(3)=.503$ ;  $p>.05$ ), *feel* experiences ( $\Delta X^2(3)=.578$ ;  $p>.05$ ), *think* experiences ( $\Delta X^2(3)=1,527$ ;  $p>.05$ ), *act* experiences ( $\Delta X^2(3)=-3,925$ ;  $p>.05$ ) and *relate* experiences ( $\Delta X^2(3)=-5,006$ ;  $p>.05$ ) to expectation disconfirmation did not differ significantly among the formed groups.

In order to confirm the invariance models results, the effect of restaurant type as mediator between *sense*, *feel*, *think*, *act* and *relate* experiences and expectation disconfirmation was

checked. For this purpose, the restaurant type was included as variable between experiential marketing practices and expectation disconfirmation (Figure 15).



Note. \*-  $p < 0,05$ ; \*\* -  $p < 0,01$

**Figure 15** The causal relationships between latent variables with restaurant type as mediator. Source: own elaboration.

The direct effects from the *sense*, *feel*, *think*, *act* and *relate* experiences to expectation disconfirmation were tested and the results of the regression paths in the models with and without the restaurant type variable were compared. The supplemented model analyses showed the same tendencies- the regression paths from *feel* ( $\beta = .743$ ,  $p < 0,05$ ) and *think* ( $\beta = .379$ ,  $p < 0,01$ ) experiences to expectation disconfirmation were significant and positive (Table 7). However, the indirect effect of experiential marketing practices to expectation disconfirmation was not significant. In other words, the variable of restaurant type was not identified as mediator between experiential marketing practices and expectation disconfirmation.

**Table 7** The comparison of standardized direct and indirect effects of experiential marketing practices on expectation disconfirmation

	Direct effect without Restaurant differentiator	Direct effect with Restaurant differentiator	Indirect effect
<i>SENSE</i> → <i>TR</i> → <i>ED</i>	-,367	-,387	,015
<i>FEEL</i> → <i>TR</i> → <i>ED</i>	,709*	,743*	-,025
<i>THINK</i> → <i>TR</i> → <i>ED</i>	,378**	,379**	-,006
<i>ACT</i> → <i>TR</i> → <i>ED</i>	-,183	-,188	-,002
<i>RELATE</i> → <i>TR</i> → <i>ED</i>	,237	,232	,010

Note. *SENSE*= *sense* experiences, *FEEL*= *feel* experiences, *THINK*=*think* experiences, *ACT*= *act* experiences, *RELATE*= *relate* experiences, *TR*= type of the restaurant, *ED*= expectation disconfirmation, \*-  $p < 0,05$  , \*\* -  $p < 0,01$

Source: own elaboration.

The invariance models tests and mediating variable test findings did not support the hypotheses 6a, 6b, 6c, 6d and 6e, thus, leading to a conclusion that restaurant type (fine dining, casual dining, fast casual and quick service restaurants) does not play a significant moderating role in the relationship between *sense, feel, think, act* and *relate* experiences and expectation disconfirmation.

## Conclusions

This chapter draws the conclusions of the thesis and suggests recommendations for future researches. Firstly, the conclusions of theoretical investigation and research are presented. Secondly, the possible managerial implications are indicated. Then, the limitations of this research are discussed and, finally, the recommendations for future research are suggested.

This study enriched the existing theoretical investigations by proposing a conceptual model to evaluate the impact of experiential marketing practices on expectation disconfirmation, customer satisfaction and customer loyalty. In order to reach this goal, the strategic experiential modules (SEMs), proposed by Schmitt (1999), were used and the experiential marketing practices were divided into 5 groups: sensory experiences (SENSE), affective experiences (FEEL), creative cognitive experiences (THINK), physical experiences, behaviors and lifestyles (ACT) and social-identity experiences (RELATE). Prior studies had been focused on one particular restaurant or one type of restaurants; the current study, however, expanded the research focus by organizing research in different types of restaurants, checking the same model and investigating whether there was any difference between different types of restaurants regarding the impact of experiential marketing practices on expectation disconfirmation. To check and evaluate the relationship between different determinants, the structural model was formed and structural equation modeling (SEM) analyses were used.

The hypotheses (H1a, H1b, H1c, H1d and H1e) test results revealed that the key dimensions of experiential marketing practices having a positive and significant effect on expectation disconfirmation were *feel* and *think* experiences, where *feel* experiences were the most important explanatory variable describing expectation disconfirmation. These results contradicted the prior studies, which had been focused only on sensory experiences (Zhang et al., 2014; Ryu and Han, 2010; Mathe-Soulek et al., 2015), as the study did not show any significant relationship between *sense*, *act* and *relate* experiences and expectation disconfirmation. Moreover, the tests of the hypotheses (H2a, H2b, H2c, H2d and H2e) for the direct relationship between experiential marketing practices and customer satisfaction were not supported, thus, rejecting the other researches' (Kanning and Bergmann, 2009; Lee et al., 2010; Hosany and Martin, 2012; Jin et al., 2013; Pantelidis, 2010; Lin et al., 2007, Alkilani et al., 2013; Pham and Huang, 2015) proposed conclusions that performance alone can represent the customer satisfaction. The findings of these hypotheses testing referred to

Oliver (1980) expectation disconfirmation model, declaring that satisfaction is the construct represented by the gap between the expectations and real performance. This opinion was supported by analyzing the indirect effect of the experiential marketing practices on customer satisfaction- it was determined that even though the experiential marketing practices do not affect the customer satisfaction directly, the *feel* and *think* experiences have the effect on customer satisfaction indirectly through expectation disconfirmation. These findings reinforced the importance of expectation disconfirmation as intermediate between the experiential marketing practices and customer satisfaction.

The prior studies focusing on the direct impact of expectation disconfirmation on customer satisfaction and customer loyalty encouraged the formation of the hypotheses to test these findings in the context of different restaurants. As far as the expectation disconfirmation effect on customer satisfaction is concerned, this study supported the prior studies (Bigne et al., 2008; Loureiro, 2014; Wirtz and Bateson, 1999; Spreng and Page, 2003; Molinari et al., 2008; Ryu and Han, 2011) findings and demonstrated that expectation disconfirmation is a crucial factor impacting customer satisfaction. However, the hypotheses (H4a and H4b) testing the direct relationship between expectation disconfirmation and customer conative and action loyalty were not supporting, thus, contradicting the other researchers' findings (Molinari et al., 2008; Ryu and Han, 2011; Bigne et al., 2008). However, the tests for indirect effect partly agreed with the above mentioned opinion, indicating that expectation disconfirmation affects customer loyalty indirectly through customer satisfaction. The finding suggests that meeting the expectations of the client leads to customer satisfaction and only satisfied customer is more willing to be loyal.

Previous studies indicated the importance of customer satisfaction in formatting the customer conative (Alegre and Cladera, 2009; McDougall and Levesque, 2000; Fornell et al., 1996; Molinari et al., 2008) and action (Ryu and Han, 2011; Suh and Yi, 2006; Loureiro et al., 2014; Pantelidis, 2010; Bigne et al., 2008; Molinari et al., 2008) loyalty. The current study checked the hypotheses (H5a and H5b) and the results supported the prior studies, indicating stronger positive influence of customer satisfaction on action rather than conative loyalty. In other words, the findings revealed that satisfied customers are more willing to show their loyalty to the restaurant by creating the positive attitude towards the brand and recommending it to others.

The lack of the prior studies concentrating on different types of the restaurants prompt the current study's aim to investigate whether expectations for different marketing practices vary in fine dining, casual dining, fast casual and quick service restaurants. In other words, the



study aimed to check the hypotheses (H6a, H6b, H6c, H6d and H6e) to determine whether the type of restaurant has any significant moderating role between different marketing experiences and expectation disconfirmation. However, the invariance test analyses and test for indirect effect did not support these hypotheses and led to the conclusion that expectations for marketing experiences do not vary in different restaurants.

### **5.1. Managerial implications**

Even though experiential marketing is an emerging marketing field and restaurant business until now has focused mainly on sensory experiences, the current study's findings indicated that customers in different restaurants prefer affective and creative cognitive experiences. This fact stresses the importance of the experiences which manage to evoke the customer's inner feelings and challenge their mind.

There being a vast field of possibilities for restaurateurs to use their imagination and creativity in order to engage with the clients in different ways by using these experiential marketing practices, marketers should be ready to face some challenges. Even though clients are willing to express their positive feelings and strong emotions for the brand, the hedonic nature of these marketing practices appeal to the inner feelings of the customer, and that makes affective experiences very dependent on situational stimuli and the customer's feelings. Therefore, restaurateurs should know their customers very well in order to offer the experiences which make customers feel good and do not evoke avoidance reactions. Hence, to take the full advantage of creative cognitive experiences restaurant marketers should try to engage their customers' problem solving skills and do not stop surprising and intriguing them. Moreover, the study results showed that customers are more open to interact with the company directly- expecting the intrigue, surprise and restaurant activities rather than the interaction through the media or online. However, it is a considerable challenge to create the experiences which improve customers' problem-solving skills, but are intensive enough to be able to stimulate them each time, as these experiences in nature are very demanding- with each surprise and engagement expectations for the experience rise and restaurant managers should always be prepared to meet the heightened expectations so as not to cause customers any disappointment .

Restaurant operators should receive the updated information on the customers' feedback regarding the experiences created and be ready to act quickly in order to modify the experiences so that customers' expectations could be met and disappointment avoided, as the possibility to meet the expectations leads to customer satisfaction. The study showed that in

order to improve customer loyalty, the crucial factor is to focus on customer satisfaction- the ability to enhance expectation disconfirmation and customer satisfaction leads to the formation of a positive attitude towards the restaurant, to revisiting and spreading the positive word of mouth.

There was no significant difference between experiential marketing practices and expectation disconfirmation in different types of restaurants which points to the conclusion that the expectations for the affective and creative cognitive experiences in all restaurants are the same. In other words, customers dining in a fine dining, casual dining, fast casual or quick service restaurant always expect the restaurant to interact with them on emotional and intellectual levels. This conclusion serves as a hint to managers of different restaurants that even when having his/her morning coffee or grabbing a hamburger for a quick lunch the customer expects the same interaction as with fine dining restaurants, where the customer spends hours enjoying the experience.

To sum up, restaurant marketers should be always familiar with up-to-date information regarding the customers' feedback and be able to manage these experiences properly. To achieve great success each restaurant must be able to fulfill the expectations of its customers and make them feel satisfied with the experience so that they would be willing to share their positive attitude and recommendations with others and return for other restaurant experiences.

### **5.2. Research Limitations**

Although this study draws some important conclusions towards understanding the effect of experiential marketing practices on expectation disconfirmation, customer satisfaction and customer loyalty, it has got some limitations which should be mentioned.

Firstly, the data for this research was collected using the convenience sampling method, so the findings of this study cannot be generalized as representing all the population.

Secondly, the data was collected in 4 different restaurants representing each type of the restaurant (fine dining, casual dining, fast-casual and quick service restaurants) in Porto city (Portugal), so data can be generalized just for these types of restaurants in the indicated location.

Thirdly, the questionnaires were prepared in Portuguese (for local customers) and English (for foreigners), however, it is possible that some of the foreigners had some difficulties in understanding and interpreting the questionnaire statements in a language other than their mother tongue.

Furthermore, the study used previously developed scales to measure the variables included in the model, however, taking into account the cultural and personal aspects of the respondents, as well as the fact that the scales were translated from English language into Portuguese, even though the pilot test for the designed questionnaire was organized, some of the items could have had different importance and meaning for individual respondents.

Finally, the tests for the moderating role of the restaurant type between expectation disconfirmation and customer satisfaction has had no strong theoretical background in prior studies, which might have affected the right hypothesis formation to evaluate the effect of this moderator on different variables.

### **5.2. Future Research**

A higher validity of the future research could be reached by organizing the same research in other regions of Portugal and in a greater number of restaurants representing different types of restaurants in order to be able to generalize the findings for the Portuguese market.

Moreover, in order to avoid the cultural and ethnic effects on the interpretation of the items of the questionnaires, it is recommended to develop the scales after analyzing the customers' preferences and priorities in evaluating different determinants of the research by organizing focus groups or semi-structured interviews.

It would also be of interest to develop and organize further studies in order to evaluate the moderating role of different types of restaurants. As in published writings many different restaurant classifications (according to prices, service, food served, etc.) can be found, the same hypotheses can be checked by classifying and checking different types of restaurants. The perception of the experiential marketing practices can vary according to cultural differences (locals and tourists), motivations to visit (leisure/business meetings/family dinner), demographic aspects (gender/incomes/age groups) and so on. It would be interesting to develop the studies to check the moderating roles of different characteristics in order to improve the interpretation of the current study results.

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# Experiential Marketing Practices Leading to Consumer Loyalty in Restaurant Business

## Appendix 1

***Dear participant,***

*Thank you for your participation in this research. This survey is part of my Master's dissertation that aims to explore what experiences engage positive outcomes from customers in restaurants.*

*This questionnaire is going to take about 4-6 minutes to complete. The responses are anonymous and will only be used for the purpose of my Master's thesis.*

*Thank you for your time and assistance!*

**Question 1:** How often do you come to this restaurant?

- ☐ It is my first time here
 ☐ I come here often (frequently)
 ☐ I was here several times before (rarely)
 ☐ Other: ..... (write down)

**Question 2:** What made you choose this restaurant to eat out in?

- ☐ I have chosen it accidentally
 ☐ It was the choice of my friends
 ☐ Positive previous experience
 ☐ Family or friend recommendations
 ☐ Information in the media and internet
 ☐ Other:.....(write down)

**Question 3:** Please classify the different aspects of the experience in this restaurant, evaluating each given statement in the scale given:

	Strongly disagree	Disagree	Disagree somewhat	Neither agree nor disagree	Agree somewhat	Agree	Strongly agree
The visual presentation of the food was attractive							
The material associated with the service (menu, uniforms, etc.) were visually appealing and attention catching							
The interior and exterior of the restaurant were attractive and attention catching							
The lightning was pleasant and created a good atmosphere							
The background music offered relaxing and pleasant atmosphere							
There was nice and pleasant smell in the restaurant							
The meals were fresh							
The taste of the meals was pleasant							
Furniture was clean and comfortable							
I felt myself comfortable and happy in this restaurant							
The restaurant had intimate and relaxing atmosphere							
This restaurant organized activities, which took my attention							
This restaurant experience surprised me							
This restaurant managed to intrigue me							
This restaurant interested me and I follow it or plan to start following it in their website, media and social media							
This restaurant made me think about my lifestyle							
This restaurant reminded me about the activities I want/can do (inspire/ motivate)							
This restaurant's experience made me think about my behaviour							
In this restaurant I felt myself, the concept of the restaurant represents me							
This restaurant help me to develop my relationship with my social environment							
My friends from my social environment prefer this restaurant, so this makes me to prefer this restaurant as well							
Be a customer of this restaurant is one of the activities of social class I belong to							

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**Question 4:** Please give the overall evaluation of this restaurant experience in the scale given:

	Strongly disagree	Disagree	Disagree somewhat	Neither agree nor disagree	Agree somewhat	Agree	Strongly agree
Overall, the dining experience was better than I expected							
Overall, I expected something better from this restaurant experience							

**Question 5:** Evaluate your satisfaction with this restaurant experience in the scale given:

	Strongly disagree	Disagree	Disagree somewhat	Neither agree nor disagree	Agree somewhat	Agree	Strongly agree
I am satisfied with the decision to eat out in this restaurant							
I really enjoyed myself in this restaurant							
Overall, I am satisfied with this restaurant							
Considering all my experiences with this restaurant, my choice to dine out in this restaurant was a wise one.							
The overall experience I got in this restaurant put me in the good mood							

**Question 6:** Please evaluate your feelings about the restaurant and future intentions in the scale given:

	Strongly disagree	Disagree	Disagree somewhat	Neither agree nor disagree	Agree somewhat	Agree	Strongly agree
I will say positive thing about this restaurant to others							
I will recommend this restaurant to someone, who seeks my advice							
I will encourage friends and relatives to visit the restaurant							
I would like to come back to this restaurant in the future.							
I intend to keep dining out at this restaurant.							

**Indicate some demographic characteristics:**

- **Your gender:** ☐ Male ☐ Female
- **Indicate your age:** .....
- **Your occupation:** ☐ Full-time employed ☐ Unemployed/retired  
☐ Part-time employed ☐ Housewife/ houseman  
☐ Self- employed ☐ Student

*Thank you for your time and cooperation!*

## Appendix 2

*Caro participante,*

*Muito obrigado por participar nesta pesquisa e pelo seu tempo. Esta investigação é parte da minha dissertação de mestrado que visa explorar que tipo de experiências levam a resultados positivos por parte dos clientes em restaurantes. Este questionário leva cerca de 4 a 6 minutos para completar. As respostas são anónimas e só serão utilizadas para a minha dissertação de mestrado. Obrigado pela sua ajuda e tempo.*

**Pergunta 1:** Quantas vezes você veio a este restaurante?

- ☐ É minha primeira vez aqui
 ☐ Venho aqui muitas vezes  
☐ Visitei-o várias vezes antes (raramente)
 ☐ Outro:.....(escrever)

**Pergunta 2:** O que fez você escolher esse restaurante?

- ☐ Escolhi-o acidentalmente
 ☐ Foi escolha dos meus amigos  
☐ Experiência anterior positiva
 ☐ Recomendação da família ou amigos  
☐ Informação na média e internet
 ☐ Outro:.....(escrever)

**Pergunta 3:** Por favor classifique os diferentes aspectos da sua experiência neste restaurante, avaliando cada declaração segundo a escala apresentada:

	Discordo fortemente	Discordo	Discordo em parte	Nem discordo ou concordo	Concordo em parte	Concordo	Concordo fortemente
A apresentação visual da comida era atraente							
O material associado com o serviço (menu, uniformes, etc.) eram visualmente atraentes e captam a atenção							
O interior e o exterior do restaurante foram atraente e captam a atenção							
A iluminação foi agradável e criou uma boa atmosfera							
A música de fundo oferecia uma atmosfera relaxante e agradável							
No restaurante sentiu-se um cheiro agradável e aprazível							
Os productos das refeições estavam frescos							
O sabor das refeições foi agradável							
Móveis e equipamentos estavam limpos							
Senti-me confortável e feliz neste restaurante							
O restaurante tinha uma atmosfera íntima e relaxante							
As atividades organizadas neste restaurante captaram a minha atenção							
A experiência neste restaurante surpreendeu-me							
Este restaurante conseguiu intrigar-me							
Este restaurante interessou-me. Pretendo segui-lo ou começar a segui-lo através do seu site, meios de comunicação e redes sociais							
Este restaurante fez-me a pensar sobre meu estilo de vida							
Este restaurante lembrou-me sobre as atividades que eu quero / posso fazer (inspirar / motivar)							
A experiência deste restaurante fez-me a pensar sobre o meu comportamento							
Neste restaurante senti que o seu conceito representa-me							
Este restaurante ajudou-me a desenvolver meu relacionamento com meu ambiente social							
Os meus amigos do meu ambiente social preferem este restaurante, logo isso faz-me preferir este restaurante também							
Ser um cliente deste restaurante é uma das atividades de classe social a que eu pertenco							

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**Pergunta 4:** Por favor, classifique a expressão global da sua experiência neste restaurante segundo a escala dada :

	Discordo fortemente	Discordo	Discordo em parte	Nem discordo ou concordo	Concordo em parte	Concordo	Concordo fortemente
No geral, a experiência foi melhor do que eu esperava							
No geral, eu esperava algo melhor							

**Pergunta 5:** Por favor, avalie a sua satisfação da sua experiência neste restaurante segundo a escala dada:

	Discordo fortemente	Discordo	Discordo em parte	Nem discordo ou concordo	Concordo em parte	Concordo	Concordo fortemente
Estou satisfeito com a decisão de comer neste restaurante							
Eu realmente diverti-me muito neste restaurante							
No geral, estou satisfeito com este restaurante							
Considerando todas as minhas experiências, escolher este restaurante foi uma escolha ótima							
A experiência neste restaurante faz-me sentir bem							

**Pergunta 6:** Por favor, avalie os seus sentimentos sobre o restaurante e intenções futuras na escala dada:

	Discordo fortemente	Discordo	Discordo em parte	Nem discordo ou concordo	Concordo em parte	Concordo	Concordo fortemente
Vou dizer coisas positivas sobre este restaurante para outros							
Vou recomendar este restaurante a alguém que procura o meu conselho							
Vou incentivar amigos e família para visitar o restaurante							
Gostaria de voltar a este restaurante no futuro							
Tenho a intenção de continuar a tomar refeições no restaurante							

**Por favor, indique algumas características demográficas:**

- **O seu gênero:** ☐ Masculino ☐ Feminino
- **Indique a sua idade:** .....
- **A sua ocupação:** ☐ Empregado a tempo integral ☐ Desempregado/ aposentado  
☐ Empregado a tempo parcial ☐ Doméstica/o  
☐ Empregado autônomo ☐ Estudante

*Muito obrigado pela sua colaboração nesta pesquisa e pelo tempo dedicado!!*