ISCTE ◈ Business School
Instituto Universitário de Lisboa

THE IMPACT OF STREAMING SERVICES AND VIDEO-ON-DEMAND ON THE CINEMATIC EXHIBITION INDUSTRY:

TAKING AN EXPERIENTIAL APPROACH

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Writing a dissertation, from my personal experience, is not exactly "hard", in terms of producing a quality paper. The most difficult thing is to keep the focus and gather the necessary will to grind day in and day out. It might not be the most difficult thing in the world, but it certainly demands a lot of discipline and motivation. Therefore, these acknowledgments are a way of giving the proper recognition to the people that helped me to keep my eyes on the target.

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Abstract

Streaming services and video-on-demand completely reshaped the cinematic industry, as people now have more convenient alternatives to the traditional movie-going experience. One can say that audiences have fallen out of love and are now disengaged with movie theatres. As such, movie exhibitors are losing business all over the world, including in Portugal, and they need to reimagine themselves.

With this in mind, this dissertation will start off by reviewing topics such as brand love and engagement. Both of these are recognized to foster customer satisfaction and loyalty. One of the most interesting conclusions is that both appear to be deeply embedded in brand experiences and co-created value. Thusly, the following topic will revolve around brand experiences and how experiential marketing enhances the interactions and the relationship between consumers and brands.

Lastly, this dissertation will attempt to understand if experiential practices are a good fit to the cinematic exhibition industry, and if they have the potential to take Portuguese viewers back to movie theatres. To do this, primary research was conducted where respondents were presented with an experiential scenario to complement their typical movie-going experience.

This study provides some interesting ones, along with important insights for the cinematic industry in Portugal. The participants responded overwhelmingly positive to the experiential scenarios, which enhance the brand experience overall. Regarding behavioural intentions and commitment, the results were also encouraging, with respondents feeling like these scenarios would increase their connection to the brand and they would encourage them to be more frequent moviegoers.

Resumo

Os serviços de *streaming* e de *video-on-demand* reformularam por completo a indústria cinemática, uma vez que oferecem uma alternativa mais conveniente à tradicional ida ao cinema. Como tal, os exibidores de cinema em todo mundo têm perdido cada vez mais terreno, e Portugal não é exceção, necessitando de se reinventar rapidamente.

Com isto em mente, esta dissertação irá começar por analisar tópicos como *brand love* e *brand engagement*. Ambos são academicamente reconhecidos por gerar elevados níveis de satisfação e lealdade nos consumidores. Umas das mais importantes ilações é que ambos aparecem frequentemente associados a experiências de marca e valor co-criado. Portanto, o seguinte tópico irá incidir sobre o tema de experiências de marca e a maneira como estas abordagens promovem melhor relação entre consumidores e marca.

Por fim, esta dissertação irá procurar perceber se práticas experienciais poderão ser aplicadas na indústria, se têm o potencial para devolver os Portugueses às salas de cinema. Para tal, foi levada a cabo um estudo onde foi apresentado um cenário experiencial aos respondentes, cenário esse que complementa a sua experiência de ida ao cinema.

Consequentemente, este estudo é capaz de retirar algumas conclusões relevantes para a indústria. Os participantes demonstraram reações muito positivas quando confrontados com cenários experienciais que, por sua vez, contribuem para a experiência da marca no geral. Em termos comportamentais, os resultados revelam que os participantes sentem que estes cenários iriam melhorar a sua relação com a marca e encorajá-los a serem parte de uma audiência mais assídua nos cinemas.

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1. Introduction

Nowadays, one has an abundancy of options available to watch a movie, whereas in the old days, theatres were the only way to achieve that. Online streaming and Video-on-Demand (VOD) are relatively recent distribution strategies that have been impacting the industry, allowing people to watch whatever they please, in any occasion they would want. Overall, the convenience factor is what is winning customers over, as Nicole LaPorte (2014) implies. The number of movie tickets sold in the U.S. in 2017 has actually been the lowest since 1984 according to Box Office Mojo. The industry has been relying on increasing ticket prices to balance the overall yearly revenues.

On the other hand, streaming and VOD services have been growing at an accelerated pace. Numbers disclosed by Netflix reveal that, at the end of 2016, the number of subscribers was estimated to be around 94 million, and at the end of the following year the number reached 117.58 million subscribers, a growth of 25% (Recode, 2018). According to Statista, in the third quarter of 2018 the red menace accounted for over 137 million subscribers, gaining almost 20 million customers in under a year. If we were to assume this number would stay the same until the end of 2018, Netflix has had an average yearly growth rate of roughly 26.5% since 2012. By then the company only had 26.5 million subscribers, according to the company itself.

Considering this recent paradigm, it is safe to assume that movie theatre chains need to come up with an answer for it. For this reason, theoretical concepts such as brand love and engagement are presented. A deeper understanding of how companies are able to develop deeper relationships with their customers is critical for brands and industries that are looking to get their spotlight back. Unal and Ayidin (2013) quantified the relationship between brand love and loyalty and, additionally, assessed its ability to generate positive word of mouth. Naumann and Bowden (2015) were able to appraise the positive influence of engagement on brand loyalty. Both of these concepts were found to have positive financial repercussions in companies that adopt a relationship marketing approach to their consumer-brand relationships.

The study of brand love and engagement provide some interesting insights. More specifically, they are achieved as a result of a multitude of experiences customers have with brands. With this in mind, this dissertation heavily focuses on experiential marketing and on brand experiences. The theoretical framework of brand experience appears to be quite uncontroversial amongst scholars, as many different studies take similar approaches. Brand experience includes

dimensions such as the sensory, affective, intellectual, social, behavioural and pragmatic ones. Its main consequences reside on the positive side. Experiential activities have been found to foster brand attachment, enhance brand attitude and increase brand equity (including brand loyalty.

1.1. Research Problematic

Streaming platforms such as Netflix or Amazon Prime are disrupting the entertainment industry and have been doing so for quite some time. Cable TV has already suffered a lot in the last decade with this trend. The marketing agency Hearts & Science comprised a study, *The Unreachables* (2017*)*, in which they assessed that 47% of Americans, aged between 22 and 45 years old, was not captured by traditional tv platforms measurements in 2017, i.e., these people did not watch any TV. The same study also infers that, according to Nielsen, one in three young households wherein the head of household is under 35 years of age, does not subscribe to a traditional (cable or satellite) TV plan and that 73% of millennials in the U.S. are using streaming services. Moreover, streaming and VOD companies are starting to threaten the industry, reshaping the population's movie-going habits due to their innovative distribution strategy of their original movies.

These companies are now looking forward to developing feature films, given the success they have had plundering the television industry. "Mudbound", a Netflix original, and "Manchester by the Sea", produced by Amazon Studios, are two recent examples of feature films that received many award recognition, including Oscar nominations. Both Netflix and Amazon have already expressed their interest in continuing to produce this type of content, as they feel they are capable of rivalling with big movie studios. Netflix is, allegedly, looking to raise its debt in $2 billion in order to produce more original content, as reported by the agency Reuters (2018).

However, all of these movies will have no theatrical release, or a limited one at best, and, if so, those films will most likely be available in the respective platforms at the same time. Therefore, the easiest and most convenient way audiences will be able to access this content is through those same platforms. This, combined with a growing social trend of people wanting to be in control, deciding what to watch, when and wherever they please, as Nicole LaPorte suggests in *Netflix: The Red Menace (2014),* is a good point of interest to be studied in a near-future perspective. The author identifies the "Netflix model" as the main cause of consumers nowadays being more demanding in the entertainment industry.

In 2019, the global powerhouse Disney is set to take its chances at the streaming business. The company, as of right now, is the wielder of a versatile and powerful portfolio, including properties such as Star Wars, Marvel and Pixar movies. These can easily be described as the most popular movie franchises on the planet, in terms of box office and merchandise sales. And the threat to the competition is real. Walt Disney Studios have made over 3 billion U.S. dollars with only 13 movies in 2018, grabbing 29% of market share (Box Office Mojo, 2019). In comparison, Warner Bros. and Universal have around 16,3% and 14,9% market share with 49 and 23 movies respectively, registering "only" 1,940 billion and 1,770 billion U.S. dollars in box office revenues. As of August of 2019, Disney has a total gross of 2,7 billion U.S. dollars and an astonishing 39% of total market share (Box Office Mojo, 2019).

All of this content is soon to be removed from other platforms and similar services that allow people to stream and "rent" movies online. This will only reinforce Netflix's strategy of leaning towards producing its own original content. Given the success of this "new" type of service, more companies will surely be eager to take a piece of the pie. Companies such as Hulu and Amazon are already starting to produce more and more original content as well.

But has the cinema industry been suffering with these "intruders"? Not entirely. In fact, in terms of box office revenues the effect has not been yet felt. But this can be attributed to the fact that theatres are thriving on blockbusters, relying more and more on popular sagas and shared universes, like Star Wars or Marvel. According to Box Office Mojo, a website specialized on tracking films' earnings worldwide, the top 20 highest grossing movies of 2017 were all either sequels, animated movies or part of the internationally famous cinematic shared universes.

Notwithstanding, low and mid-budget movies are the ones who are feeling the changes in the consumers' behaviour. In today's landscape, people look at cinema almost as a premium experience, like going to baseball, "*an expensive way to communally experience an event already available at home at no additional cost*" (Derek Thompson, 2018). As such, audiences are now craving for spectacles in theatres, movies with a lot of special effects and, usually, with big budgets. An experience that they feel like that they just can't match at home.

This begs the question: given the current impact streaming platforms already have on the film industry and the presumable direction described above, what will happen to the industry if it does not acknowledge nor address this issue? Surely somethings are going to have to change if movie theatres do not want to lose their audiences to their personal couches. The ultimate

purpose of this project is to understand how and if theatre chains can reclaim the magic movie-going experiences were able to provide, once upon a time.

Television as we know it may be a thing of the past, but cinema still has a chance to adapt. The entertainment industry seems to be going in a clear direction, with many different streaming services available to consumers, all with lots of original and quality content. However, in a consumer point-of-view, this means having to pay for multiple services to be able to access all of this content, which will end up being expensive and extremely inconvenient. Streaming companies are only now entering the movie pool, therefore, studios, producers and theatre chains must get ahead of the curve and engage with consumers in more innovative ways.

1.2. Cinematic Exhibition in Portugal

The industry started the decade on a negative note. Between 2011 and 2014, the combined gross box office (GBO) revenue suffered a steep drop of more than 15%, according to data from ICA (Instituto de Cinema e do Audiovisual, 2019). However, the following years appeared to be going more fruitfully. 2015 was a turning point, with a total industry GBO of more than 75 million euros, registering a surprising 19,6% annual growth rate. The next two years carried on with this trend, growing 2,5% and 4,6% in 2016 and 2017, respectively (ICA, 2019).

Table 1. Portuguese Cinematic Industry from 2011 to 2018.

	2011	2013	2014	2015	2016	2017	2018
Total Admissions	13 810 572	12 546 745	12 090 667	14 566 066	14 924 266	15 609 634	14 689 374
Growth Rate		-9,15%	-3,64%	20,47%	2,46%	4,59%	-5,90%
Total GBO*	73 954 671,37 €	65 495 316,91 €	62 741 556,97 €	75 012 776,08 €	77 239 394,79 €	81 678 415,47 €	78 374 864,16 €
Growth Rate		-11,44%	-4,20%	19,56%	2,97%	5,75%	-4,04%

Source: *Instituto do Cinema e do Audiovisual*, 2019.

Unfortunately, this period of slight prosperity seems to have ended in 2017. Several sources reported negative results for 2018. In the beginning of 2019, newspaper websites like Público and Jornal de Negócios, Comunidade Cultura e Arte and Rádio Comercial all reported a decrease in revenues and in the number of admissions. The news was based on a report provided by ICA (2019) that indicates a drop of 3,3 million euros in box office, whilst losing almost one million spectators. This represents decreases of 5,9% in admissions and 4% in terms of box office revenues. Despite certain periods of growth, the last eight years are far from being considered positive. Between 2011 and 2018, the annual average growth rate of gross revenues is as low as 0,73%. Regarding the total number of admissions, the homologous rate is 0,77%.

Congruently, 2019 seems to be yet another year of decrement for film exhibition in Portugal. This time, the fall is even worse. Sources such as Cinema Sétima Arte, Rádio Comercial and Jornal de Notícias (2019) have all been the bearers of bad news. The sources report that ICA estimates a ghastly 21,3% drop in attendance in the months of January and February of 2019, when compared to the same period of the previous year. This means less 540 thousand people in movie theatres and revenues of 10,4 million euros, three million short of the first two months of 2018 (ICA, 2019). Diogo Cavaleiro, a columnist for Jornal de Negócios (2019) writes: "*The script is not difficult to write. The set is a country in crisis. The characters are families with less money and companies that close movie theatres because there are fewer viewers. Online piracy also gets in the way of the plot. No subtitles are required to analyse the industry, which boils down to fewer viewers and less revenues*."

Moreover, film exhibition in Portugal is certainly a red ocean, to put it in marketing terms. Since 2011, the five main exhibitors' control over 90% of the market, leaving little or no room for further competition (ICA, 2019). NOS Lusomundo Cinemas alone gathers more than 60% of market share in terms of gross box office. This market share has been maintained with relative ease throughout the years. Since 2013, the smallest "piece of the pie" took by NOS was in 2014, when the company obtained "only" 61,57% of market share. In 2018, it made around 48,5 million euros in gross revenue and registered more than 8,8 million tickets bought. Preliminary data from ICA (2019) suggests a 65,4% share, relatively to the first two months of 2019. Other players include Orient Cineplace and UCI, with around 11% market share each. NLC – Cinema City and Socorama complete the top five, amounting 7,3% and 4,5% of market share, respectively. NOS is the clear market leader, whilst Orient Cineplace has shown the most progress. Introduced only in 2013 in the country, its market share has grown from 2,62% in that same year, to 11,05% in 2017, a year that marked the company's climb to the second place in film exhibition (ICA, 2019).

1.2.1. The Threat of Streaming and VOD in Portugal

In the beginning of the year, Hollywood Reporter (2019) reported that Netflix has now reached 139 million subscribers worldwide. The revenue for the final three months of 2018 was up 27% to 4,19 billion dollars. Moreover, Netflix is forecasting an additional 8,9 million subscribers in the first trimester of 2019, with 7,3 million being outside of the U.S. The brand is well-known for not disclosing their numbers, so the total amount of subscribers in Portugal remains a mystery. However, on a conversation with Agência Lusa, as reported by Jornal de Negócios

(2018), Yann Lafarge confessed that Netflix is on the right track to reach their goal of 30% of the national market in seven years. The Head of Technology and Corporate Communications for the European market says that Portugal represents a "natural growth curve" and that the challenge was adjusting the offering to the likings of the Portuguese. As of right now, the offering is five times bigger.

Netflix has used partnerships as a way of penetrating the Portuguese market. The first one was with Vodafone, and now recently the company has made a deal with Altice that, through MEO, the biggest national telecommunications provider, will allow Portuguese consumers the opportunity to access Netflix's content. On a conversation with Público (2018), Lafarge highlights the hunger for VOD and streaming services in the country. Portugal has appeared as one of the top countries with highest consumption rates of Netflix content outside their households, on a study carried on by the company itself. Furthermore, Lafarge is very open to the idea of producing Portuguese content, similarly to what the company has done with series such as *Dark* (Germany), the hit *La Casa de Papel* (Spain), or *The Rain* (Denmark) (Time Out, 2018). He adds that there are less Danish native speakers in the world than Portuguese ones, so that would not be a hurdle, since Netflix believes all their content can be a worldwide success and has proof to back it up.

Other VOD services available in Portugal include Amazon Prime, NOS TV and Fox Play. The latest and biggest news is the entrance of HBO's video-on-demand service. Taking a cue from, Netflix, probably its biggest rival, HBO as partnered with Vodafone. As of right now, Vodafone customers are already able to access HBO's productions for a subscription of 4,99 euros per month. This partnership has been dominating Vodafone's advertising strategy for the first few months of 2019. With all of this being said, the future for cinematic exhibition is in jeopardy. With the growth of streaming and VOD in Portugal, the poor results the industry has shown lately and considering the opinions of many experts, the trend is expected to be corroborated in the next few years. It is the natural course of business. A new business model is threatening the old one, and the latter must do something to adjust and update itself, in order to give the appropriate response.

2. Marketing in the film industry: a special issue

The process of delivering a motion picture to an audience, the value chain that is, can be described as to having three distinct stages (Silver & Alpert, 2003). The first one is the

production side, this includes producers, studios, directors, actors and other intervenients on the creative process. The second phase is of the responsibility of distributors, that, not only are in charge of delivering the films to the proper channels, but in the majority of times are the ones who promote and market the movies. Lastly, the exhibitors sector englobes theatre chains, the ultimate providers of this "product" to the final consumer. Steven R. Pritzker addresses the industry in question as a "*competitive and often overcrowded market*" (Pritzker, 2009: 1), highlighting the importance of a flawless marketing plan in order to supress this very issue. Furthermore, the industry deals with a short-lifecycle product, granting pre-release advertising and a good campaign in general a heightened importance as Divakaran *et al*. (2017) claims.

Despite being part of one of the most lucrative and influencing industries in the world, there is not exactly an extensive amount of literature covering this topic. As Steven R. Pritzker claims, "*marketing movies remains much more an art than a science*" (2009: 1). Moreover, marketing in general cannot be considered an exact science, there is always some wild card hoping to dismantle our every prediction. Creative industries are very prone to this uncertainty because a product's success is always very singular for each and every one of us. This chapter will give a preliminary and succinct overlook on the issue of movie marketing. The topics covered are the ones that appear to have the biggest impact on shaping consumers' expectations and intentions: trailers, word-of-mouth and buzz.

2.1. Trailers

Motion pictures are a way of storytelling and the most efficient way to promote them is through emotional branding. Trailers are precisely designed to convey the basic emotions that are present throughout the film. In fact, "*one difference between film trailers and standard advertising is that film trailers try to sell stories and the consumer can already directly pre-test elements of the service*" (Finsterwalder *et al*., 2012: 594). Hixson describes movie trailers as "*the most effective media used by movie advertisers to communicate to their target audience*" (2006: 214). In a more traditional marketing point-of-view, trailers serve the same purpose as a product sample.

Advertisers actually have a very high degree of control over most elements present in a trailer: the plot, the amount of storyline exposure, the music and the visuals. The general consensus is that trailers are the most effective tool in the industry, which mostly stems from the effortlessness with which marketers are able to segment their advertising. In his research,

Hixson (2006) postulates that trailers are most effective when placed prior to a movie with a congruent genre. Audience members in that theatre have a high probability of nurturing a certain affinity for that specific genre. However, and once again, we are not dealing with an exact science. Such a close-minded strategy also carries some shortcomings: only a very restricted target group is reached. "*Other target groups with multiple or flexible genre preferences are not intentionally addressed*" (Suckfüll & Moellering, 2015: 139).

2.2. Critical Reception and Word-of-Mouth

As Tsao puts it, "*due to the external cultural characteristics and experiential nature of movies, the communication of movie-related information is widespread among potential moviegoers*" therefore "*movie reviews are vital for the movie industry*" (Tsao, 2014: 560). Dhar and Weinberg' research in 2016 found empirical evidence that movie attendance is positively related to critics' ratings. Universally loved movies tend to do better at the box office. Interestingly enough and given the wide range of option at the consumers' disposal, in times of economic recession critic ratings take an even more prominent role in the consumers' decision process, as the authors explain.

But what should carry more weight to the average moviegoer, professional critical reception or the average moviegoer's opinions? According to Tsao (2014) it is the latter, but then again this is not so surprising. Furthermore, this study found that negative consumer reviews are a stronger influencer than positive ones, gravely affecting consumers' behavioural intentions. Although positive and negative word-of-mouth are both able to influence movie fans, negative impressions seem to have a higher impact. "*These results indicate that preventing the appearance of negative consumer WOM is crucial for the movie industry*" (Tsao, 2014: 576).

2.3. Buzz Marketing

Buzz is the main propeller of box office revenues, a major part of the success of the so-called sleeper films (more introspective and slow-paced) and recognized in the independent circle as a big reason for the majority of indie films that gain cult followings on the internet (Karniouchina, 2011). The buzz around a motion picture can be attributed to the movie itself but can also be stemmed from the stars involved with the production. "*The consumer excitement, interest and communication around a project or a participating star that is capable of increasing their visibility with both moviegoers and movie industry participants*" as Ekaterina V. Karniouchina describes (2011: 2).

In its essence, buzz marketing is fostered by word-of mouth. Considering today's scope and reach of the Internet, marketers in general are, now more than ever, exploiting this tool to stimulate word-of-mouth and spread it like wildfire. For Iris Mohr "*designing marketing campaigns with characteristics that attract audiences and encourage individuals to pass along a message*" is key to create buzz (Mohr, 2007: 397). In her research, the author concludes that this approach drags along a series of advantages, such as cutting costs, reducing risk, increasing visibility, starting conversations, and fostering credibility.

Thomas (2004) was one of the first researches to focus on this phenomenon. His findings are interestingly related to topics discussed ahead in this thesis. Thomas stresses the importance of integrating customers in product development, with the objective of reaching their expectations. With this, brands are able to evoke customer delight, which translates to higher levels of satisfaction, higher retention rates (customer loyalty), and higher buzz levels. These assessments are congruent with Bowden's take on customer engagement in 2009.

3. Brand Love

The previous section has just showed the tremendous, even essential, role of word-of-mouth within the industry. The cinematic industry often uses buzz marketing, a strategy that exploits word-of-mouth to the fullest. Following this thread, it is now imperative to assess ways of creating and leveraging word-of-mouth. Considering this, the connections between brand love and topics such as satisfaction, loyalty and word-of-mouth can prove to be an important point of study. Understanding these relationships is the first step to learn which weapons are at a brand's disposal, that will allow it to generate interest around itself and its products.

Love is, in and of itself, a very complex construct with several factors determining and influencing it. Many scholars, theorists and scientists have been studying this phenomenon for decades, despite the fact that love is a hard concept to theorize. Nevertheless, reviewing several pieces of literature, two major schools of thought emerged. Aron and Aron (1986) see love as a psychological state, a two-stage process where one's identity expands to the new person, and that new person almost becomes part of one's identity, as described in *When consumers love their brands: Exploring the concept and its dimensions* (Albert *et al*., 2008).

However, this theory quickly proved to be obsolete, as it is a more static and minimalistic approach to the feeling of love. Sternberg in 1986 proposes the triangular theory of love, which has served as the foundation for the most universally accepted theories in the years to come.

The author deconstructs the concept into three dimensions: intimacy, passion and decision/commitment. This sees love as an independent psychological construct. Depending on the presence or absence of these dimensions, it is possible to find as many as eight different types of love. Perhaps still a little reductive, but a milestone in the academic study of love.

3.1. Love applied to Consumer Behaviour

Shimp and Madden (1988) were the first ones to approach love in a consumer-product/object perspective, taking a cue from Sternberg's triangular theory of love. The model was adapted, as the traditional and aforementioned dimensions gave up their place for liking, yearning and decision/commitment. But it was in 1993 that Ahuvia, one of the most influential authors in the field, is able to empirically prove that people are capable of feeling love towards an object, a conclusion much appreciated and extremely relevant in a consumer behaviour point of view.

Albert, Merunka and Valette-Florence (2008) take these findings as inspiration, in an attempt to fully grasp how love towards a brand can be created and what factors this concept encompasses. Several parallels can be drawn between brand love and interpersonal love, which is consistent with the fact that we usually use personal traits to describe brands, granting them a human-like personality. The authors were able to define based on this study that love towards a brand is influenced by 11 different dimensions: passion (for the brand); duration of the relationship (the relationship with the brand exists for a long time); self-congruity (congruity between self-image and product image); dreams (the brand favours consumer dreams); memories (evoked by the brand): pleasure (that the brand provides to the consumer); attraction (feel toward the brand); uniqueness (of the brand and/or of the relationship); beauty (of the brand); trust (the brand has never disappointed); declaration of affect (feel toward the brand).

The findings of the study, conducted with French consumers, were consistent with previous American studies. The main difference found is that Americans seem to experience the feeling of love towards brands in a more intense manner, when compared to the Europeans. Additionally, the conclusions that were drawn are apparently in tune with theorists that look at love as a psychological construct (Sternberg, 1986; Carroll & Ahuvia, 2006), contradicting theorists that endorse love as a psychological state.

3.2. Brand Love and Brand Loyalty

Companies must focus on their customers' interests in order to prosper on both short and long-term perspectives. Increasing the lifetime value of a customer and guaranteeing that he or she buys the product/service repeatedly and consistently is the cornerstone of many companies' success. This is roughly the definition of brand loyalty, having a customer portfolio that engages with a brand on a regular basis. In 2013, Unal and Ayidin set out to prove that brand love is positively related with loyalty. A model was built around brand love, analysing how it interacts with other factors, downstream and upstream.

In their study, the authors were able to conclude that brand image (general perceptions consumers have of a given brand) and social self (the extent to which the consumer identifies him or herself with the brand's perceived personality) have a significant positive relationship with brand love. Brand image specifically, has a higher correlation index, meaning that the impact of a company's perceived personality is a very strong generator of brand love, if the general perception is positive. Brand love was also found to have a very significant influence on brand loyalty and positive word-of-mouth, which is more important than ever given the digital paradigm of today's society and business landscape. Once again, buzz marketing, very significant for many markets, including the cinema industry, is primarily affected by the ability a company has of generating positive word-of-mouth around itself.

3.3. Brand Love and Economic Performance

Despite all the theoretical conclusions, what really piques companies' interests is whether they can make more profit or not. *The Power of Brand Love*, a study by Barker, Peacock and Fetscherin (2015), is an analysis the impact of brand love in a company's performance. The authors recognize their work as a direct response to Romaniuk's (2013) assertions that brand love is not related with a brand's overall economic achievements. The study focused on several enterprises' BERA scores (Brand Equity Relationship Assessment), obtained by a platform created after years of researching about the ways people fall in and out of love with brands. The score is deeply rooted on how much a given brand is loved by its consumers. Barker *et al*. (2015) assessed that companies with higher BERA scores tend to present higher "enterprise value to revenue ratios", thusly proving the economic benefits of brand love within the sample. The companies that were part of the study were extracted from three different industries.

Although the results are not as exhaustive as they should be in order to draw dogmatic conclusions, it certainly makes a case in favour of brand love.

4. Engagement

Interestingly enough (although unsurprisingly), there are many similarities between this topic and the previous one. After all, brand love and engagement are highly correlated concepts. They are not necessarily the same, working more on a symbiotic relationship. A customer is only able to feel love for a given brand, if he or she feels engaged with it. However, engaged customers are not necessarily "in love" with the brand, but they are very valuable as well. Engaged customers are more likely to return and to have repeated interactions with brands. As such, if a brand intends to foster brand loyalty, they must first understand how they can engage their customer base.

By looking at a plethora of literature from different sources on the subject, one common theme is emphasized throughout various authors' opinions. Engagement, customer engagement, or consumer engagement is deeply embedded in experience, which means that is through several interactions and experiences with brands that engagement may be created. Although a relatively recent subject of study, engagement is the pinnacle of relationship marketing, a driver of success that leads to loyalty and long-lasting relations (Bowden, 2009).

Brodie *et al*. (2011) go as far as to say that interactive customer experiences and co-created value are the cornerstone of customer engagement. A dynamic environment between brand and customer will increase the level of connectedness between them, through mutual interactions, that, according to these authors, is a source of enhanced corporate performance, superior competitive advantage and profitability. The role and economical potential of engagement will be further explored ahead.

Other studies on the matter similarly highlight the importance of experiences, but also focus on cognitive and emotional investment on the customer's part (Hollebeek, 2011). Engagement is, in fact, a complex and multidimensional concept, rooted in co-created value and on the ability said interactions have to create bonds within the customer's cognition. More recently, Kumar and Pansari allege that engagement *"represents cocreation, interaction, solution development, and so on, all of which depend on the attitude that drives the behaviour of customers and employees toward a firm"* (2016: 498).

4.1. Dimensions of Engagement

Exploring customer brand engagement: definition and themes (Hollebeek, 2011) is an attempt to understand engagement between customers and brands, as this phenomenon is seen as the most reliable, when it comes to predict and anticipate customer behaviour. The author utilizes a holistic approach by considering three dimensions that drive engagement. *"Collectively, 'immersion', 'passion' and 'activation' represent the degree to which a customer is prepared to exert relevant cognitive, emotional and behavioural resources in specific interactions with a focal brand"* (Hollebeek, 2011:565).

The benefit of a holistic angle is that, while deconstructed, engagement is now possible to be "measured" by assessing each of its components individually. Being able to gauge the level of engagement provides companies the opportunity to better evaluate their current strategies, i.e., if they are able to involve consumers in a cognitive, emotional and significant manner. Moreover, it is a reliable predictor of future behaviours, as previously stated.

Immersion

The aforementioned study, based on an enquiry, obtained several responses where participants claimed to be "immersed" in specific brands of their choosing. Other similar terms such as "engrossed in", "absorbed in" or "strongly focused" were also used to describe the respondents' chosen "highly engaging brands", as the author describes. Hollebeek interprets this as being fully invested in a brand, which happens when such brands have the ability to "take up one's full attention". The level of concentrated brand-related thought or attentiveness reflects the degree in which customers are reciprocating in the context of said relationship.

Passion

In this category, respondents used adjectives like "passionate" or "mad for" to describe how they feel about their favourite brands. "Loving" and "adoring" were also employed regarding the type of relationship they nurture for those brands. In these cases, feelings of pride were also detected when one's principles and ideologies were compared to his or her favourite brands. Passion refers to the extent to which customers are emotional invested with a given company that, in its turn, will influence the nature of interactions. Not surprisingly, higher levels of passion are associated with more positive and favourable consumer behaviours towards brands.

Activation

Finally, activation is correlated to the willingness, on the customers' part, to spend effort and/or time interacting with brands. It can be described to the level of excitement customers exhibit during the different interactions with brands, directly or indirectly. Respondents of the aforementioned study alleged that they are willing to spend significant time and/effort engaging with their selected highly engaging brands, as opposed to other brands, with which participants claim to be reluctant on spending time or effort.

4.2. The Economic Impact of Engagement

No matter how appealing a concept might be on paper and on a theoretical standpoint, enterprises will never squander their precious resources and time on a concept if they do not foresee economic benefits. Engaging a full community of customers' demands a careful thought-out plan that has to be respected across every touch point with customers (online, in-store, *etc*.) as Orfanedes *et al*. (2016) point out.

Product quality and value are no longer the sole drivers of performance, customers contribute to creating the brand image through repeated interactions. The research-based American consultant Gallup in 2009 sought out to corroborate the economic benefits of engaged customers. In this study, "fully engaged customers" were found to have an impact of an additional 23% on revenues, whereas "engaged customers" accounted for 7%. The groups of "disengaged" and "actively disengaged customers" represent 1% and 13% in revenue drops, respectively.

"The world's leading organizations know that engaging their customers is a primary driver of key business success" and statistic data validate that "*organizations that engage their customers outperform those that do not*" (Gallup, 2009:2). The same study reveals that world-class companies exhibit a ratio of "fully engaged" to "actively disengaged customers" of 8 to 1, allowing these enterprises to thrive. The average organization actually has less than one "fully engaged customer" for every "actively disengaged", which is a steep drop from the most successful companies in the world. This further substantiates the positive impact of an engaged customer portfolio.

Figure 1. World Class Companies vs. Average Companies Engagement Ratios.
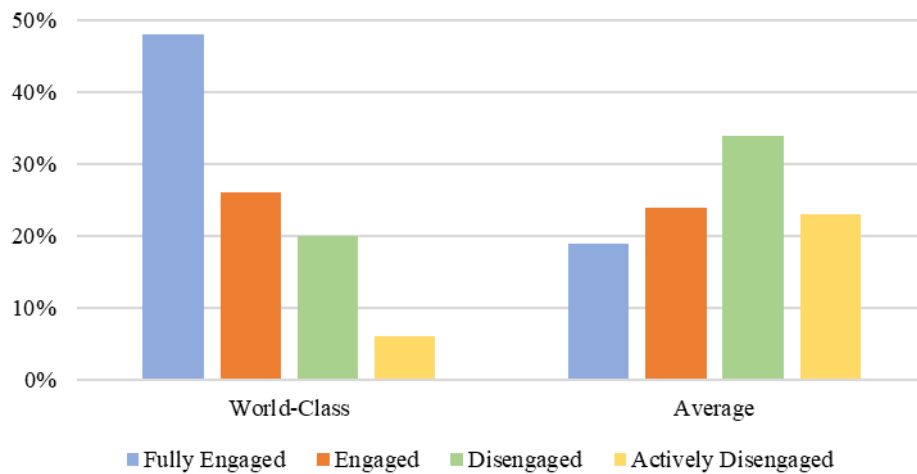
Source: Adapted from Gallup, 2009.

The aforementioned study was achieved by a meticulous evaluation of data of organizations around the world, across several different industries, proving the influence of customer engagement is universal and palpable. Notwithstanding, engagement is not the mythical Holy Grail, it can be achieved through concrete actions. Kumar and Pansari's *Competitive Advantage Through Engagement* (2016: 511) not only provides "*strong theoretical rationale and empirical evidence for the positive impact of high engagement scores on firm performance*" but also concludes that "*a firm's levels of engagement can be improved by identifying implementing relevant strategies*". There are scales and measures that will assist brands on allocating the necessary resources to the right strategies.

4.3. Customer Engagement Process Framework

Jana Lay-Hwa Bowden's *The Process of Customer Engagement: A Conceptual Framework* (2009) is one of the first and most relevant researches on engagement, more specifically on the process in which it is created. Other relationship marketing related concepts like trust, commitment, involvement, delight and loyalty are intertwined within the framework. The author specifically looks at engagement on a "layered" perspective by distinguishing how new customers engage with a brand and how a repeat customer interacts with said brand. The proposed framework highlights satisfaction as a basic condition to get new and repeat customers to commit to the brand.

Bowden underlines the role of experiences: "*loyalty is more effectively maintained through relationship management approaches such as personalized service experiences, rapport with service staff, and recognition*" (2009: 72). Delight is the main driver that gets new customers to return. i.e., if the overall balance of the interactions is positive. Nevertheless, delight is not enough to ensure long-term affective commitment – "*the emotional attachment formed when the attributes of a product or service, extrinsic from its functional qualities, motivate consumers to develop strong positive feelings towards a brand*" (Naumann & Bowden, 2015: 59) – neither to ensure loyalty, it acts as a mere accelerator.

Taking a cue on the previous article, Naumann and Bowden (2015) further extend the studies on the process of engagement. Here the authors clearly define the antecedents and consequences of customer engagement. Satisfaction, trust, affective commitment and rapport – "*personal, enjoyable and harmonious connections that are formed within customer-to-provider interactions*" (Naumann & Bowden, 2015: 60) – are the conditions that lay the groundwork for customer engagement to be created.

Loyalty is one of the consequences acknowledged, mirroring previous literature. Self-brand connections (SBC) was the remaining repercussion advocated by the authors. This concept can be defined as to which extent consumers find a brand's symbolic meanings congruent with their own personal self-image. As the authors point out, past literature has found evidence that stronger SBC are associated with more positive attitudes towards brands, as well as higher willingness to interact with it.

Evidence was found to support every hypothesis tested, with one single exception. The hypothesis being that all antecedents, satisfaction, trust, affective commitment and rapport, produce a significant positive impact on both loyalty and SBC. Only trust was found to be considerably less influential on SBC. Affective commitment and satisfaction were found to be the strongest drivers of SBC, whereas satisfaction and trust were the strongest drivers of loyalty.

This means that brands should focus on building a compelling image, aligned with customers' expectations and their own self-image, by continuously focusing on developing their offering and services to exceed customers' expectations. "*Hedonic services are more capable in highlighting such non-functional brand attributes, as service encounters are often more interactive and experiential in nature*" (Naumann & Bowden, 2015: 63). This quote once again suggests the power of an experiential approach to customer engagement.

5. Experiential Marketing in Retail

The overview of brand love and brand engagement made it clear that, not only these topics are crucial in a branding perspective, but their comprehension can lead to tangible positive outcomes. Both brand love and engagement are able to generate satisfaction and loyalty and, in an industry as stagnated as the cinematic one, companies should be doing anything within their capabilities to foster such sentiments. With these consequences fully established, the most important thing now is to understand how brand engagement and brand love can be developed. Brand experiences and co-created value are recurrent themes found on topics such as brand love and engagement. With this in mind, this section will explore the concept of brand experiences and the role experiential marketing can play on the enhancement of customer-brand interactions.

5.1. Brand Experience

Terms such as experiential marketing, brand experience or customer experience have been getting a lot of attention from both academics and marketing practitioners, and rightfully so. Pine and Gilmore (1998) were amongst the first to recognize the potential of experiential marketing with their pioneering paper *Welcome to the Experience Economy*. The authors stated that "*as services, like goods before them, increasingly become commoditized experiences have emerged as the next step in what we call the progression of economic value*" (Pine & Gilmore, 1998: 97). Commodities, goods and most services are external to the buyer, as opposed to experiences which are inherently personal, whereas the consumer him or herself attributes a unique meaning to them. Therefore, no two customers can have the same exact experience because it depends on how an individual interprets and interacts with the said event.

Pine and Gilmore (1998) go as far as to suggest a quite radical approach: the experience should be the centre of the economic offering, hence, the event itself should be sufficiently engaging for companies to be able to charge an admission fee. Using experiences merely as a stage to promote goods and services is not enough. The article points out Jim Loeks' statement, the then part-owner of the Star theatre complex in Southfield, Michigan (now rebranded as AMC theatres). Loeks told Forbes magazine that "*it should be worth the price of the movie just to go into the theatre*" (in Pine & Gilmore, 1998: 100). This chain charged, on average, 25% more than the competition due to the funhouse experience it provided. Notwithstanding, charging an admission fee does not mean that companies have to stop selling goods and services. Disney

generates a significant part of their profits by selling memorabilia, merchandising and food on their theme parks.

Brakus *et al.* (2009) are able to conceptualize the term brand experience. For them, an experience happens every time a consumer searches for a product, when they shop for it and when they consume it. Every interaction with the brand signifies a new experience that will alter customers' feelings towards it. And, with every interaction, consumers are not only in contact with utilitarian product/service attributes, but also with a number of brand-related stimuli which includes colours, shapes, background design elements, slogans, music and brand characters. The entirety of these stimuli will trigger major intrinsic responses in every single consumer, thusly constituting the "brand experience". Hence, brand experience can be defined as "*subjective, internal consumer responses and behavioural responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications, and environments*" (Brakus *et al*., 2009: 53). This is one of the most well-regarded definitions of brand experience.

In the following year, Jones *et al*. (2010) highlight the role brand experiences can have in creating a long-lasting relationship with customers. Richer in-store environments are the main target of analysis of this study. Building a solid relationship between brand and customer, is often recognized as the cornerstone for a brand's potential success. To support this idea, the authors quote the global consultancy Prophet's (2001) statement claiming that "*the depth of the relationship between the brand and its customers will be the foundation for ongoing success and sustained competitive advantage despite disruptions in the marketplace.*" (Jones *et al*., 2010: 242). The subconscious and emotional elements generated by the experience have a much greater impact on consumer preference than product/service attributes. It can also be a great source of reduced marketing costs, customer retention and brand equity (Smit *et al*., 2007).

Over a decade later, Chang and Horng (2010) show their appreciation for the idea of an experience economy, following Pine and Gilmore's work in 1998. They focus on the quality of the experience and its outcomes. The inherently individual nature of a consumer-brand interaction requires marketers to understand what constitutes a quality experience, in order to foster pleasant episodes to every customer. Overall, literature acknowledges the ever-increasing levels of competitiveness as the main reason as to why the aforementioned concepts have been sought at by scholars and practitioners alike (Mathwick *et al*., 2001; Kozinets *et al*., 2002; Healy *et al*., 2007; Kumar & Kim, 2014).

This increase is due to the commoditization of the offering, making products and services very similar across the competition. This paradigm begs companies to find new sources of differentiation and competitive advantage (Kumar & Kim, 2014; Holmqvist & Lunardo, 2015). Given the "popularity" of this thematic amongst scholars and practitioners, this section is dedicated to understanding what constitutes a brand experience, which elements can be manipulated to create, and which benefits can be reaped with this approach.

5.2. The Dynamics Brand Experience

Welcome to the Experience Economy by Pine and Gilmore (1998) gave major theoretical contributions and shed some light into the topic of brand experiences. One of these contributions was deconstructing experiences into to two main dimensions: the level of customer participation and the level of connection between the participant and the experience. Participation can be passive, when consumers merely observe what is being shown, or more active, when customers perform key roles on determining the outcomes. At the one end of the connection spectrum lies absorption and, at the other, immersion.

These two "conditions" create what the authors call the "four realms of experience". Attending a concert, amongst other *entertainment events*, is quite absorbing and has a high degree of passive participation. *Educational events*, whilst still considered absorbing, require higher levels of active participation, like taking a class or a workshop. *Escapist events* foresee active participation and are very immersive, like climbing a wall in a REI store. Finally, *aesthetic events* are immersive in nature and call for passive participation, such as visiting an art gallery or a museum.

5.2.1. Dimensions and Antecedents of Brand Experience

Although 1998 can be considered a landmark on this topic, literature goes further back in time. Staying true to this dissertation, Grove and Fisk (1992) cannot go unmentioned. The authors use an interesting and rather accurate metaphor to define the elements of an experience, by using drama and theatre-related concepts. Their perspective indicates four key theatrical components including the actors (service personnel), the audience (consumers), the setting (physical environment), and the service performance itself.

In an attempt to further deepen the academic knowledge on experiential marketing and expand Pine and Gilmore's (1998) work, in 1999, Bernd Schmitt publishes an article entitled

Experiential Marketing. The German author was, at the time, a substantial supporter of a new age, an age to replace the service industry, the experience era. Schmitt introduces the idea of "strategic experiential modules" that can be used to create different types of experiences. The term module refers to functional domains of the mind and include the SENSE, FEEL, THINK, ACT and RELATE modules, as Schmitt describes.

The SENSE module appeals to the customers' senses, creating rich sensory experiences through sight, touch, smell, sound and taste. The FEEL module tries to generate emotional responses (emotions and feelings). Different stimuli are expected to trigger specific emotions. The THINK module is often cognate with problem-solving type experiences, something that provokes cognitive and creative effort. ACT marketing is, as the name suggests, connected to action, with which customers are taught alternative ways of doing things, different types of interactions and even unconventional lifestyles. The RELATE module is a more abstract concept, encompassing elements from the previous modules. The combined result of the aforementioned modules will result in a specific experience and said experience will connect more or less with each individual. This high, or low, level of connectedness is, essentially, the RELATE module.

Bernd Schmitt (1999) defends the idea that these modules should be translated to store environment, communications, packaging, people, *etc*. Usually, the more modules an experience is able to incorporate, the more engaging and richer the experience will be. However, the perfect experience may include two, or even only one module, as context is key in this regard and the experience has to be perfectly moulded according to it.

The following literature proved to be extremely consistent with the Schmitt's (1999) experience modules. Jumping to more recent works, a decade later, in 2009, Brakus, Schmitt and Zarantonello took consumers' descriptions of strong experiential brands to build a more detailed and accurate framework. Four distinctive factors or dimensions were determined, that define the nature, quality and effectiveness of the experience itself. The four-factor model includes the Sensory, Affective, Behavioural and Intellectual dimensions.

Chang and Horng (2010) take a different approach. They set out to find the different factors that determine the quality of a brand experience. Although, instead of looking at the intangible side of experiences, they focus on the tangible elements. They focus on the "actors" (or intervening agents) as opposed to the "acting" (or the content of the experience itself). They

intended to "*develop a multidimensional measure of experience quality and assess its psychometric properties*" (Chang & Horng, 2010: 2402). As such, the researchers felt the need deal with measurable dimensions. In-depth interviews showed that the concept of experience can be deconstructed into five distinct elements: physical surroundings, service providers, other customers, customers' companions, and the customers themselves. Four sub-dimensions derived from "physical surroundings" including atmosphere, concentration, imagination, and surprise. Certainly, a different perspective that puts emphasis on the people involved as well as on the physical attributes of the experience.

In 2013, Dolbec and Chebat explore the concept of flagship stores. In their framework, store image is identified as the sole antecedent to brand experience. At a first glance, this may seem as a rather simplistic approach. However, by taking a closer look, it is possible to highlight several separate elements. The authors say that "*shoppers in flagships have more opportunities to experience the brand sensorially, physically, emotionally, and intellectually, which facilitates more powerful brand experiences*" (Dolbec & Chebat, 2013: 461). Therefore, this standpoint appears to be congruent with the elements mentioned by Pine and Gilmore (1998), Schmitt (1999) and Brakus *et al.* (2009).

A milestone in psychology, and created by Mehrabian and Russell in 1974, the Stimulus-Organism-Response model has been adapted and applied in many other areas of study, including in in-store experiences. Over four decades later, Cachero-Martínez and Vásquez-Casielles (2017) apply this model to shopping experiences. For this, the Spanish researchers deconstructed the experience in several types of elemental experiences. This includes the sensory, intellectual, social, pragmatic, and emotional attributes. Apart from the pragmatic dimension, which was something introduced by the authors, once again we find consistency in the literature. The pragmatic element refers to tangible and utilitarian aspects such as product, price and promotion. Moreover, the emotional experience is seen as the result of the combined effect of the sensory, intellectual and social dimensions.

Recently, Brun *et al*. (2017) based their own work on the ideas developed by Schmitt (1999) and by Brakus *et al*. (2009), twenty and ten years later, respectively. With this in mind, the upstream side of their framework is yet another confirmation of the quality of the works developed by previous authors. Five dimensions were discriminated, congruently with the approaches of the abovementioned authors: cognitive, affective (subdivided into positive and negative experiences), sensory, behavioural and social dimensions. With slight nuances and

relatively minor differences, the majority of the scholars appears to be in a consensus in terms of the antecedents to brand experience.

Figure 2. Five Brand Experience Dimensions.

Experience Dimensions

| Sensory Dimension | Emotional Dimension | Intellectual Dimension | Behavioural Dimension | Social Dimension |
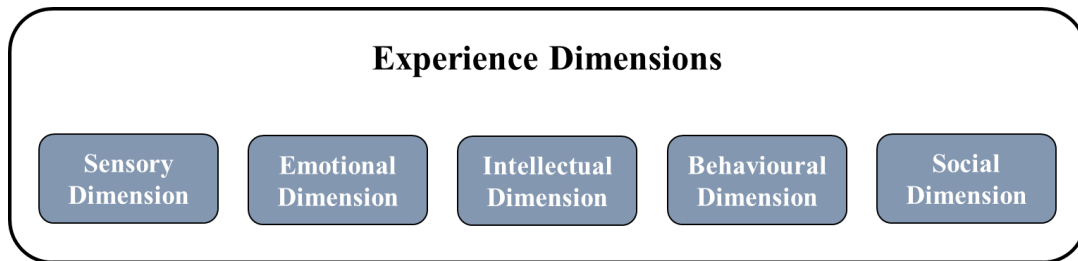
Source: Adapted from Pine and Gilmore, 1998; Schmitt, 1999; Brakus *et al*., 2009; Dolbec and Chebat, 2013; Brun *et al*., 2017; Cachero-Martínez and Vásquez-Casielles, 2017.

5.2.2. Benefits and Consequences of Brand Experience

The work of authors like Pine and Gilmore (1998) or Schmitt (1999), although innovative at the time, focused on studying the different components of a brand or retail experience, falling short on what concerns to the consequences and benefits of such strategies. The possible gains of the experience economy were already evident at the time, given the success of companies such as Disney and Rainforest Café. Nevertheless, the empirical evidence proving these advantages only came several years later.

In 2009, Brakus *et al*. hypothesise that brand experience not only leads to enhanced levels of satisfaction but can also create loyalty around the brand. In their study, the authors found valid empirical evidence suggesting that brand experiences have indeed the potential to have a behavioural impact on consumers. Additionally, brand experience will define the brand's personality, its identity and fingerprint. Loyalty is directly impacted by the other three elements, brand experiences, brand personality and satisfaction, since all these relationships are statistically significant. Nonetheless, satisfaction carries more weight when compared to the other two variables, when it comes to influencing loyalty.

In addition, Brakus *et al*. (2009) test the link between brand personality and the five dimensions first mentioned in the studies of Aaker in 1997. Aaker's elements include sincerity, excitement, competence, sophistication, and ruggedness. A brand is expected to show, a certain level of each of these components and "*consumers project these traits onto brands*" (Brakus *et al*., 2009: 54), thusly creating the brand's identity/personality. These projections are believed to be

influenced by the experiences a consumer undergoes with the brand, according to this study's conclusions.

Dolbec and Chebat's (2013) model suggests that brand experience is connected to three brand-related constructs: brand attitude, brand attachment and brand equity. This study defines brand attitude as the general appreciation of a brand by a consumer. Brand attachment is defined as "*the strength of the cognitive and affective bond connecting the brand with the self*" (Park *et al.*, 2006: 26). Lastly, brand equity, according to the authors, is composed of four elements such as brand loyalty, brand awareness, brand associations and brand quality.

Store image, the precedent of brand experience in light of Dolbec and Chebat's framework (2013), has been previously proven to have a positive impact on all of the brand equity's elements, as the authors recognize. Their goal, however, was to show that these elements are highly influenced by the overall brand experience and not only by the store image. Accordingly, this study provides empirical data that suggests that brand experience strongly impacts brand attitude, brand attachment and brand equity. In quantifiable terms, the strongest relationship is between brand experience and brand attachment, demonstrating the highest correlation index. This conclusion suggests that richer brand experiences are able to evoke stronger, more meaningful sentiments and feelings. The relationship between brand experience and brand attitude was partially confirmed, since store image shows a direct link with brand attitude as well. Finally, brand equity is positively affected by the overall experience as well.

"*As brand experience contributes to building brand equity, brands providing captivating in-store brand experiences could leverage this strength into a price premium*" (Dolbec & Chebat, 2013: 464). This statement covers an idea also touched upon by Verhoef *et al.* (2009). However, a decade earlier, Pine and Gilmore (1998) had already proposed a similar suggestion, one of charging an entrance fee to simply access the store's facilities and its experiences. Dolbec and Chebat (2013) are less radical and advise brands to pass this additional fee on to the prices of the products, sustained by a solid brand experience. Furthermore, brand experience is regarded by the authors as a driver of loyalty and positive word-of-mouth and reduces costs with customer retention.

Cachero-Martínez and Vásquez-Casielles (2017) take a different direction, which is based on the consumers' perception of value of the shopping experience. According to the authors, consumers are able to extract two types of value: hedonic and utilitarian value. The hedonic

value is connected with enjoyment and pleasure, reflecting the experiential side of shopping. Utilitarian value is usually associated with the cognitive side of the experience, a more rational approach to shopping that takes into account prices, promotions and product features. Statistically speaking, the authors concluded that, although both utilitarian and hedonic components are essential in fostering satisfaction, the latter has a greater overall influence.

Since hedonic value is mainly affected by the emotional experience, – which is comprised of the sensory, intellectual (design and employees) and social dimensions – this finding "*reinforces the idea that the consumer is a social being*" and that "*sales staff can affect consumer emotions more than any other stimulus*" (Cachero-Martínez & Vásquez-Casielles, 2017: 549). In their concluding thoughts, the authors point out that retailers must invest in activities that stimulate consumers' imagination and curiosity, highlighting augmented reality as an effective tool to achieve this.

In that same year, Brun *et al*. (2017) constructed a framework that can be described as very simplistic in nature, but that achieves precisely what the authors intended: studying the impact each of the dimensions of customer experience on loyalty. As mentioned previously on this dissertation, the model includes the cognitive, affective, sensory, behavioural and social components. The study not only includes testing in two different industries, tourism and electronics, but also considers the impact of these dimensions on the online and offline channels. These two factors grant Brun and colleagues' results a more universal validity, and the adjacent conclusions can be applied to distinct situations.

The cognitive element was shown to have a significant impact on customer loyalty, regardless of the context. "*Results show that causing consumers to learn something and remain attentive to events around them can result in enhanced customer loyalty all around*" (Brun *et al*., 2017: 332). The positive affective element does not exert any influence on loyalty. Even so, the authors recognize that the use of words like "surprise", "entertainment" or "enchantment" to define this dimension has to do with these unexpected results. People don't always experience such strong affective emotions but that does not mean that the affective element is not present neither insignificant. Notwithstanding, the study categorically concludes that negative affective emotions will have a greater impact than positive ones.

Regarding the sensory dimension, it was found to be more prominent on services that are more hedonic in nature. For instance, it is more relevant in the hospitality industry when compared

to the banking sector. Even though this element appears to carry the lesser impact on loyalty, sensory cues are still crucial to engage and arouse customers. The behavioural aspect shows a negative impact on loyalty. Nonetheless, the authors question the validity of this result, recognizing that this element was not consistently defined. Lastly, the social dimension was found to be positively related with loyalty. It is in fact more prominent in a physical context, but, even in an online environment, the social aspect was treasured by consumers. Hence, the authors' highlight the role of staff, advising them to be communicative, cordial and participative.

5.3. Flagship Stores: An Experiential Approach to Retail

In 2002, Gilmore and Pine question the strategies of companies like Disney and AOL Time Warner, with both of them closing dozens of stores in 2001 and 2002. For the authors, these companies failed to leverage on their theme parks, their music and their movies to create retail experiences, as they were still stuck to the traditional retail patterns at the time. To counteract this, the researchers defend that embellishing stores with more sensory appeal is not enough. Retail experiences should not exist only to serve and promote products or services, but rather be a whole new separate economic offering, something capable of attracting customers to the stores by its merits alone.

Thusly, Gilmore and Pine (2002) urge brands to establish a "flagship venue". To make their case, the researchers give two initial examples. The first one is Wolkswagen's Autostadt, located outside its factory in Wolfsburg, that lets customers enjoy each of its eight brands. According to the website focus2move.com, specialized on the automotive industry, since 2014 the German powerhouse leads the industry in terms of car sales, with the exception of 2015, when Toyota was able to surpass it. The Heineken Experience is also mentioned. In 2016, it received over one million visitors, as reported by the company itself, and it is considered one of the main and must-go attractions of the city of Amsterdam. With some of these examples in mind, this thesis will proceed to illustrate different types of retail stores, within the confines of the experience economy.

5.3.1. Brand Stores and Retail Spectacles

Brand-focused stores are a way of taking branding into extreme levels, by providing a place for customers to "leave and breathe" the brand. In their concluding thoughts, Kozinets *et al*. (2002) make reference to the human need of self-fulfilment and self-improvement, and brand stores

enable consumers to accomplish some of their fantasies and desires. This can be achieved in multiple ways and by employing different features and strategies. Three types of brand stores were distinguished in this study, stores that operate within this mindset.

The authors state that *flagship brand stores* exhibit three particular characteristics: they carry a single brand of product, the brand's manufacturer must own them, and they must be primarily operated to build and reinforce the image of the brand, rather than focusing on selling products and generating revenue. Next, Kozinets and colleagues highlight *themed entertainment brand store.* Usually, these stores sell branded services, as opposed to products, seeking to build the brand's image, with merchandise playing a big role as well. The Hard Rock Café, Planet Hollywood and Rainforest Café are some examples of this type of store. Ultimately, the researchers present the last type of brand store, somewhat of a hybrid between the previous two. *Themed flagship brand stores* offer entertainment-oriented services and the brand itself is the basis for the retail approach. It combines elements from the other two types of brand stores because, besides promoting brands presumably sold in other establishments, "*it also seeks to become an entertainment destination that generates revenue directly from the sales of entertainment services*" (Kozinets *et al*., 2002: 18). The World of Coca-Cola is built to celebrate the brand and resembles a more classic theme park. ESPN Zone is another successful themed flagship brand store that promotes an existing television network.

Adding to this trifecta, Hollenbeck *et al*. (2008) suggest a fourth type of brand store, the *brand museum*. Brand museums show some unique aspects, and, like a traditional museum, the overall idea is to frame the brand in a historical and educational context. Three key features are attributed to brand museums including historical linkages, museum-like qualities and an education-based mission. Picking up on some examples provided by Kozinets *et al*. (2002), the authors explain why they cannot be considered brand museums. Banana Republic, Planet Hollywood and ESPN Zone look to promote the brand in an entertaining setting and rely heavily on selling merchandise. The World of Coca-Cola's purpose, on the other hand, is to document, study and interpret the brand over a timeline, coinciding with the authors' definition of a brand museum.

5.3.2. Themed Flagship Brand Stores and the Servicescape Theory

In 1998, Sherry developed a framework to label different types of flagship stores based on two criteria. The first one ranges from "natural" to "cultural", with the latter having a more evident

human intervention in the retail theme, in contrast with the first. The second dimension portrays the tangibility aspect, ranging from "physical" to "ethereal". The intersection of the two axis create four separate areas, or four types of retail themes: "landscape", "marketscape", "cyberscape" and "mindscape".

Four years later, Kozinets *et al*. (2002) improve on Sherry's framework and, judging from the pyramidal presentation of their own model, suggest a more multidimensional and complex approach. This time there are three dimensions. "Retail orientation" reflects the extent to which the retailer is focused on selling their products or services, as opposed to focusing on brand building. "Cultural orientation", to put it simply, relates to how great and extraordinary it feels, ranging from more mundane features to more daring and awe-inspiring. Finally, "brand orientation" pertains to the complexity of the brand personality, messages and associations. All in all, the four typologies created by Sherry (1998) are still used in this new conceptualization.

Figure 3. Servicescape Theory.
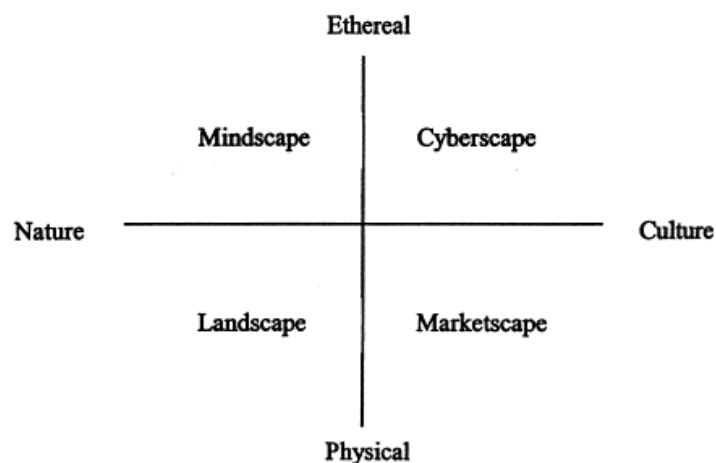
Source: Kozinets *et al*. 2002.

Landscape-themed stores present lower levels of each of the aforementioned dimensions and are usually the least experiential of the four typologies. The cultural orientation is often more ordinary, natural or urban. Companies related to health, food, beauty, fitness and outdoor sports can benefit from this type of environment in the authors' opinion. It will promote transparency and, when taken to extreme levels, it can create artificial living ecosystems. The retail orientation is towards the purchase of goods and the brand idea is simpler and more

unidimensional. For example, the brand ideology can be associated with a healthy and happy lifestyle.

Going upstream, we have the marketscape-themed flagships next. To illustrate this typology, Kozinets *et al*. use the ESPN Zone as a prime example. The ESPN Zone has clear and structured guidelines in terms of store design and architecture. However, cultural differences exist, whether we are talking about different countries, or even different cities in the same country. In accordance, their stores are adapted to different cities with content that celebrates different teams and sports heroes in cities like Baltimore, Chicago, New York, or even Washington. "*ESPN's formula suggests that the way for organizers of flagship brand stores to maintain the identity of the brand across multiple participants is to provide construction templates that can be customized for local tastes*" (Kozinets *et al*., 2002: 26). Brands whose cultural connections suggest a sense of community are the ones that can benefit the most with marketscape themes.

Cyberscape-themed flagships hang between "clicks and bricks", by trying to conjugate and complement the benefits of physical stores and e-commerce, operating under the ideals of hybridization. Therefore, cyberscape flagships try to emphasize to consumers the uniqueness of the physical experience and, by integrating technological features such as virtual reality or augmented reality, they are able to gather the best of both worlds. This strategy is used by brands with cultural connections to technology, electronics and innovation, unsurprisingly. Kozinets *et al*. (2002) add that blending cyberscapes and mindscapes will provide the most astonishing retail experiences.

Lastly, mindscape-themed flagships are recognized as the ones that focus solely on selling and/or promoting the experience itself. Cultural connections fall, usually, in the spectacular category, far away from more mundane associations. Congruently, their brand orientation is far more layered and multidimensional, as their brand ideals and personality are more complex. Such experiences encompass an element of fantasy, that makes them long-lasting and far more meaningful. Seibu, a major Japanese retailer, provides a quite peculiar experience. As consumers move up through the physical levels of the stores, they are going through the different levels of consciousness of the human mind. Only at the end of their journey, customers are recognized as complete human being. Seibu is, quite uncommonly, able to add spiritual and philosophical elements in their experience, rather uncommon in the retail industry.

Scholars like Sherry (1998), Gilmore and Pine (1998; 2002), Kozinets *et al*. (2002), Hollenbeck *et al*. (2008), Dolbec and Chebat (2013), among others, can be considered champions of the flagship strategy. Although, all of their approaches to this topic are unique, by studying different aspects of it, there is one common thread throughout the literature: experiential retail was and continues to be the most effective and original way to counterbalance the effects of online shopping and the industrial standardization.

5.3.3. The Impact of Flagship Stores on the Brand

In fact, this dissertation already covered several pieces of literature whose results show many of the benefits that an experiential strategy can bring. More precisely, the aforementioned work of Dolbec and Chebat (2013) assesses the case of flagship stores. Their research infers that stores are not mere distribution channels but also a very powerful promotion tool. Findings show enhanced levels of brand attitude, brand attachment and brand equity associated with these stores. Moreover, flagship stores provide more intense experiences, in comparison with more basic types of brand stores. This persuades the authors to conclude that the overall impact on the abovementioned benefits will be larger.

The richer nature of flagships in terms of sensory appeal creates a stronger impact, which helps building the store image. Store image is the anchor point to a whopping brand experience. Increased brand equity is, in Dolbec and Chebat's opinion (2013), a solid pretext to charge higher prices than the average competitor. The authors add that increased brand attachment lays the groundwork that allows brand loyalty to prosper and positive word-of-mouth to spread amongst consumers. This is only possible because flagship stores' "*effects have been found to be long-lasting and to facilitate the development of strong emotional ties*" (Dolbec & Chebat, 2013: 465).

Brand museums, like the other types of brand stores, are able to build strong connections between brand and consumers through participatory activities. However, Hollenbeck *et al*. (2008: 350) believe that "*brand museums provide a richer, more concentrated brand experience when compared to other themed retailing environments*". Brand museums are the most powerful when it comes to humanizing the brand, with the assistance of several objects and other artefacts that tell its life story. Consumers are then able to attribute their own personal meaning to the brand, and the enhancement of brand meaning is not only the focus of the study but also the key positive outcome of such retail spectacles.

5.3.4. The Drawbacks of Flagship Venues

There is no doubt that this chapter is a testament to the potential of experience-based retail. The last two decades saw many companies starting to explore this. Disney has been doing it for more than half a century. Apple, Microsoft, Nike, Heineken and even ESPN are amongst the biggest brands leaning towards experiential retail. Nevertheless, bigger is not always better, and flagship stores, themed brand stores, or any other type of brand store for that matter, may not be a perfect fit for every case.

First and foremost, flagship venues are quite expensive to develop and specially to maintain. Notwithstanding, the challenges are not solely financial. Finding the right theme and design features is crucial, particularly one that perfectly transpires the brand idea. Consistency is indeed a vital issue; the brand's ideology should be embedded into the messages that the brand is transmitting. In 2009, Borghini *et al*. build their entire research around the importance of a coherent brand ideology. In that same year Diamond and colleagues (2009) focus on how compelling the "brand *gestalt*" should be, which refers to the way a brand is perceived by audiences. Even so, they state that most powerful brands are not necessarily the most compelling, but often the most congruent, the ones that are able to create more synergies with the several layers of their brand personality. Thus, the brand's own ideology ought to perfectly coincide with the ideology perceived by consumers and it should be as compelling and original as possible. Kozinets *et al*. (2002) reinforce the role of personnel. Flagships often involve training and acquiring new skills. Partnerships may be an interesting solution to overcome such difficulties

As mentioned previously, flagships do not work in a "one size fits all" system. "*When price, convenience, brand choice, and speed are the main issues, theming may be a waste of consumers' and retailers' time and money*" (Kozinets *et al*., 2002: 27). The brands themselves should be of relative wide appeal (or local at least) and with already some sort of experiential dimension associated with it. Coca-cola is about lifestyle and Disney is all about fantasy. If a brand congregates these two criteria, audiences will demonstrate an intrinsic willingness to stay and pay for more experiences. Moreover, such strategies are more effective in contexts where customers are looking to linger, learn and play, and useless when they are on a schedule or "on-the-go".

Kozinets *et al*. (2002) postulate the need of commitment on the brand's part on every single level. Starting with corporate management and going all the way to the staff that will indeed interact with consumers. This is not a strategy that will bring constant flows of income, it is rather a long-term investment. They recommend companies to employ a portion of the advertising budget in order to promote brand-building. The authors also believe that, to be profitable, brand stores and flagships tend to be large and they simply must attract a high number of people. As such, patience and a firm conviction is vital for these strategies to provide growth and prosperity.

5.4. Guidelines and Good Practices for Experiential Approaches

This section is intended to be a summary of the suggestions made by several authors that cover topics such experiential marketing, brand experiences, and brand stores. Overall, the approaches are very academic and scientific in nature. Yet, they are sprinkled with some practical suggestions, designated for marketers and practitioners to be able to replicate the success of other brands. None of the following guidelines are to be taken as axiomatic, but they were drawn from statistically valid conclusions or, at the least, a deep understanding of branding and consumer behaviour. Furthermore, many were based on real-life success cases of experiential brands of the likes of ESPN, Disney and Nike.

The ground-breaking authors Pine and Gilmore (1998) and their five key principles shed some light into how a memorable experience should be designed. Firstly, brands must theme the experience. In addition to having a concisely defined theme, it must be a compelling one and consistent with the brand identity. The second principle urges brands to harmonize the chosen theme with positive cues. This means that store design and features must support the overall theme. Consequently, every negative cue, anything that violates the spirit of the theme, should be eradicated. The fourth tip is to mix in memorabilia, or merchandising. Providing customers, the chance to take some kind of souvenir home with them, not only means an additional source of income, but can also turn the experience everlasting for the participants. Finally, Pine and Gilmore (1998) underline the importance of engaging all five senses in order to provide richer experiences. Not all sensations are pleasant and not every combination works. As such, finding harmony and engaging the right senses is intimately dependent of the context in place.

Prahalad and Ramaswamy's work in 2004 is an attempt to persuade readers to adopt a stance based on co-creation principles. Tynan and McKechnie (2009) share the same point-of-view,

going even further by suggesting that co-creation should be applied throughout the entire value chain, with consumers, suppliers, shareholders and other partners. Co-creation, nonetheless, demands a great amount of flexibility on the company's part, the ability to adjust to the ever-changing customer needs and "*recognising that the customer is the final and only arbiter of value*" (Tynan & McKechnie, 2009: 511).

Tsai's suggested framework (2005) of integrated marketing communications is capable of coordinating the perspectives of strategic communications and strategic brand management. Congruent and consistent communications create synergies capable on enhancing performance. Nonetheless, the author does not neglect the importance of factors such as product, pricing and distribution, as they must be equally well adjusted. Hollenbeck *et al*. (2008) highlight gift shops and merchandising to physically symbolize the experience. In brand museums, consumers want to take a part of the brand's history with them because it makes them feel an integrant part of that cultural phenomenon.

Borghini *et al*. (2009) build their entire article around the successful case of the American Girl Place. They claim to have learnt some essential lessons and, in their concluding notes, provide readers with a series of guidelines. They approach these guidelines quite similarly to Pine and Gilmore (1998). First, they urge brands use physical cues to depict moral values. Store design and features must reflect the brand idea. Next, the researchers infer that brand enactment should be stimulated, as consumers should be given the chance to feel the brand's moral values. American Girl Place does this by telling and retelling their stories, reinforcing their presence in every touchpoint. The third suggestion is to build a museum, even if small and inexpensive. This will grant the in-store experience some historical and cultural context, whilst bringing the brand and customer closer. Finally, Borghini and colleagues advise brands to be multifaceted and translate this into their store designs. Promoting diversity and flexibility facilitates visitors to feel welcome and comfortable inside the store.

Both Jones *et al*. (2009) and Diamond *et al*. (2009) underline the importance of a good translation of the brand ideology into the store environment. With this in mind, Dolbec and Chebat (2013) approve of the strategies of stores of the likes of Niketown, American Girl Place and ESPN Zone. These brands use distinct store areas to represent different layers of their personality, allowing them to perfectly articulate their brand ideology. Some companies also use pop-up stores and temporary locations to achieve this. Such strategy can also be very practical for companies that are just entering the retailing industry. Furthermore, Dolbec and

Chebat (2013) support past authors whose works defend principles of co-creation. Environments should foster interactions between customers with their companions and with their environment.

Lemon and Verhoef (2016) also present readers with some concluding notions, which are intended to be taken as good practices in experience management. The first practice hinges upon the experience design and how important it is to eradicate any possible point of friction the customer might feel. Disney is commended in this regard. The company has developed an online tool that allows customers to pre-plan their journey through Disney World theme parks. This decreases the chances of customers having negative experiences or any other inconveniences.

Next, the authors' argument rests on the role of information technology. For brands it provides a more intimate knowledge about their customers' behaviour and, for customers, it can make the experience more personalized and more efficient. This knowledge will also provide companies with opportunities for optimization of logistical processes, consequently creating a smoother customer journey. Finally, brands must not only focus on reducing any possible friction points, but also on strengthening the existing touchpoints. A more precise interpretation of the customer experience makes it possible to predict where customers will be and what they will do. As such, strengthening these moments of interaction is crucial and rather feasible.

5.5. Experiential Brands

5.5.1. American Girl Place

American Girl is, for many scholars, the pinnacle of experiential marketing. Focus of study for some authors, like Borghini *et al*. (2009), Sherry (2009) and Diamond *et al*. (2009), this store is more than a point of purchase of dolls for little girls in the U.S. With a strong and pronounced brand personality, the American Girl's brand ideology is purposely manifested throughout several areas and customer touchpoints within the store. Every different area is designed to provide visitors with opportunities to interact directly with the brand through many different experiences.

American Girl Place, to put it simply, is a retail store. However, it is not dedicated entirely to the American Girl dolls, which are the centre of the offering. Everything else was created to enhance the relationship between little girls and their dolls. The dolls can be customizable

(personalization is a big thing for the brand), as the dolls are meant to celebrate every ethnicity, different hair colours and eye colours, *etc*. Thus, the brand ensures that every customer can find a doll that they can easily identify with. Moreover, American Girl creates characters, with certain narratives and plots around them. These stories are usually a way of educating children about history, as different characters "live" in different time periods. Since its inception, in 1986, the brand has sold over 32 million dolls and 157 million books, which is proof of the importance of the didactic aspect of the brand ideology, as reported by the brand's website.

Figure 4. American Girl Place retail location.

Source: American Girl Place website, 2019.

American Girl was bought by the giant toy company Mattel in 1998, costing around 700 million dollars. American Girl Place stores can be found in 20 different locations across the United States, and they are also present with one retail facility in Canada and another one in the United Arab Emirates. The company claims that these stores have welcomed more than 94 million visitors since the first store was opened and its entire facilities total over 1.3 million square feet. Additionally, American Girl's dimension can be measured by its more than two million followers on social media and its website receives more than 45 million visits per year.

American Girl retail outlets include the Museum, the Library, the Café, the Salon, the Theatre, the Photo Studio and the Make Your Own section. In line with the aforementioned works of Hollenbeck *et al*. (2008), the Museum has a showcase that exhibit several dolls, their homes and their lives. Presented in vitrines that depict historical characters created by the brand, American Girl creates its own a timeline, showing how life was in each time period. "*They contextualize the dolls in their historical period, yes, but I can also see how they would encourage children and adults to imagine themselves living in the era of the dolls… There's a learning process going on here that transcends the shopping experience, and even the brand*" (Borghini *et al*., 2009: 366). The same authors claim that it is not uncommon to find grown women browsing in this area alone, without their children, a sign of how interesting and mesmerizing the Museum can be.

This pedagogical component can be also found in the Library area. Here, children can find hundreds of books filled with both historical and contemporary stories. Additionally, there are how-to manuals and books about personal grooming, social etiquette and relationships. This area is pivotal in embedding the American Girl values, which lay on morality and feminism. Mothers particularly value this section for the values it is able to spread to their children. Here, it is possible to find the unadulterated ideology of American Girl. The Café specializes in food and dining experiences and it is usually the ending point of the store trip, where children and their respective parents and grandparents can relax and enjoy some of the specialities of the house. More importantly, the semiformal restaurant is prepared to accommodate children's dolls, as they sit side-by-side with little girls at the dining table. The atmosphere and decorations are very "girly" and abundantly pink. To stimulate interaction, tables usually have cards containing questions that prompt conversation, providing fun and light-hearted meals.

The Salon is one of the most interesting places of the store. Simply put, girls take their dolls to repair the damage done to their hair due to playing. Professional doll hairstylists provide a very professional service, whilst giving grooming and maintenance tips. It is, of course, a paid service, working just like a real hair salon, where the feminine values are ever present. "*The doll hair salon is a place of 'girl talk' of feminine values, of reaching out to others who share female culture and understanding, bridging differences and building community, evoking and channelling the atmospherics of real-world hair salons*" (Borghini *et al*., 2009: 368).

The Theatre is a place where American Girl plays are enacted, which prompted a live play, which tours around cities in the U.S., and several successful made-for-television movie specials. The Theatre allows real girls to partake in their favourite stories of their favourite books and characters. It is an immersive experience that realizes the symbolism of the American Girl brand. The tales are combined with inspirational music and lyrics that do an homage to the patriotic and heroic themes of the books, that elicit joy, laughter and even tears, signs of a true emotional journey.

The Photo Studio agglomerates the professionalism and seriousness of a real studio. Families can take home very personalized souvenirs, marking the store as a special place and immortalizing the experience in the participants' minds. Finally, the Make Your Own section is the realization of the personalization element of the brand where girls can build their dolls to their own image and likings. Furthermore, the store sells tons of apparel for dolls and matching clothes for the girls. The American Girl Magazine's success cannot go unmentioned, ranking

among the top ten children's magazines in the U.S. and it is the largest publication dedicated exclusively to girls ages 8 and up.

Unfortunately, the last five years have not been exactly a period of prosperity. The peak of the decade was in 2013 with almost 633 million dollars in sales. This meant an astonishing 30% growth in sales since 2010. The next year saw sales dropping to 618 million dollars, a tendency that would prevail until 2018. In 2018 the company hit a record low of 342 million dollars, a steep and worrying drop (Mattel, 2018). Nonetheless, Mattel maintains its support and belief in American Girl as a key brand for the company. Some strategies have been put in place in the last years but trying to wrestle with technological gadgets and with the digital era has proven to be a herculean task (Bloomberg, 2018). American Girl has been trying concepts such as pop-up stores and Mattel has announced a live-action movie for 2019. The company partnered up with MGM and Picturestart to bring the iconic dolls to the big screen (CNBC, 2019). ScreenRant (2019) says "*given American Girl's massive popularity, it stands a chance at finding success*", which could be the "adrenaline shot" the brand needs to recover its financial status.

5.5.2. Nike

Nike is one of the biggest companies on the planet, specialized in sports apparel, shoes and another sports equipment. According to Statista (2019), Nike's brand value worldwide is around 32.4 billion US dollars with global revenues of over 36 billion US dollars. Adidas, the biggest rival and direct competitor to Nike, registers "only" 16.7 billion US dollars of brand value, that is how far up Nike is. The American brand has always been ahead of the curve and retail has never been just a way of selling shoes. Since 1990, when the first Niketown opened doors in Portland, Oregon, the brand made a statement, one that says that it is "*almost in the experience business*" and Niketown is "*ostensibly for show-to build the brand image and stimulate buying at other retail outlets-not for selling*" (Pine & Gilmore, 1998: 100).

Niketown is a merchandise exposition, with statues of athletes such as Michael Jordan and "galleries" celebrating others. To Penazola (1998), what matters is how customers live the brand, the experience they have with real-life-sized statues, a video projection that gives visitors the impression of being underwater or the thoughts evoked by the history of the Air Jordan. Pine and Gilmore (1998) praise the basketball court that lets people stage one-to-one games and the customizable t-shirts celebrating certain events, dates, teams or personalities. Interestingly enough, even 20 years ago, the authors were already suggesting more digital and interactive

experiences, such as virtual reality, allowing people to interact with world class athletes. Such staged experiences, favours customers' personal fantasies, drawing brands into them (Kozinets *et al.*, 2002). Hollenbeck *et al.* (2008) say Niketown is the perfect example of how a store is able to combine advertising, merchandising, and entertainment that provide an experience specifically designed to enhance customer engagement.

In 2017, the website Business Insider reported the closure of Niketown New York was motivated by the brand's ever-growing strategy of focusing on experimental activities, integrating modern conveniences. Technology seems to be the future of retail, and Nike is aware of that. Niketown London has a running section that allows people to run analysis on the running patters to ensure customers take the right shoes with them. It also allows customer to design and personalize unique footwear through the use of technology. The brand aims to be more than sportswear, a specialist that offers the best experience when it comes to sports apparel.

In these last few years, Nike has been updating the concept of Niketown, creating Nike House of Innovation. As of right now there are two stores, one in Shanghai and one in New York City. A third one in planned to open in Paris in 2019. "*What we wanted to do is respond to the idea that all retail is moving from transactional to experiential,*" said Andy Thaemert, Nike senior creative director, in an interview with Forbes (2018). The idea creates synergies with the Nike app users and NikePlus members, as the in-store experience is enhanced for these users. Nike wishes to bridge the gap between shopping online and shopping in-store in a seamless way. With six stories and more than six thousand square meters, each floor is designed to provide distinct spaces and experiences. Smart and customizable experiences are the focus of this concept.

Figure 5. Nike House of Innovation, Sneaker Bar.
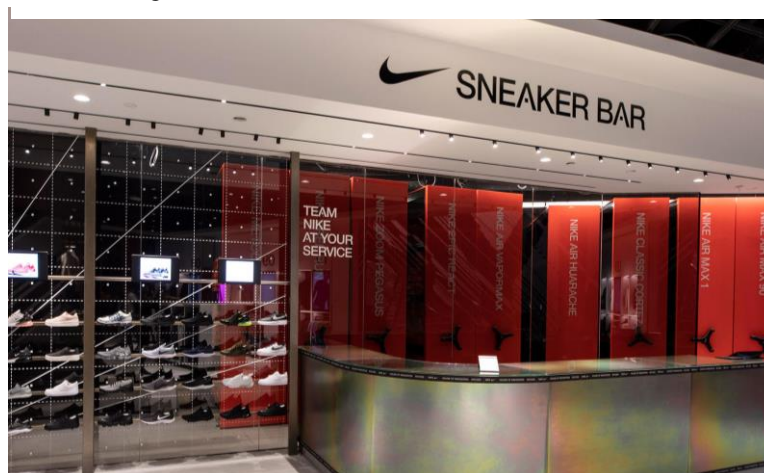
Source: Nike website, 2019.

Upon entering, visitors are greeted by a customization bar, located at the Nike Arena, changeable for every season. The Arena is an area that delivers the true DIY spirit. NikePlus members are able to partner up with a Nike Expert to find the right items and the right look. Visitors can choose the style they want through lacing plates with custom engraving, by selecting colourful accents, or by picking their favourite Nike Swoosh. Additionally, the tiles on the floor of this area to host new spaces, events and layouts.

Nike app users are able to scan codes on mannequins, browse every single item that mannequin is wearing and, for instance, check if a specific size is available in-store. Then, customers can request the items to be brought to fitting room, where the clothes will be waiting for them. Once in the fitting room, customers will find their names in their respective doors with the clothes ready to be tried on. The rooms have special lit mirrors that allow visitors to adjust the lighting for different situations, such as running outside or being in the gym. Additionally, visitors will be able to perform the self-checkout through the app, nullifying those tedious waiting periods. NikePlus members can also reserve items in their phones and have them ready to be picked up at the client's convenience, within an in-store locker.

Furthermore, House of Innovation has Nike Speed Shop, which is in an entire floor dedicated to the local community, in this case the New York Community. Local data is used to stock the shelves, and re-stock them based on what the community is asking for. And because sneakers are Nike's go-to products, Nike Sneaker Lab is the largest concentration of the brand's footwear, where customers can find the latest models and instantly recognizable classics.

Cathy Sparks told the design magazine Dezeen (2019) in an exclusive that "*these updated retail spaces give the brand an edge over its competitors*". This statement is a looking glass to Nike's strategy towards the future. In 2018, Nike opened a store in Dubai with more than six thousand square meters and with an estimated annual rent of 12 million dollars, which shows the American brand has not given up on their stores. Technology and online shopping may have changed retail, but it does not have to be for the worst. Nike is getting ahead of the curve by adapting its stores and including technological features that make the trip to the store worthwhile. People don't go to the stores just to buy a pair of shoes anymore; they can do that in their smartphones. They go there because they want personalization and for experiences that they cannot get online.

5.5.3. Experiential Approaches in Movie Theatres

Back in 1998, *The Experience Economy* by B. Joseph Pine II and James H. Gilmore, attempts to introduce the idea of experiential marketing to the academic circuit. Although this was news to many authors and scholars at the time, practitioners had already understood the potential of such approaches. The article praises the Star Theatre complex in Southfield, Michigan. At the time, that theatre charged, on average, 25% more than the local competition, due to the funhouse experience it provided. Jim Loeks, part-owner of the brand, believed that "*it should be worth the price of the movie just to go into the theatre*" (Pine & Gilmore, 1998: 100). Nowadays, that theatre is owned by AMC Theatres, the biggest movie chain in the U.S. (National Association of Theatre Owners, 2018). The theatre remains to this date one of the most important for AMC and it preserved the experiential element that made that theatre so unique and successful.

In 2008, Hollenbeck *et al*. explored the potential of brand meaning in spectacular retail environments. Brand Museum was the newly introduced type of themed flagship brand store. Disney, Coca-Cola, Nike and ESPN were some of the brands the authors mentioned on their works. However, there was one example provided by the article that proved to be very intriguing in light of this dissertation: the Cinemark Egyptian-themed theatre. The place is, as the authors put it, an authentic museum. From top to bottom, the place is decorated with items reminiscent of Ancient Egypt, granting a mysticism that cannot be found in any other movie theatre. Often one of the highest-grossing theatres in the U.S. for box-office debuts at the time, this theatre is one of the main attractions of the Arundel Mills Mall and one of the main reasons for its success, as the authors put it. It is able to "*blur the between entertainment, marketplace, and museum*" (Hollenbeck *et al*., 2008: 352) creating unique experiences, unexpected in a movie theatre, let alone in a mall.

In Portugal, distribution and exhibition is dominated by NOS. The telecommunications giant creates interesting synergies between the different services it provides, by giving its customers the advantage of acquiring two movie tickets for the price of one. Additionally, the NOS app now allows subscribers to book their tickets and their seats using only their smartphones. Then, at the theatre, customers only need to show a code to the employees, and they will be allowed to enter the theatre, avoiding lines and dull waiting periods. Cinema City, the number four exhibitor in the country in terms of revenue, takes a very distinct approach from the competition. Competitors, in its majority, keep the theatre environment clean, simple and very straight to the point. On the opposite side, Cinema City relies heavily on its fun decoration and

colourful environment, full of life-size statues and other commemorative pieces that celebrate the "seventh art". This strategy remains a staple for the brand since it first opened, and it is its main differentiating factor.

6. Brand Experience Final Framework

Brand experience has been a heavily debated topic within the scientific landscape. But there is, at least, one thing the authors seem to agree upon, the dimensions that comprise the concept of a brand experience. With a small addition here and there, scholars have identified five main dimensions: sensorial, emotional, intellectual, behavioural and social. Some authors also consider a sixth dimension, the pragmatic element, mostly related with the utilitarian value of the experience as a whole, drawing importance from factors such as price, promotions and product features. However, and given the context and limitations of this project, only the five main dimensions were considered for the framework. The following tables (2.1, 2.2 and 2.3) summarize the different antecedents for brand experience recognized by each author, and their respective interpretations.

Table 2.1. Brand Experience Dimensions Overview 1.

Authors/ Dimensions	Sensory Experience	Affective/Emotional Experience	Intellectual/Cognitive Experience	Behavioural Experience	Social Experience	Pragmatic Experience
Schmitt (1999)	SENSE marketing appeals to the senses with the objective of creating sensory experiences, through sight sound, touch, taste and smell.	FEEL marketing appeals to customers' inner feelings and emotions, with the objective of creating affective experiences that range from mildly positive moods linked to a brand (nondurable) to strong emotions of joy and pride (durable).	THINK marketing appeals to the intellect with the objective of creating cognitive, problem-solving experiences that engage customers creatively. THINK appeals to target customers' convergent and divergent thinking through surprise, intrigue and provocation. Curiosity, thinking, and problem solving.	ACT marketing enriches customers' lives by targeting their physical experiences, showing them alternative ways of doing things, alternative lifestyles and interactions. Changes in lifestyles and behaviours are often more motivational, inspirational and emotional in nature and often motivated by role models (such as movie stars or athletes).	RELATE campaigns appeal to the individual's desire for self-improvement (e.g., a future "ideal self that he or she wants to relate to). They appeal to the need to be perceived positively by individual others (e.g., one's peers, girlfriend, boyfriend or spouse; family and colleagues). They relate the person to a broader social system (a subculture, a country, etc.).	
Gentile et al. (2007)	A component of the Customer Experience whose stimulation affects the senses; an offering, whose aim is to provide good sensorial experiences, can address sight, hearing, touch, taste and smell so as to arouse aesthetical pleasure, excitement, satisfaction, sense of beauty.	A component of the Customer Experience which involves one's affective system through the generation of moods, feelings, emotions; an offering can generate emotional experience in order to create an affective relation with the company, its brand or products.	A component of the Customer Experience connected with thinking or conscious mental processes; an offering may engage customers in using their creativity or in situations of problem solving; furthermore a company can lead consumer to revise the usual idea of a product or some common mental assumptions.	A component of the Customer Experience that comes from the afirmation of the system of values and the beliefs of the person often through the adoption of a lifestyle and behaviors. Frequently an offering may provide such experience because the product itself and its consumption/use become means of adhesion to certain values the company and the brand embody and the customers share.	A component of the Customer Experience that involves the person and, beyond, his/her social context, his/her relationship with other people or also with his/her ideal self. An offering can leverage on such component by means of a product which encourages the use/consumption together with other people or which is the core of a common passion that may eventually lead to the creation of a community or still a tribe of fans.	A component of the Customer Experience coming from the practical act of doing something; in this sense the pragmatic component includes, but is not exhausted by, the concept of usability. In fact it does not only refer to the use of the product in the postpurchase stage, but it extends to all the product life-cycle stages.

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Table 2.2. Brand Experience Dimensions Overview 2.

Authors/ Dimensions	Sensory Experience	Affective/Emotional Experience	Intellectual/Cognitive Experience	Behavioural Experience	Social Experience	Pragmatic Experience
Brakus et al. (2009)	Sensory impressions and appeals. "I find this brand interesting in a sensory way"; "appeal to different senses" "it makes a strong impression on my visual sense or other senses"	Feelings, sentiments, and emotions. "This brand induces feelings and sentiments." "I do not have strong emotions for this brand." "This brand is an emotional brand."	Analytical and imaginative thoughts. "I engage in a lot of thinking when I encounter this brand." "This brand stimulates my curiosity and problem solving." "I think of topics like animal testing, purity and wellness." "Reminds me to use my imagination."	Physical and bodily actions and behaviours. "I engage in physical actions and behaviours when I use this brand." "This brand results in bodily experiences." "This brand is not action oriented."	Relationships and belonging. Participants also made occasional references to the social context of branded experiences (e.g., "It's like a membership in an exclusive, country-clubish community," "I am part of a 'smarter' community," "I feel like an athlete").	
Dolbec and Chebat (2013)	"Retail Atmosphere" "Multisensory sensual opportunities" "Consequently, shoppers in flagships have more opportunities to experience the brand sensorially...which facilitates more powerful brand experiences."	"Consequently, shoppers in flagships have more opportunities to experience the brand… emotionally... which facilitates more powerful brand experiences."	"Consequently, shoppers in flagships have more opportunities to experience the brand… intellectually, which facilitates more powerful brand experiences."	"Consequently, shoppers in flagships have more opportunities to experience the brand… physically... which facilitates more powerful brand experiences."		

Table 2.3. Brand Experience Dimensions Overview 3.

Authors/ Dimensions	Sensory Experience	Affective/Emotional Experience	Intellectual/Cognitive Experience	Behavioural Experience	Social Experience	Pragmatic Experience
Cachero-Martínez and Vásquez-Casielles (2017)	Sensory marketing is defined as "marketing that engages the consumer's senses and affects their perceptions, judgments and behaviours" (Krishna 2013: 5–6). Research on retail atmosphere has focused on experiences that customers detect by the senses of touch, smell, audition, vision and taste (Möller, Herm 2013).	An important dimension of experience construction is the emotions (e.g. happiness, enjoyment). Consumers buy goods and services as a means to fulfil deeper emotional experiences and hedonic aspirations.	Intellectual experiences happen when the retailer's merchandising strategy (intellectual experience through design) and/or interaction with employees (intellectual experience with employees) help to stimulate customer curiosity and invite them to think.		Social experience involves the person and his/her social context, his/her relationship with other people and with his/her ideal self (Ferguson et al. 2010). For example, go shopping with family/friends and get information about new products; interact with other customers; go to a shop as a means of affirmation of a social identity.	Pragmatic experience is mainly based on the utilitarian activity of the retailer; in so much as it tries to satisfy a customer motivated by monetary value and utility of products, and not by their aesthetic or design. Customers consider the seemingly utilitarian activity of price/promotion shopping.
Brun et al. (2017)	The sensory dimension relates to the perception of experience through the senses. Each of the five senses, namely sight, hearing, touch, taste and smell, can be solicited (Fornerino et al., 2005; Schmitt, 1999b).	In eliciting consumer emotions, the affective dimension spawns a mental state accompanied by physical and physiological processes which can lead to concrete action (Bagozzi, Gopinath, & Nyer, 1999). For example, interest, joy, surprise, sadness, anger and disgust are all emotions which can be felt by consumers. he first three rank as positive, while the latter three qualify as negative.	The cognitive dimension concerns the consumer's cognitive processes. It seeks to lead consumers to think and engage their creativity by surprising, intriguing and provoking them (Fornerino, Helme-guizon, & De Gaudemaris, 2005; Schmitt, 1999).	The behavioural dimension supposes that customer experience affects consumers physically by modifying action taken, habits and lifestyles (Carù & Cova, 2006; Fornerino et al., 2005; Schmitt, 1999b). Therefore, we are of the opinion that the behavioural dimension of customer experience must seek to point up behaviour linked to the act of consumption (e.g. take part in the co-creation of a product or service, share in its discovery, etc.).	The social dimension can be defined as 'interaction or communion with other individuals' (Fornerino et al., 2006, p. 10). AAccordingly, the social dimension broached in this research focuses on consumer interaction (Helme-Guizon, 2001), the sense of belonging (Nasermoadeli, Ling, & Maghnati, 2013), socialization and sustainment or perpetuation of links between companies and consumers (Nambisan, 2005), and identification.	

After an extensive review over the benefits and consequences of solid brand experiences and experiential approaches, several concepts were put forth by different authors. On the one hand, the antecedents of brand experiences are a topic of unanimity amongst scholars but, on the opposite side, the consequences differ amongst authors, as they pick and choose different concepts in order to study the impact of brand experiences on them. Amongst those concepts, some of them stand out, not only because their nature but also due to the fact that they were empirically proven to be positively influenced by experiential strategies. These authors found enhancement on loyalty (Brakus *et al*., 2009; Dolbec & Chebat, 2013; Brun *et al*., 2014), on satisfaction (Brakus *et al*., 2009, Cachero-Martínez & Vásquez-Casielles, 2017) and on brand attitude, brand attachment and brand equity (Dolbec & Chebat, 2013).

Satisfaction is a judgement that a product or a service provides a pleasurable level of consumption-related fulfilment (Oliver, 2010). Loyalty is a favourable repetitive behaviour demonstrated overtime, somewhat biased towards a brand in relation to others (Jacoby & Kyner, 1973). Mitchell and Olson (1981) define brand attitude as the general appreciation for a brand. More powerful brand experiences elicit more emotions, thoughts, sensations and behaviours, which should enhance the general brand attitude (Dolbec & Chebat, 2013). Brand attachment is defined as "*the strength of the cognitive and affective bond connecting the brand with the self*" by Park *et al*. (2006: 195).

Brand equity is easily the most complex concept out of the aforementioned consequences. Aaker (1991) was one of the first authors to be universally accepted by the scientific community in this regard. So, it is not completely farfetched to say that it is a relatively new concept in the marketing landscape. Keller (1993: 8) defined brand equity as the "*differential effect of brand knowledge on consumer response to the marketing of the brand*". Thus, according to the author, a brand is recognized to have a high (low) customer-based brand equity if consumers react in a more positive (negative) way to a certain marketing mix element (product, price, promotion, or distribution) of said brand, when compared to the same exact marketing mix element of a fictitious brand version of the product or service. Or, as Yoo *et al*. (2000) explain, brand equity is related to the consumer choice for a product of a specific brand, over a product with the exact same features of an unnamed brand. To put it in other words, brand equity refers to the incremental value of a product/service added by the brand name.

Much work has already been done in this field and many empirical evidence has been found to justify both the scholars' and practitioners' fixation with brand equity. In 1991, Aaker proposed

that brand equity creates value for both the customer and the firm, and that, the higher the value for the customer, the more it will enhance the value for the firm. Keller (1993) claims that higher levels of brand equity lead to enhanced revenue, lower costs and greater profits. It also increases the possibilities of brand choice, fosters brand loyalty and it lessens the vulnerability to the competition's marketing initiatives. Yoo *et al*. (2000) defend that enhanced levels of brand equity leads to favourable customer behaviours towards the brand. A year later, Yoo and Donthu (2001: 2) claim that "*brand equity provides value to the firm by enhancing efficiency and effectiveness of marketing programs, prices and profits, brand extensions, trade leverage, and competitive advantage*". In their article, Yoo and Donthu (2001) take a look at past literature and summarize the benefits adjacent to a greater brand equity: it positively affects future profits, a consumer's willingness to pay premium prices, marketing communications success and creates an overall competitive advantage. Aaker (2004) also came to the conclusion that more brand equity is associated with positive behavioural outcomes, even supressing undesired customers behaviours.

6.1. Brand Equity as a Multidimensional Concept

Brand equity is a multidimensional concept, a conclusion long ago drawn of authors of the likes of Aaker (1991, 1996). The American scholar idealized brand equity as comprised by different dimensions: four main ones – brand loyalty, brand awareness, perceived quality and brand associations – and an additional dimension, which the author refers to as other property assets. These are well accepted by the scientific community and served as the groundwork for many other future studies. Shocker and Weitz (1988) propose brand loyalty and brand associations, and Keller (1993) suggests brand knowledge, brand awareness and brand image. Yoo *et al*. (2000) recognize the four main dimensions proposed by Aaker (1991, 1996), as do Yoo and Donthu in 2001. Later, in 2004, the aforementioned work of Blahut *et al*. use a variant of the original model proposed by Aaker (1991, 1996), including dimensions such as brand loyalty and brand awareness, with the addition leadership/popularity and brand personality.

For research purposes, this study will acknowledge the original four brand equity dimensions as suggested by Aaker (1991, 1996) and Keller (1993): perceived quality, brand loyalty, brand awareness and brand associations. Perceived quality, as the name itself suggests, refers to the consumers' subjective judgement and perception of the overall superiority of a brand (Zeithaml, 1988). It is also related to direct comparisons with rival brands. Brand loyalty refers to the commitment to be loyal to a focal brand, which is demonstrated by the intention to buy the

brand as a primary choice (Oliver, 1997). Loyal consumers tend to show favourable responses to a brand and some resistance to switch over to other brands. Blahut *et al.* (2004) further added the positive relationship of satisfaction and price premium (the willingness of consumers to pay higher prices) with brand loyalty.

Brand awareness refers to the saliency of a brand on the consumer's mind, the ability to recognize it and recall it (Aaker, 1991). Finally, brand associations are deeply connected with the previous element, brand awareness. The more and the stronger the brand associations, the higher the brand's awareness. Aaker (1991: 109) defines brand associations as "*anything linked to a brand*" and they are formed through multiple episodes, instances and interactions. The more interactions, the more solid the brand associations will be, enhancing brand knowledge and creating a brand image. Needless to say, these four main dimensions of brand equity, have been empirically proven to have a positive relationship with it by several different authors (Aaker, 1991; Keller, 1993; Yoo *et al.*, 2000; Yoo & Donthu, 2001; Blahut *et al.*, 2004).

Figure 6. Brand Experience Final Framework.
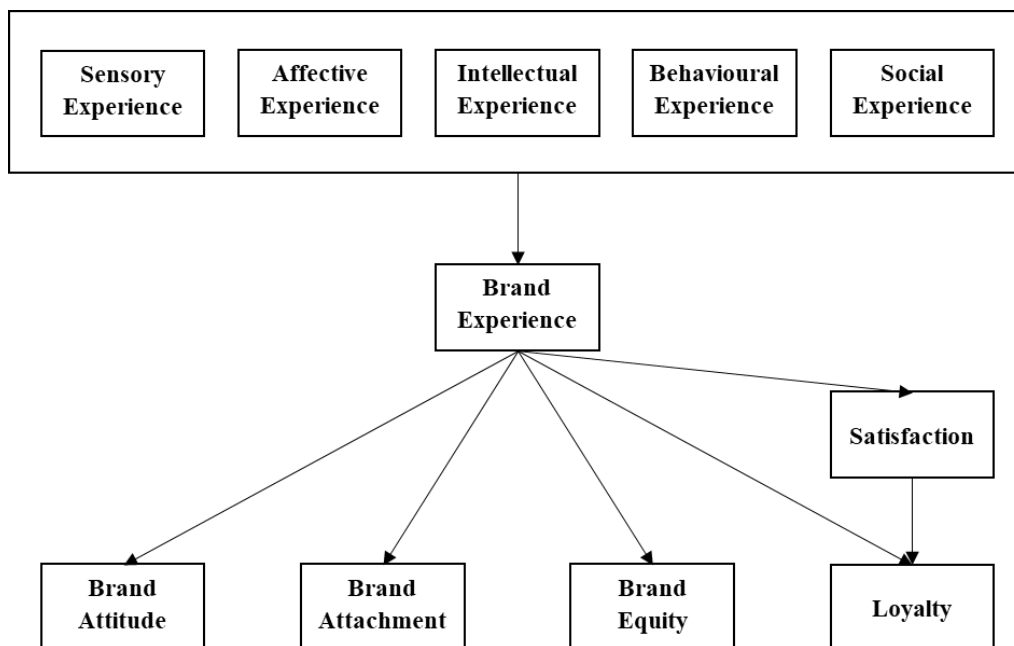
Source: Author's elaboration based on Schmitt (1999), Brakus *et al.* (2009), Dolbec and Chebat (2013), Cachero-Martínez and Vásquez-Casielles (2017) and Brun *et al.* (2017)

6.2. Research Questions

This dissertation is intended to gauge the possible success of experiential marketing in the cinematic industry. Therefore, the framework previously presented will be of assistant on reaching the established goals. Following the ideas of the aforementioned authors, on which this framework was based on, it is now necessary to define the research purposes. To put it simply, the purpose is to understand the benefits and consequences generated by the enhanced brand experience. It might also be interesting to assess which of the brand experience dimensions are more relevant for consumers, in the context of a movie-going experience.

RQ1: Which of the five dimensions of brand experience are more relevant to consumers, given an experiential scenario in a movie theatre?

RQ2: Does an enhanced brand experience in the movie theatre lead to…

- RQ2.1: an increase in brand attitude?
- RQ2.2: an increase in brand attachment?
- RQ2.3: an increase in brand equity?
- RQ2:4: an increase in consumer satisfaction?
- RQ2:5: an increase in consumer loyalty?

6.3. Hypothesis Development

The research questions will now serve as the groundwork for the hypothesis this study will test. Previous works in this area, by authors like Brakus *et al*. (2009), Dolbec and Chebat (2013), Cachero-Martínez and Vásquez-Casielles (2017) and Brun et al. (2017), indicate that the relationships between the variables tested in this thesis will be positive. All of the aforementioned authors used very similar frameworks for their own studies. Those models served as the main inspiration for the brand experience framework developed for this dissertation. Therefore, the five brand experience dimensions are expected to have a positive contribute to the overall brand experience, a conclusion that all of these authors claim in their respective articles. With this in mind, the first hypothesis of this study is:

H1: Each of the Brand Experience Dimensions enhances Brand Experience.

H1.1: Sensory Experience enhances the Brand Experience.

H1.2: Emotional Experience enhances the Brand Experience.

H1.3: Intellectual Experience enhances the Brand Experience.

H1.4: Behavioural Experience enhances the Brand Experience.

H1.5: Social Experience enhances the Brand Experience.

Next, the goal is to understand the impact of an enhanced brand experience on different levels. To do so, several variables were added to the downstream side of the framework and these are the consequences of brand experiences.

First, there is Brand Attitude. This variable was included in models of authors like Dolbec and Chebat, in 2013. Their findings indicate that there is a positive relationship between brand experience and brand attitude. Interestingly enough, brand experience acts like a mediator between store image (a concept that is roughly defined as incorporating four of the dimensions included) and brand attitude. However, they found direct links between these two, therefore, recognizing brand experience as a partial mediator. Nevertheless, it is expected that this dissertation will find the same positive connections between brand experience and attitude, which translates to the second hypothesis of this study:

H2: An enhanced Brand Experience (in the movie theatre) increases Brand Attitude.

Brand attachment is also expected to be positively influenced by brand experience in the works of Dolbec and Chebat (2013). In fact, this was the strongest relationship found in their studies and, in the context of this thesis, it implies that:

H3: An enhanced Brand Experience (in the movie theatre) increases Brand Attachment.

In 2001, Yoo and Donthu developed a scale to measure brand equity, which was adapted in this study. In their efforts, they found that this scale is able to "*examine how consumer-based brand equity results from its potential antecedents such as brand knowledge, purchase and consumption experience, marketing activity, corporate image, and environmental factors*" (Yoo and Donthu, 2001: 11). Later, Dolbec and Chebat (2013) corroborate this statement by finding a positive relationship between brand experience and brand equity:

H4: An enhanced Brand Experience (in the movie theatre) increases Brand Equity.

The studies of the impact of brand experience on satisfaction have been carried out for several generations. But the one thing they have in common is that the first always seem to indicate to have positive effects on the latter (Oliver, 1997; Brakus *et al*., 2009; Cachero-Martínez and Vásquez-Casielles, 2017). This unanimity provides the fifth hypothesis:

H5: An enhanced Brand Experience (in the movie theatre) increases Brand Satisfaction.

Brakus *et al*. (2009) found compelling evidence indicating that a solid brand experience is, indeed, capable of generating brand loyalty. Given the nature of Dolbec and Chebat's (2013) definition of brand equity (which incorporates loyalty), the same conclusion can be drawn by extension. In 2017, both Brun *et al*. and Cachero-Martínez and Vásquez-Casielles discover evidence that supports this idea. Hence, the sixth hypothesis is described as:

H6: An enhanced Brand Experience (in the movie theatre) increases Brand Loyalty.

Lastly, brand satisfaction is also expected to carry a positive impact when it comes to loyalty. As a matter of fact, brand satisfaction was the main predictor identified on the studies of the aforementioned Brakus *et al*. (2009). With this in mind, the seventh and final hypothesis is:

H7: Brand Satisfaction increases Brand Loyalty.

7. Methodological Approach

The framework was built around the works of different authors, acting as some sort of hybrid between them. As such, those same authors have already tested the dimensions this dissertation has chosen to approach so it only makes sense to adopt the same scales and measurements and adapt them to the context of this work. In order to test the formulated hypothesis, a questionnaire was used as a form of quantitative research. To do so, the first part of the survey presents several different scenarios. These scenarios were constructed based on the previous literature review and follows some of the trends the industry has demonstrated lately. Concepts such as brand museums, first explored by Hollenbeck *et al*. (2008), were adapted in these scenarios, and trends like virtual reality and licensed merchandising were also presented. This action plan will be more prominently explored further in this dissertation.

The second part of the survey tested the five dimensions of brand experience (sensory, affective, intellectual, behavioural and social). Next, the consequences were investigated, which includes brand attitude, brand attachment, brand equity, customer satisfaction and customer loyalty. The final part of the questionnaire presents respondents with demographic type questions, more specifically about gender, age, education, academic qualifications and movie-going habits. The questionnaire can be consulted in Appendix 2, and it was translated and adapted to the Portuguese language and to the context of this study.

7.1. Sample

The sampling method consists of a convenience approach, as explained by Malhotra and Birks (2006), which means that respondents were chosen randomly to participate in this research instrument. However, two restrictions were applied to narrow down the search and to approach only the target audience intended. This study aims to provide insights of the potential of the use of experiential approaches in Portuguese movie theatres. As such, the target audience is comprised of people who live in Portugal, considered an active part of the population and that have the ability to choose to go to a cinematic exhibition on their own. Thus, the first conditions are to be a resident in the country, with ages ranging between 16 and 65 years old. The final sample consists of 162 valid answers, out of a total of 226. The study was shared throughout social media, including Facebook and LinkedIn.

7.2. Scales and Measurements

As previously stated, brand experience has been extensively explored by scholars and researchers alike, and the measurements have been perfected throughout the years. For this reason, to maintain congruency and to be consistent with the most relevant studies in the field, this study adopted and adapted the scales and measurements utilized in these studiea. Brakus *et al*. (2009) were the main influence, as their brand experience scale is universally accepted in the scientific community. Other authors like Brun *et al*. (2014) and Cachero-Martínez and Vásquez-Casielles (2017) also provided important insights in this regard. Concerning the downstream side of the framework, the consequences of brand experiences, the questionnaire was also based on the measurements of Mitchell and Olson (1981), Yoo and Donthu (2001) and Thomson *et al*. (2005).

The majority of the survey utilized a Likert-type scale, with responses ranging from "1 – Strongly Disagree" to "7 – Strongly Agree", with one or two exceptions. Respondents were asked to state how strongly they agree with the sentences presented. Tables 3.1 and 3.2 provide a summary of the aforementioned authors and their respective scales and measurements. The questions were also adapted to fit the target audience of the questionnaire. This means that they had to be translated to the Portuguese language and, if necessary, adapted to fit the context of the study, guaranteeing that nothing gets lost in translation. The final version of the survey of this study in in display in Appendix 2.

Table 3.1. Brand Experience Dimensions Measurements 1.

Brand Experience Dimensions	Sensory Experience	Affective/Emotional Experience	Intellectual/Cognitive Experience	Behavioural Experience	Social Experience
Authors	Brakus *et al.*, 2009	Brakus *et al.*, 2009; Brun *et al.*, 2014; Cachero-Martínez and Vásquez-Casielles, 2017.	Brakus *et al.*, 2009; Brun *et al.*, 2014.	Brakus *et al.*, 2009.	Brun *et al.*, 2014; Cachero-Martínez and Vásquez-Casielles, 2017.
Measurement scales adapted (Likert scale, with responses ranging from "1 – Strongly Disagree" to "7 – Strongly Agree")	This brand makes a strong impression on my visual sense or other senses; I find this brand interesting in a sensory way; My senses are involved; The way my senses are involved enhance the experience.	This brand induces feelings and sentiments; I do not have strong emotions for this brand; This brand is an emotional brand; I sometimes feel: happy (joyful), entertained, enthusiastic, surprised, disappointed, bored, angry, impatient.	I engage in a lot of thinking when I encounter this brand; This brand stimulates my curiosity; My attention is captivated; The brand stimulates shopping experience and interacting with the product.	I engage in physical actions and behaviours when I use this brand; This brand is not action oriented.	Going to this store allows me to spend a pleasant time with my family/friends; I feel that I am a part of a community; I identify myself with the other customers; I socialize; Shopping at this store allows me to get experiences on trends consistent with my lifestyle.

Table 3.2. Brand Experience Dimensions Measurements 2.

Consequences	Satisfaction	Loyalty	Brand Attitude	Brand Attachment	Brand Equity
Authors	Brakus *et al*., 2009; Cachero-Martínez and Vásquez-Casielles, 2017.	Brakus *et al*., 2009.	Mitschell and Olson, 1981.	Thomson *et al*., 2005.	Yoo and Donthu, 2001.
Measurement scales adapted (Likert scale, with responses ranging from "1 – Strongly Disagree" to "7 – Strongly Agree"; except for brand attitude and brand attachement).	I am satisfied with the brand and its performance; My choice to get this brand has been a wise one; I am not happy with what I did with this brand; I'm satisfied; this is one of the best stores I have visited;I don't regret for choosing this store to make the purchase.	In the future, I will be loyal to this brand; I will buy this brand again; This brand will be my first choice in the future; I will not buy other brands if this brand is available at the store; I will recommend this brand to others.	Attitude toward the brand (four items, seven-points scales): good-bad, dislike very much-like very much, pleasant-unpleasant, poor quality-high quality; Attitude toward the act of purchasing and using the brand (three items, seven-point scales): good-bad, foolish-wise, beneficial-harmful.	Affectionate; Loved; Peaceful; Friendly; Attached; Bonded; Connected; Passionate; Delighted; Captivated. (ten items, seven-point scales).	Loyalty (tested before); Perceived quality (The likely quality of X is extremely high; The likelihood that X would be functional is very high); Overall Brand Equity (It makes sense to buy X instead of any other brand, even if they are the same; Even if another brand has the same features as X, I would prefer to buy X; If there is another brand as good as X, I prefer to buy X; If another brand is not different from X in any way, it seems smarter to purchase).

7.3. Action Plan: Cinema XPTO

This section will provide a description of some strategies that should be considered, in order to adopt an experiential approach in movie theatres. Theatres are commercial spaces and people are now expecting something unique from their retail experiences. This action plan will include data and opinions from specialists, to serve as proof of the relevance of the suggestions presented. It will focus on three separate approaches: virtual reality, museum-like experiences and the role of licensed merchandising. A summarized version of this action plan was presented to the respondents of this study. This version was presented in Portuguese and it can be accessed in Appendix 2. It is summarized in a way that it only focuses on depicting the action plan.

7.3.1. Virtual Reality

Virtual reality is not just a futuristic and unachievable experience anymore. Companies such as Sony's PlayStation have already adapted these technologies to their consoles and big movie studios have also been using such experiences as a marketing tool, like Walt Disney, Marvel and Universal Pictures. Deloitte (2016) defines Virtual Reality as a "*multi-sensory immersive environment, consisting of hardware and software components ... that track the user's movements and change the user's view accordingly*" and it "*gives users the impression of being physically present in a virtual environment*".

One of the most innovative advancements came from a partnership between Marvel studios and the giant German car manufacturer, Audi. This collaboration turned backseat rides into a new way of watching movies and playing games. The experience was called *Marvel's Avengers: Rocket's Rescue Run* and it was held to promote the, at the time, upcoming film *Avengers: Endgame*. The virtual reality experience consisted in a rescue space mission, and the most differentiating factor was that the virtual spaceship matches the movement of the car, granting the experience another layer of realism.

In fact, the film industry has been recurrently turning to virtual reality, and the VR industry has been growing as a whole and it is expected to accentuate this growth in the coming years. Statista (2019) calculated that the global augmented and virtual reality market amounts to 16.8 billion U.S. dollars in 2019. But the most impressive claim made by the number one global business data platform is that, by 2023, the market will have achieved an astonishing 160 billion U.S. dollars. PR Newswire, a distributor of press releases, provided an overview of a report by ABI Research, in 2018. The study forecasts that VR in retail and marketing sectors is expected to generate 1.8 billion U.S. dollars in 2022. Khin Sandi Lynn, Industry Analyst at ABI

Research, claims that consumers' demands for better shopping experiences are ever-increasing and that this technology can enhance the purchase process. The automotive and furniture are already effectively using this tool. Moreover, the giant e-commerce platform, Alibaba, has implemented a VR experience and the retail powerhouse Walmart is making efforts to develop a VR initiative of its one.

Mordor Intelligence (2018) points out three main key aspects that justify the industry's growth, predicting a prosperous future. The continuous launch of different VR headsets and other technological advancements will make this technology more easily obtainable. It also allows the experiences to be more and more real and entertaining. The second driver is its perfect fit with the entertainment industry, especially with movies and video games. VR is the perfect tool to project things that are unfeasible to replicate in the real world. Finally, companies' investment on this technology is increasing. With this, the industry is only going to get more competitive in terms of the quality of the product (VR experiences) presented.

Virtual reality is the perfect tool to extend the viewers' experiences with motion pictures and bring them outside the exhibition room. With the consistently growing investment of movie studios in VR, it is now quite easy to allow customers to dive in the fantastic imaginary worlds of Hollywood, through the use of this technology. Imagine being able to face your fears and the horror of the worlds of It and The Conjuring, set out to space adventures with The Avengers, play the sport of Qudditch in the Harry Potter's Wizarding World, or show your Jedi side in the Star Wars Universe. Movie theatres are the perfect place to provide these experiences. It is a unique type of interaction, extremely immersive and engaging and, given that usually people visit theatres with a pre-determined intention of buying a ticket, they would presumably be open to other ways of interacting with the movie world. It would encourage people to stay longer and, hopefully, give consumers one more reason to come back and be part of the latest VR innovations.

7.3.2. Museum Area

Brand museums are a very particular type of flagship brand stores, with not only museum-like qualities, but that also serves a didactic and historical purpose. Hollenbeck *et al*. (2008: 350) claim that brand museums "*provide a richer, more concentrated brand experience when compared to other themed retailing environments*". The authors go to great lengths to differentiate authentic brand museums, that fit their own personal definition, and other stores that only show certain museum-like aspects. Hollenbeck and colleagues concluded that these

qualities are enhancers of brand meaning and humanize brands in the eyes of consumers. As Fournier (1998) claims, this humanization invokes stronger customer-brand relationships, and a retail physical space provides such opportunities.

With this in mind, this dissertation considers the possibility of creating a museum-like area inside the cinema compound. This area would include items and decorations that celebrate the art of filmmaking, the movies and, most importantly, the characters themselves. Items such as life-size statues and replicas of costumes. Imagine a life-size Iron Man suit that lights up and with moving parts, a replica of Harry Potter's magic flying broom, or even the light sabres used in the latest Star Wars iterations. Allowing people to closely observe and physically interact with these items is a way of enhancing their connection to these universes.

In this way, the movie exhibitor almost merges itself with these different worlds and its brand image is automatically associated with Marvel, the world of Harry Potter or Star Wars, for example. This area can prove to be yet another communication channel and can be changeable as the theatre chain wishes it to be, adapting its merchandise to promote upcoming movies on the go. In truth, this would not come cheap and theatre chains would not be able to change it every other week. However, it provides great opportunities to adapt to upcoming events, to specific themes and to certain times of the year. The potential is unlimited, it is only a matter of prioritizing and strategizing these "exhibitions".

Moreover, it can be a great way to provide audiences with additional information and facts about the films. Documentary-style short videos, exclusive interviews and other materials explaining either a character's background, or certain director and production choices, could also be an interesting way of educating moviegoers. This would not only, and once again, lead people closer to the movies, but would also increase their understanding of the story and of the complex process of the art of filmmaking. People would then respect and appreciate movies even more by understanding the thought process behind them. This content could be presented in interactive screens, that lets consumers navigate and choose the content in the "library" on their own, or simpler screens that show these videos on a loop.

7.3.3. Licensed Merchandising

Merchandising is already an integrant part the motion pictures' promotional strategy. Generally speaking, film merchandising involves creating, or licensing other companies to create, merchandise that is based upon movies and characters. There are many different types of merchandise such as entertainment products and services (like theme parks and restaurants),

sportswear, accessories and apparel in general (t-shirts, hats, *etc*.), toys, other gifts and decorations (like mugs and action figures). In all of these cases, the image of known intellectual properties (movies, TV shows, characters, *etc*.) is used to enhance and ad credibility to the promoted content.

The release of the Lion King in 1994 was a milestone for the industry. Besides generating 422 million U.S. dollars in the domestic box office, the brand also made over 1.5 billion in sales of retail merchandising, as pointed out by Horváth and Gyenge (2018). The authors also make reference to the release of the first Batman movie, in 1989, "*which created such popularity for the black t-shirts with the Batman logo, that created a shortage of black T-shirts altogether in the whole clothing industry for a while*" (Horváth & Gyenge, 2018: 638). The Licensing Industry Merchandiser's Association's (LIMA) most recent data indicate a growing and healthy industry. Global retail sales of licensed merchandise rose 3.3% to 271.6 billion U.S. dollars in 2017, up from 262.9 billion the previous year (LIMA, 2018).

Unsurprisingly, entertainment/character (movies and TV shows) licensing remains the largest category, accounting for 121.5 billion U.S. dollars, which represents 45% of the total market (LIMA, 2018). A year prior, LIMA President Charles Riotto had said that "*the 2017 Survey reinforces the positive momentum of licensed products worldwide and across all categories, especially the large and growing Entertainment/Character sector*" (LIMA, 2017). Apparel is the leader amongst product categories, with 14.9% of the global licensed retail sales, followed by toys with 13.3%, and fashion accessories close the top three at 11.3%.

Such strategies are certainly more well suited for some types of films and, in general, it can be said that it is more effective for movies with a pre-established background, that connects the stories with books, comics or other types of media. According to Statista (2016), Star Wars has generated over 32 billion U.S. dollars with merchandise sales, as of the beginning of 2016. The top ten film franchises in this regard include Harry Potter, Transformers, Spider-Man, The Avengers and Batman. All of these are franchises with previously established media content and with an already established fanbase. Other entries in the list include Cars, Toy Story, Frozen and Despicable Me/Minions, which, despite being original ideas as of their release, are all part of the biggest animation movie studio, Pixar, in a partnership with Disney.

Technavio, a company specialized in market research reports, has already addressed the movie merchandise trending market. In their report in 2018, Technavio predicts that the overall industry will grow a total of 67.9 billion U.S. dollars, between 2018 and 2022, which would

mean a compound annual growth rate of close to 9%. The rise of e-commerce is pointed out as one of the main drivers of growth, which has led entertainment companies to increasingly emphasize the generation of revenues through merchandise sales. Interestingly enough, 3D printing has allowed these companies to devise more and more original and impactful merchandise items.

The industry is so appealing that even Netflix is already shifting its gears towards it. In 2017, the website Business Insider reported the beginning of this process, claiming a potential billion-dollar deal, with Netflix believing that licensed merchandise will help promote their titles and that "*kids carrying backpacks will sell the shows*". (Business Insider, 2017). More recently, in September of 2018, Investor Place announced the expansion of this strategy on Netflix's part, asserting that the red brand is getting more serious about it. The article points out an interesting fact as well, that this is a low-risk and high-margin strategy, since the burden and the risk largely fall on the licensee.

Given the potential of licensed merchandise, the growth projections for the industry and the fact that more and more movie studios are expanding their merchandise strategy, this trend cannot be ignored. Movie theatres are the perfect place to sell merchandise. It is already a place where people go to celebrate movie culture, consumers are already predisposed to engage with these characters and films, which would hopefully prompt their buying intentions. It would secure another layer of revenue for the movie exhibitor, whilst creating a centre for celebration of movie culture. Not only a place where you pay to watch movies, but a place where you have access to a myriad of ways of engaging and connecting with these intellectual properties.

7.3.4. Concluding Thoughts

Marketing in the film industry still heavily relies on traditional advertising (tv, radio, outdoor banners, *etc*.) and loyalty programs, which is quite reductive. The space described above is an excellent opportunity to host several events, to commemorate the launching of the latest movies, anniversaries, and other relevant dates. A perfect way to take advantage of commemorative occasions and lure more people into the cinemas. Autograph signings, Q&A sessions, contests, games, quizzes, among many other activities, could and should be performed in this context, which will extend the experience from the screening to the outside. This will add several additional customer touchpoints as well.

Brand communities is now a trending topic, and every brand wants its own community. Theatres have a head start to a certain extent, once there are already communities in the movie

world. From genre aficionados, to moviegoers that idolize certain cinematic universes and even viewers whom are loyal to specific movie stars and directors. Movie theatres need to find a way to aggregate these people. A platform or mobile app would make the perfect conductor to that end. A platform where customers can, not only book their movie tickets, with automatic payment methods, but also access to news, videos and other content. Users would be able to attribute a rating to a movie they have seen and share their thoughts and reviews. It would also facilitate the promotion of meetings and events to be held in the movie theatre. Likewise, the brand (cinema theatre) could appoint a brand ambassador, ideally a public figure, to engage with the members of the community and prompt them to attend the experiences provided.

8. Data Analysis

This section will present some of the considerations extracted from the study performed. The initial procedure of the analysis was the coding and submission of all questionnaire answers from Qualtrics into the statistics software SPSS 24. Firstly, the sample will be characterized by the socio-demographic information extracted from the questionnaire. Then, this section will proceed to analyse the responses given by the participants, interpreting the results for the five brand experience dimensions and for its main consequences. These results might provide some key insights into what the eventual role of experiential marketing in the cinematic industry can be. Finally, a more detailed statistical analysis will be presented, to test the previously defined study hypothesis, which is divided into two distinct parts: first a Principal Component Analysis, in order to study the different components, present in the framework, and a Linear Regression analysis, which will provide clear insights about the relationships between the different components.

8.1. Data Reliability

An internal consistency analysis was performed, before proceeding with the assessment of the actual results. This analysis evaluates the consistency of the responses obtained for every item included in the questionnaire. Assessing the validity of the results is vital, because in the absence of reliability, it is not possible to draw any relevant conclusions. Cronbach's Alpha was the measurement utilized to guarantee the interpretability of the results and it is measured on a scale between 0 and 1. Generally, it is accepted values of 0,7 and above for the Cronbach's Alpha (Mooi & Sarstedt, 2011). The indicator obtained was 0,961, very close to 100%. With this result, it is now possible to proceed with the following data analysis, as the data obtained is extremely consistent and reliable. Another interesting indicator the Crobach's Alpha test

shows, is its value if a certain item is deleted. In other words, it indicates the value of the Cronbach's Alpha if a specific question were to be removed from the questionnaire. The highest value shown is 0,964 for the question "Eu NÃO sinto emoções fortes relativamente ao Cinema XPTO", which would improve the overall reliability. However, since the original Cronbach's Alpha is 0,961, there is no valid reason to ignore any item on the list.

8.2. Sample Characterization

The valid number of responses gathered was 162. Within this sample, 46,3% (75) identified as male, with the remaining 53,7% (87) being females, a fairly balanced sample in terms of gender. Table 4 shows the age distribution. 91 respondents are 25 or less and 35 people stated to have ages between 26 and 35 years old. Therefore, almost 78% of the total respondents belong to generations Y and Z. Additionally, it is possible to describe the sample as fairly informed or educated, with 138 people having college degrees (78 Bachelor's degrees, 57 Master's degrees and 3 PhD's).

Table 4. Sample's Age Distribution.

Age	25 or less	26 - 35	36 - 45	46 - 55	56 or more
Count	91	35	15	13	8
Percentage	56,17%	21,60%	9,26%	8,02%	4,94%

At last, regarding movie-going habits, 22 people stated that they go to the movies more than once a month. The bulk of the respondents however, visits movie theatres less regularly, as expected. 66 people answered one or two times every trimester and 44 respondents say, on average, one or two times every six months. Therefore, only 16% of the sample can be described as avid movie-goers.

Table 5. Sample's Movie-going Frequency.

Movie-going Frequency	More than once a month	1 – 2 times every 3 months	1 – 2 times every 6 months	1 – 2 times a year	Other
Count	22	66	44	26	4
Percentage	16,05%	40,74%	27,16%	13,58%	2,47%

8.2.1. Five Brand Experience Dimensions

The respondents were required to make an evaluation of the experiential scenario described in the questionnaire. This assessment was made regarding each of the dimensions studied. The results are shown in Table 6 and they are extremely encouraging as all the five dimensions obtained positive scores, and actually fairly high given the scale. The sensory experience for example, was the most appreciated, with an average score of 5,8 out of 7. The mode is also 7,

which indicates that the majority of people has responded a perfect 7 in this category. Next, the emotional dimension seems to be almost equally appreciated, averaging a score of 5,71. The social dimension obtained the lowest score, 4,92 out of 7. Still a fairly respectable score, however. Nevertheless, people seem to be very enthusiastic across all the brand experience dimensions.

Table 6. Scores Obtained for Brand Experience Dimensions.

Brand Experience Dimension	Sensory Experience	Emotional Experience	Intellectual Experience	Behavioural Experience	Social Experience
Mean	5,8	5,71	5,47	5,38	4,92
Mode	7	6	5	6	6

8.2.2. Brand Experience Consequences

In conjunction with the previous variables, the consequences were evaluated on a score from 1 to 7. This dissertation recognizes the hypothetical nature of its study and respondents were asked to do the same, to answer the questions considering the possible effects of a solid experience, as described in the scenario presented. Notwithstanding, and once again, the results are positive and very encouraging. All of the five consequences averaged positive results, with brand satisfaction and brand attitude having the highest scores, 5,49 and 5,48, respectively (Table 7). Brand loyalty, brand attachment and brand equity were given the lower scores.

This preliminary overview is very hopeful in terms of the grand objective of this dissertation. In the end, experiential marketing may be the breath of fresh air the industry is lacking. Results seem to indicate that such strategies will increase brand satisfaction and improve the attitude a customer has towards the movie theatre. The likelihood of consumers ending up feeling attached and committing to a specific movie theatre is also expected to be reasonably high, if experiential strategies are in place. Without any economic data and tangible evidence is not possible to guarantee positive results and returns, but the theoretical evidence suggests that strong brand experiences can be effective in the context of a movie theatre.

Table 7. Scores Obtained for Brand Experience Consequences.

Brand Experience Consequence	Brand Satisfaction	Brand Loyalty	Brand Attitude	Brand Attachment	Brand Equity
Mean	5,49	4,82	5,48	4,84	4,78
Mode	6	5	7	6	4; 5

8.3. Factor Analysis

A factor analysis was conducted, using a method called Principal Component Analysis (PCA). This will provide information regarding the validity of the scales used in the quantitative research, including each dimension and consequence tested. Usually, this type of analysis requires two tests to prove the adequacy of the sample to perform the PCA. The first one is the evaluation of the Kaiser-Meyer-Olkin (KMO) measure of the sample adequacy and, its value should be higher than 0,6 to fulfil the assumption. The second concerns to the Bartlett's test of sphericity, which is used to measure the correlation amongst the variables. Its significance, or p value, should be equal or less to 0,5. Additionally, all the factors should explain at least 65% of the total variance.

Table 8. Principal Component Analysis for Brand Experience Dimensions.

Brand Experience Dimension	Sensory Experience	Emotional Experience	Intellectual Experience	Behavioural Experience	Social Experience
KMO Measure	0,818	0,872	0,819	0,500	0,805
Bartlett's test	0,000	0,000	0,000	0,15	,000
Total variance Explained	76,232%	48,404%	78,505%	59,523%	71,499%

Table 8 proves that three of the five brand experience dimensions fulfil all the criteria: the sensory, the intellectual and the social dimensions. This proves that their respective items are highly correlated and that they can be considered one component by themselves. Regarding the emotional experience, the factor analysis reveals that one component only explains 48,404% of the total variance, despite fulfilling the two first criteria. By redoing the principal component analysis for the emotional experience, now for the fixed number of only one component, results show that all of the items have a respectable correlation to the component itself. Only three items present a correlation below 0,6, with lowest being 0,485. Perhaps this is due to the fact that two different measures were utilized to test the emotional dimension, with a total of 11 items. This high number of items may have an influence in this matter, impeding that only one component is identified in the ideal conditions. However, since the conditions, although not perfect, are somewhat satisfactory, this dissertation will consider this component in the linear regression analysis. Nonetheless, any conclusions related specifically to the emotional dimension cannot be taken with absolute certainty.

The behavioural experience proves to be a little more problematic. None of the criteria mentioned above are satisfied. However, the KMO measure is 0,5, relatively close to 0,6, and the significance level is 0,15, 10% higher than the desirable 0,05. The total variance explained by the component is close to 60%, only 5% lower than the accepted limit. These values are not ideal, but they are quite close to the acceptable limits. Each of the items are highly correlated with the component itself (both have an index of 0,772). With this in mind, future conclusions will also have to take these factors into consideration. The fact that the behavioural dimension is only represented by two items, can be the source of these results. The dimension appears to be not complex enough to statistically comprise a component.

Table 9. Principal Component Analysis for Brand Experience Consequences.

Brand Experience Consequence	Brand Satisfaction	Brand Loyalty	Brand Attitude	Brand Attachment	Brand Equity
KMO Measure	0,638	0,824	0,939	0,892	0,863
Bartlett's test	0,000	0,000	0,000	0,000	0,000
Total variance Explained	59,210%	69,351%	90,36%	69,547%	55,376%

The PCA was also conducted to analyse the brand experience consequences, and the results are shown in Table 9. The brand loyalty, attitude and attachment scores show more than satisfactory values on all criteria. Brand satisfaction and brand equity are just shy away from the ideal 65% of the total variance explained. However, the values are close enough to guarantee some consistency in the linear regression analysis. The principal component analysis for brand equity was performed with one fixed component.

8.4 Linear Regression Analysis

Finally, the linear regression analysis is going to assist in the process of proving the hypothesis of this study. This analysis used the scores created by the principal component analysis previously explained. The first step was to perform a multiple linear regression analysis. The objective was to prove the existence of positive relationships between each one of the brand experience dimensions and brand experience itself. With this in mind, the model is comprised of five independent variables (sensory, emotional, intellectual, behavioural and social experiences), and of the dependent variable, the score for brand experience. The model summary is represented in Table 10. The adjusted R square represents the extent to which the dependable variable is actually explained by the explanatory variables of the model and it tells us that 99,7% can be explained by them. All of the assumptions are fulfilled, thus making this

sample adequate in the context of this analysis. Additionally, the ANOVA attest to the validity of the analysis performed. All of these tests can be found in Appendix 3.

Table 10. Linear Regression Analysis Mode Summary

(Dependent Variable: Brand Experience; Independent Variables: Brand Experience Dimensions).

Model Summary				
R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
0,999	0,997	0,997	0,05554	2,015

Table 11. Linear Regression Analysis Coefficients

(Dependent Variable: Brand Experience; Independent Variables: Brand Experience Dimensions).

Model	Unstanderdized Coefficients		Standerdized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	2,10E-17	0,004		0	1
Sensory Experience Score	0,273	0,008	0,273	35,678	0
Emotional Experience Score	0,358	0,008	0,358	43,902	0
Intellectual Experience Score	0,272	0,008	0,272	35,565	0
Behavioural Experience Score	0,06	0,006	0,06	10,715	0
Social Experience Score	0,198	0,006	0,198	34,227	0

All of the p values are null, which supports the notion that every variable of the model, the five brand experience dimensions, are useful in explaining brand experience (see Table 11). Therefore, it is possible to deduce that, in light of this model, the equation for brand experience can be represented as the following:

Brand Experience = 0,273 * Sensory Experience + 0,358 * Emotional Experience + 0,272 * Intellectual Experience + 0,060 * Behavioural Experience + 0,198 * Social Experience

From this, it is possible to assess that every dimension is positively related with brand experience. The emotional experience appears to have a bigger impact than any other dimension and both the sensory and intellectual experiences have similar impacts on the brand experience, followed by the social experience and, finally, the behavioural experience, which appears to be the less significant variable by a fair margin. Consequently, statistical evidence was found that supports the following statements:

- A unit increase in the Sensory Experience leads to an increase of 0,273 in the Brand Experience;
- A unit increase in the Emotional Experience leads to an increase of 0,358 in the Brand Experience;
- A unit increase in the Intellectual Experience leads to an increase of 0,272 in the Brand Experience;
- A unit increase in the Behavioural Experience leads to an increase of 0,06 in the Brand Experience;
- A unit increase in the Social Experience leads to an increase of 0,198 in the Brand Experience.

With this information it is now possible to assess the validity of the first hypothesis of this dissertation. It was expected beforehand that each one of the brand experience dimensions would have a positive relationship with brand experience, in other words, each one would enhance brand experience. This analysis provided strong evidence to support this hypothesis (H1). The behavioural dimension presents the lowest coefficient, meaning that its impact is the lowest amongst the other dimensions, but, although marginal, its impact is indeed positive.

The next steps included several simple linear regression analyses, where the objective was to test the relationship between brand experience and its consequences, the ones included in the final framework. Ahead of this exercise, it was expected that brand experience would have positive relationships with every one of its consequences, contributing to their enhancement. The following analyses were all statistically valid, as all of their respective assumptions were fulfilled. Appendix 4 shows the validity tests for each of the analyses.

8.4.1. Brand Experience and Brand Attitude

26,1% of the variation of Brand Attitude is explained by Brand Experience. A positive relationship found between the variables. The model equation obtained was the following:

Brand Attitude = 0,511 * Brand Experience

Therefore, a unit increase in Brand Experience leads to an increase of 0,511 in Brand Attitude. There is sufficient statistical evidence to support H2.

8.4.2. Brand Experience and Brand Attachment

48,5% of the variation of Brand Attachment is explained by Brand Experience. A positive relationship found between the variables. The model equation obtained was the following:

$$Brand\ Attachment = 0,696 * Brand\ Experience$$

Therefore, a unit increase in Brand Experience leads to an increase of 0,686 in Brand Attachment. There is sufficient statistical evidence to support H3.

8.4.3. Brand Experience and Brand Equity

58,3% of the variation of Brand Equity is explained by Brand Experience. A positive relation found between the variables. The model equation obtained was the following:

$$Brand\ Equity = 0,764 * Brand\ Experience$$

Therefore, a unit increase in Brand Experience leads to an increase of 0,764 in Brand Equity. There is sufficient statistical evidence to support H4.

8.4.4. Brand Experience and Brand Satisfaction

63% of the variation of Brand Satisfaction is explained by Brand Experience. A positive relation found between the variables. The model equation obtained was the following:

$$Brand\ Satisfaction = 0,794 * Brand\ Experience$$

Therefore, a unit increase in Brand Experience leads to an increase of 0,794 in Brand Satisfaction. There is sufficient statistical evidence to support H5.

8.4.5. Brand Experience and Brand Loyalty

57,1% of the variation of Brand Loyalty is explained by Brand Experience. A positive relation found between the variables. The model equation obtained was the following:

$$Brand\ Loyalty = 0,756 * Brand\ Experience$$

Therefore, a unit increase in Brand Experience leads to an increase of 0,756 in Brand Loyalty. There is sufficient statistical evidence to support H6.

8.4.6. Brand Satisfaction and Brand Loyalty

67,9% of the variation of Brand Loyalty is explained by Brand Satisfaction. A positive relation found between the variables. The model equation obtained was the following:

$$Brand\ Loyalty = 0,824 * Brand\ Satisfaction$$

A unit increase in Brand Satisfaction leads to an increase of 0,824 in Brand Loyalty. There is sufficient statistical evidence to support H7.

8.4.7. Brand Experience, Brand Satisfaction and Brand Loyalty

70,7% of the variation of Brand Loyalty is explained by Brand Experience and by Brand Satisfaction. Positive relations found between the dependent variable and the independent variables. The model equation obtained was the following:

$$Brand\ Loyalty = 0,275 * Brand\ Experience + 0,606 * Brand\ Satisfaction$$

A unit increase in Brand Experience leads to an increase of 0,275 in Brand Loyalty. A unit increase in Brand Satisfaction leads to an increase of 0,606 in Brand Loyalty. There is sufficient statistical evidence to support both H6 and H7.

8.4.8. Brand Experience Dimensions and Brand Experience Consequences

Additionally, this dissertation provides an extra multiple linear regression analysis. This one has the purpose of assessing any possible direct connection between each of the five brand experience dimensions and its consequences. This may provide further insights into what could, in fact, the most prolific and effective brand experience dimension. The validity tests can be consulted in Appendix 4.8.

<u>Brand Experience Dimensions and Brand Attachment</u>

This linear regression analysis revealed only one direct correlation, between the Social Dimension and Brand Attachment. By itself, the social experience is able to explain 55% of the variance of Brand Attachment, and its correlation index is as high as 0,418. It reveals an interesting and significant direct link between the variables. The model equation is:

$$Brand\ Attachment = 0,418 * Social\ Experience$$

This means that, when the Social Experience score suffers an increase of one, Brand Attachment is enhanced in 0,418.

Brand Experience Dimensions and Brand Equity

The Social and Intellectual Experiences reveal a direct connection with Brand Equity. Together they are able to explain 60,2% of the variance on Brand Equity. The Intellectual Dimension, however, appears to carry more weight with its higher correlation level. The following model equation was obtained:

Brand Equity = 0,352 * Intellectual Experience + 0,278 * Social Experience

Brand Experience Dimensions and Brand Satisfaction

Here, the Emotional and Social Dimensions were found to have a direct link with Brand Satisfaction. Together, they are able to explain 65% of the variance of Brand Satisfaction. The emotional experience, however, appears to have a higher direct correlation with satisfaction. The model equation can be represented as the following:

Brand Satisfaction = 0,411 * Emotional Experience + 0,275 * Social Experience

When the Emotional (Social) Experience score increases by one, the Brand Satisfaction score increases by 0,411 (0,275)

Brand Experience Dimensions and Brand Loyalty

The Social Experience reveals yet another direct correlation, this time with Brand Loyalty. The Intellectual Dimension also appears to be linked with loyalty. Both of these two dimensions explain 60% of the variance of Brand Loyalty, and their respective levels of correlation are quite similar. The model equation is as follows:

Brand Loyalty = 0,332 * Intellectual Experience + 0,319 * Social Experience

A unit increase in the Intellectual (Social) Experience prompts an increase of 0,332 (0,319) in Brand Loyalty.

9. Conclusions

After the statistical analysis conducted, presented on the previous chapter, this dissertation is now in perfect conditions to draw some important conclusions and provide essential insight to both scholars and the cinematic industry in Portugal. As such, this chapter will summarize the main conclusions of the overall study, by taking a look at the results gathered and the confirmation (or not) of the previously established hypotheses. Furthermore, it will also identify the main managerial implications, by indicating the course of action the industry should follow in the near future. Lastly, the main limitations of the study, and of its own nature, will be pointed out, as they must also be taken into consideration, when reading the conclusions of this study.

Table 12. Hypotheses tested and respective conclusions.

Hypothesis	Conclusion
H1.1: Sensory Experience enhances the Brand Experience.	**Validated.**
H1.2: Emotional Experience enhances the Brand Experience.	**Partially validated**. A statistically significant and positive relationship was found. However, the Principal Component Analysis for the score for Emotional Experience did not fulfil every assumption.
H1.3: Intellectual Experience enhances the Brand Experience.	**Validated.**
H1.4: Behavioural Experience enhances the Brand Experience.	**Partially validated**. A statistically significant and positive relationship was found. However, the Principal Component Analysis for the score for Behavioural did not fulfil every assumption.
H1.5: Social Experience enhances the Brand Experience.	**Validated.**
H2: An enhanced Brand Experience (in the movie theatre) increases Brand Attitude.	**Validated.**
H3: An enhanced Brand Experience (in the movie theatre) increases Brand Attachment.	**Validated.**
H4: An enhanced Brand Experience (in the movie theatre) increases Brand Equity.	**Partially validated**. A statistically significant and positive relationship was found. However, the Principal Component Analysis for the score for Brand Equity did not fulfil every assumption.
H5: An enhanced Brand Experience (in the movie theatre) increases Brand Satisfaction.	**Partially validated**. A statistically significant and positive relationship was found. However, the Principal Component Analysis for the score for Brand Satisfaction did not fulfil every assumption.
H6: An enhanced Brand Experience (in the movie theatre) increases Brand Loyalty.	**Validated.**
H7: Brand Satisfaction increases Brand Loyalty.	**Partially validated**. A statistically significant and positive relationship was found. However, the Principal Component Analysis for the score for Brand Equity did not fulfil every assumption.

9.1. Major Findings

As far as the hypotheses are concerned, the results do not show any evidence that support their rejection. In fact, data corroborates every single one, as they were all validated or partially validated. Therefore, an enhanced brand experience in the movie theatre does seem to provide several benefits, which implicate greater levels of satisfaction and connectedness amongst consumers and, ideally, bringing them over more often. The experiential scenario designed had a positive influence on every single dimension, on a sensory, emotional, intellectual, behavioural and social levels. All of them contribute to a better, more effective and more engaging brand experience.

Participants of this study had vastly positive impressions over the experiential approaches presented in the questionnaire. The social dimension was given the lowest score out of the five dimensions. But this result is, perhaps, not so surprising. People have a very specific image of what a cinematic experience is, constrained to be sitting in a movie theatre absorbing the film, which is not a very social activity in and of itself. It is possible that the scenario presented was not effective enough to highlight the social potential of experiential approaches. Nevertheless, the social dimension was given fairly positive average scores, as all of dimensions did. Regardless of their individual impact, the truth is that the five dimensions of experience work better in tandem, just as Bernd Schmitt first claimed, in 1999.

Regarding the brand experience dimensions, there are more specific implications that can be identified. The emotional, intellectual and social dimensions showed a direct connection with benefits like brand attachment, equity, satisfaction or loyalty. Without a deeper study, with perhaps more respondents, with extended and more adjusted questions, aligned with a more thorough statistical analysis and overall knowledge, it is hard to identify the reason as to why this is. But the fact of the matter is that there is, in fact, this direct link, and knowing this is more relevant than knowing the why.

A somewhat surprising discovery nonetheless… or is it? It is now well-known that the brands that thrive are the ones capable of creating engagement and emotional ties (Hollebeek, 2001; Gallup, 2009; Barker *et al*., 2015; Naumann & Bowden, 2015; Kumar & Pansari, 2016). As far as the intellectual experience goes, the average consumer is now more informed than ever and they are giving preference to products and services that carry deeper meanings and that make them think, reflect and stimulate their curiosity. Finally, the social era in which we live in today motivates people to share their personal moments and experiences with friends and family. So,

perhaps, this result is not that surprising. Furthermore, statistical data also revealed a considerable impact of the sensory dimension. The behavioural experience was the one with the least impact on the overall brand experience.

Regarding the consequences of the framework put in place, respondents attributed very interesting scores to them. Especially for brand satisfaction and brand attitude. The remaining variables, brand attachment, equity and loyalty, were given lower evaluations, but the final score was still very close to five (out of seven). The lack of tangibility of the study may push people away from making such "big statements", like being attached to a brand, being loyal to it, or even preferring it over other brands. Predictably, it would be necessary a physical experience and, perhaps, multiple contacts to evaluate these three dimensions more rigorously.

In general, brand experience revealed to have a quite strong influence on every consequence included in the model: brand attitude, attachment, equity, satisfaction and loyalty. The correlations are extremely high, with lowest being with brand attitude and the highest being with brand satisfaction. Additionally, brand satisfaction was found to be a very reliable predictor of brand loyalty. Table 13 summarizes the correlation indexes of brand experience and its consequences. Once again, this inspires great confidence in supporting the premise of this study: enhanced brand experiences in the movie theatre will bring several benefits.

Table 13. Correlation indexes between Brand Experience and its consequences.

Brand Attitude	Brand Attachment	Brand Equity	Brand Satisfaction	Brand Loyalty
0,511	0,696	0,764	0,794	0,756

9.2. Academic Implications

Over the years, the academy has contributed to the subject of experiential marketing and studied the effects of enhanced brand experiences by testing frameworks of action on several different industries. This dissertation makes reference to several companies that use these strategies to their advantage like Nike, American Girl, Apple, and even ESPN, and there are many others, from restaurants to even the banking industry. But there is not an extensive literature on experiential approaches when it comes to the cinematic industry. More specifically, authors have yet to take a look at the potential of a movie theatre as a commercial space, a store with many opportunities of direct interaction with customers.

Therefore, this thesis set out to explore the benefits of an improved brand experience on a not-so-obvious industry. Past results were, in their vast majority, very encouraging for supporters of brand experiences. The major implication this paper is able to provide the academic landscape is yet more supportive evidence of such strategies. The study gathered positive feedback and the statistical analysis revealed insights that lay the groundwork for possible future studies on this industry. Participants seem to be able to recognize and cherish the added value of an enhanced brand experience on the movie theatre. Simulating this brand experience in question, would be the next step to be able to corroborate the results obtained here.

The entertainment industry, cinema and music, have been radically changed by the internet revolution. Nowadays, consumers are given several different ways and platforms of consuming the content they intend to. As such, everything becomes easier for consumers and they may take all of this content for granted. Brand experiences will help to enhance the connection, attachment and possible emotional ties between consumers and movies, stories and characters, which will lead to concrete buying behaviours. In a such an "industrialized industry" – please excuse the redundancy – a more personalized and closer touch can be a breath of fresh air. Therefore, this paper is intended to be the first step in a very clear direction: studying the potential of enhanced brand experiences in the movie theatre.

9.3. Managerial Implications

The main innovation and key insights this thesis might bring, especially to the industry's main stakeholders, is the fact that it approaches a renowned and vastly studied subject in the academic landscape, experiential marketing, and applies to a very peculiar industry. This dissertation begins by contextualizing the current situation of the cinematic industry, by highlighting the role of streaming and VOD and how they are reshaping entertainment. These concepts are a relative novelty, but their impact is already being felt. Every year new players arise, or the current players reinforce their strategy by developing new and streaming-exclusive content. Companies already mentioned several times throughout this work, like Netflix, Amazon, Hulu, and now Disney, are not going away anytime soon. And this is not news anymore, it is now simply common sense.

It was this knowledge that encouraged the direction this dissertation took. The aim (and major hope) of this work beforehand, was that enhancing the brand experience might bring something new to movie theatres. Congruently, the results obtained, seem to indicate that they actually might. The statistical analysis performed provided some very encouraging insights, as the

experiential approaches, taken on hypothetical terms, encouraged the participants of the study, as their feedback was vastly positive. Therefore, the major implication for the industry is to simply give it a try and adopt a more experience-driven customer journey. Something has to be done in a near future, otherwise movie distributors and exhibitors will see their business drastically shrunken, as this course of events continues to unfold.

This dissertation has repeatedly made mention to the fact that cinemas could be so much more than screens, they must expand their concept and ride the wave of movie fandom, which is higher than ever. People are more and more willing to engage with their favourite fictional universes. As such, it is critical to expand the movie-going experience by projecting it outside the screens as well, allowing viewers to interact with them in more personal and personalized ways. Brand experiences are key for creating engagement (Bowden, 2009; Naumann & Bowden, 2015) and evoking powerful emotions, such as brand love (Unal & Ayidin, 2013). Previous literature has announced the benefits of such practices, such as brand attachment, satisfaction, or loyalty, and this dissertation corroborates just that. The action plan developed in the study might a place to start, as it was based on the key trends of the industry and by respecting the concepts learned throughout the literature review. But more can also be done in this regard, by expanding the concepts explored. But this will only be possible if it were to be put in practice in the first place. Only then will it be possible to gather essential feedback, which will allow theatres to put in place more effective experiences, ones that meet customers' needs and expectations, by making the necessary adjustments.

Finally, there are more specific implications that can be pointed out. The emotional, intellectual and social dimensions showed a direct connection with benefits like brand attachment, equity, satisfaction and loyalty. Thus, to maximize the effectiveness of experiential tactics, the approach should be focused on enhancing these three dimensions, by raising the emotional impact and connectedness felt by visitors, by fomenting the ability to make them think and reflect about the movies, and by promoting social interactions by the sharing of experiences. These three dimensions will be the pillars of the brand experience, which will hopefully enhance brand meaning and build a long-lasting relationship between customers and the movie theatres. By giving them additional reasons to visit cinemas, consumers might be willing to visit and, most importantly, to come back on a regular basis.

9.4. Limitations and Future Research

Regardless of the positive and encouraging results obtained, it is also important to recognize this study's limitations and shortcomings. First of all, the sample was obtained through a convenience method, therefore, the conclusions drawn must be taken with a grain of salt and should not be considered axiomatic for the Portuguese population. The sample size of 162 valid responses is also another limitation. Second, the scales utilized to measure the dimensions of this study's framework were based on previous literature. This generates more universal results, consistent with other authors' ideas. However, the scales suffered several small alterations, including the translation to Portuguese and they were adapted to the context of the industry and of the study itself.

Lastly, and perhaps the biggest shortcoming of this study, was the hypothetical nature of it. As previously explained, participants were provided a scenario with the description of several different experiences. Then, they were asked to put themselves through these experiences and answer the rest of the survey according to how they reckon they would feel in a real-life situation, and to how much this would improve their movie-going experience. This relies heavily on the imagination exercise on the respondent's part, which can translate into results that are not perfectly representative of reality. Furthermore, it hampers the task of answering questions regarding overall satisfaction, the possibility of being loyal to the movie theatre, and to evaluate the level of attachment with it.

Regarding future research suggestions, there are a few, but none of them are as obvious and as urgent as the need to put these experiential practices to the test. This dissertation brings to the table very interesting findings and, as they are encouraging, they are one more reason for some theatre chain to make this experiment. On a theoretical and hypothetical basis, this concept seems to work, and in a great deal and now it is time to test it. Perhaps doing something similar to what was described in the action plan used in the research would be a good step, as it received positive feedback in this study. Then, it would be important to understand how the visitors' buying and visiting intentions would have changed by the enhanced brand experience. To evaluate it, a questionnaire, not dissimilar do the one tested here, would provide the needed information. Perhaps even one small inquiry before and then one after the experiences could be an effective way to assess this.

This way, the scales utilized in this study would also prove to be more effective, as participants would have been part of an actual experience and their responses would be true to their reactions, and not mere assumptions of them. Especially when we take a look at variables like brand satisfaction, brand loyalty and brand attachment. In this regard, the questions would be much easier to answer on the respondents' part, and the respective conclusions would be closer to reality than in any other way.

Given the small missteps encountered in the statistical analysis, which were already mentioned, it would also be important to review some of the scales used. More specifically, for the behavioural dimension. This was the one that appeared to have a lesser impact on brand experience. But it is possible that the scale utilized was too minimalistic in nature. With the ability to test the aforementioned experiential scenarios, the behavioural dimension would be much easier to measure as well and provide more concrete insights. Reviewing the scale could also be helpful in this regard. The emotional dimension, brand satisfaction and brand equity would also be good candidates to have their respective scales reviewed and readapted to this specific context, although they clearly need it in a lesser degree.

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11. Appendices

Appendix 1. Cinematic Industry in Portugal

Table 14. Industry Overview

	2011	2013	2014	2015	2016	2017	2018
Total Admissions	13 810 572	12 546 745	12 090 667	14 566 066	14 924 266	15 609 634	14 689 374
Growth Rate		-9,15%	-3,64%	20,47%	2,46%	4,59%	-5,90%
Total GBO*	73 954 671,37 €	65 495 316,91 €	62 741 556,97 €	75 012 776,08 €	77 239 394,79 €	81 678 415,47 €	78 374 864,16 €
Growth Rate		-11,44%	-4,20%	19,56%	2,97%	5,75%	-4,04%
Average Admission per Habitant	1,3	1,2	1,2	1,4	1,4	1,5	1,4
Average Ticket Price	5,35 €	5,22 €	5,19 €	5,15 €	5,18 €	5,23 €	5,34 €
Cinema Screens	551	544	545	547	557	571	580
Cinema Seats	107.822	105.364	105.058	104 462	104.729	108.435	111 510
Screenings	635.051	558.161	596.844	621.770	650.538	665.841	662 488
Market Share of the 5 Main Exhibitors	91,10%	90%	92,10%	92,70%	95,10%	93,8%	94%

GBO* – Gross Box Office.

Figure 7. Average Annual Growth Rate.

Average Annual Growth Rate (2011-2018)	*Total Admissions*	0,77%
	Total GBO	0,73%

Figure 8. Industry Overview by Distributor.

		2013	2014	2015	2016	2017	2018
NOS Lusomundo Audiovisuais	*Total Admissions*	7 717 342	6 872 244	10 590 851	9 826 181	10 049 310	9 608 361
	Total GBO			54 942 010,40 €	51 263 439,24 €	53 118 109,40 €	51 742 588,82 €
Big Pictures 2 Films	*Total Admissions*	1 556 312	3 142 471	2 241 685	3 501 942	3 605 449	3 542 928
	Total GBO			11 532 683,20 €	18 153 831,01 €	18 745 048,04 €	18 980 828,20 €
Pris Audiovisuais	*Total Admissions*	715 661	1 012 230	1 064 342	746 916	858 912	535 758
	Total GBO			5 445 840,22 €	3 855 379,41 €	4 511 219,62 €	2 752 779,06 €
Cinemundo	*Total Admissions*			114 172	302 960	395 595	457 896
	Total GBO			559 193,49 €	1 507 872,46 €	2 026 342,55 €	2 356 270,24 €
Outsider Films	*Total Admissions*	167 666	344 726	128 041	97 995	275 149	141 764
	Total GBO			629 492,47 €	463 928,76 €	1 328 991,27 €	714 813,01 €
NOS Lusomundo Audiovisuais	*Market Share (Admissions)*	61,51%	56,84%	72,71%	65,84%	64,38%	65,41%
	Market Share (GBO)			73,24%	66,37%	65,03%	66,02%
Big Pictures 2 Films	*Market Share (Admissions)*	12,40%	25,99%	15,39%	23,46%	23,10%	24,12%
	Market Share (GBO)			15,37%	23,50%	22,95%	24,22%
Pris Audiovisuais	*Market Share (Admissions)*	5,70%	8,37%	7,31%	5,00%	5,50%	3,65%
	Market Share (GBO)			7,26%	4,99%	5,52%	3,51%
Cinemundo	*Market Share (Admissions)*			0,78%	2,03%	2,53%	3,12%
	Market Share (GBO)			0,75%	1,95%	2,48%	3,01%
Outsider Films	*Market Share (Admissions)*	1,34%	2,85%	0,88%	0,66%	1,76%	0,97%
	Market Share (GBO)			0,84%	0,60%	1,63%	0,91%

Table 15. Industry Overview by Exhibitor

		2013	2014	2015	2016	2017	2018
NOS Lusomundo Cinemas	Total Admissions	7 904 650	7 277 466	8 852 185	9 096 328	9 449 704	8 852 789
	Total GBO	41 833 352,37 €	38 627 939,05 €	46 655 010,70 €	48 631 864,06 €	50 910 626,78 €	48 547 603,69 €
Orient Cineplace	Total Admissions	312 828	1 063 879	1 371 943	1 484 855	1 781 498	1 640 066
	Total GBO	1 714 135,50 €	5 470 697,80 €	6 686 080,64 €	7 129 330,60 €	9 022 357,10 €	8 490 930,26 €
UCI	Total Admissions	1 618 506	1 529 811	1 577 211	1 651 943	1 631 468	1 636 262
	Total GBO	8 443 191,38 €	7 721 924,60 €	8 053 411,26 €	8 500 702,36 €	8 397 337,78 €	8 633 411,08 €
NLC - Cinema City	Total Admissions	811 475	748 035	1 023 884	1 041 200	1 045 949	1 006 287
	Total GBO	4 526 592,54 €	4 137 250,77 €	5 759 911,40 €	5 774 115,55 €	5 880 654,71 €	5 685 880,95 €
Socorama	Total Admissions	644 248	516 519	681 726	691 159	727 451	674 803
	Total GBO	3 542 590,53 €	2 764 102,50 €	3 651 611,50 €	3 447 122,80 €	3 701 538,15 €	3 561 275,20 €
NOS Lusomundo Cinemas	Market Share (Admissions)	63,00%	60,19%	60,77%	60,95%	60,54%	60,27%
	Market Share (GBO)	63,87%	61,57%	62,20%	62,96%	62,33%	61,94%
Orient Cineplace	Market Share (Admissions)	2,49%	8,80%	9,42%	9,95%	11,41%	11,16%
	Market Share (GBO)	2,62%	8,72%	8,91%	9,23%	11,05%	10,83%
UCI	Market Share (Admissions)	12,90%	12,65%	10,83%	11,07%	10,45%	11,14%
	Market Share (GBO)	12,89%	12,31%	10,74%	11,01%	10,28%	11,02%
NLC - Cinema City	Market Share (Admissions)	6,47%	6,19%	7,03%	6,98%	6,70%	6,85%
	Market Share (GBO)	6,91%	6,59%	7,68%	7,48%	7,20%	7,25%
Socorama	Market Share (Admissions)	5,13%	4,27%	4,68%	4,63%	4,66%	4,59%
	Market Share (GBO)	5,41%	4,41%	4,87%	4,46%	4,53%	4,54%

Appendix 2. Primary Research: Online Questionnaire

Figure 9. Online Questionnaire Page 1.

Figure 10. Online Questionnaire Page 2.

Figure 11. Online Questionnaire Page 3.
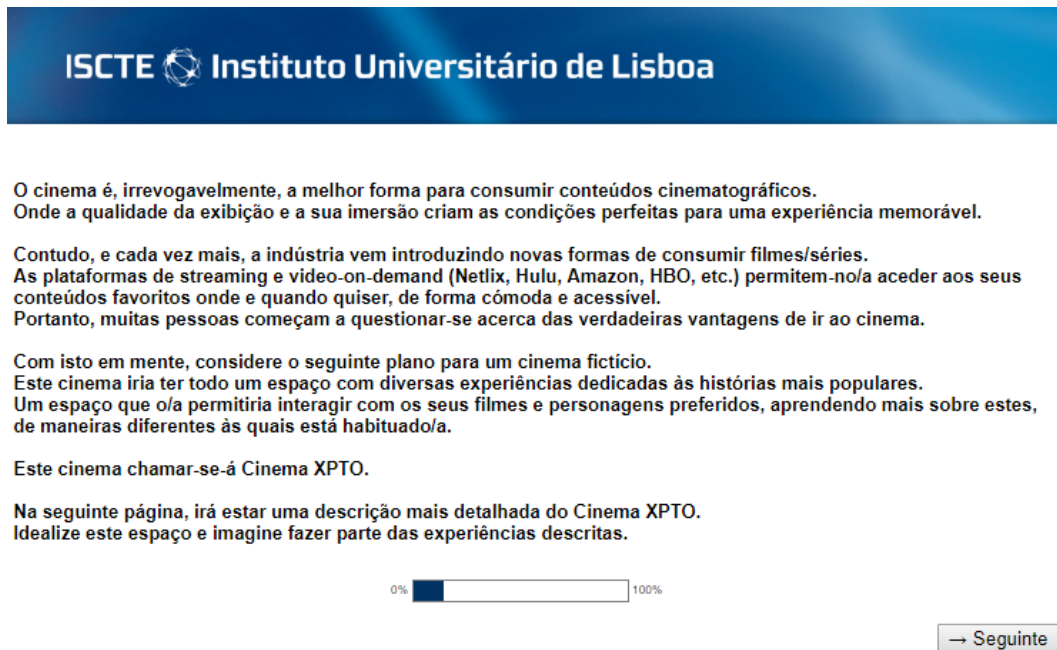
Figure 12. Online Questionnaire Page 4.1.

Figure 13. Online Questionnaire Page 4.2.

A "ciência" por detrás da câmara e dos efeitos especiais é das coisas mais fascinantes da indústria.
Neste cinema, irá ter a oportunidade de assistir a documentários e entrevistas exclusivas, através de ecrãs interativos.
Adicionalmente, poderá aceder a mais informações e pormenores que complementam as histórias dos filmes e dos seus personagens.
Desta maneira, todas as suas dúvidas serão desfeitas e ficará a compreender melhor as mensagens inerentes aos filmes.

Hoje em dia, os fãs gostam de comprar objetos e roupas alusivos aos seus filmes e personagens favoritos.
Cada vez mais, isto é visto como uma forma de expressão social.
Neste local poderá então adquirir os itens de merchandising mais originais que possa imaginar de maneira a poder demonstrar a sua admiração pelas histórias que mais gosta. Isto inclui t-shirts, brinquedos, canecas, entre muitos outros.

O essencial a ser retirado é o seguinte: imagine alguns dos seus filmes e personagens favoritos: gostaria de ter a oportunidade de interagir de uma forma mais próxima e recreativa com os mesmos? Ao mesmo tempo que pode aprender mais sobre estes? Acha que isto iria melhorar a sua experiência no cinema?

0% [████   ] 100%

← Anterior | → Seguinte

Figure 14. Online Questionnaire Page 5.1.

Imagine agora ter visitado o Cinema XPTO que, para além de um filme, lhe tinha proporcionado as experiências descritas atrás.

Com isto em conta, responda ao seguinte questionário de acordo com as suas expectativas acerca da experiência que teria no Cinema XPTO.

Avalie o impacto que Cinema XPTO teria ao nível dos seus sentidos (visão, tato, audição, etc.)
(1 - Discordo totalmente; 7 - Concordo totalmente)

	1	2	3	4	5	6	7
O Cinema XPTO causa uma boa impressão no meu sentido visual, e/ou em outros sentidos.	○	○	○	○	○	○	○
Eu acho o Cinema XPTO interessante para os meus sentidos.	○	○	○	○	○	○	○
Os meus sentidos são envolvidos no cinema XPTO.	○	○	○	○	○	○	○
A maneira como os meus sentidos são envolvidos criam uma experiência melhor.	○	○	○	○	○	○	○

Figure 15. Online Questionnaire Page 5.2.

Avalie o Cinema XPTO ao nível das emoções que as experiências descritas provocariam.
(1 - Discordo totalmente; 7 - Concordo totalmente)

	1	2	3	4	5	6	7
O espaço (e as suas experiências) do Cinema XPTO provoca diversos sentimentos e emoções.	○	○	○	○	○	○	○
Eu NÃO sinto emoções fortes relativamente ao Cinema XPTO.	○	○	○	○	○	○	○
O espaço (e as suas experiências) do Cinema XPTO é um espaço emocional.	○	○	○	○	○	○	○

O cinema XPTO faz-me sentir:
(1 - Discordo totalmente; 7 - Concordo totalmente)

	1	2	3	4	5	6	7
Bem-disposto	○	○	○	○	○	○	○
Entretido/Animado	○	○	○	○	○	○	○
Entusiasmado	○	○	○	○	○	○	○
Surpreendido	○	○	○	○	○	○	○
Desapontado	○	○	○	○	○	○	○
Aborrecido	○	○	○	○	○	○	○
Irritado	○	○	○	○	○	○	○
Impaciente	○	○	○	○	○	○	○

Avalie o Cinema XPTO relativamente à capacidade de o/a fazer pensar.
(1 - Discordo totalmente; 7 - Concordo totalmente)

	1	2	3	4	5	6	7
Quando o visito, Cinema XPTO faz-me pensar.	○	○	○	○	○	○	○
O Cinema XPTO estimula a minha curiosidade.	○	○	○	○	○	○	○
A minha atenção é cativada quando visito o Cinema XPTO.	○	○	○	○	○	○	○
O Cinema XPTO estimula a minha experiência e a interação com os conteúdos (filmes/personagens).	○	○	○	○	○	○	○

Avalie o Cinema XPTO no que diz respeito às atividades que poderia realizar.
(1 - Discordo totalmente; 7 - Concordo totalmente)

	1	2	3	4	5	6	7
Eu envolvo-me em ações e comportamentos no Cinema XPTO.	○	○	○	○	○	○	○
O Cinema XPTO NÃO é orientado para as ações.	○	○	○	○	○	○	○

Avalie o Cinema XPTO relativamente às interações que teria com outras pessoas.
(1 - Discordo totalmente; 7 - Concordo totalmente)

	1	2	3	4	5	6	7
O Cinema XPTO proporciona uma experiência social agradável com a minha família e amigos.	○	○	○	○	○	○	○
O Cinema XPTO faz-me sentir parte de uma comunidade, ao interagir com outras pessoas que partilham os meus interesses.	○	○	○	○	○	○	○
Eu socializo no Cinema XPTO.	○	○	○	○	○	○	○
O Cinema XPTO proporciona informações e experiências, consistentes com o meu estilo de vida.	○	○	○	○	○	○	○

0% ▮▮▮▮▮▮ 100%

← Anterior   → Seguinte

Figure 16. Online Questionnaire Page 6.1.

Figure 17. Online Questionnaire Page 6.2.

Figure 18. Online Questionnaire Page 7.

Appendix 3. Linear Regression Analysis for the Brand Experience Dimensions: Assumptions

This analysis was conducted with the dependent variable being Brand Experience and the independent variables being: Sensory Experience, Emotional Experience, Intellectual Experience, Behavioural Experience and Social Experience.

ANOVA^a

Model		Sum of Squares	gl	Meand Square	F	Sig.
1	Regression	160,519	5	32,104	10407,873	,000^b
	Residual	,481	156	,003		
	Total	161,000	161			

a. Dependent Variable: Brand Experience Score

b. Preditctors: (Constant), Social Experience Score, Behavioural Experience Score, Sensory Experience Score, Intellectual Experience Score, Emotional Experience Score

The significance value in the ANOVA test is under 5%, validating the linear regression under analysis.

Linearity of the relationship between the dependent variable and each of the independent variables.

By construction, the theoretical model assumes linearity:

Brand Experience = 0,273 * Sensory Experience + 0,358 * Emotional Experience + 0,272 * Intellectual Experience + 0,060 * Behavioural Experience + 0,198 * Social Experience

The mean of the residual component of the model must be zero.

Residual Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-4,7194719	1,6584163	,0000000	,99850450	162
Residual	-,15143186	,17046462	,00000000	,05466966	162
Std. Predicted Value	-4,727	1,661	,000	1,000	162
Std. Residual	-2,727	3,069	,000	,984	162

a. Dependent Variable: Brand Attitude Score

There must be no correlation among the residual terms.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,999^a	,997	,997	,05553886	2,015

a. Predictors: (Constant), Social Experience Score, Behavioural Experience Score, Sensory Experience Score, Intellectual Experience Score, Emotional Experience Score

b. Dependent Variable: Brand Experience Score

Since the value of the Durbin-Watson is close to 2, residuals are assumed to be independent.

The Variance of the random term must be constant.

Gráfico de dispersão

Variável Dependente: Brand Experience Score
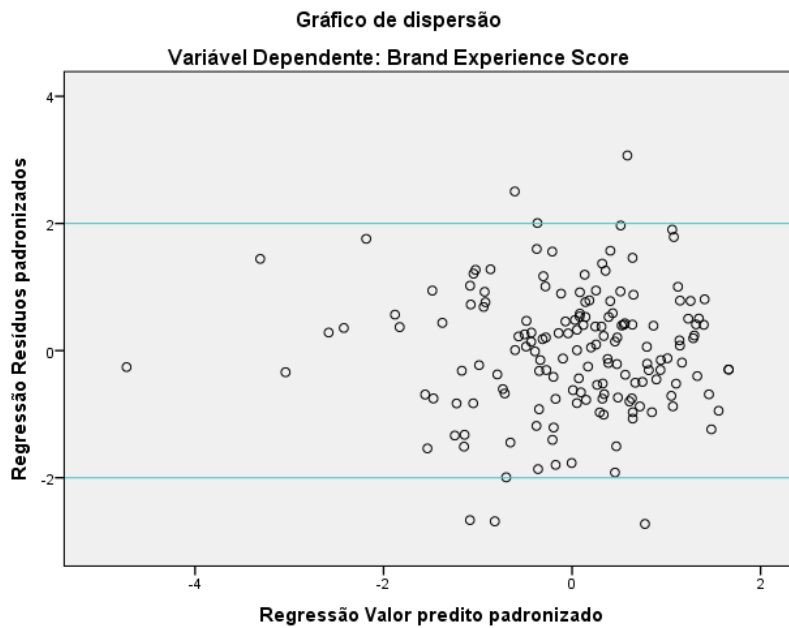
Normality of the residuals.

Histograma

Variável Dependente: Brand Experience Score

Média = -1,96E-16
Desvio padrão. = 0,984
N = 162

Gráfico P-P Normal de Regressão Resíduos padronizados

Variável Dependente: Brand Experience Score
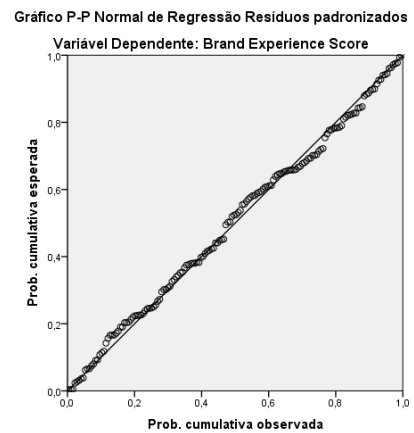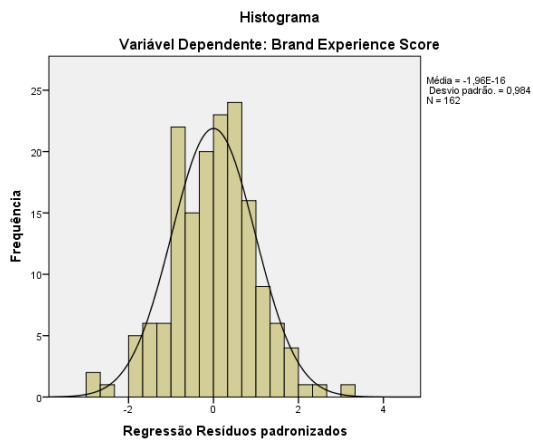
There must be no correlation among the explanatory variables.

Coefficients^a

Model		Unstanderdized Coefficients		Standerdized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constante)	2,097E-17	,004		,000	1,000		
	Sensory Experience Score	,273	,008	,273	35,678	,000	,328	3,050
	Emotional Experience Score	,358	,008	,358	43,902	,000	,289	3,463
	Intellectual Experience Score	,272	,008	,272	35,565	,000	,328	3,047
	Behavioural Experience Score	,060	,006	,060	10,715	,000	,615	1,627
	Social Experience Score	,198	,006	,198	34,227	,000	,575	1,738

a. Dependent Variable: Brand Experience Score

Appendix 4. Linear Regression Analysis Validity Tests

Appendix 4.1. Brand Experience and Brand Attitude

This analysis was conducted with the dependent variable being Brand Attitude and the independent variable being Brand Experience.

ANOVA^a

Model		Sum of Squares	gl	Mean Square	F	Sig.
1	Regression	42,056	1	42,056	56,572	,000^b
	Residual	118,944	160	,743		
	Total	161,000	161			

a. Dependent Variable: Brand Atiitude Score

b. Predictors: (Constant), Brand Experience Score

The significance value in the ANOVA test is under 5%, validating the linear regression under analysis.

Appendix 4.2. Brand Experience and Brand Attachment

This analysis was conducted with the dependent variable being Brand Attachment and the independent variable being Brand Experience.

ANOVA^a

Model		Sum of Squares	gl	Meand Square	F	Sig.
1	Regression	78,080	1	78,080	150,660	,000^b
	Residual	82,920	160	,518		
	Total	161,000	161			

a. Dependent Variable: Brand Attachment Score

b. Predictors: (Constant), Brand Experience Score

The significance value in the ANOVA test is under 5%, validating the linear regression under analysis.

Appendix 4.3. Brand Experience and Brand Equity

This analysis was conducted with the dependent variable being Brand Equity and the independent variable being Brand Experience.

ANOVA^a

Model		Sum of Squares	gl	Mean Square	F	Sig.
1	Regression	93,881	1	93,881	223,798	,000^b
	Residual	67,119	160	,419		
	Total	161,000	161			

a. Dependent Variable: Brand Equity Score

b. Predictors: (Constant), Brand Experience Score

The significance value in the ANOVA test is under 5%, validating the linear regression under analysis.

Appendix 4.4. Brand Experience and Brand Satisfaction

This analysis was conducted with the dependent variable being Brand Satisfaction and the independent variable being Brand Experience

ANOVA^a

Model		Sum of Squares	gl	Mean Square	F	Sig.
1	Regression	101,383	1	101,383	272,091	,000^b
	Residual	59,617	160	,373		
	Total	161,000	161			

a. Dependent Variable: Satisfaction Score

b. Predictors: (Constant), Brand Experience Score

The significance value in the ANOVA test is under 5%, validating the linear regression under analysis.

Appendix 4.5. Brand Experience and Brand Loyalty

This analysis was conducted with the dependent variable being Brand Loyalty and the independent variable being Brand Experience.

ANOVA^a

Model		Sum of Squares	gl	Mean Square	F	Sig.
1	Regression	91,926	1	91,926	212,936	,000^b
	Residual	69,074	160	,432		
	Total	161,000	161			

a. Dependent Variable: Loyalty Score

b. Predictors: (Constant), Brand Experience Score

The significance value in the ANOVA test is under 5%, validating the linear regression under analysis.

Appendix 4.6. Brand Satisfaction and Brand Loyalty

This analysis was conducted with the dependent variable being Brand Loyalty and the independent variable being Brand Satisfaction.

ANOVA^a

Model		Sum of Squares	gl	Meand Square	F	Sig.
1	Regression	109,318	1	109,318	338,435	,000^b
	Residual	51,682	160	,323		
	Total	161,000	161			

a. Dependent Variable: Loyalty Score

b. Predictors: (Constant), Satisfaction Score

The significance value in the ANOVA test is under 5%, validating the linear regression under analysis.

Appendix 4.7. Brand Experience, Brand Satisfaction and Brand Loyalty

This analysis was conducted with the dependent variable being Brand Loyalty and the independent variables being Brand Experience and Brand Satisfaction.

ANOVA^a

Modelo		Sum of Squares	gl	Mean Sqaure	F	Sig.
1	Regression	113,819	2	56,909	191,784	,000^b
	Residual	47,181	159	,297		
	Total	161,000	161			

a. Dependent Variable: Loyalty Score

b. Preditors: (Constant), Satisfaction Score, Brand Experience Score

The significance value in the ANOVA test is under 5%, validating the linear regression under analysis.

Appendix 4.8. Brand Experience Dimensions and the Brand Experience Consequences

Brand Experience Dimensions and Attachment

This analysis was conducted with the dependent variable being Brand Attachment and the independent variables being the Five Brand Experience Dimensions.

ANOVA^a

Model		Sum of Squares	gl	Mean Square	F	Sig.
1	Regression	88,249	5	17,650	37,846	,000^b
	Residual	72,751	156	,466		
	Total	161,000	161			

a. Dependent Variable: Brand Attachment Score

b. Predictors: (Constant), Social Experience Score, Behavioural Experience Score, Sensory Experience Score, Intellectual Experience Score, Emotional Experience Score

The significance value in the ANOVA test is under 5%, validating the linear regression under analysis.

Brand Experience Dimensions and Brand Equity

This analysis was conducted with the dependent variable being Brand Equity and the independent variables being the Five Brand Experience Dimensions.

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ANOVA^a

Model		Sum of Squares	gl	Mean Square	F	Sig.
1	Regression	96,916	5	19,383	47,185	,000^b
	Residual	64,084	156	,411		
	Total	161,000	161			

a. Dependent Variable: Brand Equity Score

b. Predictors: (Constant), Social Experience Score, Behavioural Experience Score, Sensory Experience Score, Intellectual Experience Score, Emotional Experience Score

The significance value in the ANOVA test is under 5%, validating the linear regression under analysis.

Brand Experience Dimensions and Brand Satisfaction

This analysis was conducted with the dependent variable being Brand Satisfaction and the independent variables being the Five Brand Dimensions.

ANOVA^a

Model		Sum of Squares	gl	Mean Square	F	Sig.
1	Regression	104,101	5	20,820	57,083	,000^b
	Residual	56,899	156	,365		
	Total	161,000	161			

a. Dependent Variable: Satisfaction Score

b. Predictors: (Constant), Social Experience Score, Behavioural Experience Score, Sensory Experience Score, Intellectual Experience Score, Emotional Experience Score

The significance value in the ANOVA test is under 5%, validating the linear regression under analysis.

Brand Experience Dimensions and Brand Loyalty

This analysis was conducted with the dependent variable being Brand Loyalty and the independent variables being the Five Brand Dimensions.

ANOVA^a

Model		Sum of Squares	gl	Mean Square	F	Sig.
1	Regression	96,261	5	19,252	46,392	,000^b
	Residual	64,739	156	,415		
	Total	161,000	161			

a. Dependent Variable: Loyalty Score

b. Predictors: (Constant), Social Experience Score, Behavioural Experience Score, Sensory Experience Score, Intellectual Experience Score, Emotional Experience Score

The significance value in the ANOVA test is under 5%, validating the linear regression under analysis.