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## **Evaluating Quality of Experience in Food Grocery Retail and its Impact on Satisfaction, Loyalty and Repurchase Intention**

Margarida Neto e Sá

Master in Management of Services and Technology

Supervisors:

Professor Ana Lúcia Martins, Assistant Professor, Department of Marketing,  
Operations and Management  
University Institute of Lisbon (Iscte)

Professor Madalena Ramos, Associate Professor, Department of Social Research  
Methods  
University Institute of Lisbon (Iscte)

October, 2020



BUSINESS  
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Department of Marketing, Strategy and Operations

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*“There were two ways to be happy: improve your reality, or lower your expectations”*

— Jodi Picoult



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The conclusion of this thesis is, unquestionably, one of the greatest and most challenging milestones I have achieved in my life, especially when considering the difficulty managing it alongside a full-time job. It also marks the end of my Master's degree, a period on which I will look back fondly.

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## RESUMO

À medida que os clientes do retalho alimentar se tornam mais exigentes, e que o número de empresas de serviço aumenta, torna-se um desafio para as empresas permanecerem competitivas. Atualmente, um retalhista deve prover o cliente com uma experiência de compras memorável, incorporando o conceito da Experiência do Cliente no foco do seu serviço.

Esta tese propõe-se a avaliar a Experiência do Cliente da perspectiva do consumidor para Retalhistas Alimentares em Portugal, especificamente o Continente e o Lidl. Foi utilizado o instrumento EXQ desenvolvido por Klaus e Maklan (2011), e posteriormente ajustado por Klaus (2015). Este estudo também avalia as relações entre Experiência do Cliente, Satisfação, Lealdade e Intenção de Recompra.

Este estudo utilizou um questionário online, que recebeu 311 respostas, e metodologias de análise quantitativas para responder à questão de investigação definida. A análise de dados envolveu análises descritivas, estatísticas de consistência interna e de correlação, testes de hipóteses, e regressões lineares (simples e múltiplas).

Os resultados sugerem que a Experiência do Cliente é avaliada em valores positivos moderados, para os retalhistas alimentares em Portugal considerados. As avaliações feitas pelos clientes à Satisfação, Lealdade, e Intenção de Recompra também foram moderadamente positivas.

Ao testar a influência da Experiência do Cliente na Intenção de Recompra, encontrou-se um efeito relacional positivo, decorrente principalmente da mediação ocorrida por efeito da Satisfação e da Lealdade.

Dentro do contexto explorado, o maior problema (e oportunidade de melhoria) é encontrado nas interações diretas cliente-funcionário. Especificamente, na falta de relações pessoais estabelecidas com os funcionários.

**Palavras-chave:** Intenção de Recompra; Lealdade; Qualidade da Experiência; Retalho Alimentar; Satisfação.

### **Sistema de Classificação JEL:**

L81 — Industry Studies: Services (Retail and Wholesale Trade • e-Commerce)

Y40 — Dissertations



## ABSTRACT

As food retailing customers become more demanding, and the number of service companies increases, the challenge to remain competitive grows. Nowadays, a successful retailer must provide the customer with a memorable shopping experience, embracing the concept of Customer Experience into their service core.

Given these circumstances, the present thesis proposes to evaluate the Customer Experience from the customers' perspective for Food Retailers in Portugal, specifically Continente and Lidl. For this purpose, the instrument EXQ presented by Maklan and Klaus (2011), and adjusted later on by Klaus (2015), was used. Another intent is the evaluation of the relationships between Customer Experience, Satisfaction, Loyalty, and Repurchase Intention.

This study resourced to an online questionnaire — gathering a total of 311 responses —, and to analytic quantitative methodologies, in order to answer its research question. The data analysis combined descriptive analysis, internal consistency and correlation statistics, hypotheses testing, and linear regressions (simple and multiple).

The results suggest that Customer Experience is evaluated at low yet positive values, for these Portuguese retailer chains. The evaluations by the customers concerning Satisfaction, Loyalty, and Repurchase Intention are also moderately positive.

When testing the influence of Customer Experience on Repurchase Intention, it was found that there is a positive relational effect, mainly through the mediation occurring in the effects from Satisfaction and from Loyalty.

Finally, within the explored context, the greatest pain point (and improvement opportunity) is found within the one-on-one customer-personnel interactions. Specifically, the lack of personal relationships with the staff of the retailer.

**Keywords:** Customer Experience; Food Retail; Loyalty; Repurchase Intention; Satisfaction.

**JEL Classification:**

L81 — Industry Studies: Services (Retail and Wholesale Trade • e-Commerce)

Y40 — Dissertations



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## INTRODUCTION

This chapter will present the topic for the thesis, along with a brief context, its motivation and its relevance. Furthermore, the general and specific objectives will also be determined, and the research question, methodology and scope will be defined.

### Contextualization

The worldwide economy is increasingly becoming a service economy, with the service sector representing 61.2% of Gross Domestic Product (GDP) in 2018 (The World Bank, 2020). In Portugal, the service industry represented 65.5% of the country's GDP in 2019 (The World Bank, 2020). Indeed, the level of representativeness of the service sector in a country's economy is currently a key indicator of its development stage (Lumenlearning, 2012).

As economies developed, and customers became increasingly demanding, a need to redefine the way that goods and services are delivered arose. In fact, the need for companies to deliver high quality services was exposed with the growing shift from a goods-dominant (G-D) logic (which focuses on the exchange of material goods, and represents services as a special good), to a service-dominant logic (S-D), where services are the foundation for all exchanges (Vargo & Lusch, 2006).

Discerning how to deliver high quality service is key for a more effective position in the marketplace (Parasuraman, Zeithaml, & Berry, 1988). In fact, research has proven the strategic importance of quality and its contribution to market share and return on investment (Anderson & Zeithaml, 1984; Phillips, Chang, & Buzzell, 1983).

However, the concept of Service Quality is incredibly complex, having been defined as subjective and context-dependent (Sliwa & O'Kane, 2011). Several authors have tried to define the construct, never reaching a concise notion of its characterisation, measurement or proper analysis. Furthermore, the measurement of Service Quality proves even more convoluted, given the process-based and interactive nature of services (Echeverri, 2005).

Nevertheless, it is vital to a firm's success and survival that its managers accentuate the provision of high quality service, and are able to evaluate it (Parasuraman, Zeithaml, & Berry, 1994), discern actions needed to improve upon the current service quality and, even more so, understand its drivers.

More recently, it was found that Customer Experience (CX) and Quality of Experience (QoE) are drivers of customers' satisfaction with the service being offered, being more focused in the form of service delivery and the overall experience, rather than just the outcomes associated (Klaus & Maklan, 2013). The creation of a positive customer experience, considering all direct and indirect customer-provider interactions, is a major competitive advantage, since experiences create unique added value to the customer, while increasing satisfaction, customer loyalty, perceived value and purchase intentions as proven by many authors (e.g. Klaus & Maklan, 2013; Lemon & Verhoef, 2016).

In a study by Accenture (2015), it was found that improving the customer experience topped the list when companies were asked of their business priorities for the following 12 months.

The Food & Grocery Retail market, part of the Retail and Wholesale industry and of the Services industry, includes all retail sales of food goods, beverages, tabaco, and household items (ReportLinker, 2020). In Portugal, this market had \$30.9bn of total revenue in 2017, and is concentrated in eight players — Sonae MC, Pingo Doce, Auchan, Lidl, Intermarché, Minipreço / Dia, E. Leclerc, and Aldi —, which collectively held 77% of the market share in 2017 (Jornal Económico, 2018a).

In this same year, Continente (Sonae MC) had 567 stores in Portugal (divided across hypermarket, supermarket and convenience formats) and also an e-commerce option; Lidl had 250 stores (in supermarket format) (Jornal Económico, 2018b). These players respectively held 21.9%, and 8.8% of market share (Jornal Económico, 2018b).

In a market such as this, driven by price-quality ratio competition (i.e., where customers shop and browse based on promotions and prices), loyalty and top-of-mind awareness are hard to achieve for its companies (The Consumer Goods Forum, 2018). It has been assessed that over 73% of Portuguese people tend to “shop around”, shopping in more than one supermarket chain (The Consumer Goods Forum, 2018).

The competitors which already have high market shares aim to maintain and increase them, preserving the value customers already perceive, and finding new ways to captivate them; and those who yield lesser market shares, must strive to differentiate themselves from the competition (KPMG, 2019). The crucial point is to leverage on the services offered, discovering ways to add value and differentiation, while also ensuring prices are controlled (KPMG, 2019).

Thus, food retailers must leverage on a series of differentiation factors, such as fresher products, private brands, ready meals, e-commerce, store environment, proximity, and services offered (KPMG, 2019). And, more than focusing solely on the products being displayed and their variety, the effort should be placed on finding ways to immerse the customer into the experience of shopping (KPMG, 2020). By doing so, retailers can attract and retain customers based on intrinsic values (i.e., the experience) that prove more enduring and distinctive than an easily duplicated price or variety differentiation (KPMG, 2020). Additionally, according to a study by Deloitte (2018), the future of retailing will lie on four major pillars: customer service, omnichannel presence, quality of products, and sustainably sourced materials with transparent supply chains.

This is consistent with the belief that the value added by services can provide competitive advantages, especially when the sold goods are recognised as commodities (Reinartz & Ulaga, 2008).

Therefore, evaluating Customer Experience in Food Retail will add to current literature by offering specific measurements for two major operators in Portugal — Continente and Lidl —, in addition to a relevant theoretical analysis of the impact of CX on other constructs — Satisfaction, Loyalty and Repurchase Intention.

According to Grönroos (1982), when a service provider knows how quality will be evaluated by the customers, it can begin to understand how to influence said evaluations in a desired form. Therefore, this thesis will attempt to understand how quality of experience is currently evaluated — with its multiple dimensions — and how it differentiates across the two players.

### **Research Question**

Considering the provided contextualization, the following research question was devised:

**Q1:** What is customers' perception of Quality of Experience in the Food Retailer Chains, and its impact on Satisfaction, Loyalty and Repurchase Intention?

### **General and Specific Objectives**

From the presented research question, the following general objective for this thesis is defined: Evaluating Quality of Experience (Customer Experience) in Food Retailers — Continente and Lidl — and its impact on Satisfaction, Loyalty and Repurchase Intention.

For this purpose, the following specific objectives for this thesis were laid out:

- Evaluate Customer Experience, along with its various dimensions, for the services rendered by the identified Food Retailers;
- Evaluate Satisfaction, Loyalty and Repurchase Intention from the perspective of Food Retail customers;
- Assess the impact of Customer Experience on Satisfaction, Loyalty and Repurchase Intention in the context of Portuguese Food Retail.

### **Methodology and Methods**

In order to investigate the presented research question, and thus investigate the relationship between the four presented constructs — Quality of Experience, Satisfaction, Loyalty and Repurchase Intention — in Portuguese Retailer Chains' customers, a questionnaire was created and conducted among customers of the market.

When reviewing Customer Experience literature, the tested instrument which most commonly arises and was most often tested over a variety of different contexts is EXQ, developed by Maklan and Klaus (2011). The instrument, initially evaluating CX based on four dimensions, has since been reconceptualized and narrowed down to three new dimensions by Klaus (2015), now presenting a greater relation to the reality of the customer journey. Since then, the new instrument has been subject to many tests across a broad variety of contexts. The current study will utilize this instrument for the measurement of CX, given literature's positive argumentation of its fitness for use in this context.

As for the other constructs analysed — Satisfaction, Loyalty and Repurchase Intention —, these have also been tested before, and each will be measured with already existing scales. Further detail on their measurement will be discussed later on.

When developing the questionnaire (Annex A), 47 items were used to assess the Quality of Experience (Customer Experience), Satisfaction, Loyalty, Repurchase Intention, and the characterization of the respondent.

For the measure of the constructs (Quality of Experience, Satisfaction, Loyalty, and Repurchase Intention), a seven-point Likert like scale (1 = “Strongly disagree” and 7 = “Strongly agree”) was employed.

For the data analysis, the advanced statistical analysis software IBM SPSS Statistics (version 26) was used, along with the Macro PROCESS v3.5 for SPSS, developed by Andrew F. Hayes.

## **Scope**

The scope of this thesis, which regards the Portuguese Food & Grocery Retail market, is defined within two distinct retailer chains: Continente and Lidl. These were selected due to their distinct market positionings.

## **Global Structure**

Given the previously research question and stated objectives, the present study is structured as follows:

- **Introduction:** Provides major guidelines for the present research. Includes a brief contextualization of the market being analysed, as well as what motivates this particular study. Furthermore, its purpose, general and specific objectives, research question, methodology, scope, and global structure are presented.
- **Literature Review:** Provides the theoretic background for the research conducted in this thesis and to support the development of hypotheses. Initially, the concept of Service Quality is presented, as a small contextualization of the crescent popularity of the Customer Experience construct. Following, the Customer Experience construct is presented, as well as its measurement and related constructs. The Satisfaction, Loyalty and Repurchase Intention constructs are also introduced, and analysed based on possible relationships with other constructs. Throughout the chapter, the theoretical findings that support the thesis’ hypotheses are also discussed. Furthermore, the conceptual model is presented.
- **Methodology:** Expands upon the study hypotheses presented in the previous chapter and describes the data collection, population, sampling and pre-testing methods and techniques. The methods used for the treatment and analysis of data are discussed.
- **Analysis and Discussion:** Presents the collected data and applicable analysis, as well as a brief discussion of the results.
- **Conclusions:** Presents the main conclusions, considering the fulfilment of proposed objectives and the confirmation or disconfirmation of the hypotheses created. Additionally, provides the thesis’ contributions, possible limitations and future research possibilities.

## 1. LITERATURE REVIEW

### 1.1. Introduction

The present section presents the theoretical background for the proposed thesis and the decisions regarding methodology. The literature review is divided into subsections, with the chapter beginning by addressing the construct of Service Quality — the precedent to Customer Experience. Then the construct of Customer Experience and its evolution are explored, as well as its measurement, its application to the retail sector, and its relationship with other constructs such as Customer Satisfaction, Loyalty, and Repurchase Intention. After, the construct of Customer Satisfaction is presented, and its measurement and relation to Loyalty and Repurchase Intention is discussed. The Loyalty construct is also addressed, along with its measurement and relation to Repurchase Intention. Finally, Repurchase Intention is discussed.

This thesis is structured to present its underlying hypotheses throughout the theoretical background explanation. The chapter will conclude with the presentation of the conceptual model for the thesis.

### 1.2. Service Quality – The Precedent to Customer Experience

In the late 1980s, the Total Quality Management (TQM) movement was initiated, as developed countries struggled to face off against the production power of China – high-quality goods at a competitive cost (Crosby, 1979; Dahlgaard, Kristensen, & Kanji, 2007). As quality began to be defined through customer requirements, its emphasis was widespread across the organization, with the focus of the movement placed on the provider, rather than on the value for the customer (Klaus & Maklan, 2013).

During the 1980s, with the growing role of the service sector in the economy, and with businesses seeking profitable ways to differentiate themselves, the achievement of quality in services became a major concern, and the interest in service quality increased exponentially (Zeithaml, Parasuraman, & Berry, 1985). Whereas quality in goods had been more easily defined and measured, due to the nature of services their quality becomes more complex to interpret (Zeithaml et al., 1985). This is due to the characteristics which services entail (Zeithaml et al., 1985):

1. *Intangibility*: Services are mainly intangible, being performances rather than objects, thus making precise manufacturing specifications difficult to set. Hence, most services cannot be stored, measured, inventoried, tested, or verified in advance of the sale (Parasuraman, Zeithaml, & Berry, 1985).
2. *Heterogeneity*: Each service provision will be a specific and unique combination of a series of factors, even the behaviour of the service personnel. Thus, its consistency is very difficult to assure, with the intended service maybe becoming entirely distinct from what was delivered concretely (Parasuraman et al., 1985).

3. *Inseparability*: As its production and consumption is mostly inseparable, quality occurs upon service delivery (Grönroos, 1988). Additionally, the more intense the interaction between the customer and the provider, the less control there is over quality (Parasuraman et al., 1985).
4. *Perishability*: Services cannot be stored for future use, as they only happen during provision. Notwithstanding, the customer can still benefit from the service's effects after the provision is concluded, depending on its circumstances.

As such, Service Quality is evidently harder to evaluate than goods quality, and more than being focused on the outcome of a service alone, it also entails the evaluation of the process and the service delivery (Parasuraman et al., 1985).

The construct has been the subject of many scholars' research; it is defined as the result of the comparison, made by the customer, between preconceived expectations and concrete perceptions of the actual service performance (Carauna, 2002; Grönroos, 1984; Parasuraman et al., 1985, 1988, 1994).

However, as Service Quality is an outgrowth of the TQM movement from the 1980s, it suffers from the very same "provider-focus", rather than an emphasis on the value derived by customers (Klaus & Maklan, 2013). Most recently, there has been a shift for the concept of Customer Experience, as it started replacing Service Quality.

### **1.3. Customer Experience**

In 1998, Pine and Gilmore wrote an article called "Welcome to the Experience Economy". In this article, the authors described how companies in different industries are moving beyond offering goods and services, to experiences. The authors further elaborate how, as companies found the need to reach more differentiated competitive position and progress their economic value, they started creating memorable events to engage each customer in a more unique way.

This shift from a goods-dominant (G-D) logic to service-dominant (S-D) logic exposed the need for companies to deliver high levels of quality, to achieve proper outcomes — such as customer satisfaction, loyalty and positive word-of-mouth, which in turn generate excess financial returns (Klaus & Maklan, 2012).

As S-D logic gained relevance, so did the proposition that value is a result of a customer-provider co-creation, aligned with the view that relationship experience is an interactive and longitudinal process (Payne, Storbacka, & Frow, 2008).

In 2007, Klaus and Maklan argued that current means to measure Service Quality — such as SERVQUAL — were no longer appropriate. Instead, they brought forth the concept of Experience Quality, which includes Service Quality but extends to the notion of Customer Experience.

Prior scholarship findings show that "people buy goods and services as a means to fulfil emotional, sensory and hedonic aspirations" (Maklan & Klaus, 2011, pp. 773), and therefore the focus of a customer lies on what is experienced during the acquisition, integration and deployment — what is the value-in-use (Maklan & Klaus, 2011).

In fact, as goods became commoditized, services started gaining more and more relevance, becoming the major piece of differentiation for a company (Klaus & Maklan, 2012). And following this, as services, too, became increasingly commoditized, customers started demanding more than just a competent service, but an experience which is “engaging, robust, compelling and memorable” (Gilmore & Pine, 2002, pp. 10).

Since then, the concept of Customer Experience has been the subject of much focus and research, as experience started replacing the topic of quality. As customers became increasingly demanding, companies needed to treat experiences as economic offerings which engage and create memories with customers (Pine & Gilmore, 2002). The customer’s service experience is seen as a process, rather than just an outcome; this is ever more noticeable when the customer becomes more engaged in the service being provided — i.e., the more interaction and co-creation exist (Bolton, Gustafsson, McColl-Kennedy, Sirianni, & Tse, 2014; Grönroos, 1998; Voss & Zomerdijk, 2007; Yang, Mao, & Peracchio 2012).

Customer Experience is defined as “the customers’ cognitive and affective assessment of all direct and indirect encounters with the firm relating to their purchasing behaviour” (Klaus & Maklan, 2013, pp. 228) and, unlike Service Quality, it assesses overall perceptions – not gaps to expectations. Furthermore, this holistic construct involves the customers’ cognitive, affective, emotional, social and sensory responses to the provider (Bolton et al., 2014; Verhoef et al., 2009).

This includes a dyadic perspective, which remarks Customer Experience as being created (Berry, Wall, & Carbone, 2006) or co-created (Payne, Storbacka, Frow, & Knox, 2009) through customer-provider touchpoints — “an episode of direct or indirect contact with a firm” (McColl-Kennedy, Zaki, Lemon, Urmetzer, & Neely, 2019, pp. 10) —, in which the two actors interact.

When a customer measures a Service Experience, he focuses on more than the individual service, but the purchasing experience as a whole — its overall value —, starting before and lasting further than the service encounter, and being transversal across all channels (Bolton et al., 2014; Klaus & Maklan, 2011; Klaus & Maklan, 2013; Verhoef et al., 2009; Voss & Zomerdijk, 2007). This implies a relationship view that stretches chronologically through every service encounter, rather than a single independent snapshot, and recording every interaction with the company, brand, service, and employees (Bolton et al., 2014; Lemon & Verhoef, 2016; Verhoef et al., 2009; Voss & Zomerdijk, 2007).

To manage the Customer Experience, the provider must understand the entirety of the customer journey, since their prior expectations to their posterior assessments (Bolton et al., 2014; Gentile, Spiller, & Noci, 2007; Meyer & Schwager, 2007; Neslin et al., 2006; Verhoef et al., 2009; Voss & Zomerdijk, 2007). Moreover, from a customer perspective, the importance of both emotions and cognitive responses at the several customer-provider touchpoints must be correctly understood, viewing Customer Experience as a journey, which comprehends a series of touchpoints (McColl-Kennedy et al., 2019; Voss & Zomerdijk, 2007).

Researchers advocate that Customer Experience is an important driver of commercial success, being able to create unique and sustainable competitive advantage (Bueno, Weber, Bomfim, & Kato, 2019; Edvardsson, 2005; Lemon & Verhoef, 2016).

Nevertheless, despite its relevance to both academia and businesses, literature shows that Customer Experience remains a complex and multi-layered concept (Berry, Carbone, & Haeckel, 2002; Bustamante & Rubio, 2017; Gentile et al., 2007; Helkkula, 2011; Meyer & Schwager, 2007; Pine & Gilmore, 1998). Helkkula (2011) developed a systematic literature review of 30 articles, finding a three-fold typology for characterizing the concept of Customer Experience:

1. *Phenomenological characterization*, which focuses on the individual — internal, subject, event-specific, and context-specific — experiences. It recognizes that the subjects of the experience can be any relevant actors in the service phenomenon, including employees. This characterization relates to the value discussion which is the pinnacle of S-D logic.
2. *Process-based characterization*, which centres Customer Experience on the architectural elements of the service-experience process, which are often referred to as “phases” or “stages”. The Customer Experience is then characterized by the chronological order of these phases.
3. *Outcome-based characterization*, which posits the Customer Experience as a single element in a model linking variables or attributes to outcomes. This characterization focuses on the immediate result of the experience, instead of the longitudinal process entailed.

Helkkula (2011) found that these three types of characterization are not necessarily mutually exclusive, but instead are complementary.

As said, despite the complexity of the construct, and the different approaches to characterize it, in the Service context authors defend that Customer Experience holds both internal and contextual components (Bustamante & Rubio, 2017), including the customer’s internal processes — cognitive, affective, and physical aspects — but also being determined by the customer’s interactions with other actors during the service encounter (Helkkula, Kelleher, & Pihlström, 2012).

Helkkula et al. (2012) conceptualized the term “value in experience”, as the valued experiences lived by a customer from a single service, extending beyond their current context, and onto prior and posterior experiences, and even the customer’s life context. They align this concept with a view that the value of a service lies not within the object of consumption, but the experience being offered.

Furthermore, the “value in experience” can go beyond the practically lived experience between customer-provider, with customers being able to experience value in their service as a result of indirect interactions, such as the stories, narratives, word-of-mouth, recommendations, reviews, or advertisements from other people (Meyer & Schwager, 2007). The customer might even incorporate imaginary experiences within the value in their experience (Helkkula, 2011).

In 2019, McColl-Kennedy et al. contextualized in post-purchase consumption in business-to-business settings, contributed to the Customer Experience (CX) management theory and practice by offering an original conceptual framework. This novelty framework recognizes CX as being comprised

of “*value creation elements*” (resources, activities, context, interactions, and customer role), “*cognitive responses*” (complains, compliments, and suggestions), and “*discrete emotions*” (joy, love, surprise, anger, sadness, and fear) at distinct touchpoints across the customer journey. The model created enables rich insights into customer behaviour, the detection of potentially vulnerable customers, and the identification of root causes for vulnerability and prevention of sales decreases. Furthermore, the authors highlight the importance of understanding CX as a journey — with multiple customer-provider touchpoints over the course of time, that are often complex.

Customer Experience is a journey, comprised over time of multiple customer-provider touchpoints, hence the grave importance of cognitive and emotional consumer responses (McColl-Kennedy et al., 2019). In fact, customers now interact with firms through countless touchpoints, across channels and media, making Customer Experience a lot more social (Lemon & Verhoef, 2016). In turn, to deliver a positive Customer Experience, the company must involve multiple business functions, and even external partners (Lemon & Verhoef, 2016).

Lastly, in an article by Kuppelwieser and Klaus (2020), the authors suggest that customers evaluate and perceive the Service Experience as an overall assessment, without discrimination between the meaning of different stages or dimensions, as opposed to the notion that customer experience is a multi-dimensional construction from the customers’ perspective (Lemon & Verhoef, 2016).

However, despite the popularity of the topic of Customer Experience, and the interest it arouses in businesses worldwide, its high complexity and multifaceted nature mean that Customer Experience research is still at a very premature stage (Lemon & Verhoef, 2016).

### **1.3.1. Customer Experience Measurement**

Given the conceptual divergences between Customer Experience and Service Quality, the Customer Experience construct requires its own corresponding measurement, to accurately capture its hedonic and complex nature (Klaus & Maklan, 2007).

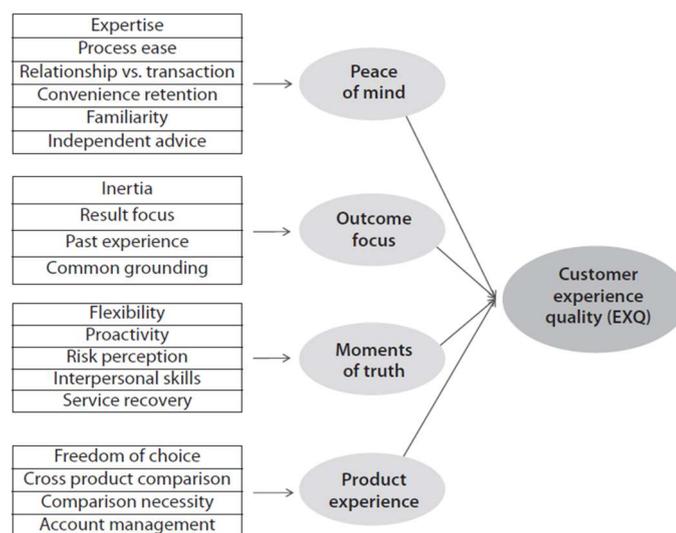
Klaus and Maklan (2013) highlighted that most firms used Customer Satisfaction, or the Net Promoter Score (NPS) — a derivative —, to assess and measure the Customer Experience. However, these measuring tools are not sufficient, with a lack of predictive power for Customer Satisfaction, as well as for Loyalty and for Recommendations.

Researchers understood that the Customer Experience should be the new focus of the organizations, as the key determinant in a customer’s Service Quality evaluation. Moreover, a scale needed to be developed, to evaluate the Service Experience, from the viewpoint of the customer, and based upon a broader and more comprehensive conceptualization (Verhoef et al., 2009).

Thus, researchers faced a challenge in the development of an adequate scale, which captured the richness of Customer Experience and enabled its measurement across a myriad of touchpoints (Lemon & Verhoef, 2016).

In 2011, Maklan and Klaus introduced a Customer Experience measure, the EXQ scale, which also tracked its key dimensions, as per Figure 1.1: *product experience*, *outcome focus*, *moments-of-truth*, and *peace of mind*.

- *Product experience*: Encompasses customers’ perception of available choices and their ability to compare offerings.
- *Outcome focus*: Regards the reduction of customers’ transaction costs, such as seeking out and qualifying new and alternative providers.
- *Moments-of-truth*: Represents the key interaction moments between customer and service provider, such as when complications arise, and the service needs to deal with them fast. It emphasizes the importance of service recovery and flexibility, when dealing with said complications.
- *Peace-of-mind*: Focuses the emotional aspects of the service and is based upon the perceived expertise of the service provision, as well as guidance throughout the process.



**Figure 1.1 - Customer Experience quality scale: dimensions and attributes**

(Source: Maklan & Klaus, 2011)

This scale aims to measure beyond Service Quality, validating the concept of Customer Experience and Service Experience, with its dimensions reflecting service experience perceptions.

The authors found that customers evaluate the experience at three distinct levels —*overall*, *dimensional*, and *attribute* —, with each level driving the perception of the level before.

In 2013, Klaus and Maklan defined the core tenants of measuring Customer Experience as the following: it must be assessed as an perception — not a gap to expectations; it is based on an overall value in use and not as a summation of individual service encounters; it entails a broader scope than SERVQUAL — with emotions and peer influences; the experience begins before the service encounters

and continues after; and the experience is assessed across channels and service encounters (Klaus & Maklan, 2013).

In this study, the impact of the Customer Experience on important marketing outcomes was examined extensively — defining the nature of Customer Experience, and its significant positive influence on Customer Satisfaction, Word-of-Mouth, and Loyalty.

The predictive power of the EXQ scale was tested, and the authors established that this scale explained and predicted Loyalty and Recommendations better than Customer Satisfaction (Klaus & Maklan, 2013).

Klaus and Maklan (2013) found that all four dimensions of Customer Experience quality — *product experience*, *outcome focus*, *peace-of-mind*, and *moments-of-truth* — have positive and significant impact on the previously referred marketing outcomes, thus validating the notion that customers' evaluation of Customer Experience goes beyond a single direct service encounter, but instead includes direct and indirect encounters across multiple touchpoints, organisational functions and channels. Curiously, in their findings, the dimension *peace-of-mind* holds the greatest influence on Customer Satisfaction and Word-of-Mouth.

Lastly, the findings of this study present a stronger relationship between Customer Experience and Loyalty Intentions, than between Customer Satisfaction and Loyalty Intentions. Thus, advocating that Customer Experience might present a better prediction for Loyalty than Customer Satisfaction, given its measure of a more holistic consumer construct, encompassing all direct and indirect provider interactions.

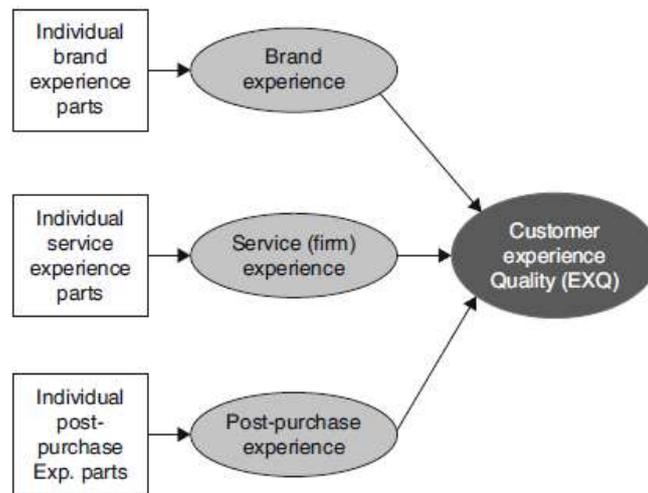
The EXQ scale allows the monitoring of the dimensions and attributes of Customer Experience, that in turn link to customers' assessment of Satisfaction, Loyalty and positive Word-of-Mouth Intentions, thus understanding the triggers to marketing outcomes.

It is important to note that in a systematic review of literature for Customer Experience in the service sector, by Bueno et al. (2019) it was found that, in regards to the measurement of Customer Experience, the dependant variables which appeared most often were Customer Satisfaction, Behavioural Intent (such as Repurchase Intention), and Loyalty.

The EXQ scale that Maklan and Klaus (2011) presented was used numerous times across B2C research contexts, such as financial services, tourism, retail, travel, hedonic services, and sports events (Kuppelwieser & Klaus, 2020).

In 2015, Klaus introduced an updated three-dimensional version of the scale. The research brought forth by the author established a link between Customer Experience Quality (measured by EXQ), Customer Behaviour (Share of Category, Loyalty, Word-of-Mouth, and Customer Satisfaction), and Profitability. The new three-dimensional scale, represented in Figure 1.2, was developed to represent the timeline of how customers assess the experience:

1. *Brand experience*: The pre-purchase experience, meaning the influence of all direct and indirect customer experiences prior to purchase, such as searching and evaluation.
2. *Service experience*: The customer experience resulting of all direct interactions with the provider, during selection and purchase.
3. *Consumption experience*: The post-purchase experience, including the evaluation and possible outcomes of customers' experience with the firm, after purchasing or consuming their offering.



**Figure 1.2 - Customer Experience quality scale dimensions**

(Source: Klaus, 2015)

The presented three dimensions are aligned with the notion of a customer journey — through the sequence of customer-provider touchpoints in order to obtain the service —, and provide empirical validation that Customer Experience is a wide — and not singular — evaluation of interactions with the company. Furthermore, it highlights the fact that, for a company to focus customer experience, it cannot only be concerned with the purchase encounter, but also with all pre-purchase and post-purchase experiences.

To represent the three dimensions, a preliminary scale consisting of 48 items was developed, and later, narrowed down to 25 items.

Later on, Kuppelwieser and Klaus (2020) took a step further in the application of the EXQ scale, by drawing on data from both a business-to-business and business-to-consumer study, to explore the scale's psychometric properties. Their findings managed to further generalize the EXQ scale, thus increasing the understanding of Customer Experience.

The authors further tested the scale's predictive validity, proving the vitality of EXQ in the measure of Customer Experience Quality, and also ensuring that its dimensions apply in both the B2B and B2C contexts.

Kuppelwieser and Klaus (2020) remark that the new conceptualization of the scale should be tested across a broader range of contexts, and that it would be beneficial to examine the scale's relation to marketing outcomes.

### **1.3.2. Customer Experience in the Retail Sector**

As customers became more demanding, low prices and innovative products stopped being enough to ensure proper customer satisfaction (Grewal, Levy, & Kumar, 2009). To compete more fiercely, businesses started focusing on creating and enhancing the customers' shopping experience (Grewal et al., 2009).

Grewal et al. (2009) highlighted several macro factors as impacting the retail environment and, in turn, shaping the Customer Experience, such as promotion, price, merchandise, supply chain, and location. All these macro factors are considered to create a superior Customer Experience and therefore result in higher Customer Satisfaction, more frequent shopping visits, larger wallet shares, and higher profits.

It is important to weigh that a retail store is not a "pure" service setting, entailing a mix of services and goods, and as the customer makes their way through the store, finding the desired merchandise, interacting with several store employees, and returning merchandise (Dabholkar, Thorpe, & Rentz, 1996), all of which can influence the customer's view of the experience being offered. Therefore, the measurement of Customer Experience must be adapted to better fit the retail environment.

### **1.3.3. Customer Experience and Customer Satisfaction**

Customer Experience measures a more holistic consumer construct than Customer Satisfaction, comprising all interactions between customer and provider — both direct and indirect —, instead of measuring a current state (Klaus & Maklan, 2013). For instance, an hotel stay being satisfactory for its client, does not mean that the overall experience — including the search, online booking, travel to the hotel, check-in, etc. — was equally appreciated by the customer (Klaus & Maklan, 2013).

Although Customer Experience and Customer Satisfaction are separate constructs, researchers have posed that Customer Experience drives and is a determinant of Customer Satisfaction (Bueno et al., 2019; Carauna, 2002; Maklan & Klaus, 2011; Klaus & Maklan, 2013). Ergo, creating a meaningful Customer Experience results in Customer Satisfaction.

It is even argued that small details of a Service Experience (or even critical incidents) can stimulate arousal and pleasure in the customer, leading to higher levels of Customer Satisfaction (Bolton et al., 2014; Oliver, 1999). Indeed, research has shown that a customer's assessment of Customer Experience influences key outcomes, such as Customer Satisfaction (Bolton, Lemon, & Verhoef, 2004; Lemon & Verhoef, 2016). In fact, in 2013, Klaus and Maklan led a study that proved this hypothesis — customers' Experience perceptions hold large influence on Customer Satisfaction for services —, even showing that two-thirds of the variance in Satisfaction was explained by the Customer Experience assessments.

Whereas companies have extensive knowledge of their customers' buying habits, incomes and other characteristics used to classify them, it is the knowledge of the subjective experiences being offered and the interaction that the customer has with different organizational functions, that truly determines Customer Satisfaction. That is to say, that customers' thoughts, emotions, and state of mind, upon interacting with the provider, the brand and the service being offered — i.e., the Customer Experience — shape Customer Satisfaction (Meyer & Schwager, 2007).

Therefore, the following hypothesis is presented:

**H<sub>1</sub>:** *Customer Experience has direct positive influence on Satisfaction.*

#### **1.3.4. Customer Experience and Loyalty**

As providers focus evermore on the importance of Customer Experience, with its holistic nature making for a more sustainable competitive advantage, it can be found that a strong positive Customer Experience — hoisted on functional and emotional benefits — is likely to strengthen Customer Loyalty (Berry et al., 2002; Pine & Gilmore, 1998).

Researchers have found that Service Quality is not sufficient to create sustainable brand Loyalty, as it is more easily mimicked by other providers (Bolton et al., 2014). However, a service experience which engages and delights customers, even with small details, is far more successful in establishing brand Loyalty (Bolton et al., 2014).

Moreover, in their 2016 study, Lemon and Verhoef highlight how prior research has suggested that Customer Experience influences Customer Loyalty. In a study by Klaus and Maklan (2013), the hypothesis that Customer Experience had significant impact on Loyalty Intentions was tested and validated, and it was found that Customer Experience has a greater total effect on Loyalty than Customer Satisfaction does.

Seemly and suitable experiences will encourage Customer Loyalty, not merely through functional design alone, but also via the emotional connection that is evoked through their context (Pullman & Gross, 2004).

Thus, in creating a Customer Experience, which entails the connection with employees, the brand, and the organization, Customer Loyalty can be increased (Voss & Zomerdijk, 2007). Customer engagement and the development of emotional connections, enhances the Customer Experience, becoming more personal, positive and memorable, thus increasing Loyalty feelings (Voss & Zomerdijk, 2007).

Understanding, managing, and delivering a successful Customer Experience, in order to sustain Customer Loyalty, becomes increasingly crucial in a service context suffering from the pressures of commoditization, globalization and market saturation in developed country, as is the case of Portugal (Mascarenhas, Kesavan, & Bernacchi, 2006).

Thus, originates the following hypothesis:

**H<sub>2</sub>:** *Customer Experience has direct positive influence on Loyalty.*

### **1.3.5. Customer Experience and Repurchase Intention**

Gentile et al. (2007) advocate that the whole experience, comprised of a set of interactions between the customer and the company — i.e., Customer Experience —, plays a fundamental role in determining customers' preferences and, consequently, influences their purchase decisions. Whereas classical economic theory regards the consumer as a logical being, whose purchase decisions are determined in a rational manner, more recent literature defends that the intangible elements — linked to the emotional and irrational behaviour of the customer — are more crucial to these decisions (Gentile et al., 2007).

In 2011, when first constructing the EXQ scale, Maklan and Klaus also found the association between Customer Experience and Repurchase Intention noteworthy, with their findings supporting the notion that the overall Service Experience, and its various dimensions, has high impact on Repurchasing behaviour.

This originated the following hypothesis:

**H<sub>3</sub>:** *Customer Experience has direct positive influence on Repurchase Intention.*

In 2004, Bolton et al. proposed a framework of comprehensive assessment for customer assets. In their work, the authors found that Customer Satisfaction with prior experiences has an important effect on customers' Purchase behaviour.

Seiders, Voss, Grewal, and Godfrey (2005) developed a study which conceptualized a moderated Satisfaction-Repurchase behaviour relationship. While this relationship was modelled to be moderated by customer, relational, and marketplace characteristic, it is still relevant to consider how the authors contemplated Customer Satisfaction as a cumulative, global evaluation based on experiences with a firm over time (i.e., the result of Customer Experience). Although the authors used a moderating model — not mediator —, they highlight how past research has hypothesized Satisfaction as a mediator.

Thus, the following research hypothesis was formulated:

**H<sub>3.1</sub>:** *Customer Experience has positive influence on Repurchase Intention, mediated by Satisfaction.*

According to Voss & Zomerdijk (2007), compelling Customer Experiences are a crucial factor for influencing Customer Loyalty, and further make customers more likely to repeat purchases (i.e., Repurchase Intention).

As such, the following research hypothesis is presented:

**H<sub>3.2</sub>:** *Customer Experience has positive influence on Repurchase Intention, mediated by Loyalty.*

#### **1.4. Customer Satisfaction**

Various scholars, such as Cronin and Taylor (1992), identified within service literature some confusion regarding the distinction between the constructs of Service Quality and Consumer Satisfaction. Typically, Customer Satisfaction and Service Quality are often conceptualized as attitudinal judgements, with either confirmation/disconfirmation or service attributes as its key determinants (Parasuraman et al., 1994). In Cronin and Taylor's (1992) study, Satisfaction is measured as the overall impressions of Service Quality attributes by the customer.

Efforts were made to clarify the distinction between the constructs, showcasing in a first stage, that Customer Satisfaction is a result of Service Quality (Parasuraman et al., 1985; Parasuraman et al., 1988); and later demonstrating, instead, that Customer Satisfaction is indeed an antecedent of Service Quality (Bolton & Drew, 1991). In fact, Bolton and Drew (1991) posit that Satisfaction is an entirely different construct, which mediates prior perceptions of Service Quality, in order to form current perceptions of the later.

Later on, in 1992, Cronin and Taylor provided empirical support to the work of Parasuraman, Zeithaml, and Berry (1985, 1988), and the notion that Perceived Service Quality leads to Satisfaction. Furthermore, they showed that Customer Satisfaction has a greater effect on Purchase Intentions than Service Quality, thus bringing a notion that managers need to emphasize total satisfaction programs, rather than centring their strategies on service quality.

The expectation/disconfirmation theory (Oliver, 1980; Zeithaml et al., 1988), provides the grounding for the majority of Satisfaction research, entailing four different constructs: *expectations*, *performance*, *disconfirmation* and *satisfaction*. It views Satisfaction as the discrepancy between prior expectations and perceived performance after consumption. In this light, Customer Satisfaction is a decision made by the customer, following the service encounter and the Customer Experience (Bolton & Drew, 1991; Cronin & Taylor, 1994; Oliver, 1980; Parasuraman et al., 1988).

In fact, Lemon and Verhoef (2016) identify Customer Satisfaction as being the result of a comparison of provider performance with customer expectations — an outcome of the disconfirmation (positive or negative).

Giese and Cote (2000) attempted to define the construct of Satisfaction, given its lack of consensus. When doing so, the authors arrived at the conclusion that Customer Satisfaction is a summary affective response, with varying intensity; this response is specific to a certain encounter/product choice/purchase/consumption; and that the response occurs at a particular time and varies by situation, albeit usually limited in duration. Concretely, they describe customer satisfaction as “a summary

affective response of varying intensity, with a time-specific point of determination and limited duration, directed toward focal aspects of product acquisition and/or consumption.” (Giese & Cote, 2000, pp. 15).

Research studies, such as Cronin and Taylor (1992) and Oliver (1980), suggest that the customer’s perceptions of Service Quality influence their Satisfaction, which in turn influences their Loyalty and post-purchase behaviours (e.g., Repurchase Intention).

It is no wonder why the thematic of Customer Satisfaction strikes such interest in companies, as it was shown by Fornell, Mithas, Morgeson III, and Krishnan (2006) that investments on Customer Satisfaction produce sizeable excess financial returns, while also upsetting the basic financial principle that high return assets carry high risks.

#### **1.4.1. Customer Satisfaction Measurement**

Dagger, Sweeney, and Johnson (2007) developed and empirically validated a hierarchical scale for the measurement of service quality, set within the context of the Health sector. The authors were able to assess the scale’s capacity to predict service outcomes, such as Customer Satisfaction. The scale was developed in the context of oncology clinics, a service provision which entails high-involvement and high-contact. The measures utilized by the authors for the Satisfaction construct were comprised of five items, derived from Oliver’s (1997) satisfaction scale.

In 2013, Klaus and Maklan adapted a scale to measure Customer Satisfaction, based on the work developed by Dagger et al. (2007). This scale allowed the authors to not only measure Customer Satisfaction, but to understand the relationships between this variable, Customer Experience, Loyalty and Word-of-Mouth intentions, much in accordance with what this thesis sets out to do.

#### **1.4.2. Customer Satisfaction and Loyalty**

Researchers have found that Customer Satisfaction is a direct antecedent of Customer Loyalty (Bolton et al., 2014; Fornell, Johnson, Anderson, Cha, & Bryant, 1996; Hult, Sharma, Morgeson III, & Zhang, 2019; Oliver, 1999; Voss & Zomerdijk, 2007), as customers that are satisfied with prior experiences with the engaging provider are more likely to remain loyal. In contrast, when customers feel dissatisfied, it is more likely that they switch providers.

Whereas these constructs are linked inextricably, to the agreement of both practitioners and researchers, this relationship has been deemed as asymmetric — with Satisfaction being a necessary step in the formation of Loyalty (Oliver, 1999). Moreover, it is important to note that the effect of Satisfaction on Loyalty is complex and nonlinear (Oliver, 1999).

In fact, Customer Satisfaction is a commonly assumed prerequisite for Loyalty, with several studies finding that Satisfaction is often a leading factor in determining Loyalty (e.g. Fornell et al., 1996). In the study led by Klaus and Maklan (2013), this hypothesis was tested, and the authors found that Customer Satisfaction does influence significantly the customers’ behavioural intentions (i.e., Loyalty).

Nevertheless, it is also found that satisfied customers are not necessarily always loyal customers (Gremler & Brown, 1996).

Taking this into consideration, the following research hypothesis arises:

**H<sub>4</sub>:** *Satisfaction has direct positive influence on Loyalty.*

The concepts of Customer Satisfaction and Loyalty, despite distinct (Oliver, 1980), are recognised by academia as related to one another (Carauna, 2002).

According to the results of a study developed by Carauna in 2002, Customer Satisfaction plays a mediating role in the effect of Service Quality on Loyalty. In fact, the expectancy/disconfirmation paradigm provides further ground for this, as Service Quality is seen as an antecedent to Customer Satisfaction, and Customer Loyalty as its outcome.

As there has been a shift from the concept of Service Quality to the more holistic construct of Customer Experience, it is rather interesting to test if the same occurs in these circumstances: Customer Satisfaction should play a mediating role in the effect of Customer Experience on Loyalty.

Furthermore, just as researchers linked Customer Experience to Customer Loyalty directly (Mascarenhas et al., 2006), others have hypothesized that this relationship can also be established indirectly, via Customer Satisfaction (Klaus & Maklan, 2013; Pullman & Gross, 2004).

With the increasing competition, providers must design and manage innovative Customer Experiences, to develop Loyalty. According to Pullman and Gross (2004), although there is a relationship between the service elements and Customer Loyalty, it appears that emotional responses play a mediating factor in this relationship.

For the study by Pullman and Gross (2004), the emotional responses considered fell within two distinct categories, *basic emotions* — which relate to overall satisfaction, such as comfort, relaxation, happiness, pamper, entertainment, amusement, excitement and satisfaction itself — and *esteem emotions* — which relate to what is expected from a luxurious and status-seeking environment, such as sophistication, privilege, importance, inspiration, and curiosity.

Pullman and Gross (2004) found that basic emotions — ergo, Satisfaction emotions — had a strong mediating role in the way the experience design elements affect Customer Loyalty.

Therefore, H2.1 is considered a relevant research hypothesis:

**H<sub>2.1</sub>:** *Customer Experience has positive influence on Loyalty, mediated by Satisfaction.*

### **1.4.3. CUSTOMER SATISFACTION AND REPURCHASE INTENTION**

Associated to that which is found for Loyalty, so too does Customer Satisfaction weigh and positively influence customers' Repurchase Intention. In fact, both constructs (Loyalty and Repurchase Intention) often appear directly correlated.

According to Bolton and Drew (1991), Customer Satisfaction is characterized as the surprise a customer experiences after the service encounter, which can be considered to influence the customer's purchase intentions and behaviour. Later, in 1992, an empirical analysis, led by Cronin and Taylor, supported that Satisfaction has a significant effect on Purchase Intentions, with a stronger and more consistent effect on the later than Service Quality. This led the authors to believe that perhaps it is not that customers want to buy the highest quality service, but that other factors such as convenience, price, or availability — which influence satisfaction — play a more major part in influencing customer repurchase intents, while not affecting their perception of quality.

In a specific context for services, the study conducted by Chen (2008), which intended to examine the relationships between Service Quality, Perceived Value, Satisfaction, and Behavioural Intentions in an Airline context, found that overall Satisfaction has direct influence on passengers' Behavioural Intentions.

According to Cronin, Brady, and Hult (2000), the customer decision-making process for services is a complex system, incorporating both direct and indirect effects on behavioural intentions. In their study, it was found that Service Quality affects the perception of Value and Satisfaction, as well as Behavioural Intentions directly.

In 2012, Noyan and Simsek, utilizing their model of customer Repurchase Intention applicable to retailing, found that Satisfaction had important influence on Repurchase Intention.

Katsikeas, Morgan, Leonidou, and Hult (2016) defend that the greater the number of customers that perceives a firm's offerings positively, in accordance to their consumption needs, the more likely the customers will actually purchase from the firm, and that they become satisfied by their purchase and engage in positive post-purchase behaviours (e.g., repurchase).

Thus, the following research hypothesis is considered:

**H<sub>5</sub>:**            *Satisfaction has direct positive influence on Repurchase Intention.*

## **1.5. LOYALTY**

Although Customer Satisfaction is, unquestionably, very important, loyal customers — who repeat their purchases and remain with the service provider — are the key to the service provider's success. And the measure of Satisfaction by itself cannot truly express if the customer intends to remain loyal. A loyal customer can amount to an increase in profits and in overall firm value — with repeat purchase and even word-of-mouth.

The initial research on Loyalty, focused on “brand loyalty”, measured the construct in terms of outcome characteristics — the behavioural outcomes, rather than any inner consideration in the customer's minds (Jacoby, 1971). Posterior to this, a conceptualization of “brand loyalty”, now involving behavioural and attitudinal components, was developed by Jacoby (1971).

Furthermore, in more recent studies, a new aspect of Loyalty was discerned — “cognitive loyalty” —, a higher-order dimension, which entails the customer's conscious decision-making process when

evaluating alternative brands, before the purchase. As brought forth by Gremler and Brown (1996), Loyalty to tangible goods is more often examined than to service organisations — referred to as “service loyalty”. The reason for such lying within the very nature of services, as their quality is more difficultly assessed, and even if a customer is indeed satisfied by what was conveyed, it is hard to ensure that the exact same service level will be provided upon the next purchase — which is most noticeable in high contact services, but is transversal to all services nonetheless.

According to the authors, “service loyalty is the degree to which a customer exhibits repeat purchasing behaviour from a service provider, possesses a positive attitudinal disposition toward the provider, and considers using only this provider when a need for this service arises” (Gremler & Brown, 1996, pp. 173). This same construct includes three dimensions of Loyalty: *behavioural* (e.g. repeating purchase), *attitudinal* (e.g. preferences and intentions) and *cognitive* (e.g. top-of-mind awareness, first-choice).

The discussion brought by Zeithaml (1981) suggests that loyalty bonds with clients are more easily created by service providers, than by suppliers of tangible goods; Loyalty is more prevalent within service consumers than goods consumers; the greater the risk from a service that a customer perceives, the greater the dependency on Loyalty; and customers may exhibit loyalty to nurture a satisfying relationship with the provider. The greater occurrence of in-person interactions, which is one of the characteristics of services — referred to as “interpersonal bonds” by Gremler and Brown (1996) —, also provides further opportunities for Loyalty to be developed (Parasuraman et al., 1985).

Customer Loyalty proves a vital concept to any business, and one of the most crucial constructs relating to services. Indeed, Customer Loyalty has been shown to have a final effect on Repurchasing Intentions of customers, and it has been shown that Customer Satisfaction plays a mediating role in the effect that Customer Satisfaction has on service Loyalty (Carauna, 2002).

According to Carauna (2002), although Loyalty is an interesting construct within the field, there is still considerable room for further research on its role within other variables, such as Service Quality and Customer Satisfaction.

### **1.5.1. Loyalty Measurement**

Zeithaml, Berry, and Parasuraman (1996) developed a conceptual model of the impact of Service Quality on behavioural intentions, such as Loyalty. In doing so, the authors utilized a 13-item battery to gauge behavioural intentions, out of which five items concerned Loyalty. The Loyalty items exhibited consistent patterns of loading across the four companies to which they were applied, with excellent internal consistency.

In a 2005 article, Parasuraman, Zeithaml, and Malhotra explored the nature and extent of the impact of Service Quality on customers’ perceptions of Quality and Value, as well as their Loyalty intentions. The study measured Loyalty intentions utilizing a five-item behavioural loyalty scale, in line with what was developed by Zeithaml et al. (1996), and was applied in an e-commerce context.

Later on, in 2013, Klaus and Maklan utilized the same five-item scale to measure the relation between Customer Experience and its related variables, assessing and validating the reliability of the scales. In doing so, the authors tested the relationships between Customer Experience, Loyalty, Satisfaction and Word-of-Mouth, much in line with the study to be developed on this thesis.

### **1.5.2. Loyalty and Repurchase Intention**

In a 2002 article, Caruana emphasizes that Loyalty, despite having a considerable effect on Repurchasing Intentions, has received little attention from academia researchers.

Pullman and Gross (2004) created a model of antecedents and outcomes of Customer Loyalty in hospitality experience design. Within this model, the authors depict the outcome of Loyalty behaviour as being two-fold: Repurchase Intent and Recommendation to others.

In this sense, the following hypothesis is proposed:

**H<sub>6</sub>:** *Loyalty has direct positive influence on Repurchase Intention.*

### **1.6. Repurchase Intention**

Repurchase Intention is the consumer's judgement about their intention to buy again from a designated service provider, taking into account their individual circumstances (Noyan & Simsek, 2012). It is a self-reported likelihood of engaging in future repeated purchase behaviour (Seiders et al., 2005).

Marketing literature often identifies Repurchase Intention, alongside Loyalty, as one of the main outcomes of Customer Satisfaction. It is however important to state that many of the studies led in this area measure Repurchase Intention, rather than objective repurchase behaviour — thus failing to explain the prevalence of satisfied customers who defect and dissatisfied customers who do not (Seiders et al., 2005).

Seiders et al. (2005) sought to dispute the fundamental assumption that satisfied customers repurchase more and are, thus, more profitable. Whereas most scholars focused their studies in Repurchase Intent, Seiders et al. (2005) measured concrete Repurchase Behaviour. Applied to the speciality retailing context, the study found that Satisfaction does indeed hold a strong positive effect on Repurchase Intention, but no direct effect on Repurchase Behaviour.

The authors found that customer and marketplace characteristics — customer involvement, customer household income, competitive intensity, and convenience of offering — play significant moderating roles in the relationship between Customer Satisfaction and Repurchase Intention, and that relation factors — relationship age and relationship programme participation — have a positive direct influence on Repurchase Behaviour, but not on Intentions.

Therefore, it can be said that Satisfaction alone cannot predict actual Repurchase Behaviour, which will be an hinderance to consider with any result which measures Repurchase Intention and not Behaviour.

### 1.6.1. Repurchase Intention Measurement

Noyan and Simsek (2012) built a Repurchase Intention model applied to the Turkish retailing sector, collecting data from 1,530 customers from 102 distinct supermarkets. The model developed by the author, among other purposes, served to test the cause-and-effect relationship between Customer Satisfaction and Repurchase Intention.

In 2018, Graciola, Toni, Lima, and Milan developed a paper to address the impact of store price image on Repurchase Intention, applied to the context of South Brazilian supermarkets. To that end, the authors developed a comprehensive model to better understand the determinants of Repurchase Intention, and the moderating effects of price sensitivity and price level. The study analysed the relation of various constructs with Repurchase Intention, which in turn were measured through five items developed by Noyan and Simsek (2012).

### 1.7. Conceptual Model

The research hypotheses presented across this chapter, compose the following conceptual model, as presented in Figure 1.3.

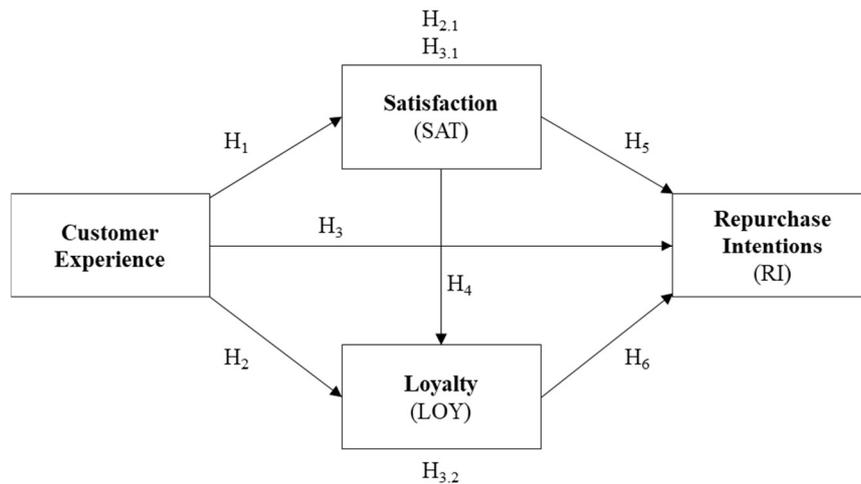


Figure 1.3 - Conceptual Model

## 2. METHODOLOGY

### 2.1. Introduction

This chapter will initially present the research hypotheses that were brought forth within Chapter 1. Following this, the engaged methodology will be presented, and the operationalization of the model. Finally, the data collection methodology will be explained, along with the tools that will analyse and attempt to validate the research hypotheses.

### 2.2. Research Hypotheses

Across the Literature Review (Chapter 1), nine research hypotheses were presented, which were created for the validation of certain assumptions, to be applied in the scenario of Portuguese Food Retail (specifically, for the retailer chains Continente and Lidl). Those hypotheses are presented in Table 2.1.

**Table 2.1 - Research Hypotheses**

<b>H<sub>1</sub>:</b>	Customer Experience has direct positive influence on Satisfaction.
<b>H<sub>2</sub>:</b>	Customer Experience has direct positive influence on Loyalty.
<b>H<sub>2,1</sub>:</b>	Customer Experience has positive influence on Loyalty, mediated by Satisfaction.
<b>H<sub>3</sub>:</b>	Customer Experience has direct positive influence on Repurchase Intention.
<b>H<sub>3,1</sub>:</b>	Customer Experience has positive influence on Repurchase Intention, mediated by Satisfaction.
<b>H<sub>3,2</sub>:</b>	Customer Experience has positive influence on Repurchase Intention, mediated by Loyalty.
<b>H<sub>4</sub>:</b>	Satisfaction has direct positive influence on Loyalty.
<b>H<sub>5</sub>:</b>	Satisfaction has direct positive influence on Repurchase Intention.
<b>H<sub>6</sub>:</b>	Loyalty has direct positive influence on Repurchase Intention.

### 2.3. Model Operationalization

In order operationalize the model presented in Chapter 1 (refer to Figure 1.3), a questionnaire was developed which was structured with five parts: (i) Customer characterization, encompassing six profile questions; (ii) Customer Experience (EXQ) (Klaus, 2015); (iii) Satisfaction (Oliver, 1997); (iv) Loyalty (Zeithaml et al., 1996); and (v) Repurchase Intention (Noyan & Simsek, 2012).

In the initial stage, respondents were asked to select the retailer chain they most frequently visit (Continente or Lidl), as well as their age — so that only adult respondents are considered — and some characteristics of use. The questionnaire is meant to be answered in accordance to the indicated retailer chain.

For the evaluation of Customer Experience, the adjusted EXQ scale developed by Klaus (2015), and further validated by Kuppelwieser and Klaus (2020), was used with slight adaptations to better fit

the context of Food Retail in its 25 items, across three dimensions. Table 2.2 represents how the different EXQ dimensions were applied to the current context.

**Table 2.2 - EXQ measure dimensions and questionnaire application**

<b>Dimension</b>	<b># items</b>	<b>Description</b>
<b>Brand Experience (BRE)</b>	7 items (1 to 7)	Includes the experiences of the customer with the retailer chain prior to the actual purchase, such as their view and perception of the company, the people there employed, and the products and services being offered.
<b>Service Provider Experience (SPE)</b>	11 items (8 to 18)	Includes the experiences which result from customer-provider direct interactions, during selection and purchase. These include how employees interact, the customer service being provided, the facility layout and efficiency, and the flexibility being offered.
<b>Post-purchase Experience (PPE)</b>	7 items (19 to 25)	Includes the experiences that come after purchasing the offerings of the retailer chain, such as the feelings from being a client, the dealings with the company when anything goes wrong, and the information provided by the company post-purchase.

A subsequent five items were utilized as a part of the questionnaire to assess Satisfaction. The statements for the items originated from Klaus and Maklan (2013), as derived from Oliver's (1997) Satisfaction scale. The questionnaire also included a part for the measurement of Loyalty, with its five items originating from Klaus and Maklan (2013), which in turn were based on Parasuraman et al.'s (2005) scale. Another five items measure Repurchase Intention, from the work of Graciola et al. (2018), which utilized the scale by Noyan and Simsek (2012).

Across these forty items, the questionnaire used a seven-point Likert scale (with the following anchors: 1 = "Strongly disagree" and 7 = "Strongly agree"), and the items appeared in a random order.

The questionnaire included a final part consisting of a set of questions, to characterize the sample according to socio-demographic characteristics, other than age.

#### **2.4. Definition of Characterization Variables**

The questionnaire was developed with the following characterization variables.

*Age* was a free input variable, between the integer numbers 18 and 100. The age input variable started at a minimum of 18 years old, to consider only adult respondents.

Respondents were required to select the retailer chain which they visited most often for regular shopping (*Preferred retailer chain*), be it that only the options Continte or Lidl were available, given the scope of the study.

*Relationship age*, representing how long the respondent has been a client of the retailer chain, was categorized into five levels: less than a year; 1 to 2 years; 2 to 3 years; 3 to 5 years; and more than 5 years. Respondents were asked to indicate if they owned any loyalty cards from the retailer chain (*Loyalty card*), which represents a simple binomial (“yes” or “no”) variable.

*Gender* appears as a categorical variable (with its options “Female”, “Male”, and “Rather not say”). Respondents were also asked to indicate the number of people composing their household, themselves included (*Household size*).

Finally, *Level of education* appears with eight distinct levels: Basic Studies (4 years); Basic Studies (6 years); Basic Studies (9 years); High School (12 years); Bachelor; Postgraduate; Master; and Doctor.

## **2.5. Data Collection Methodology**

Prior the application of the questionnaire for data collection, ideally it should be tested, to identify possible flaws or improvement opportunities, to incorporate into the final survey (Churchill, 1979).

The methodology in this thesis applied this concept, with the pre-test being conducted via online survey to ten respondents (customers of the retailer chains), between the 8<sup>th</sup> and 9<sup>th</sup> of June, 2020. The issues and recommendations brought forth by the respondents — mainly regarding text clarity, vocabulary and order of certain items —, were adjusted prior the official launch of the questionnaire.

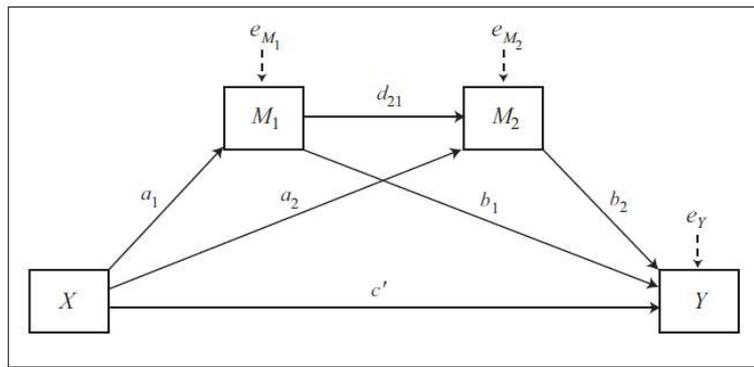
Finally, the questionnaire was released online, through a link which was shared online and through social media. From the 10<sup>th</sup> of June until the 17<sup>th</sup> of July the questionnaire gathered 311 responses, out of which 2 were removed due to inconsistent responses. Respondents were required to be at least 18 years old, and to have visited either Continente or Lidl within the last six months.

It is important that the questionnaire’s nature is considered with its possible limitations, as it is an online survey, and therefore the respondents were not selected individually to represent the reality of the Portuguese population. Furthermore, the sample is not representative for the overall population, or for Continente or Lidl’s client base or market.

## **2.6. Data Analysis Tools**

The data will be analysed, posterior to data collection, utilizing the IBM SPSS software (version 26). This entails an initial descriptive analysis to characterize the gathered sample. Then, the internal consistency of the scales used for the constructs will be tested using Cronbach’s Alpha. Following, the hypotheses presented during Chapter 1 will be tested using simple and multiple linear regressions.

The model proposed (Chapter 1.7.) resembles a serial multiple mediator model (Hayes, 2013), with an antecedent variable (Customer Experience) influencing a consequent variable (Repurchase Intention) both directly and indirectly, through two distinct mediators (Satisfaction and Loyalty), with one mediator influencing another.



**Figure 2.1 - Statistical Diagram of the Serial Multiple Mediator Model**

(Source: Hayes, 2013, pp. 145)

The model represents three indirect effects and one direct effect linking X to Y. For the indirect effects, these are estimated by the product of the regression weights linking X to Y through at least one M (e.g.,  $a_1b_1$ ). The total effect of X on Y can be calculated through the sum of all direct and indirect effects ( $c = c' + a_1b_1 + a_2b_2 + a_1d_{21}b_2$ ).

Hayes (2013) created the Macro PROCESS for SPSS and SAS, a computational tool for path analysis-based moderation and mediation analysis. The tool allows the estimation of regression coefficients, standard errors, *t* and *p*-values, and confidence intervals. PROCESS can calculate direct and indirect effects in mediation effects. Thus, for the testing of hypotheses through linear regressions, the Macro PROCESS will be used.

## 2.7. Conclusions

This chapter described the main methodologies used throughout this study to enable the testing of the research hypotheses and question. Summarily, the research hypotheses were formalized, against the backdrop of the knowledge drawn from the literature review.

Given the hypotheses stated, a questionnaire was developed to be shared online, including the constructs of Customer Experience, Satisfaction, Loyalty and Repurchase Intention. The questionnaire underwent a pre-test period, to fine tune its contents for enhanced data collecting, according to respondents' commentaries. Posterior to the pre-testing, the questionnaire was launched online in its final format. A total of 311 responses were collected.

The present chapter also described the data analysis tools that will be used for the investigation of the established research hypotheses.

### 3. ANALYSIS OF RESULTS

#### 3.1. Introduction

Along this chapter, the results of the analysis will be presented, such as the evaluation of Customer Experience in the Portuguese Food Retail market, and the relation of this construct with other variables — Satisfaction, Loyalty and Repurchase Intention. The chapter will start with a sample characterization, followed by an evaluation of the constructs in both retailer chains. Finally, the research hypotheses will be tested, through simple and multiple linear regression using Hayes' Macro PROCESS.

#### 3.2. Sample Characterization

To characterize the profile of respondents, the variables *Age*, *Gender*, *Household size*, *Education level*, *Preferred retailer chain*, *Relationship age*, and *Loyalty card* were used. The sample characterization with each of these variables can be seen in Table B.1.

For the variable *Gender*, in a total sample of 309 respondents, 66% were Female and 1% would rather not divulge this information.

The variable *Age* presented a minimum value of 18, and a maximum of 79, with a mean of 40.7 and standard deviation of 14.2. The majority of respondents (66%) were between 25 and 54 years old. Oppositely, only 17% of respondents were younger than 24 years old, and 17% were between the ages 55 and 79 (maximum recorded age). Only 16 individuals were over 64 years old.

The variable *Household size* was categorized into four groups, out of which households of “2 to 3 people” were the most frequently found (53%). Only 4% of the sample selected “6 or more people”.

For the variable *Education level*, the great majority of the sample (61%) had either “High School (12 years)” or “Bachelors”. The least frequent options were “Basic Studies (4 years)” (1%), “Doctor” (4%), and “Postgraduate” (6%).

When asked to choose their preferred retailer chain, out of two singular options, 66% of respondents opted for “Continente”, the remaining 34% selected “Lidl” as their preference. Regarding the time of the respondents' relationship to the preferred retailer chain, approximately 80% are longstanding customers — “More than 5 years” —, and only a small fragment of the sample (4%) are new customers (“Less than a year” or “1 to 2 years”).

Lastly, 59% of respondents claimed to own a Loyalty card from the preferred retailer chain, but it is important to breakdown this analysis into Continente / Lidl, as Lidl does not possess a Loyalty card. Thus, 89% of respondents who preferred Continente, claim to be the detainers of a Loyalty card for the retailer chain.

The characterization of the sample, separating both retailer chains, can be found in Table B.2 in the Annexes.

### 3.3. Reliability of the Scales

Since this study will require the handling and analysis of constructs, and not just the evaluation of data emerging from the individual items, the scales to evaluate said constructs must be analysed, and their internal consistency validated.

For this purpose, Cronbach's Alpha shall be computed and analysed, to verify the validity of the instrument within its sample. This coefficient is selected as it is a recommended measure of the internal consistency for a set of items (Churchill, 1979; Hair, Black, Babin, & Anderson, 2014; Marôco, 2018).

Cronbach's Alpha serves as a reliability measure, applied to each of the dimensions to evaluate the extent to which the composing variables can estimate a construct. With a value varying between 0 and 1, the higher the value the greater the internal consistency (Hair et al., 2014; Marôco, 2018). According to Hair et al. (2014), Marôco and Garcia (2006) and Peterson (1994), a scale with an alpha value of 0.70 or greater is deemed reliable.

**Table 3.1 - Cronbach's Alphas for the instrument dimensions**

<b>DIMENSIONS</b>	<b>Cronbach's Alpha</b>
EXQ - 25 items (BRE, SPE, PPE)	0.945
Brand Experience - 7 items (BRE1 to BRE7)	0.868
Service Provider Experience - 11 items (SPE1 to SPE11)	0.860
Post-Purchase Experience - 7 items (PPE1 to PPE7)	0.788
Customer Satisfaction - 5 items (SAT1 to SAT5)	0.924
Loyalty - 5 items (L1 to L5)	0.905
Repurchase Intention - 5 items (RI1 to RI5)	0.923
<b>Global Instrument</b>	<b>0.975</b>

Table 3.1 shows the Cronbach's Alpha for each of the dimensions that constitute the questionnaire, as well as the subdimensions of the EXQ scale and the global instrument. As visible, all items present an alpha above 0.70, and therefore the instrument is reliable across all dimensions, for the applicable scope and sample.

A more detailed breakdown of the contribution of each item to the instrument's reliability can be found in Annex C. According to the referred table, all items would diminish the scale's reliability if they would be removed, with the exception of BRE3, without which *Brand Experience's* alpha would be 0.876, and SPE9, without which *Service Provider Experience's* alpha would be 0.868.

### 3.4. Quality of Experience / Customer Experience

To evaluate the Customer Experience Quality for the respondents, the 25 items of the EXQ scale are analysed, with their mean and standard deviation (SD) being calculated, as well as for the three dimensions of the scale. For the distribution of the responses across the utilized seven-point Likert scale, please refer to Table D.1 in the Annexes.

*Brand Experience* presented an average value of 4.85, with items' means varying from 4.29 to 5.25. Within *Brand Experience*, BRE1 (*The retailer chain has a good reputation.*) is the item which presents the highest level of experience quality, with a mean of 5.25. Oppositely, the item BRE3 (*The retailer chain gives independent advice (on which product/service will best suit my needs).*) presents the lowest mean of 4.29 (SD=1.37).

*Service Provider Experience* presented a mean of 4.67. All items' means varied between these two extremes (3.67 and 5.20). Within the dimension, SPE2 (*Dealing with the retailer chain is easy.*) has the highest mean of 5.20 (SD=1.12). On the other hand, SPE9 (*I have built a personal relationship with the people at the retailer chain.*) is the item with the lowest level of experience quality, with a mean of 3.67 and a SD of 1.81.

Regarding *Post-Purchase Experience* the dimension had a mean of 5.56, and the items' means varied between 3.78 and 5.18. The item PPE5 (*The retailer chain deals well with me when things go wrong.*) presented the highest level of experience quality, with a mean of 5.18 (SD=1.13). In contrast, PPE1 (*I choose the retailer chain because they know me.*) presents the lowest level of experience quality with a mean of 3.78 (SD=1.75).

**Table 3.2 - Mean and standard deviation by EXQ dimension**

DIMENSIONS	Mean	Standard-deviation (SD)
Brand Experience	4.851	0.864
Service Provider Experience	4.667	0.837
Post-Purchase Experience	4.558	0.888
Customer Experience (EXQ)	4.662	0.813

Table 3.2 presents the mean and standard deviation for the distinct EXQ dimensions. When comparing the three dimensions which constitute EXQ, *Brand Experience* is the dimension with the highest level of experience quality (Mean=4.851). The dimension with the lowest level of service experience quality was *Post-Purchase Experience*, with a mean of 4.558.

The overall evaluation of Customer Experience (as measured by EXQ) presents a mean of 4.662. And, as seen, all dimensions present a positive value – above the central point (4) of the seven-point Likert scale.

To perform this same analysis with a separation of data by the characterization variable “*Preferred retailer chain*” — i.e., compare data from *Continente* and *Lidl* —, it was necessary to confirm that the independent samples did not contain significant asymmetries, which could render all possible conclusions redundant. By calculating the Coefficient of Variation (CV) and a measure of asymmetry (a Z-Score, dividing the value of skewness by its respective standard error (SE)) for each dimension

(Table E.1 in the Annexes), it can be confirmed that there are no significant asymmetries and data follows an approximately normal distribution — CV below 30.0% and Z-Score  $\in ]-2, 2[$ .

Table D.2 in the Annexes showcases the means for both retailers in all items. The corresponding distribution of responses can be found in Tables D.3 and D.4 in the Annexes.

Within *Brand Experience*, items' means varied between 4.26 and 5.23 for Continente and 4.36 and 5.27 for Lidl. All items in this dimension seem most favourable towards Lidl, with the exception of BRE4 (*I choose the retailer chain not because of the price alone.*), in which Continente presents a greater mean (5.17).

In *Service Provider Experience*, where all items showcased a mean between 3.59 and 5.20 for Continente, and 3.81 and 5.20 for Lidl, most items show that Lidl customers perceive greater quality, for items SPE3 (*The retailer chain keeps me informed.*), SPE4 (*The retailer chain demonstrates flexibility in dealing with me.*), and SPE8 (*The retailer chain delivers a good customer service.*), Continente held greater scores, with means of 5.11, 5.05, and 5.14, respectively.

Lastly, for *Post-Purchase Experience*, the items' means varied between 3.68 and 5.14 for Continente and 3.99 and 5.26 for Lidl. The only item in which Continente performed better than Lidl was PPE3 (*The retailer chain keeps me up-to-date about their products and latest developments.*), which had a mean of 4.94 in comparison to Lidl's 4.92.

For the Continente respondents, the best perceived items for Customer Experience were BRE1 (*The retailer chain has a good reputation.*) and SPE2 (*Dealing with the retailer chain is easy.*), with means of 5.23 and 5.20, respectively.

On the other hand, for Lidl, the best perceived items were BRE1 (*The retailer chain has a good reputation.*) and PPE5 (*The retailer chain deals well with me when things go wrong.*), with means of 5.27 and 5.26, respectively.

**Table 3.3 - Mean and standard deviation by EXQ dimension for both retailer chains**

DIMENSIONS	Continente		Lidl	
	Mean	S.D.	Mean	S.D.
Brand Experience	4.822	0.810	4.909	0.963
Service Provider Experience	4.649	0.785	4.704	0.936
Post-Purchase Experience	4.505	0.898	4.666	0.864
Customer Experience (EXQ)	4.646	0.788	4.694	0.866

Table 3.3 presents the mean and standard deviation for the EXQ dimensions, comparing both retailer chains. In the comparison of the EXQ dimensions between Continente and Lidl, it is clear that service experience quality is assessed at a slightly higher level within Lidl customers, as all dimensions present a greater mean than Continente. Nonetheless, in the dimensions *Brand Experience* and *Service Provider Experience*, there seems to be a greater consensus within the Continente customers, as the CV are smaller (Table E.1 in the Annexes).

For both retailer chains, customers seem most pleased within the *Brand Experience* dimension, i.e. items which assess the pre-purchase experience, such as reputation. Furthermore, all dimensions present positive evaluations for both retailers, above the central point of the scale used (Mean > 4).

When segregating the Contimente respondents by the characterization variable “Loyalty Card”, no significant differences were found in any dimension of the EXQ construct. The results of this descriptive analysis can be found in Table D.5 in the Annexes.

**3.5. SATISFACTION, LOYALTY, AND REPURCHASE INTENTION**

Similar to what was presented for Quality of Experience, the results for the mean and standard deviation for the Satisfaction, Loyalty, and Repurchase Intention dimensions of the questionnaire will be presented. Likewise, the distribution of the responses across the utilized seven-point Likert scale can be checked in Table D.1 in the Annexes.

According to the data, *Satisfaction* recorded a mean of 5.05, which can be considered as positive. The items for *Satisfaction* presented means among the values 4.89 and 5.20. However, although most items in this construct hold a mean above 5, the item SAT4 (*I feel satisfied that the retailer chain produces the best results that can be achieved for me.*) presents a mean lower than the remainder (4.89), as well an SD of 1.16.

As for *Loyalty*, the construct presents a mean of 5.03, and has two item which present a mean above this. Those items are L1 (*It is very likely that I say positive things about the retailer chain to other people.*), with a mean of 5.09, and L5 (*It is very likely that I use the retailer chain more in the next few years.*), with a mean of 5.30. The dimension is comprised of five items in total, with their means varying between 4.85 and 5.30.

Finally, the items for *Repurchase Intention* hold means with a maximum of 5.09 and a minimum of 4.88. The dimension presents a mean of 4.94, and from the five total items which comprise this dimension, two demonstrate a value below this. The items are RI4 (*When I go shopping, I consider this supermarket first.*) (4.79) and RI5 (*When I go shopping, this supermarket is my first choice.*) (4.88).

**Table 3.4 - Mean and standard deviation for the Customer Satisfaction, Loyalty, and Repurchase Intention dimensions**

<b>DIMENSIONS</b>	<b>Mean</b>	<b>Standard-deviation (SD)</b>
Satisfaction	5.053	0.999
Loyalty	5.030	1.080
Repurchase Intention	4.943	1.154

Overall, the three constructs present positive evaluations, above 4, with *Customer Satisfaction* demonstrating the greatest mean (5.053) (SD=0.999), as can be seen in Table 3.4.

To analyse differences between the two retailer chains — Continate and Lidl —, the same analysis was conducted, separating responses according to the variable *Preferred retailer chain*. The means of the items for both retailers can be found in Table D.2 in the Annexes. Likewise, the distribution of responses for both retailers can be checked in Tables D.3 and D.4 in the Annexes.

When comparing the three constructs between Continate and Lidl, once again Lidl presents greater values in all items but two: L4 (*It is very likely that I consider the retailer chain the first choice to buy – services.*), in which Continate demonstrates a mean of 5.01, to compare with Lidl’s 4.97; and RI3 (*I do most of my shopping in this retailer chain.*), which presents a mean for Continate of 5.10 and for Lidl, 5.06.

For both retailer chains, the item (across all three dimensions) that presents the greatest mean is L5 (*It is very likely that I use the retailer chain more in the next few years.*), with a mean of 5.28 for Continate and 5.34 for Lidl.

**Table 3.5 - Mean and standard deviation for the Customer Satisfaction, Loyalty, and Repurchase Intention dimensions for both retailer chains**

DIMENSIONS	Continate		Lidl	
	Mean	S.D.	Mean	S.D.
Satisfaction	4.992	0.976	5.170	1.037
Loyalty	4.964	1.050	5.158	1.130
Repurchase Intention	4.897	1.181	5.034	1.098

Overall, as seen in Table 3.5, Lidl presents greater means across the three dimensions, with its most significant dimension being *Satisfaction* (5.170). For Continate, as well, *Satisfaction* is the best evaluated construct (Mean=4.992). Furthermore, all dimensions present positive evaluations, with means above 4.

As with the previous subchapter, when analysing the Continate respondents by the characterization variable “*Loyalty Card*”, no significant differences were found in Satisfaction, Loyalty or Repurchase Intention (Table D.5 in the Annexes).

Given the small magnitude of differences found in the dimension and item means by retailer chain, there is little interest in the practical implications of evaluating their significance, and therefore it was considered that any *t*-test would not add any relevant conclusions to this study.

### 3.6. Research Hypotheses Testing

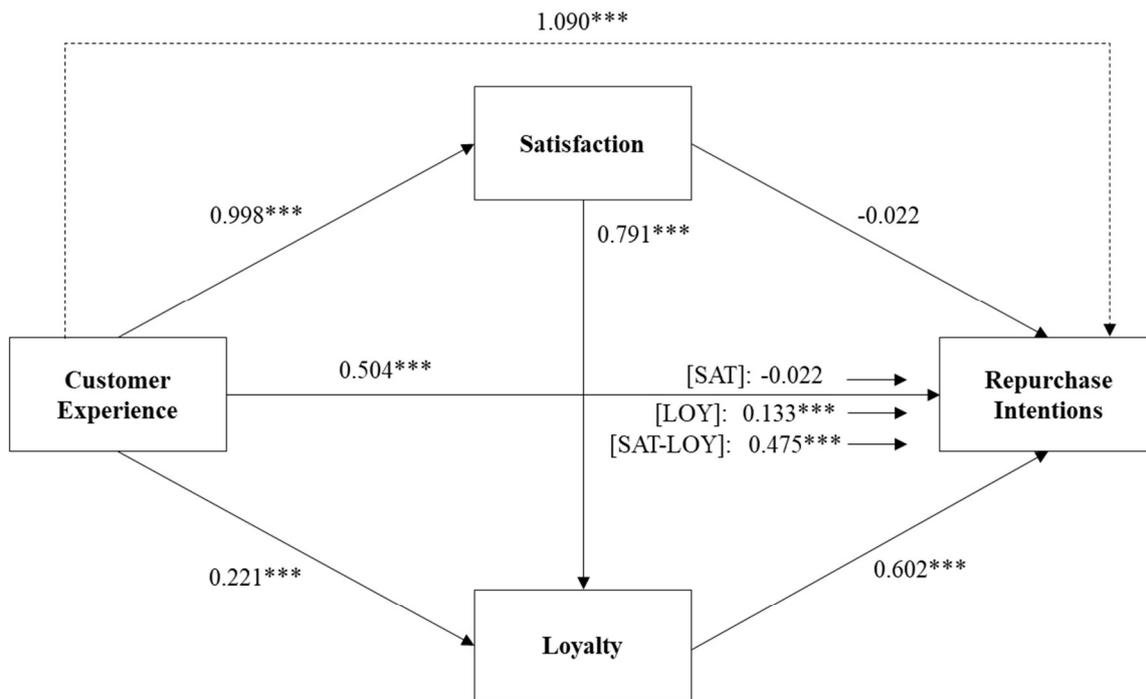
This chapter intends to test the research hypotheses previously presented. In order to achieve this endeavour, linear regressions (simple and multiple) were executed to test the various hypotheses, after validating their underlying assumptions (Annex F).

To perform a linear regression, there are certain assumptions that need to be verified to validate the adequacy of the results and their possible limitations (Hayes, 2013). Said assumptions are: (i) *Normality* (the residuals of the regression should follow a Normal Distribution), which can be verified through Figures F.1 through F.3 in the Annexes, as data follows an approximately Normal Distribution, as per Tabachnick and Fidell (2007); (ii) *Homoscedasticity* (equally distributed residuals), which can be verified by the lack of obvious patterns in Figures F.1 through F.3 in the Annexes, as suggested by Tabachnick and Fidell (2007); (iii) *Linearity*, which can be assumed if Normality and Homoscedasticity are both proven, and which is evident in Figures F.1 through F.3 (Annexes), as indicated by Tabachnick and Fidell (2007), and tested by Pearson's  $r$  (Table F.3 in the Annexes); and (iv) absence of *Multicollinearity* between predictor variables, as verified by Tables F.1 and F.2 in the Annexes, with Tolerance values above 0.2 and Variance Influence Factors (VIF) ideally below 5.0. All these assumptions are verified, however when Repurchase Intention is considered the dependable variable, two of its predictor variables have VIF values which are higher than 5.0 — although still below 10.0 —, and therefore the results of the linear regression may contain limitations. In fact, even though, ideally, Tolerance should be higher than 0.2 and VIF lower than 5.0, the values of 0.1 and 10, respectively, can also be deemed as acceptable, despite possible limitations (Field, 2017).

In Table 3.6 and Figure 3.1, the results for the linear regression model can be seen. The direct output of the Macro PROCESS by Hayes (2013) can be observed in Annex G.

**Table 3.6 - Regression Coefficients, Standard Errors, and Model Summary Information – Mediation Model 1**

Antecedent	Consequent											
	M <sub>1</sub> (SAT)				M <sub>2</sub> (LOY)				Y (RI)			
	Coeff.	SE	$p$	Coeff.	SE	$p$	Coeff.	SE	$p$			
$X$ (EXQ)	$a_1$	0.998	0.039	< .001	$a_2$	0.221	0.061	< .001	$c'$	0.504	0.088	< .001
$M_1$ (SAT)	—	—	—	$d_{21}$	0.791	0.052	< .001	$b_1$	-0.022	0.104	0.832	
$M_2$ (LOY)	—	—	—	—	—	—	—	$b_2$	0.602	0.093	< .001	
Constant	$i_{M_1}$	0.234	0.187	0.211	$i_{M_2}$	-0.055	0.147	0.707	$i_Y$	-0.370	0.207	0.075
		$R^2 = 0.738$				$R^2 = 0.851$				$R^2 = 0.759$		
		$F(1, 227) = 640.634, p < .001$				$F(2, 226) = 644.653, p < .001$				$F(3, 225) = 235.908, p < .001$		



**Key:** The dotted line represents *total effect*. [SAT] — regression coefficient for the *indirect effect* via Satisfaction. [LOY] — regression coefficient for the *indirect effect* via Loyalty. [SAT-LOY] — regression coefficient for the *indirect effect* via Satisfaction and Loyalty. The current data represents the non-standardized coefficients B.  
 \*\*\*  $p < .001$

**Figure 3.1 - Effect of EXQ on RI mediated by Satisfaction and Loyalty**

According to these results from the analysis, Customer Experience has direct and significant positive influence on Satisfaction ( $B=0.998$ ,  $SE^1=0.039$ ,  $p<0.001$ ), as well as on Loyalty ( $B=0.221$ ,  $SE=0.061$ ,  $p<0.001$ ), thus confirming H1 and H2.

Satisfaction has a positive and significant effect on Loyalty ( $B=0.791$ ,  $SE=0.052$ ,  $p<0.001$ ). Therefore, H4 is validated. Satisfaction shows a moderate yet negative influence on Repurchase Intention ( $B=-0.022$ ,  $SE=0.104$ ,  $p=0.832$ ), although given the Lower Level of Confidence Interval (-0.227) and the Upper Level of Confidence Interval (0.183) which contain 0, it cannot be affirmed with certainty that the direct effect is significantly different than 0 for  $\alpha = 0.05$ , in fact  $p > 0.05$  (Hayes, 2013; Marôco, 2018). Thus, H5 cannot be validated, as there is no evidence of any effect of Satisfaction on Repurchase Intention.

Loyalty, however, demonstrates a positive and direct effect on Repurchase Intention ( $B=0.602$ ,  $SE=0.093$ ,  $p<0.001$ ), validating H6.

As for the influence of Customer Experience on Repurchase Intention, there is a direct and significant positive effect in this relationship ( $B=0.504$ ,  $SE=0.088$ ,  $p<0.001$ ). Furthermore, this

<sup>1</sup> SE = standard error

relationship also possesses three indirect effects, mediated either by Satisfaction, with a bootstrap confidence interval which straddles zero ( $B=-0.022$ , 95% Boot IC= $-0.363$ ,  $0.382$ ), and therefore this influence cannot be claimed as different from zero (Hayes, 2013; Marôco, 2018); by Loyalty, with a bootstrap confidence interval which does not include zero ( $B=0.123$ , 95% Boot IC= $0.038$ ,  $0.255$ ); and by Loyalty via Satisfaction ( $B=0.475$ , 95% Boot IC= $0.228$ ,  $0.720$ ). According to the model created and the analysis performed, the total effect of Customer Experience on Repurchase Intention is represented by  $B=1.090$ . Thus, H3 and H3.2 are validated, however, H3.1 cannot be validated.

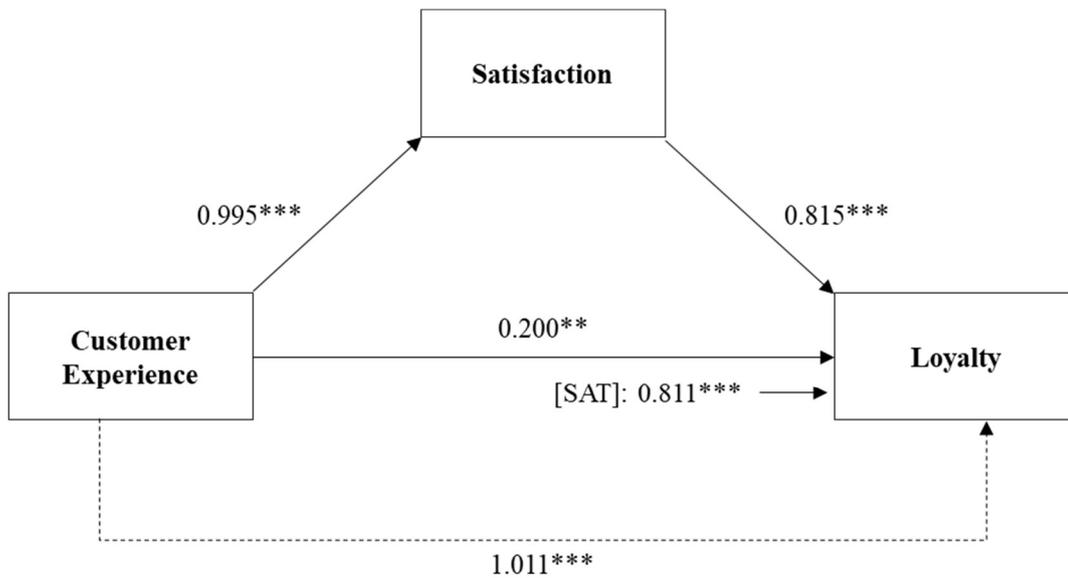
It is relevant to note that, regarding the influence of Customer Satisfaction on Repurchase Intention, the sum of the indirect effects ( $B=0.586$ ), mediated by both Satisfaction and Loyalty, has more weight than the direct effect ( $B=0.504$ )

As can be noted, by using the Serial Multiple Mediator Model in the Macro PROCESS, H2.1 (*Customer Experience has positive influence on Loyalty, mediated by Satisfaction.*) cannot be tested, as the output does not quantify the *indirect effect* of Customer Experience on Loyalty, using Satisfaction as a mediator. Although this could be inferred by a multiplication of the effect of Customer Experience on Satisfaction by the effect of Satisfaction on Loyalty, it would not provide as much information as if the Simple Mediating Model (Hayes, 2013) was instead considered and performed using the Macro PROCESS, using Customer Experience as the antecedent, Satisfaction as the single mediator and Loyalty as the outcome variable.

Table 3.7 and Figure 3.2 show the results obtained for this linear regression model (Mediation Model 2). The direct output of the Macro PROCESS (Hayes, 2013) for this model can be found in Annex H.

**Table 3.7 - Regression Coefficients, Standard Errors, and Model Summary Information – Mediation Model 2**

Antecedent	Consequent							
	M <sub>1</sub> (SAT)			Y (LOY)				
	Coeff.	SE	p	Coeff.	SE	p		
X (EXQ)	<i>a</i>	0.995	0.040	< .001	<i>c'</i>	0.200	0.060	< .01
M <sub>1</sub> (SAT)	—	—	—	—	<i>b</i>	0.815	0.052	< .001
Constant	<i>i</i> <sub>1</sub>	0.254	0.187	0.177	<i>i</i> <sub>2</sub>	-0.064	0.149	0.667
		$R^2 = 0.732$				$R^2 = 0.849$		
		$F(1, 231) = 632.309, p < .001$				$F(2, 230) = 645.762, p < .001$		



**Key:** The dotted line represents *total effect*. [SAT] — regression coefficient for the *indirect effect* via Satisfaction. The current data represents the non-standardized coefficients B.  
 \*\*  $p < .01$  \*\*\*  $p < .001$

**Figure 3.2 - Effect of EXQ on Loyalty mediated by Satisfaction**

As per the results of the Macro PROCESS analysis, Customer Experience demonstrates a considerable and positive indirect effect on Loyalty, mediated by Satisfaction ( $B=0.811$ , 95% Boot  $IC=0.667, 0.953$ ). Therefore, H2.1 can also be validated.

### 3.7. Main Considerations

The present chapter attempted to evaluate Quality of Experience in Portuguese Food Retail, from the customers' perspective. In order to do so, a total sample of 309 valid responses was gathered and analysed statistically, which resulted in a series of conclusions that shall be hence forth summarized.

The sample gathered is mainly constituted of women (66%), with the majority of individuals aged 25 to 54 years old (66%). Approximately 53% of respondents lived in an household of 2 or 3 individuals, and the most frequent education level was "Bachelor" (34%), closely followed by "High School (12 years)", which represented 27% of the sample. When characterizing their retailer preferences, 66% of respondents opted for Continente over Lidl. The vast majority of customers had been visiting their preferred retailer chain for over five years, representing 80% of the gathered sample, and 59% of respondents possessed a loyalty card.

To evaluate the reliability of the scales for the constructs used in this study, Cronbach's Alpha was analysed, and all constructs attained values above 0.7, showing strong reliability.

The overall evaluation of Customer Experience quality is positive, with a mean of 4.662 in a seven-point Likert scale. Within the EXQ scale, *Brand Experience* demonstrated the highest mean, opposite of *Post-Purchase Experience*, which presented the lowest level of appreciation by respondents.

The remaining constructs — Satisfaction, Loyalty, and Repurchase Intention — also received positive evaluations, with means above the one for Customer Experience. In fact, Satisfaction had the highest mean, of 5.053.

Out of all the 40 items utilized in the scale for the four constructs, the item SPE9 (*I have built a personal relationship with the people at the retailer chain.*) had the lowest mean (3.67), which could be due to the nature of the service being currently analysed, since it is not a high-contact service, with prolonged customer-provider (employee) interactions (e.g., compared to a visit to a hair salon).

Regarding the research hypotheses initially presented in Chapter 1 and formalized in Chapter 2, all were validated with the exceptions of H3.1 and H5. Table 3.8 compiles the results for the validation of hypotheses:

**Table 3.8 - Research Hypotheses Validation Results**

<b>Hypothesis</b>	<b>Result</b>
<b>H1:</b> Customer Experience has direct positive influence on Satisfaction.	Validated
<b>H2:</b> Customer Experience has direct positive influence on Loyalty.	Validated
<b>H2.1:</b> Customer Experience has positive influence on Loyalty, mediated by Satisfaction.	Validated
<b>H3:</b> Customer Experience has direct positive influence on Repurchase Intention.	Validated
<b>H3.1:</b> Customer Experience has positive influence on Repurchase Intention, mediated by Satisfaction.	Not validated
<b>H3.2:</b> Customer Experience has positive influence on Repurchase Intention, mediated by Loyalty.	Validated
<b>H4:</b> Satisfaction has direct positive influence on Loyalty.	Validated
<b>H5:</b> Satisfaction has direct positive influence on Repurchase Intention.	Not validated
<b>H6:</b> Loyalty has direct positive influence on Repurchase Intention.	Validated

As previously discussed for H3.1, the indirect effect of Customer Experience on Repurchase Intention, as mediated by Satisfaction, presents a bootstrap confidence interval which straddles zero, and therefore this hypothesis cannot be validated.

Recollecting what was discussed for H5, the results of the linear regression showed a negative regression coefficient  $B = -0.0221$  for the direct impact of Satisfaction on Repurchase Intention. However, the constructed 95% Confidence Interval  $[-0.2271, 0.1829]$  contains 0, and, therefore, we cannot affirm that the direct effect of Satisfaction on Repurchase Intention is significantly different than 0, with  $\alpha = 0.005$ . In fact,  $p=0.832$ .



## CONCLUSIONS

This chapter presents the main conclusions for the thesis, with the intention to answer the research question presented within the Introduction, and supported by the findings from the hypotheses' testing. Additionally, limitations for the results gathered will be disclosed, along with suggestions for future research.

### Answer to the Research Question

*What is customers' perception of Quality of Experience in the Food Retailer Chains, and its impact on Satisfaction, Loyalty and Repurchase Intention?*

Customers' evaluation of Quality of Experience (EXQ) in the Portuguese Food Retail context proved to be positive (4.662), if however moderate. Although the evaluation of the distinct EXQ dimensions did not present significant divergences — with all means between 4.558 and 4.851 —, the dimension *Brand Experience* presented the highest of these means. This suggests that retailing clients are usually more satisfied with their pre-purchase experience (e.g., searching, evaluation, and reputation of the provider) in comparison to the service provider experience (i.e. direct customer-provider interactions) or the post-purchase experience (i.e., experiences that come after purchasing the offerings). This is due perhaps to the retailer chains that are the scope of this project — Continente and Lidl — which are present and known country-wide, with considerable reputation.

The items which presented a higher mean within Quality of Experience were BRE1 (The retailer chain has a good reputation.), SPE2 (Dealing with the retailer chain is easy.), and PPE5 (The retailer chain deals well with me when things go wrong.). Whereas the worst reviewed items were SPE9 (I have built a personal relationship with the people at the retailer chain.), PPE1 (I choose the retailer chain because they know me.) and PPE7 (Being a client at/customer of the retailer chain gives me social approval.). These are somewhat in line with the type of service being analysed, as a supermarket customer most frequently visits the store for actual necessity (e.g., groceries), seeking practicality and availability of merchandise, and does not necessarily find relational interactions with employees.

When comparing Continente to Lidl, both display similar EXQ means (~4.6) and *Brand Experience* holds the greatest mean. Continente is better evaluated than Lidl in only 20% of items, with the top 3 discrepancies being in items SPE4 (*The retailer chain demonstrates flexibility in dealing with me.*), SPE3 (*The retailer chain keeps me informed.*), and BRE4 (*I choose the retailer chain not because of the price alone.*). These superior evaluations for Continente can be expected, given that the retailer chain offers greater variety and flexibility — in Continente the customer can expect a wider range of products and services offered (ergo, variety) and even has the option to customize requests on store areas such as the charcuterie or the butchery (ergo, flexibility) —, has more advertisement and direct forms of communication with their customers, and has higher prices than Lidl.

On the other hand, 20 of the items show more favourable scores for Lidl, with PPE6 (I am happy with the retailer chain as my provider.), PPE7 (Being a client at/customer of the retailer chain gives me

social approval.), and PPE1 (I choose the retailer chain because they know me.) showing the greatest differences.

Customers' evaluations of the Satisfaction (5.053), Loyalty (5.030) and Repurchase Intention (4.943) constructs was positive and higher than for Customer Experience. Despite the positive results, there is still room for improvement, as the highest rated item, L5 (*It is very likely that I use the retailer chain more in the next few years.*) has a mean of 5.30 in a seven-point scale.

Comparing Continente and Lidl, the constructs have similar means, however Lidl presents a more positive evaluation for all three constructs. The greatest discrepancies in ratings can be found in the items L3 (*It is very likely that I encourage friends and relatives to use the retailer chain.*), RI2 (*If I go shopping today, I will go to this retailer chain again.*), and L2 (*It is very likely that I recommend the retailer chain to someone who seeks your advice.*). It appears that Lidl customers have greater Loyalty intentions, namely in their intent of sharing positive feedback with their peers.

Although Lidl holds the minority of respondents (33.7%), these seem to be more appreciative of the services being provided. The fact that Lidl has less stores in Portugal than Continente, might make it so that customers do not visit as much out of convenience, but out of appreciation for the retailer and its offerings. On the other hand, Continente's positioning and store presence, might make it so that a lot of its customers visit out of necessity and convenience, perhaps justifying the lesser evaluations.

From the results for each item, which can be found in Annex D, and by analysing the items which received the lowest score for each retailer chain, it can be suggested that Lidl could invest more in the experience being granted to their customer, specifically in the way the personnel interacts with the later. Having more consistent or affective staff, to better suit clients' needs for a personal relationship, might greatly benefit the retailer.

Similarly, Continente should invest more in their employee training, to be able to create a more attentive and affectionate staff, able to build a personal relationship with the customer. Furthermore, a more incisive and in-depth analysis of the customer profiles and their specific needs might prove useful to ensure the customer has the exact products and services that they deem necessary. Finally, the quality of the offerings must be elevated, to match that of its competitors, and to elevate the quality of experience being currently offered.

Furthermore, despite a clear distinction in the service offerings of both retailer chains — Continente is closer to a full service, and Lidl is perceived as a low-cost offer (Johnston, Clark, & Shulver, 2012) — both are inserted within a mass service context, which might justify the similarity in scores given to the support by personnel.

The research hypotheses were tested using simple and linear regressions, with the intent of understanding the impact of Customer Experience on other constructs, in the specific context of Portuguese Food Retail.

The hypothesis H1 was validated, confirming the direct positive influence of Customer Experience on Satisfaction for this context. According to the results gathered, 73.8% of the variability in Satisfaction can be explained by Customer Experience, representing a great positive relation. This is in conformance with findings from other studies (e.g., Bueno et al., 2019; Carauna, 2002; Klaus & Maklan, 2013; Maklan & Klaus, 2011).

Furthermore, hypotheses H2 and H4 were confirmed, as it became evident by the results of the linear regressions that Loyalty is positively influenced by both Customer Experience and Satisfaction. These confirmations are in agreement with findings of authors such as Bolton et al. (2014), Klaus and Maklan (2013), Lemon and Verhoef (2016), Oliver (1999), and Voss and Zomerdijk (2007). In fact, 85.1% of the variation in Loyalty was justified to both these constructs. However, the influence by Satisfaction outweighs the one by Customer Experience.

As a “deep dive” of this analysis, hypothesis H2.1 was also validated, proving that in the Portuguese Food Retail context, Customer Experience has positive influence on Loyalty, mediated by Satisfaction. In fact, the analysis led showed that the influence that Customer Experience exerts on Loyalty, is mainly done through the mediation by Satisfaction, as the indirect effect was more significant than the direct. This was expected, as per the work of Carauna (2002), Klaus and Maklan (2013), and Pullman and Gross (2004).

When analysing the influences of Customer Experience, Satisfaction, and Loyalty on Repurchase Intention, H3 and H6 were validated. Results showed a positive direct effect of Customer Experience on Repurchase Intention and the same for the effect of Loyalty on Repurchase Intention, as found by Carauna (2002), Gentile et al. (2007), Maklan and Klaus (2011), and Pullman and Gross (2004). As for the effect of Satisfaction on Repurchase Intention, evidence could not be found to prove that such exists in this context, and thus H5 could not be validated. Overall, Customer Experience has a great and positive correlation with Repurchase Intention ( $R^2 = 0.673$ ), and by including the effects of Satisfaction and Loyalty as predictor variables, this correlation increases ( $R^2 = 0.759$ ).

Building upon this, the hypotheses H3.1 and H3.2 tested if there is positive influence by Customer Experience on Repurchase Intention, mediated by Satisfaction and by Loyalty. According to the results, H3.1 could not be validated, as the influence of Customer Experience on Repurchase Intention, mediated by Satisfaction, cannot be claimed as different from zero. Oppositely, H3.2 was validated, as there is indeed a positive influence between the two variables, and mediated by Loyalty, as found by Voss and Zomerdijk (2007).

Retailer chains can therefore utilize this knowledge, to take advantage of investments on Customer Experience or Loyalty to leverage customer Repurchase Intentions, or to build Loyalty via Customer Experience and Satisfaction.

## **Contributions**

The present thesis complements existing literature on Customer Experience, and its consequents, by reviewing it. The questionnaire utilized and its subsequent results allowed further study of the construct of Customer Experience, and the testing of its relationship to Satisfaction, Loyalty, and Repurchase Intention, in a model not yet explored. Furthermore, the EXQ scale was tested and adapted within the Portuguese Food Retail market, specifically for the two retailer chains analysed — Continente and Lidl —, a context which had not been previously studied, thus enhancing existing theoretical knowledge.

The practical underpinnings of this thesis strived to provide feasible managerial recommendations for the retailer chains examined, based on the responses and results gathered. Thus, despite its limitations, which will be further examined in the following chapter, the work developed within the scope of this thesis also adds to existing practical knowledge in the area.

## **Limitations**

One of the study's major limitations was the data collection methodology since, given circumstances created by the current pandemic, all data was collected via online questionnaire. This resulted in a sample which was not representative of the population. Thus, its results can be applicable for the specific gathered sample, but not necessarily for the Portuguese Food Retail customer population.

Furthermore, the dimension of the questionnaire itself, in conjunction with how data was gathered, might have created circumstances where respondents filled out the survey with little thoughtfulness.

## **Suggestions for Future Research**

Given the presented limitations, future research on the topic might consider data collection methods that are more diverse, namely interviews and focus groups, and even the consideration of responses from the service provider as well — to attain richer, more diverse and more value-adding findings.

Additionally, this study focuses only on Continente and Lidl. Further studies could find interest in a broader approach to the study of the Portuguese Food Retail market — including more options, or even allowing respondents to input their preferred retailer chain.

Another suggestion is the inclusion of more characterization variables, such as region, household income levels, or frequency of visits to the retailer chain, in order to attain a richer characterization of the sample and to be able to discern if any of these variables have significant influence on the evaluations given (e.g. are more frequent visitors more likely to rate the service provider experience better?).

Finally, analysis such as the influence of the different characterization variables on the various dependant variables — Customer Experience, Satisfaction, Loyalty, and Repurchase Intention —, which did not enter the scope or objective of this study, could provide valuable insights for the retailer chains being analysed.

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## ANNEXES

### Annex A – Questionnaire

*Portuguese version*

#### Qualidade da Experiência do Cliente no Continente e Lidl

Este questionário foi desenvolvido no âmbito de uma tese de Mestrado e destina-se a recolher informação exclusivamente para esse fim. O estudo tem como objetivo avaliar e comparar a Qualidade da Experiência do Cliente em duas redes de lojas: Continente e Lidl.

Se tem 18 ou mais anos de idade e visitou uma loja Continente ou Lidl nos últimos 6 meses, pedimos-lhe que disponha de cerca de 10 minutos do seu tempo para responder a este questionário, relativo à sua experiência como cliente destas redes de lojas.

As respostas ao questionário são anónimas e os dados solicitados não permitem a identificação do respondente. As respostas serão analisadas no conjunto de todos os participantes, e nunca de forma individual.

Obrigada pela sua participação.

**Indique a sua idade:**

**Indique qual desta Rede de Lojas visita mais frequentemente, para as suas compras regulares.**

Continente

Lidl

#### Relação com a Rede de Lojas

Nas perguntas seguintes, responda tendo em conta a sua experiência enquanto cliente da Rede de Lojas que selecionou na última pergunta (Continente ou Lidl). Atenção: Sempre que uma questão se refira a "Rede de Lojas", considere que se refere à rede de lojas selecionada (Continente ou Lidl).

**Há quantos anos é cliente desta Rede de Lojas?**

Menos de um ano

1-2 anos

2-3 anos

3-5 anos

+5 anos

**Possui algum Cartão de Fidelização da Rede de Lojas?**

Sim

Não

**Experiência do Cliente**

Numa escala de 1 a 7, classifique o seu nível de concordância/discordância com as seguintes afirmações, considerando 1 = “Discordo totalmente” e 7 = “Concordo totalmente”.

Para o objetivo deste estudo, não considere apenas os produtos disponíveis na loja, mas também os serviços oferecidos, por exemplo o talho, charcutaria, atendimento em caixa, apoio ao cliente, organização da loja e limpeza do espaço.

Atenção: Sempre que uma questão se refira a "Rede de Lojas", considere que se refere à rede de lojas selecionada (Continente ou Lidl).

<b>Escala</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>Não respon do</b>
A Rede de Lojas aconselha-me de modo isento sobre quais os produtos/serviços que melhor se adequam às minhas necessidades.								
A Rede de Lojas vai satisfazer as minhas necessidades durante muito tempo.								
A Rede de Lojas oferece um bom serviço ao cliente.								
Planeio fazer a maioria das minhas compras futuras nesta Rede de Lojas.								
As pessoas que trabalham nesta Rede de Lojas são bons representantes da marca.								
A Rede de Lojas lida bem comigo quando acontece algo menos bom (por exemplo, um produto danificado ou um erro de registo na conta)								
É muito provável que considere a Rede de Lojas como a minha primeira escolha de supermercado.								

<b>Escala</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>Não respon do</b>
Escolho a Rede de Lojas porque me conhecem.								
A Rede de Lojas mantém-me informado(a) acerca dos seus produtos, serviços e recentes desenvolvimentos.								
Nesta Rede de Lojas tenho à minha disposição uma equipa que me aconselha ao longo de todo o processo das minhas compras.								
Estou satisfeito(a) porque, enquanto cliente desta Rede de Lojas, sinto que atinjo os melhores resultados para o meu caso.								
A Rede de Lojas tem uma boa reputação.								
É muito provável que faça comentários positivos sobre a Rede de Lojas a outras pessoas.								
As instalações da Rede de Lojas são melhor concebidas para satisfazer as minhas necessidades do que as dos seus concorrentes.								
A Rede de Lojas mostra flexibilidade face aos meus pedidos (por exemplo, ao ir ao talho a equipa tem flexibilidade para preparar o produto de acordo com as minhas especificações).								
Se eu for hoje às compras, irei a esta Rede de Lojas.								
É muito provável que continue a utilizar a Rede de Lojas durante os próximos anos.								

<b>Escala</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>Não respon do</b>
Escolho esta Rede de Lojas por outros motivos para além do preço.								
Quando vou às compras, esta Rede de Lojas é a minha primeira escolha.								
Os funcionários da Rede de Lojas com os quais contacto são afáveis e atenciosos.								
A oferta desta Rede de Lojas é de qualidade superior.								
As instalações físicas da Rede de Lojas são concebidas para serem o mais eficiente possível (para mim).								
De forma geral, estou satisfeito(a) com a Rede de Lojas e o serviço que prestam.								
Faço a maioria das minhas compras nesta Rede de Lojas.								
Na Rede de Lojas, costumo lidar sempre com as mesmas pessoas.								
Tenho sentimentos muito positivos em relação à Rede de Lojas.								
Fazer compras nesta Rede de Lojas é fácil (nomeadamente em termos de organização da loja, disponibilidade de produtos e opções de checkout).								
A Rede de Lojas informa-me sobre novas ofertas e promoções (nomeadamente, por mensagens, e-mail, correio, etc.).								

<b>Escala</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>Não respon do</b>
A Rede de Lojas sabe exatamente o que eu quero.								
Os resultados obtidos enquanto cliente desta Rede de Lojas são satisfatórios.								
Os funcionários na Rede de Lojas conseguem compreender as minhas necessidades e preocupações.								
Esta Rede de Lojas oferece a melhor qualidade nos seus produtos e serviços.								
Desenvolvi uma relação pessoal com os funcionários da Rede de Lojas.								
Quando vou às compras, considero esta Rede de Lojas primeiro.								
É muito provável que recomende a Rede de Lojas a quem me pedir conselhos.								
Ser um cliente da Rede de Lojas faz-me ser bem visto pelos outros.								
Estou feliz por comprar nesta Rede de Lojas.								
É muito provável que encoraje amigos e familiares a utilizar a Rede de Lojas.								
A Rede de Lojas satisfaz-me, para os produtos que procuro.								
Sinto confiança na competência da equipa da Rede de Lojas.								

### **Questões Finais**

**Indique o seu género:**

- Feminino
- Masculino
- Prefiro não dizer

**Contando consigo, quantas pessoas compõem o seu agregado familiar?**

**Indique o grau de instrução mais elevado que completou:**

- Nenhum
- Básico 1º ciclo (equivalente a 4º ano)
- Básico 2º ciclo (equivalente a 6º ano)
- Básico 3º ciclo (equivalente a 9º ano)
- Secundário (equivalente a 12ª ano)
- Licenciatura
- Pós-Graduação
- Mestrado
- Doutoramento
- Prefiro não dizer

## **Quality of Customer Experience in Continate and Lidl**

This questionnaire is part of a Master thesis and is destined to collect information exclusively for this end. Its purpose is to evaluate and compare the Quality of Customer Experience in two retailer chains: Continate and Lidl.

If you are at least 18 years old and have visited a Continate or Lidl store within the last 6 months, we kindly ask that you take approximately 10 minutes of your time to respond to this questionnaire, regarding your experience as a client for these retailer chains.

The responses to this questionnaire are anonymous and the data provided does not allow the identification of the respondent. The responses will be analysed as a whole for all of the participants, and never individually.

Thank you for your participation.

**Your age:**

**Which of the Retailer Chains do you visit most often for your regular shopping?**

Continate

Lidl

**Relationship with the Retailer Chain**

For the following questions, please respond taking into account your experience as a client of the Retailer Chain you have selected for the last question (Continate or Lidl).

Attention: Whenever a question refers to “Retailer Chain”, consider that it refers to your selected retailer chain (Continate or Lidl).

**How long have you been a client of this Retailer Chain?**

Less than a year

1-2 years

2-3 years

3-5 years

+5 years

**Do you have/own any Loyalty Cards from this Retailer Chain?**

Yes

No

**Customer Experience**

On a scale from 1 to 7, rate your level of agreement/disagreement to the following statements, with 1 being “Strongly Disagree” and 7 “Strongly Agree”.

For the purpose of this study, do not only consider the products available at the store, but also the services offered, as the butchery, charcuterie, checkout, store layout and cleanliness.

Attention: Whenever a question refers to “Retailer Chain”, consider that it refers to your selected retailer chain (Continente or Lidl).

Scale	1	2	3	4	5	6	7	Do not know
The retailer chain has a good reputation.								
I am confident in the retailer chain’s expertise.								
The retailer chain gives independent advice (on which product/service will best suit my needs).								
I choose the retailer chain not because of the price alone.								
The people who work at the retailer chain represent the retailer chain brand well.								
The retailer chain’s offerings have the best quality.								
The retailer chain’s offerings are superior.								
The retailer chain advises me throughout the process.								
Dealing with the retailer chain is easy.								
The retailer chain keeps me informed.								

<b>Scale</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>Do not know</b>
The retailer chain demonstrates flexibility in dealing with me.								
At the retailer chain I always deal with the same forms and/or same people.								
The retailer chain's personnel relate to my wishes and concerns.								
The people I am dealing with (at the retailer chain) have good people skills.								
The retailer chain delivers a good customer service.								
I have built a personal relationship with the people at the retailer chain.								
The retailer chain's facilities are better designed to fulfill my needs than their competitors.								
The retailer chain's (online and/or offline) facilities are designed to be as efficient as possible (for me).								
I choose the retailer chain because they know me.								
The retailer chain knows exactly what I want.								
The retailer chain keeps me up-to-date about their products and latest developments.								
The retailer chain will look after me for a long time.								
The retailer chain deals well with me when things go wrong.								
I am happy with the retailer chain as my provider.								
Being a client at/customer of the retailer chain gives me social approval.								

<b>Scale</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>Do not know</b>
My feelings towards the retailer chain are very positive.								
I feel good about coming to the retailer chain for the offerings I am looking for.								
Overall, I am satisfied with the retailer chain and the service they provide.								
I feel satisfied that the retailer chain produces the best results that can be achieved for me.								
The extent to which the retailer chain has produced the best possible outcome for me is satisfying.								
It is very likely that I say positive things about the retailer chain to other people?								
It is very likely that I recommend the retailer chain to someone who seeks your advice?								
It is very likely that I encourage friends and relatives to use the retailer chain?								
It is very likely that I consider the retailer chain the first choice to buy?								
It is very likely that I use the retailer chain more in the next few years?								
I plan to do most of my future shopping in this retailer chain.								
If I go shopping today, I will go to this retailer chain again.								
I do most of my shopping in this retailer chain.								
When I go shopping, I consider this retailer chain first.								

Scale	1	2	3	4	5	6	7	Do not know
When I go shopping, this retailer chain is my first choice.								

**Final Questions**

**Your gender:**

- Female
- Male
- Rather not say

**Including yourself, how many people make up your household?**

**Your education level:**

- None
- Basic Studies (4 years)
- Basic Studies (6 years)
- Basic Studies (9 years)
- High School (12 years)
- Bachelor
- Postgraduate
- Master
- Doctor
- Rather not say

## Annex B – Sample Characterization

**Table B.1 - Sample Characterization – Mean and frequencies for the characterization variables**

INDEPENDENT VARIABLES		Absolute frequency	Mean (SD)
Age		309	40.7 (14.2)
		Absolute frequency	Relative Frequency
<b>Gender</b>	Female	204	66,0%
	Male	102	33,0%
	Rather not say	3	1,0%
	<b>Total</b>	<b>309</b>	<b>100,0%</b>
<b>Household size</b>	1	32	10,4%
	2-3	165	53,4%
	4-5	101	32,7%
	6+	11	3,6%
	<b>Total</b>	<b>309</b>	<b>100,0%</b>
<b>Education level</b>	Basic Studies (4 years)	3	1,0%
	Basic Studies (6 years)	10	3,2%
	Basic Studies (9 years)	27	8,7%
	High School (12 years)	84	27,2%
	Bachelor	105	34,0%
	Postgraduate	19	6,1%
	Master	41	13,3%
	Doctor	11	3,6%
	Rather not say	9	2,9%
<b>Total</b>	<b>309</b>	<b>100,0%</b>	
<b>Preferred retailer chain</b>	Continente	205	66,3%
	Lidl	104	33,7%
	<b>Total</b>	<b>309</b>	<b>100,0%</b>
<b>Relationship age</b>	Less than a year	4	1,3%
	1 to 2 years	9	2,9%
	2 to 3 years	17	5,5%
	3 to 5 years	31	10,0%
	More than 5 years	248	80,3%
	<b>Total</b>	<b>309</b>	<b>100,0%</b>
<b>Loyalty card</b>	Yes	183	59,2%
	No	126	40,8%
	<b>Total</b>	<b>309</b>	<b>100,0%</b>

**Table B.2 - Sample Characterization – Mean and frequencies for the characterization variables by retailer chain**

<b>Continente</b>				<b>Lidl</b>		
		<b>Absolute freq.</b>	<b>Mean (SD)</b>			
				<b>Absolute freq.</b>	<b>Mean (SD)</b>	
<b>Age</b>		205	42.2 (14.7)	104	37.8 (12.7)	
		<b>Absolute freq.</b>	<b>Relative freq.</b>	<b>Absolute freq.</b>	<b>Relative freq.</b>	
<b>Gender</b>	Feminine	138	67.3%	Feminine	66	63.5%
	Masculine	64	31.2%	Masculine	38	36.5%
	Rather not say	3	1.5%			0.0%
	<b>Total</b>	<b>205</b>	<b>100.0%</b>	<b>Total</b>	<b>104</b>	<b>100.0%</b>
<b>Household size</b>	2-3 people	122	59.5%	2-3 people	43	41.3%
	4-5 people	67	32.7%	4-5 people	34	32.7%
	1 person	11	5.4%	1 person	21	20.2%
	6+ people	5	2.4%	6+ people	6	5.8%
	<b>Total</b>	<b>205</b>	<b>100.0%</b>	<b>Total</b>	<b>104</b>	<b>100.0%</b>
<b>Education level</b>	Bachelor	69	33.7%	High School (12 years)	36	34.6%
	High School (12 years)	48	23.4%	Bachelor	36	34.6%
	Master	26	12.7%	Master	15	14.4%
	Basic Studies (9 years)	24	11.7%	Postgraduate	6	5.8%
	Postgraduate	13	6.3%	Basic Studies (6 years)	4	3.8%
	Doctor	8	3.9%	Basic Studies (9 years)	3	2.9%
	Rather not say	8	3.9%	Doctor	3	2.9%
	Basic Studies (6 years)	6	2.9%	Rather not say	1	1.0%
	Basic Studies (4 years)	3	1.5%	Basic Studies (4 years)	0	0.0%
	<b>Total</b>	<b>205</b>	<b>100.0%</b>	<b>Total</b>	<b>104</b>	<b>100.0%</b>
<b>Relationship age</b>	More than 5 years	179	87.3%	More than 5 years	69	66.3%
	3 to 5 years	11	5.4%	3 to 5 years	20	19.2%
	2 to 3 years	8	3.9%	2 to 3 years	9	8.7%
	1 to 2 years	5	2.4%	1 to 2 years	4	3.8%
	Less than a year	2	1.0%	Less than a year	2	1.9%
	<b>Total</b>	<b>205</b>	<b>100.0%</b>	<b>Total</b>	<b>104</b>	<b>100.0%</b>
<b>Loyalty card</b>	Yes	183	89.3%	No	104	100.0%
	No	22	10.7%			
	<b>Total</b>	<b>205</b>	<b>100.0%</b>	<b>Total</b>	<b>104</b>	<b>100.0%</b>

## Annex C – Cronbach’s Alpha Coefficient

**Table C.1 - Cronbach's Alphas for the Customer Experience dimensions - Detail of item contribution**

	Customer Experience		Brand Experience		Service Provider Experience		Post-Purchase Experience	
<b>Cronbach's Alpha</b>		0.945		0.868		0.860		0.788
<b>Corrected Item-Total</b>	<b>BRE</b>	0.864	<b>BRE1</b>	0.693	<b>SPE1</b>	0.584	<b>PPE1</b>	0.547
	<b>SPE</b>	0.913	<b>BRE2</b>	0.689	<b>SPE2</b>	0.569	<b>PPE2</b>	0.702
	<b>PPE</b>	0.878	<b>BRE3</b>	0.475	<b>SPE3</b>	0.430	<b>PPE3</b>	0.463
			<b>BRE4</b>	0.544	<b>SPE4</b>	0.548	<b>PPE4</b>	0.457
			<b>BRE5</b>	0.708	<b>SPE5</b>	0.564	<b>PPE5</b>	0.429
			<b>BRE6</b>	0.736	<b>SPE6</b>	0.701	<b>PPE6</b>	0.627
			<b>BRE7</b>	0.716	<b>SPE7</b>	0.598	<b>PPE7</b>	0.436
					<b>SPE8</b>	0.625		
					<b>SPE9</b>	0.368		
					<b>SPE10</b>	0.636		
					<b>SPE11</b>	0.615		
<b>Cronbach's Alpha if Item Deleted</b>	<b>BRE</b>	0.935	<b>BRE1</b>	0.843	<b>SPE1</b>	0.846	<b>PPE1</b>	0.756
	<b>SPE</b>	0.898	<b>BRE2</b>	0.843	<b>SPE2</b>	0.848	<b>PPE2</b>	0.725
	<b>PPE</b>	0.926	<b>BRE3</b>	0.876	<b>SPE3</b>	0.857	<b>PPE3</b>	0.770
			<b>BRE4</b>	0.863	<b>SPE4</b>	0.848	<b>PPE4</b>	0.771
			<b>BRE5</b>	0.840	<b>SPE5</b>	0.848	<b>PPE5</b>	0.776
			<b>BRE6</b>	0.838	<b>SPE6</b>	0.838	<b>PPE6</b>	0.741
			<b>BRE7</b>	0.840	<b>SPE7</b>	0.846	<b>PPE7</b>	0.781
					<b>SPE8</b>	0.844		
					<b>SPE9</b>	0.868		
					<b>SPE10</b>	0.842		
					<b>SPE11</b>	0.845		

**Table C.2 - Cronbach's Alphas for the Satisfaction, Loyalty and Repurchase Intention - Detail of item contribution**

	<b>Customer Satisfaction</b>		<b>Loyalty</b>		<b>Repurchase Intention</b>	
<b>Cronbach's Alpha</b>		0.924		0.905		0.923
<b>Corrected Item-Total</b>	<b>SAT1</b>	0.826	<b>L1</b>	0.814	<b>RI1</b>	0.773
	<b>SAT2</b>	0.754	<b>L2</b>	0.806	<b>RI2</b>	0.833
	<b>SAT3</b>	0.815	<b>L3</b>	0.702	<b>RI3</b>	0.791
	<b>SAT4</b>	0.793	<b>L4</b>	0.762	<b>RI4</b>	0.814
	<b>SAT5</b>	0.823	<b>L5</b>	0.730	<b>RI5</b>	0.790
<b>Cronbach's Alpha if Item Deleted</b>	<b>SAT1</b>	0.902	<b>L1</b>	0.873	<b>RI1</b>	0.911
	<b>SAT2</b>	0.916	<b>L2</b>	0.875	<b>RI2</b>	0.899
	<b>SAT3</b>	0.905	<b>L3</b>	0.897	<b>RI3</b>	0.907
	<b>SAT4</b>	0.909	<b>L4</b>	0.884	<b>RI4</b>	0.903
	<b>SAT5</b>	0.903	<b>L5</b>	0.891	<b>RI5</b>	0.908

## Annex D – Descriptive Analysis of Customer Experience, Satisfaction, Loyalty, And Repurchase Intention Evaluations

**Table D.1 - Customer Experience Quality, Satisfaction, Loyalty, and Repurchase Intention by item**

	Mean	SD	Scale (Relative frequencies)							
			1	2	3	4	5	6	7	
<b>Customer Experience</b>										
<b>Brand Experience</b>										
<b>BRE1:</b> The retailer chain has a good reputation.	4.85	0.86								
<b>BRE2:</b> I am confident in the retailer chain's expertise.	4.96	1.17	0.3%	2.3%	6.0%	25.0%	34.7%	22.0%	9.7%	
<b>BRE3:</b> The retailer chain gives independent advice (on which product/service will best suit my needs).	4.29	1.37	5.4%	5.4%	10.2%	32.3%	30.3%	12.6%	3.7%	
<b>BRE4:</b> I choose the retailer chain not because of the price alone.	5.13	1.27	1.0%	2.3%	4.7%	21.6%	31.6%	23.3%	15.6%	
<b>BRE5:</b> The people who work at the retailer chain represent the the retailer chain brand well.	4.92	1.17	0.0%	3.4%	4.4%	29.2%	33.9%	18.6%	10.5%	
<b>BRE6:</b> The retailer chain's offerings have the best quality.	4.87	1.02	0.7%	1.0%	5.6%	26.2%	41.0%	21.3%	4.3%	
<b>BRE7:</b> The retailer chain's offerings are superior.	4.84	1.10	1.0%	1.3%	6.8%	27.0%	36.2%	23.1%	4.6%	
<b>Service provider experience</b>										
<b>SPE1:</b> The retailer chain advises me throughout the process.	4.21	1.49	6.5%	10.0%	9.6%	24.7%	32.3%	13.1%	3.8%	
<b>SPE2:</b> Dealing with the retailer chain is easy.	5.20	1.12	0.0%	1.3%	3.6%	23.4%	29.9%	29.2%	12.7%	
<b>SPE3:</b> The retailer chain keeps me informed.	5.04	1.36	3.3%	1.0%	5.2%	20.9%	33.3%	21.2%	15.0%	
<b>SPE4:</b> The retailer chain demonstrates flexibility in dealing with me.	4.79	1.37	3.8%	3.1%	4.8%	26.4%	32.9%	19.2%	9.9%	
<b>SPE5:</b> At the retailer chain I always deal with the same forms and/or same people.	4.20	1.60	10.6%	5.5%	9.2%	28.0%	26.6%	15.0%	5.1%	
<b>SPE6:</b> The retailer chain's personnel relate to my wishes and concerns.	4.58	1.23	1.0%	5.5%	9.9%	28.1%	34.2%	16.4%	4.8%	
<b>SPE7:</b> The people I am dealing with (at the retailer chain) have good people skills.	5.03	1.16	0.3%	2.0%	4.7%	24.4%	35.9%	20.7%	11.9%	
<b>SPE8:</b> The retailer chain delivers a good customer service.	5.13	1.14	0.3%	1.6%	3.6%	22.5%	35.5%	23.8%	12.7%	
<b>SPE9:</b> I have built a personal relationship with the people at the retailer chain.	3.67	1.81	23.2%	6.7%	6.4%	24.2%	25.6%	10.8%	3.0%	
<b>SPE10:</b> The retailer chain's facilities are better designed to fulfill my needs than their competitors.	4.86	1.25	2.0%	2.4%	5.1%	26.7%	34.1%	20.9%	8.8%	
<b>SPE11:</b> The retailer chain's (online and/or offline) facilities are designed to be as efficient as possible (for me).	4.95	1.19	1.3%	1.6%	5.9%	24.1%	35.2%	22.8%	9.1%	
<b>Post-Purchase experience</b>										
<b>PPE1:</b> I choose the retailer chain because they know me.	3.78	1.75	20.9%	4.7%	9.1%	20.9%	31.3%	11.1%	2.0%	
<b>PPE2:</b> The retailer chain knows exactly what I want.	4.28	1.38	5.8%	6.2%	9.9%	28.8%	33.2%	13.4%	2.7%	
<b>PPE3:</b> The retailer chain keeps me up-to-date about their products and latest developments.	4.93	1.32	2.3%	1.7%	6.6%	25.1%	31.0%	21.1%	12.2%	
<b>PPE4:</b> The retailer chain will look after me for a long time.	5.13	1.25	0.7%	1.6%	6.9%	20.0%	32.1%	23.0%	15.7%	
<b>PPE5:</b> The retailer chain deals well with me when things go wrong.	5.18	1.13	0.0%	1.0%	4.1%	23.5%	33.7%	22.8%	15.0%	
<b>PPE6:</b> I am happy with the retailer chain as my provider.	4.77	1.30	2.3%	1.7%	9.0%	28.3%	29.7%	20.0%	9.0%	
<b>PPE7:</b> Being a client at/customer of the retailer chain gives me social approval.	3.86	1.68	18.2%	5.1%	7.3%	27.3%	28.7%	11.3%	2.2%	
<b>Customer Satisfaction</b>										
<b>SAT1:</b> My feelings towards the retailer chain are very positive.	5.03	1.15	0.7%	0.7%	5.9%	25.7%	32.9%	23.4%	10.9%	
<b>SAT2:</b> I feel good about coming to the retailer chain for the offerings I am looking for.	5.09	1.13	0.3%	1.3%	4.9%	23.6%	32.5%	26.9%	10.5%	
<b>SAT3:</b> Overall I am satisfied with the retailer chain and the service they provide.	5.20	1.08	0.0%	0.7%	3.9%	22.5%	32.4%	28.4%	12.1%	
<b>SAT4:</b> I feel satisfied that the retailer chain produces the best results that can be achieved for me.	4.89	1.16	1.3%	1.0%	7.9%	23.8%	35.6%	24.1%	6.3%	
<b>SAT5:</b> The extent to which the retailer chain has produced the best possible outcome for me is satisfying.	5.15	1.17	0.7%	0.7%	5.6%	22.3%	30.5%	27.5%	12.8%	
<b>Loyalty</b>										
<b>L1:</b> It is very likely that I say positive things about the retailer chain to other people.	5.09	1.23	0.7%	1.3%	5.0%	27.2%	27.8%	23.5%	14.6%	
<b>L2:</b> It is very likely that I recommend the retailer chain to someone who seeks your advice.	4.98	1.25	0.7%	3.7%	4.4%	25.0%	31.8%	23.0%	11.5%	
<b>L3:</b> It is very likely that I encourage friends and relatives to use the retailer chain.	4.85	1.31	1.3%	3.0%	9.4%	23.7%	31.8%	20.1%	10.7%	
<b>L4:</b> It is very likely that I consider the retailer chain the first choice to buy – services.	5.00	1.33	1.6%	3.2%	5.5%	23.4%	29.2%	23.7%	13.3%	
<b>L5:</b> It is very likely that I use the retailer chain more in the next few years.	5.30	1.24	0.3%	1.6%	2.6%	23.7%	27.6%	22.7%	21.4%	
<b>Repurchase Intentions</b>										
<b>RI1:</b> I plan to do most of my future shopping in this supermarket.	5.05	1.27	1.0%	2.3%	6.3%	22.0%	32.6%	21.7%	14.1%	
<b>RI2:</b> If I go shopping today, I will go to this supermarket again.	5.02	1.31	2.0%	2.3%	5.6%	20.9%	34.0%	21.6%	13.7%	
<b>RI3:</b> I do most of my shopping in this supermarket.	5.09	1.27	0.7%	3.6%	4.6%	20.7%	32.1%	24.6%	13.8%	
<b>RI4:</b> When I go shopping, I consider this supermarket first.	4.79	1.40	3.6%	3.3%	5.5%	27.0%	30.9%	17.9%	11.7%	
<b>RI5:</b> When I go shopping, this supermarket is my first choice.	4.88	1.39	3.6%	2.6%	4.6%	25.4%	31.9%	19.5%	12.4%	

**Table D.2 – Mean of the items for Customer Experience Quality, Satisfaction, Loyalty, and Repurchase Intention for both retailer chains**

Dimension	Subdim.	Item	Item description	Continente	Lidl
Customer Experience	Brand experience	BRE1	The retailer chain has a good reputation.	5.23	5.27
		BRE2	I am confident in the retailer chain's expertise.	4.90	5.07
		BRE3	The retailer chain gives independent advice (on which product/service will best suit my needs).	4.26	4.36
		BRE4	I choose the retailer chain not because of the price alone.	5.17	5.04
		BRE5	The people who work at the retailer chain represent the the retailer chain brand well.	4.86	5.02
		BRE6	The retailer chain's offerings have the best quality.	4.80	5.01
		BRE7	The retailer chain's offerings are superior.	4.81	4.88
	Service provider experience	SPE1	The retailer chain advises me throughout the process.	4.10	4.41
		SPE2	Dealing with the retailer chain is easy.	5.20	5.20
		SPE3	The retailer chain keeps me informed.	5.11	4.90
		SPE4	The retailer chain demonstrates flexibility in dealing with me.	5.05	4.24
		SPE5	At the retailer chain I always deal with the same forms and/or same people.	4.10	4.40
		SPE6	The retailer chain's personnel relate to my wishes and concerns.	4.52	4.67
		SPE7	The people I am dealing with (at the retailer chain) have good people skills.	4.95	5.18
		SPE8	The retailer chain delivers a good customer service.	5.14	5.12
		SPE9	I have built a personal relationship with the people at the retailer chain.	3.59	3.81
		SPE10	The retailer chain's facilities are better designed to fulfill my needs than their competitors.	4.83	4.94
		SPE11	The retailer chain's (online and/or offline) facilities are designed to be as efficient as possible (for me).	4.90	5.06
	Post-Purchase experience	PPE1	I choose the retailer chain because they know me.	3.68	3.99
		PPE2	The retailer chain knows exactly what I want.	4.26	4.33
		PPE3	The retailer chain keeps me up-to-date about their products and latest developments.	4.94	4.92
		PPE4	The retailer chain will look after me for a long time.	5.12	5.15
		PPE5	The retailer chain deals well with me when things go wrong.	5.14	5.26
		PPE6	I am happy with the retailer chain as my provider.	4.62	5.08
		PPE7	Being a client at/customer of the retailer chain gives me social approval.	3.73	4.12
	Customer Satisfaction	SAT1	My feelings towards the retailer chain are very positive.	4.95	5.18
		SAT2	I feel good about coming to the retailer chain for the offerings I am looking for.	5.02	5.23
		SAT3	Overall I am satisfied with the retailer chain and the service they provide.	5.19	5.23
		SAT4	I feel satisfied that the retailer chain produces the best results that can be achieved for me.	4.86	4.95
		SAT5	The extent to which the retailer chain has produced the best possible outcome for me is satisfying.	5.11	5.23
	Loyalty	L1	It is very likely that I say positive things about the retailer chain to other people.	5.02	5.22
		L2	It is very likely that I recommend the retailer chain to someone who seeks your advice.	4.90	5.15
		L3	It is very likely that I encourage friends and relatives to use the retailer chain.	4.68	5.18
		L4	It is very likely that I consider the retailer chain the first choice to buy – services.	5.01	4.97
		L5	It is very likely that I use the retailer chain more in the next few years.	5.28	5.34
Repurchase Intentions	RI1	I plan to do most of my future shopping in this retailer chain.	5.02	5.10	
	RI2	If I go shopping today, I will go to this retailer chain again.	4.94	5.19	
	RI3	I do most of my shopping in this retailer chain.	5.10	5.06	
	RI4	When I go shopping, I consider this retailer chain first.	4.76	4.86	
	RI5	When I go shopping, this retailer chain is my first choice.	4.83	4.96	

**Table D.3 - Customer Experience Quality, Satisfaction, Loyalty, and Repurchase Intention by item for Continente**

	Mean	SD	Scale (Relative frequencies)						
			1	2	3	4	5	6	7
<b>Customer Experience</b>									
<b>Brand Experience</b>									
<b>BRE1:</b> The retailer chain has a good reputation.	4.82	0.81							
<b>BRE2:</b> I am confident in the retailer chain's expertise.	4.90	1.12	0.5%	1.5%	6.5%	26.1%	36.7%	21.1%	7.5%
<b>BRE3:</b> The retailer chain gives independent advice (on which product/service will best suit my needs).	4.26	1.35	5.6%	5.6%	11.2%	29.9%	33.5%	11.2%	3.0%
<b>BRE4:</b> I choose the retailer chain not because of the price alone.	5.17	1.20	0.5%	2.5%	2.5%	22.2%	32.8%	24.7%	14.6%
<b>BRE5:</b> The people who work at the retailer chain represent the the retailer chain brand well.	4.86	1.10	0.0%	2.6%	5.2%	28.9%	38.7%	16.5%	8.2%
<b>BRE6:</b> The retailer chain's offerings have the best quality.	4.80	1.01	1.0%	0.5%	6.4%	27.6%	41.9%	19.7%	3.0%
<b>BRE7:</b> The retailer chain's offerings are superior.	4.81	1.06	1.5%	0.5%	5.9%	27.5%	40.7%	20.1%	3.9%
<b>Service provider experience</b>									
<b>SPE1:</b> The retailer chain advises me throughout the process.	4.10	1.50	8.3%	8.8%	10.4%	26.9%	31.1%	11.4%	3.1%
<b>SPE2:</b> Dealing with the retailer chain is easy.	5.20	1.10	0.0%	1.0%	3.4%	22.5%	33.8%	26.0%	13.2%
<b>SPE3:</b> The retailer chain keeps me informed.	5.11	1.26	2.0%	0.5%	5.4%	20.7%	34.0%	23.2%	14.3%
<b>SPE4:</b> The retailer chain demonstrates flexibility in dealing with me.	5.05	1.14	1.0%	0.5%	4.1%	24.9%	37.6%	20.3%	11.7%
<b>SPE5:</b> At the retailer chain I always deal with the same forms and/or same people.	4.10	1.59	10.9%	6.3%	12.0%	25.0%	28.1%	14.1%	3.6%
<b>SPE6:</b> The retailer chain's personnel relate to my wishes and concerns.	4.52	1.25	1.6%	6.3%	9.4%	26.7%	37.7%	13.6%	4.7%
<b>SPE7:</b> The people I am dealing with (at the retailer chain) have good people skills.	4.95	1.10	0.5%	1.0%	5.2%	26.8%	37.6%	20.1%	8.8%
<b>SPE8:</b> The retailer chain delivers a good customer service.	5.14	1.14	0.5%	1.0%	4.4%	21.5%	37.1%	22.0%	13.7%
<b>SPE9:</b> I have built a personal relationship with the people at the retailer chain.	3.59	1.83	25.4%	6.6%	6.1%	21.3%	29.4%	8.1%	3.0%
<b>SPE10:</b> The retailer chain's facilities are better designed to fulfill my needs than their competitors.	4.83	1.19	1.5%	2.1%	5.1%	29.2%	35.9%	17.9%	8.2%
<b>SPE11:</b> The retailer chain's (online and/or offline) facilities are designed to be as efficient as possible (for me).	4.90	1.19	1.5%	1.0%	6.9%	27.0%	32.8%	22.5%	8.3%
<b>Post-Purchase experience</b>									
<b>PPE1:</b> I choose the retailer chain because they know me.	4.51	0.90							
<b>PPE2:</b> The retailer chain knows exactly what I want.	3.68	1.74	21.8%	5.1%	10.7%	21.3%	28.9%	11.2%	1.0%
<b>PPE3:</b> The retailer chain keeps me up-to-date about their products and latest developments.	4.26	1.42	6.2%	7.3%	10.4%	24.9%	36.3%	11.9%	3.1%
<b>PPE4:</b> The retailer chain will look after me for a long time.	4.94	1.27	2.5%	0.5%	7.4%	23.3%	34.2%	21.3%	10.9%
<b>PPE5:</b> The retailer chain deals well with me when things go wrong.	5.12	1.31	1.0%	1.5%	7.9%	20.3%	29.7%	22.3%	17.3%
<b>PPE6:</b> I am happy with the retailer chain as my provider.	5.14	1.07	0.0%	0.5%	3.6%	25.4%	33.7%	25.4%	11.4%
<b>PPE7:</b> Being a client at/customer of the retailer chain gives me social approval.	4.62	1.31	3.0%	2.0%	12.1%	26.6%	32.2%	17.6%	6.5%
<b>PPE7:</b> Being a client at/customer of the retailer chain gives me social approval.	3.73	1.79	23.2%	3.8%	7.0%	25.4%	26.5%	11.4%	2.7%
<b>Customer Satisfaction</b>									
<b>SAT1:</b> My feelings towards the retailer chain are very positive.	4.99	0.98							
<b>SAT2:</b> I feel good about coming to the retailer chain for the offerings I am looking for.	4.95	1.16	1.0%	0.5%	6.0%	29.4%	30.8%	22.9%	9.5%
<b>SAT3:</b> Overall I am satisfied with the retailer chain and the service they provide.	5.02	1.13	0.5%	1.0%	6.4%	22.7%	36.0%	24.1%	9.4%
<b>SAT4:</b> I feel satisfied that the retailer chain produces the best results that can be achieved for me.	5.19	1.04	0.0%	0.0%	4.4%	21.7%	36.0%	26.6%	11.3%
<b>SAT5:</b> I feel satisfied that the retailer chain produces the best results that can be achieved for me.	4.86	1.15	2.0%	0.5%	7.5%	23.5%	38.5%	22.5%	5.5%
<b>SAT5:</b> The extent to which the retailer chain has produced the best possible outcome for me is satisfying.	5.11	1.17	1.0%	0.5%	5.0%	23.4%	31.8%	26.9%	11.4%
<b>Loyalty</b>									
<b>L1:</b> It is very likely that I say positive things about the retailer chain to other people.	4.96	1.05							
<b>L1:</b> It is very likely that I say positive things about the retailer chain to other people.	5.02	1.20	1.0%	0.5%	6.0%	26.6%	32.2%	21.1%	12.6%
<b>L2:</b> It is very likely that I recommend the retailer chain to someone who seeks your advice.	4.90	1.25	1.0%	4.6%	4.1%	24.0%	36.2%	20.4%	9.7%
<b>L3:</b> It is very likely that I encourage friends and relatives to use the retailer chain.	4.68	1.30	2.0%	3.0%	11.6%	25.1%	32.7%	18.1%	7.5%
<b>L4:</b> It is very likely that I consider the retailer chain the first choice to buy – services.	5.01	1.37	2.0%	3.9%	5.4%	19.1%	33.8%	21.1%	14.7%
<b>L5:</b> It is very likely that I use the retailer chain more in the next few years.	5.28	1.22	0.5%	1.5%	2.5%	21.9%	32.3%	20.9%	20.4%
<b>Repurchase Intentions</b>									
<b>RI1:</b> I plan to do most of my future shopping in this supermarket.	4.90	1.18							
<b>RI1:</b> I plan to do most of my future shopping in this supermarket.	5.02	1.32	1.5%	2.0%	7.4%	21.7%	32.0%	20.7%	14.8%
<b>RI2:</b> If I go shopping today, I will go to this supermarket again.	4.94	1.37	3.0%	2.0%	6.9%	21.8%	32.2%	21.3%	12.9%
<b>RI3:</b> I do most of my shopping in this supermarket.	5.10	1.30	1.0%	3.9%	2.5%	22.2%	33.0%	21.7%	15.8%
<b>RI4:</b> When I go shopping, I consider this supermarket first.	4.76	1.45	4.4%	3.0%	5.4%	28.6%	30.0%	15.3%	13.3%
<b>RI5:</b> When I go shopping, this supermarket is my first choice.	4.83	1.43	4.9%	2.5%	3.0%	25.6%	34.5%	17.2%	12.3%

**Table D.4 - Customer Experience Quality, Satisfaction, Loyalty, and Repurchase Intention by item for Lidl**

	Mean	SD	Scale (Relative frequencies)						
			1	2	3	4	5	6	7
<b>Customer Experience</b>									
<b>Brand Experience</b>									
<b>BRE1:</b> The retailer chain has a good reputation.	4.91	0.96							
<b>BRE2:</b> I am confident in the retailer chain's expertise.	5.07	1.26	0.0%	4.0%	5.0%	22.8%	30.7%	23.8%	13.9%
<b>BRE3:</b> The retailer chain gives independent advice (on which product/service will best suit my needs).	4.36	1.40	5.2%	5.2%	8.2%	37.1%	23.7%	15.5%	5.2%
<b>BRE4:</b> I choose the retailer chain not because of the price alone.	5.04	1.40	1.9%	1.9%	8.7%	20.4%	29.1%	20.4%	17.5%
<b>BRE5:</b> The people who work at the retailer chain represent the the retailer chain brand well.	5.02	1.30	0.0%	5.0%	3.0%	29.7%	24.8%	22.8%	14.9%
<b>BRE6:</b> The retailer chain's offerings have the best quality.	5.01	1.05	0.0%	2.0%	3.9%	23.5%	39.2%	24.5%	6.9%
<b>BRE7:</b> The retailer chain's offerings are superior.	4.88	1.18	0.0%	2.9%	8.7%	26.2%	27.2%	29.1%	5.8%
<b>Service provider experience</b>									
<b>SPE1:</b> The retailer chain advises me throughout the process.	4.41	1.47	3.1%	12.2%	8.2%	20.4%	34.7%	16.3%	5.1%
<b>SPE2:</b> Dealing with the retailer chain is easy.	5.20	1.17	0.0%	1.9%	3.8%	25.0%	22.1%	35.6%	11.5%
<b>SPE3:</b> The retailer chain keeps me informed.	4.90	1.54	5.8%	1.9%	4.9%	21.4%	32.0%	17.5%	16.5%
<b>SPE4:</b> The retailer chain demonstrates flexibility in dealing with me.	4.24	1.64	9.5%	8.4%	6.3%	29.5%	23.2%	16.8%	6.3%
<b>SPE5:</b> At the retailer chain I always deal with the same forms and/or same people.	4.40	1.61	9.9%	4.0%	4.0%	33.7%	23.8%	16.8%	7.9%
<b>SPE6:</b> The retailer chain's personnel relate to my wishes and concerns.	4.67	1.19	0.0%	4.0%	10.9%	30.7%	27.7%	21.8%	5.0%
<b>SPE7:</b> The people I am dealing with (at the retailer chain) have good people skills.	5.18	1.28	0.0%	4.0%	4.0%	19.8%	32.7%	21.8%	17.8%
<b>SPE8:</b> The retailer chain delivers a good customer service.	5.12	1.14	0.0%	2.9%	2.0%	24.5%	32.4%	27.5%	10.8%
<b>SPE9:</b> I have built a personal relationship with the people at the retailer chain.	3.81	1.77	19.0%	7.0%	7.0%	30.0%	18.0%	16.0%	3.0%
<b>SPE10:</b> The retailer chain's facilities are better designed to fulfill my needs than their competitors.	4.94	1.36	3.0%	3.0%	5.0%	21.8%	30.7%	26.7%	9.9%
<b>SPE11:</b> The retailer chain's (online and/or offline) facilities are designed to be as efficient as possible (for me).	5.06	1.19	1.0%	2.9%	3.9%	18.4%	39.8%	23.3%	10.7%
<b>Post-Purchase experience</b>									
<b>PPE1:</b> I choose the retailer chain because they know me.	3.99	1.77	19.0%	4.0%	6.0%	20.0%	36.0%	11.0%	4.0%
<b>PPE2:</b> The retailer chain knows exactly what I want.	4.33	1.31	5.1%	4.0%	9.1%	36.4%	27.3%	16.2%	2.0%
<b>PPE3:</b> The retailer chain keeps me up-to-date about their products and latest developments.	4.92	1.40	2.0%	4.0%	5.0%	28.7%	24.8%	20.8%	14.9%
<b>PPE4:</b> The retailer chain will look after me for a long time.	5.15	1.14	0.0%	1.9%	4.9%	19.4%	36.9%	24.3%	12.6%
<b>PPE5:</b> The retailer chain deals well with me when things go wrong.	5.26	1.25	0.0%	2.0%	5.0%	19.8%	33.7%	17.8%	21.8%
<b>PPE6:</b> I am happy with the retailer chain as my provider.	5.08	1.22	1.0%	1.0%	3.0%	31.7%	24.8%	24.8%	13.9%
<b>PPE7:</b> Being a client at/customer of the retailer chain gives me social approval.	4.12	1.40	7.8%	7.8%	7.8%	31.1%	33.3%	11.1%	1.1%
<b>Customer Satisfaction</b>									
<b>SAT1:</b> My feelings towards the retailer chain are very positive.	5.18	1.13	0.0%	1.0%	5.8%	18.4%	36.9%	24.3%	13.6%
<b>SAT2:</b> I feel good about coming to the retailer chain for the offerings I am looking for.	5.23	1.14	0.0%	2.0%	2.0%	25.5%	25.5%	32.4%	12.7%
<b>SAT3:</b> Overall I am satisfied with the retailer chain and the service they provide.	5.23	1.16	0.0%	1.9%	2.9%	24.3%	25.2%	32.0%	13.6%
<b>SAT4:</b> I feel satisfied that the retailer chain produces the best results that can be achieved for me.	4.95	1.17	0.0%	1.9%	8.7%	24.3%	30.1%	27.2%	7.8%
<b>SAT5:</b> The extent to which the retailer chain has produced the best possible outcome for me is satisfying.	5.23	1.19	0.0%	1.0%	6.7%	20.2%	27.9%	28.8%	15.4%
<b>Loyalty</b>									
<b>L1:</b> It is very likely that I say positive things about the retailer chain to other people.	5.22	1.28	0.0%	2.9%	2.9%	28.2%	19.4%	28.2%	18.4%
<b>L2:</b> It is very likely that I recommend the retailer chain to someone who seeks your advice.	5.15	1.23	0.0%	2.0%	5.0%	27.0%	23.0%	28.0%	15.0%
<b>L3:</b> It is very likely that I encourage friends and relatives to use the retailer chain.	5.18	1.26	0.0%	3.0%	5.0%	21.0%	30.0%	24.0%	17.0%
<b>L4:</b> It is very likely that I consider the retailer chain the first choice to buy – services.	4.97	1.27	1.0%	1.9%	5.8%	31.7%	20.2%	28.8%	10.6%
<b>L5:</b> It is very likely that I use the retailer chain more in the next few years.	5.34	1.29	0.0%	1.9%	2.9%	27.2%	18.4%	26.2%	23.3%
<b>Repurchase Intentions</b>									
<b>RI1:</b> I plan to do most of my future shopping in this supermarket.	5.10	1.19	0.0%	3.0%	4.0%	22.8%	33.7%	23.8%	12.9%
<b>RI2:</b> If I go shopping today, I will go to this supermarket again.	5.19	1.17	0.0%	2.9%	2.9%	19.2%	37.5%	22.1%	15.4%
<b>RI3:</b> I do most of my shopping in this supermarket.	5.06	1.23	0.0%	2.9%	8.8%	17.6%	30.4%	30.4%	9.8%
<b>RI4:</b> When I go shopping, I consider this supermarket first.	4.86	1.30	1.9%	3.8%	5.8%	24.0%	32.7%	23.1%	8.7%
<b>RI5:</b> When I go shopping, this supermarket is my first choice.	4.96	1.31	1.0%	2.9%	7.7%	25.0%	26.9%	24.0%	12.5%

**Table D.5 - Mean and standard deviation by instrument dimension for Contimente — Card Affiliation**

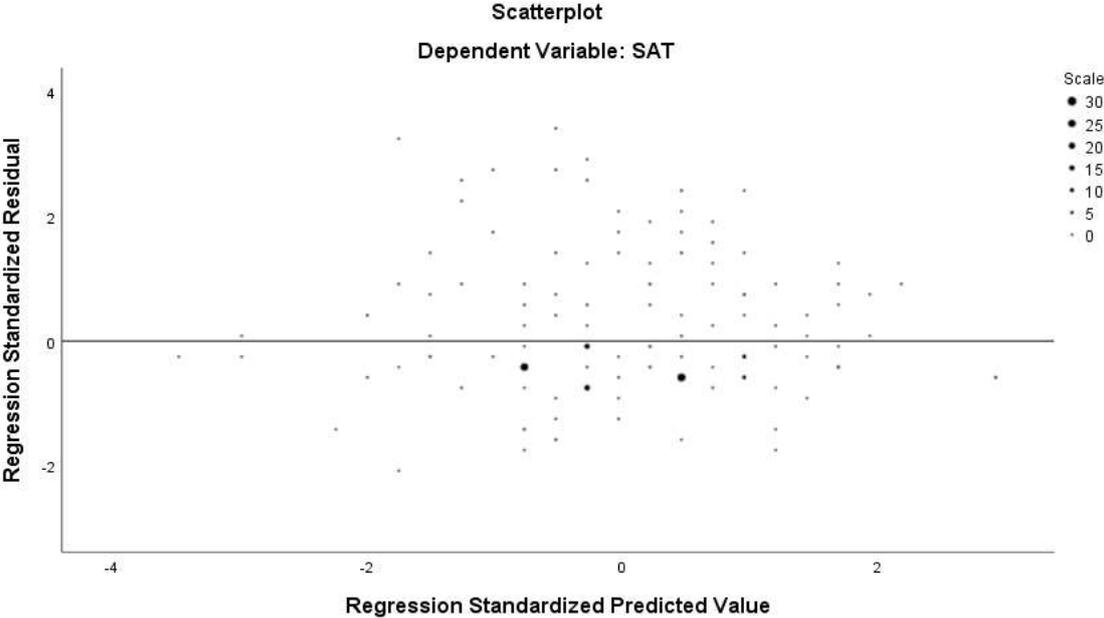
<b>Card affiliation</b>	<b>Yes</b>		<b>No</b>	
<b>Dimension</b>	<b>Mean</b>	<b>S.D.</b>	<b>Mean</b>	<b>S.D.</b>
Brand Experience	4.805	0.798	4.968	0.927
Service Provider Experience	4.662	0.754	4.517	1.065
Post-Purchase Experience	4.518	0.852	4.405	1.242
Customer Experience (EXQ)	4.646	0.762	4.646	1.050
Satisfaction	4.958	0.944	5.255	1.188
Loyalty	4.934	1.023	5.200	1.239
Repurchase Intention	4.864	1.169	5.171	1.275

## Annex E – Validation of Non-Assimetries

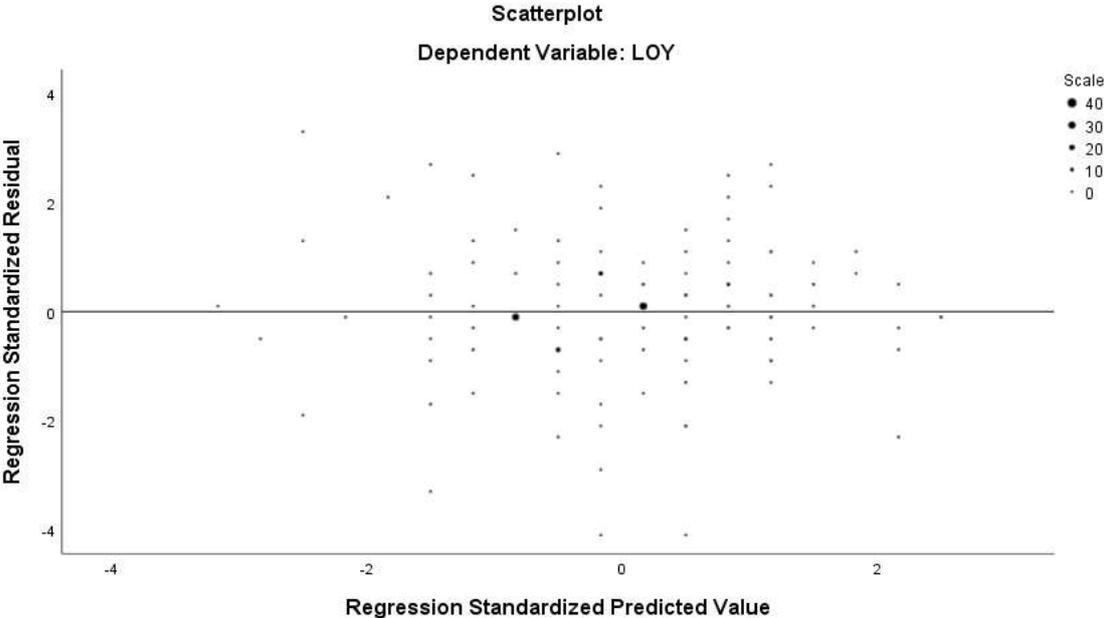
**Table E.1 – Coefficients of Variation and Z-Scores for dimensions by retailer chain**

Dimension by Independent Variable "Retailer Chain"		Mean	Std. Deviation	Coefficient of Variation	Skewness	Skewness SE	Z-Score
<b>BRE</b>	Continente	4.74	0.80	16.81	0.15	0.20	0.79
	Lidl	4.79	0.93	19.38	-0.22	0.28	-0.80
<b>SPE</b>	Continente	4.65	0.80	17.24	0.05	0.20	0.28
	Lidl	4.68	0.92	19.74	-0.47	0.28	-1.72
<b>PPE</b>	Continente	4.53	0.89	19.73	-0.19	0.20	-0.97
	Lidl	4.65	0.87	18.62	-0.50	0.28	-1.82
<b>EXQ</b>	Continente	4.64	0.79	17.00	0.05	0.20	0.23
	Lidl	4.70	0.87	18.42	-0.44	0.28	-1.59
<b>SAT</b>	Continente	4.86	0.92	18.85	0.06	0.20	0.31
	Lidl	4.94	1.01	20.36	-0.33	0.28	-1.20
<b>LOY</b>	Continente	4.82	0.94	19.58	-0.06	0.20	-0.30
	Lidl	4.89	1.07	21.79	-0.16	0.28	-0.57
<b>RI</b>	Continente	4.75	1.08	22.78	-0.38	0.20	-1.95
	Lidl	4.87	1.09	22.34	-0.50	0.28	-1.82

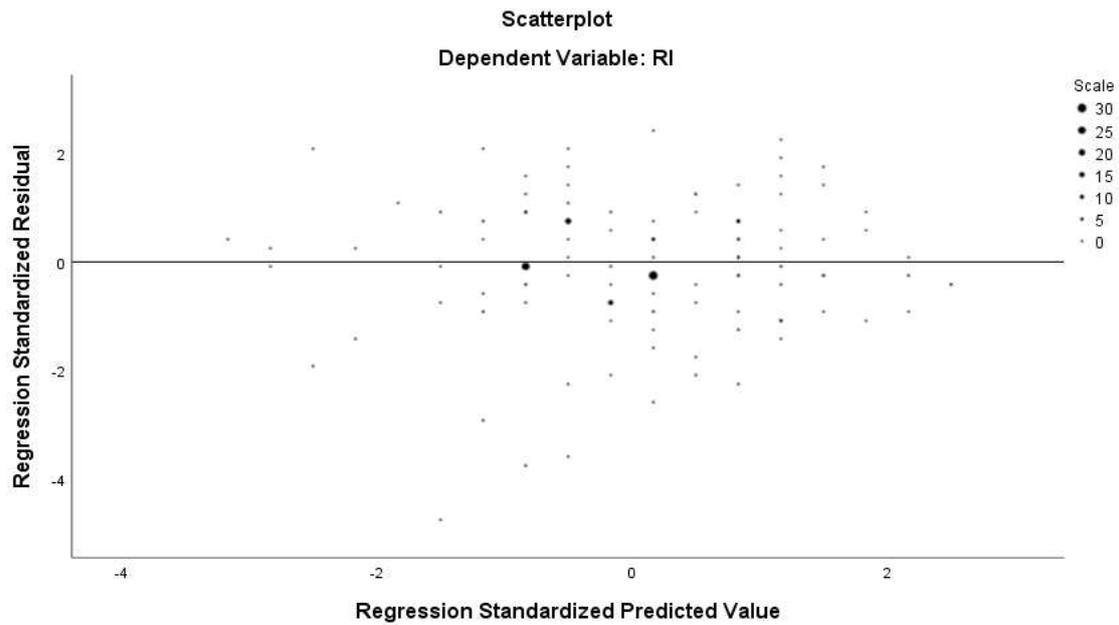
**Annex F – Validation of Linear Regression Assumptions**



**Figure F.1 – Normality, Homoscedasticity and Linearity Analysis – Simple Linear Regression Scatterplot – SATISFACTION**



**Figure F.2 – Normality, Homoscedasticity and Linearity Analysis – Multiple Linear Regression Scatterplot – LOYALTY**



**Figure F.3 – Normality, Homoscedasticity and Linearity Analysis – Multiple Linear Regression  
Scatterplot – REPURCHASE INTENTION**

**Table F.1 – Multicollinearity Analysis – LOYALTY**

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.064	.149		-.431	.667		
	EXQ	.200	.060	.164	3.313	.001	.268	3.737
	SAT	.815	.052	.777	15.675	.000	.268	3.737

a. Dependent Variable: LOY

**Table F.2 – Multicollinearity Analysis – REPURCHASE INTENTION**

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.370	.207		-1.789	.075		
	EXQ	.504	.088	.379	5.758	.000	.247	4.047
	SAT	-.022	.104	-.019	-.213	.832	.130	7.699
	LOY	.602	.093	.547	6.454	.000	.149	6.705

a. Dependent Variable: RI

**Table F.3 – Pearson’s Correlation Matrix for Satisfaction, Loyalty, Repurchase Intention, and Customer Experience measures**

		<b>Correlations</b>			
		<b>SAT</b>	<b>LOY</b>	<b>RI</b>	<b>EXQ</b>
<b>Pearson Correlation</b>	<b>SAT</b>	1.000	.916**	.800**	.855**
	<b>LOY</b>	.916**	1.000	.834**	.829**
	<b>RI</b>	.800**	.834**	1.000	.810**
	<b>EXQ</b>	.855**	.829**	.810**	1.000

\*\* . Correlation is significant at the 0.01 level (2-tailed).

## Annex G – Test Results from Mediation Model 1

Run MATRIX procedure:

\*\*\*\*\* PROCESS Procedure for SPSS Version 3.5 \*\*\*\*\*

Written by Andrew F. Hayes, Ph.D. [www.afhayes.com](http://www.afhayes.com)

Documentation available in Hayes (2018). [www.guilford.com/p/hayes3](http://www.guilford.com/p/hayes3)

\*\*\*\*\*

Model : 6

Y : RI

X : EXQ

M1 : SAT

M2 : LOY

Sample

Size: 229

\*\*\*\*\*

OUTCOME VARIABLE:

SAT

Model Summary

R	R-sq	MSE	F	df1	df2	p
.859	.738	.235	640.634	1.000	227.000	.000

Model

	coeff	se	t	p	LLCI	ULCI
constant	.234	.187	1.254	.211	-.134	.602
EXQ	.998	.039	25.311	.000	.920	1.075

Standardized coefficients

	coeff
EXQ	.859

\*\*\*\*\*

OUTCOME VARIABLE:

LOY

Model Summary

R	R-sq	MSE	F	df1	df2	p
.922	.851	.146	644.653	2.000	226.000	.000

Model

	coeff	se	t	p	LLCI	ULCI
constant	-.055	.147	-.376	.707	-.346	.235
EXQ	.221	.061	3.644	.000	.102	.341
SAT	.791	.052	15.141	.000	.688	.894

Standardized coefficients

	coeff
EXQ	.183
SAT	.760

\*\*\*\*\*

OUTCOME VARIABLE:

RI

Model Summary

R	R-sq	MSE	F	df1	df2	p
.871	.759	.287	235.908	3.000	225.000	.000

Model

	coeff	se	t	p	LLCI	ULCI
constant	-.370	.207	-1.789	.075	-.778	.037
EXQ	.504	.088	5.758	.000	.332	.677
SAT	-.022	.104	-.213	.832	-.227	.183
LOY	.602	.093	6.454	.000	.418	.786

Standardized coefficients

	coeff
EXQ	.379
SAT	-.019

LOY .547

\*\*\*\*\* TOTAL EFFECT MODEL \*\*\*\*\*

OUTCOME VARIABLE:

RI

Model Summary

R	R-sq	MSE	F	df1	df2	p
.820	.673	.385	467.048	1.000	227.000	.000

Model

	coeff	se	t	p	LLCI	ULCI
constant	-.297	.239	-1.244	.215	-.768	.174
EXQ	1.090	.050	21.611	.000	.991	1.190

Standardized coefficients

	coeff
EXQ	.820

\*\*\*\*\* TOTAL, DIRECT, AND INDIRECT EFFECTS OF X ON Y \*\*\*\*\*

Total effect of X on Y

Effect	se	t	p	LLCI	ULCI	c_ps	c_cs
1.090	.050	21.611	.000	.991	1.190	1.007	.820

Direct effect of X on Y

Effect	se	t	p	LLCI	ULCI	c'_ps	c'_cs
.504	.088	5.758	.000	.332	.677	.466	.379

Indirect effect(s) of X on Y:

	Effect	BootSE	BootLLCI	BootULCI
TOTAL	.586	.119	.352	.816
Ind1	-.022	.187	-.363	.382
Ind2	.133	.055	.038	.255
Ind3	.475	.124	.228	.720

Partially standardized indirect effect(s) of X on Y:

	Effect	BootSE	BootLLCI	BootULCI
TOTAL	.541	.109	.330	.753
Ind1	-.020	.173	-.334	.347
Ind2	.123	.051	.035	.233
Ind3	.439	.119	.205	.679

Completely standardized indirect effect(s) of X on Y:

	Effect	BootSE	BootLLCI	BootULCI
TOTAL	.441	.087	.266	.612
Ind1	-.017	.140	-.275	.282
Ind2	.100	.041	.028	.190
Ind3	.358	.096	.169	.548

Indirect effect key:

Ind1 EXQ -> SAT -> RI  
 Ind2 EXQ -> LOY -> RI  
 Ind3 EXQ -> SAT -> LOY -> RI

\*\*\*\*\* ANALYSIS NOTES AND ERRORS \*\*\*\*\*

Level of confidence for all confidence intervals in output:

95.0000

Number of bootstrap samples for percentile bootstrap confidence intervals:

5000

----- END MATRIX -----

## Annex H – Test Results from Mediation Model 2

Run MATRIX procedure:

\*\*\*\*\* PROCESS Procedure for SPSS Version 3.5 \*\*\*\*\*

Written by Andrew F. Hayes, Ph.D. [www.afhayes.com](http://www.afhayes.com)

Documentation available in Hayes (2018). [www.guilford.com/p/hayes3](http://www.guilford.com/p/hayes3)

\*\*\*\*\*

Model : 4

Y : LOY

X : EXQ

M : SAT

Sample

Size: 233

\*\*\*\*\*

OUTCOME VARIABLE:

SAT

Model Summary

R	R-sq	MSE	F	df1	df2	p
.856	.732	.239	632.309	1.000	231.000	.000

Model

	coeff	se	t	p	LLCI	ULCI
constant	.254	.187	1.354	.177	-.116	.623
EXQ	.995	.040	25.146	.000	.917	1.073

Standardized coefficients

	coeff
EXQ	.856

\*\*\*\*\*

OUTCOME VARIABLE:

LOY

Model Summary

R	R-sq	MSE	F	df1	df2	p
.921	.849	.149	645.762	2.000	230.000	.000

Model

	coeff	se	t	p	LLCI	ULCI
constant	-.064	.149	-.431	.667	-.357	.229
EXQ	.200	.060	3.313	.001	.081	.319
SAT	.815	.052	15.675	.000	.712	.917

Standardized coefficients

	coeff
EXQ	.164
SAT	.777

\*\*\*\*\* TOTAL EFFECT MODEL \*\*\*\*\*

OUTCOME VARIABLE:

LOY

Model Summary

R	R-sq	MSE	F	df1	df2	p
.829	.687	.307	507.834	1.000	231.000	.000

Model

	coeff	se	t	p	LLCI	ULCI
constant	.143	.212	.672	.502	-.276	.561
EXQ	1.011	.045	22.535	.000	.923	1.099

Standardized coefficients

	coeff
EXQ	.829

\*\*\*\*\* TOTAL, DIRECT, AND INDIRECT EFFECTS OF X ON Y \*\*\*\*\*

Total effect of X on Y

Effect	se	t	p	LLCI	ULCI	c_ps	c_cs
1.011	.045	22.535	.000	.923	1.099	1.022	.829

Direct effect of X on Y

Effect	se	t	p	LLCI	ULCI	c'_ps	c'_cs
.200	.060	3.313	.001	.081	.319	.202	.164

Indirect effect(s) of X on Y:

Effect	BootSE	BootLLCI	BootULCI
SAT	.811	.072	.667 .953

Partially standardized indirect effect(s) of X on Y:

Effect	BootSE	BootLLCI	BootULCI
SAT	.820	.075	.679 .973

Completely standardized indirect effect(s) of X on Y:

Effect	BootSE	BootLLCI	BootULCI
SAT	.665	.053	.555 .763

\*\*\*\*\* ANALYSIS NOTES AND ERRORS \*\*\*\*\*

Level of confidence for all confidence intervals in output:

95.0000

Number of bootstrap samples for percentile bootstrap confidence intervals:

5000

----- END MATRIX -----