

Measuring Experience Quality and Outcomes in Services: The Case of Port Wine Cellars

Purpose: Pine and Gilmore (1998) set out the concept of experience economy as a new era. Since then, service experience and its impact on business is receiving increased attention. According to S-D logic, service experience is a key concept (Vargo and Lusch, 2004) and creating unforgettable experiences became a priority for service organizations (Verhoef et al., 2009). Therefore, measuring experience quality becomes crucial. Based on existing models in the literature (e.g. Chang and Horng, 2010; Kim et al., 2011; Klaus and Maklan, 2013), the purpose of this study is to develop and validate a Customer Experience Quality measurement model (EXQUAL), using the customer's perspective. We also aim to assess the impact of service experience quality on customer's satisfaction, loyalty and word-of-mouth.

Design/Methodology/Approach: Data was collected from 290 visitors of three Port wine cellars, a setting chosen for its highly experiential nature. Respondents were surveyed short after the visit, minimising bias associated with retrospective recall. Based on existing scales, we conducted a CFA on the dimensions measuring experience quality: Environment, Learning, Entertainment, Service Providers, Benefits and Trust. To evaluate the impact of experience quality on satisfaction, loyalty and word-of-mouth, a causal model using SEM was used.

Findings: The six dimensions of EXQUAL were validated, with Service Providers, Benefits and Learning having the most significant impact on experience quality. Overall, the 20-item scale provides a reliable and valid measure of experience service quality. We also conclude that experience quality has a significant impact on relevant marketing outcomes, namely loyalty, word-of-mouth and customer satisfaction.

Originality/Value: Few studies have measured customer experience, or related it to consumer behavioural intentions. Addressing calls (e.g. Klaus and Maklan, 2012) to further investigate hedonic services, our research bridges these gaps, presenting a new EXQUAL model, validated in the wine tourism industry, and analyzing the impact of customer experience on important marketing outcomes. In managerial terms, our findings allow managers to improve the overall service experience quality through a better understanding of its dimensions. Managers can also determine which experience dimensions are most strongly associated with customer-related outcomes and, thus, improve the effectiveness of marketing investments. One limitation of this study is that it focuses on a particular setting, country, and customer sample. Future research should further cross validate our results. Also, our research could be extended to include other dimensions and outcomes. Overall, our findings enhance knowledge on the experiential concept and offer important implications for service managers.

Keywords: Service experience, Experience quality, Satisfaction, Loyalty, Word-of-mouth

Paper type: Research paper

1. Introduction

In this fast growing experience economy, customers are changing their desires and expectations, seeking for more variety and customisation than they used to in the past. Nowadays, consumers are in search of experiences that ‘dazzle their senses’, ‘engage them personally’, ‘touch their hearts’ and ‘stimulate their minds’ (Schmitt, 1999), whilst indulging in ‘fantasies, feelings and fun’ (Holbrook and Hirschman, 1982). Though for years consumer research has assumed a highly rational model of buying behaviour (Hosany and Witham, 2010), in recent years cognitive models alone were considered inadequate in explaining consumption, which includes both rational and emotional assessments (Klaus and Maklan, 2012). As a result, numerous authors have underlined the relevance of creating extraordinary customer experiences as a strategy to create value, to give companies a sustainable competitive advantage and to foster customers’ satisfaction, loyalty and positive word-of-mouth (e.g. Pine and Gilmore, 1998; Berry et al., 2002; Prahalad and Ramaswamy, 2004; Shaw and Ovens, 2005; Naylor et al., 2008). Experiences have been also recognized within S-D logic as a key dimension in the value co-creation process, since “there is no value until an offering is used”, and thus “experience and perception are essential to value determination” (Vargo and Lusch, 2006, p.44). Thus, value is no longer embedded in tangible offers, but is co-created with customers and other actors in interactive experiences (Vargo and Lusch, 2004).

The emergence of the “experience economy” has spawned a number of studies dedicated to the understanding of consumer experiences and the experiential aspects of consuming products and services (e.g. Carù and Cova, 2003; Poulsson and Kale, 2004; Gentile et al., 2007; Verhoef et al., 2009). After the seminal work of Holbrook and Hirschman (1982), Pine and Gilmore (1998) set out the concept of experience economy as a new era, emerging from previous stages of economic progression, namely commodities, goods and services. The authors argue that services, like goods before them, are becoming more and more commoditized and, as a result, businesses should provide meaningful experiences to their customers in order to add value to their offerings (Berry et al., 2002). Much like a theatrical play, experiences occur when a company “intentionally uses services as the stage and the goods as props” in order to create a memorable event (Pine and Gilmore, 1998, p. 98).

Customers can also co-create their own unique experience (Prahalad and Ramaswamy, 2004), becoming an essential part of companies’ offerings (Poulsson and Kale, 2004) as co-producers (Walls et al., 2011) and operant resources (Vargo and Lusch, 2006) *beyond* the staging or orchestration of experiences. Accordingly, companies do not sell (or stage) experiences, but rather provide a basic platform which consumers can use to mood and obtain their own unique experiences (Gentile et al., 2007). Broadly speaking, experience originates from a set of complex interactions between the customer and a company or a company’s offerings (Carù and Cova, 2003), shaped by their characteristics and influenced by the environment in which the interaction takes place (Walls et al., 2011). In recent years, a consensus has emerged that characterises consumer experience as a multidimensional evaluation, where different dimensions or factors contribute to form a “holistic” view (e.g. Schmitt, 1999; Gentile et al., 2007; Kim et al., 2011), although these dimensions may be difficult to isolate, expensive to orchestrate and beyond the company’s control (Tynan and McKechnie, 2009; Verhoef et al., 2009). This challenges companies to design, manage and measure customers’ experiences (Maklan and Klaus, 2011).

But in spite of these developments, much of the academic research on customer experiences remains sparse and a generalized theory-embedded framework on consumer experiences is still missing (Gentile et al., 2007; Oh et al., 2007). The term experience is an elusive construct, still ill-defined in the marketing literature, leading to a multiplicity of perspectives undermining its clear-cut understanding (Palmer, 2010; Johnston and Kong, 2011; Kim et al.,

2011). A common criticism of the experience economy phenomenon has been the lack of a tangible measure to capture its underlying dimensions (Carú and Cova, 2003; Klaus and Maklan, 2012). Most studies on customer experience are essentially conceptual or descriptive (Chang and Hong, 2010) and fail to capture the complexity of context-specific variables and its impact on experience quality and marketing outcomes (Palmer, 2010; Lemke et al., 2011). In fact, experience is a far broader and less delimited concept than e.g. product or service quality. Thus, the development of experience measurement scales is a research opportunity which would allow a broader understanding on what factors are more important in order to create positive customer experiences, with benefits for management practices.

Based on existing models in the literature (e.g. Chang and Horng, 2010; Kim et al., 2011; Klaus and Maklan, 2013), the purpose of this study is to develop and validate a Service Experience Quality measurement model (EXQUAL), using the customer's perspective. We also aim to assess the impact of service experience quality on important marketing outcomes, such as customer's satisfaction, loyalty and word-of-mouth. Addressing calls (e.g. Klaus and Maklan, 2012) to further investigate hedonic services, the empirical context of the study is the wine tourism industry, namely Port wine cellars, a setting chosen for its highly, yet under-researched, experiential nature. Hedonic services, such as wineries, are good examples of experiences that are able to elicit emotional and experiential reactions by consumers (Slatten et al., 2009). Wineries are authentic places (Hall and Mitchell, 2008) with physical characteristics that define an ambiance and enhance visitors' winery experience (Alonso and Ogle, 2008). Visitors to the winery frequently seek a unique relationship with the place as they want to be enchanted by the stories that connect the land, the people and the wine (Hall and Mitchell, 2008). The consumption of wine during the winery tour makes it possible to interact with the winery staff, with other consumers, and with the atmosphere of the winery (Alant and Bruwer, 2004), creating a holistic consumer experience that can largely exceed the wine-tasting experience (Mitchell and Hall, 2004). However, though the deliverance of experiences for wine tourists will be of increasing importance in the future, very little research has been conducted in the field of the wine tourism experience.

The remainder of this paper is organized as follows. The next two sections will focus on the literature relevant to this study and on the development of the hypotheses which drive our study. The investigation undertaken to test the conceptual framework is then described. Following a description of the methodology, the results are given. A discussion of the research findings, managerial implications, and future research directions conclude the paper.

2. Measuring Experience Quality

As experiences are replacing quality as the competitive battleground for marketing, measuring experience quality and understanding its dimensions becomes crucial (Shaw and Ovens, 2005; Verhoef et al., 2009; Klaus and Maklan, 2013). However, very few studies have investigated customers' perceptions of experience quality (Chang and Hong, 2010) or identified and measured its dimensions (Kim et al., 2011). In fact, unlike service quality, investigations on experience quality have not caught much attention: customer experience has not been studied as a separate construct nor has it been explored in a theoretical perspective (Verhoef et al., 2009); instead, it has been integrated with service quality studies (Kim et al., 2011).

However, service quality and its most popular measure, SERVQUAL (Parasuraman et al., 1988), are too limited to fully capture customer experience quality (Maklan and Klaus, 2011). In fact, the two assessments are conceptually distinct: service quality is essentially a cognitive and transaction-related evaluation, whereas customers tend to subjectively and emotionally evaluate the experience quality (Chang and Horng, 2010). Customer experience goes beyond service (Klaus and Maklan, 2012) and the contemporary consumer demands more than just competent service, seeking experiences which are emotionally "engaging, robust, compelling

and memorable” (Gilmore and Pine, 2002, p. 10). Also, service quality reflects traditional concepts according to which value is embedded in service offerings, while experiences lead to co-created value with customers through value-in-use (Sandstrom et al., 2008; Maklan and Klaus, 2011). However, customer experience has been defined so broadly and holistically that remains an elusive and indistinct concept (Kim et al., 2011), incurring in the risk of becoming “the theory of everything” (Maklan and Klaus, 2011). As such, and considering that customer experience is a priority for organizations, its measure from the customer’s point of view needs to be addressed (Klaus and Maklan, 2012). But despite the difficulties in measuring experience quality, some scales have been developed, as follows.

Chang and Horng Model

Chang and Horng (2010) proposed a multidimensional scale of experience quality based on customers’ perspective in service settings. The authors identified 38 items, split across five dimensions, namely Physical Surroundings, Service Providers, Other Customers, Customers Companions and Customers Themselves. Physical Surroundings refers to customers’ interactions with the service environment, and includes four sub-dimensions: atmosphere, concentration, imagination, and surprise. Service Providers relates to personal interaction between customers and service employees. Other Customers and Customers Companions also refers to interactions, whereas Customers Themselves refers to cognitive learning and fun. As such, experience quality is conceptualized as a “customers’ emotional judgement about their entire experiences” (p. 2405). The authors chose two service companies, known for creating delicate service environments and providing memorable experiences, to test the scale. However, the authors acknowledge that this focus limits the application of the findings to other service settings. Moreover, the study is not suitable for situations in which customers are alone. Also, the authors suggest the need for further studies in order to analyse the relationship of experience quality with service quality and marketing outcomes.

Consumer Experience Index (CEI)

Kim et al. (2011) developed a Consumer Experience Index (CEI) based on seven dimensions, including Environment, Benefits, Convenience, Accessibility, Utility, Incentive and Trust. Benefits, or the advantage for the consumer of the experience, was ranked as the most important dimension. Accessibility, or the cost, delivery and availability of the service, ranked second. Convenience, or the time and energy resources the customer must expend, came in third. Incentive, pertaining to the monetary and non-monetary inducements for the customer to buy, ranked fourth. The fifth factor was Utility, which includes service performance, capabilities, and aesthetics. Trust in the individuals providing the service experience and Environment, including physical surroundings and sensory stimulation, came in last. The index was tested on four distribution channels, instead of focusing a particular industry. Although this tool was designed to measure general consumer experience, the authors call for further validation in specific but diverse services, such as retailers or airlines. Also, the authors suggest testing the link among service quality, value, satisfaction and experience, in order to further validate results and to understand consumers’ decision-making process.

Service Experience Quality Scale (EXQ)

Klaus and Maklan (2012, 2013) formulated a scale for measuring customers’ service experience quality (the EXQ scale), comprised of 19 items split across four dimensions: Product Experience, Outcome Focus, Moments of Truth and Peace of Mind. Product Experience refers to the importance of customers’ perception of having choices and the ability to compare them. Outcome Focus is associated with reducing customers’ transaction costs. Moments of Truth pertains to the importance of service interactions and recovery, and Peace of Mind reflects the emotional benefits that customers experience. According to Klaus and Maklan (2012), for a broad and comprehensive conceptualization, customer experience

should be linked to behavioural intentions. Based on the quality management framework, literature has linked experience quality to marketing outcomes (e.g. Naylor et al., 2008; Puccinelli et al., 2009). Thus, the authors also tested the impact of experience quality on customer satisfaction, loyalty and word-of-mouth. Product Experience and Outcome Focus had almost equal significance on all outcomes, whereas Peace of Mind had the most significant influence on satisfaction and word-of-mouth, and Moments of Truth had the greatest influence on word-of-mouth behaviour. Firstly focused on a mortgage provider (Klaus and Maklan, 2012), the study was further expanded to other settings, namely a fuel station, a retail bank and a sports luxury fashion retailer (Klaus and Maklan, 2013). However, the authors suggest the need to expand research to more hedonic consumption services, such as entertainment or tourism, and to replicate the study in other countries in order to generalise results and build an even stronger theory.

3. Research Framework and Methodology

The purpose of our research is to develop and validate a Customer Experience Quality measurement model (EXQUAL), using the customer's perspective. We also aim to assess the impact of experience quality on customer's satisfaction, loyalty and word-of-mouth. The empirical context of the study is the wine tourism industry, namely Port wine cellars. According to the literature review, attention is focused on the following hypothesis:

Hypothesis 1 (H1): Experience quality dimensions [environment, service providers, learning, entertainment, benefits and trust] measure customers' perceived experience quality.

Considering that the customer experience includes both functional and emotional outcomes (Sandstrom et al., 2008), we have combined dimensions suggested by previous studies in order to fit the study setting. In fact, as suggested by Lemke et al. (2011), the customer experience and its measurement are of context-specific nature and, therefore, needs to be explored in one specific setting. The initial set of items was reviewed by a panel of researchers, wine makers and registered customers, and six dimensions were selected: environment, service providers, learning, entertainment, benefits and trust. According to Chang and Horng (2010), customers are commonly more impressed by settings with atmosphere, and physical surroundings may elicit positive customers' emotional perceptions of experience quality. This dimension was found to be especially significant for customers' experience of hedonic services (e.g. Slatten et al., 2009). Also, much research has been devoted to understanding the role of the employee in the delivery of experience (Slatten et al., 2009). Service employees have the potential to influence the value-creating experience by interacting with the customer (Sandstrom et al., 2008). In terms of learning, educational experiences engage the minds of consumers and appeals to their desire to "learn something new", which is especially true in the tourism industry (Hosany and Witham, 2010). As for entertainment, it is probably one of the oldest forms of experience (Pine and Gilmore, 1998) and remains an essential component of the tourist product. Benefits aim to reflect practical or functional experience outcomes, such as performance, consistency, and adaptability. The experience should fit the purpose for which it was designed for in an efficient and "hassle" free manner (Kim et al., 2011). Finally, trust in the individuals providing the service experience reflects the emotional benefits customers experience based on the perceived expertise of the service provider (Klaus and Maklan, 2012) and the feeling of security based on the belief of favorable and positive intentions of the exchange partner; thus, trust corresponds to perceived credibility and benevolence (Morgan and Hunt, 1994), and is at the basic level of human interaction in providing an experience (Kim et al., 2011).

A well-staged experience shapes tourists' attitudinal evaluations, such as satisfaction and future intentions (Oh et al., 2007). Evidence for the impact of quality on behavioural

intentions comes from a variety of service research. Researchers link quality to consumer behaviour either directly or indirectly via customer satisfaction (Klaus and Maklan, 2013). Oliver (1997) argues that satisfaction is a customer “fulfilment response”, a post-purchase phenomenon that portrays how much the customer likes or dislikes the service. In the context of touristic experiences, satisfaction is usually conceptualized as a function of whether visitors' expectations or their psychological needs are met (Han et al., 2009). Customer satisfaction is also known as an emotional response to direct product experiences (Han and Back, 2007). Customer experience also drives word-of-mouth (Kenningham et al., 2007) and loyalty (Mathiou et al., 2014). Also according to Naylor et al. (2008), the improvement of customer experiences can be an opportunity to promote positive word-of-mouth, and foster customers' satisfaction and loyalty. However, the relationship between experience, satisfaction and behavioural intentions remains unsubstantiated (Hosany and Witham, 2010). Accordingly, in this study, we hypothesise that a pleasant experience will have a positive impact on satisfaction and on customers' intention to revisit and to recommend:

Hypothesis 2 (H2): Perceived experience quality will have a positive effect on (i) customers' satisfaction; (ii) customers' intention to revisit; and (iii) customers' intention to recommend.

Cellar door customers of three local Port wineries served as the study population, considered a desirable setting given that wineries are laden with experiential benefits and offer opportunities for tourists to engage in a socially unique and memorable experience that can largely exceed the wine-tasting experience (Mitchell and Hall, 2004). Also, tourism experiences have become a focal point for current tourism research and management (Tung and Ritchie, 2011), since they are the core of their product or service (Yuan and Wu, 2008). Today tourists demonstrate a tendency towards experience-intensity and life-hype as they demand impulsive and fast experiences (Andersson, 2007). Wine tourism seems to be able to fulfil many of these new customer requirements. However, very few research contributions (e.g. Carmichael, 2005; Pikkemaat et al., 2009) attempt to empirically validate wine tourism experience from a customer's point of view, and academic research on the conceptualisation and measurement of co-created tourism experiences remains sparse (Gretzel et al., 2006; Binkhorst and Dekker, 2009).

The survey instrument consisted of a self-administrated written questionnaire surveying customers' demographics, experience evaluation and subsequent behaviour intentions. Data was collected from 290 visitors of three Port wine cellars. Respondents were surveyed short after the visit, minimising bias associated with retrospective recall. Besides demographic data, the questionnaire comprised 30 questions regarding experience quality dimensions, satisfaction, word-of-mouth and loyalty intentions. The measures were established scales from previous studies on experience quality (Table 1), adapted to fit the study setting. With the exception of the initial questions regarding consumer characteristics, all items employed seven-point Likert. “Environment” was measured with 4 items from Chang and Horng (2010) scale and the Consumer Experience Index (CEI) model (Kim et al., 2011). “Service Providers” was measured with 3 items from Chang and Horng (2010) and the EXQ scale (Klaus and Maklan, 2012). “Learning” and “Entertainment” measures were based on Chang and Horng (2010) scale. “Benefits” was measured with 4 items from the CEI model. And finally “Trust” was measured with 4 items from the CEI and the EXQ scales. Following the EXQ model, “Satisfaction” was measured with 3 items from Dagger et al. (2007); to measure “Loyalty” we have used 3 items from Parasuraman et al. (2005); and finally, to measure “Word-of-mouth”, 3 items from Brown et al. (2005) were used. To measure experience quality and its impact on marketing outcomes, a causal model using SEM was developed.

4. Research Findings

The majority of the respondents (51%) were male, ageing between 20 and 40 years old (59%), mainly French (22%) or Spanish (20%), and who had never visited a Port wine cellar before (69%). Respondents were equally divided among the three cellars (with approximately 1/3 of the respondents each).

Table 1: Measurement scales, reliability and dimensionality statistics

Measures	Loadings	Means	CR (AVE)
ENVIRONMENT ($\alpha=.752$)			.857 (.600)
The environment of the wine cellar is enjoyable	.813	6.37	
The environment of the wine cellar is stimulating to the senses	.788	6.03	
I am surprised with the wine cellar environment	.709	5.45	
The atmosphere of the wine cellar has an impact on my state-of-mind	.785	5.76	
SERVICE PROVIDERS ($\alpha=.698$)		.698	.838 (.634)
Service employees of the wine cellar serve me friendly and kindly	.802	6.71	
The people at the wine cellar have good interpersonal skills	.809	6.51	
Interacting with service providers makes me feel that I'm treated with respect	.777	6.43	
LEARNING ($\alpha=.610$)		.610	.796 (.564)
The guides and brochures help me to learn and understand the topics	.801	6.37	
I have obtained more knowledge about Port Wine and the winery brand	.748	6.31	
I've learned something new about Port Wine after visiting this wine cellar	.701	6.30	
ENTERTAINMENT ($\alpha=.627$)		.627	.843 (.729)
This is a wine cellar where people can enjoy themselves	.854	6.18	
It is happy time when I visit this wine cellar	.854	6.18	
BENEFITS ($\alpha=.794$)		.794	.867 (.619)
The wine cellar service is tailored to the visitors	.804	6.14	
The wine cellar service level is of value to me	.758	6.09	
Consistency in the wine cellar service assures me a benefit	.790	5.96	
The visit to the wine cellar is well organized	.794	6.20	
TRUST ($\alpha=.785$)		.785	.862 (.609)
The wine cell belongs to a safe and reputable brand	.769	6.32	
My satisfaction with the wine cellar products/services is the management's most important concern	.830	6.20	
I'm confident in the wine cellar expertise	.744	6.32	
My satisfaction with the wine cellar brand is the management's most important concern	.777	6.17	
SATISFACTION ($\alpha=.770$)		.770	.859 (.605)
I feel good about coming to the wine cellar for the offerings I'm looking for	.779	6.18	
My feelings towards the wine cellar are very positive	.820	6.31	
The extent to which the wine cellar has produced the best possible outcome for me is satisfying	.722	6.09	
Overall I'm satisfied with the wine cellar and the service they provide	.786	6.55	
LOYALTY ($\alpha=.624$)		.624	.850 (.740)
I consider this wine cellar my first choice among wineries	.860	5.97	
I would consider to visit the wine cellar again in the next few years	.860	5.23	
WORD-OF-MOUTH ($\alpha=.819$)		.819	.893 (.737)
I would recommend the wine cellar to someone who seeks my advice	.858	6.30	
I would recommend the wine cellar to family members and close personal friends	.896	6.32	
I would speak positively of the wine cellar to others	.819	6.55	

Composite measures of identified factors of both experience quality dimensions and marketing outcomes were unidimensional and demonstrated good scale reliability according

to accepted standards (Nunnally, 1978). One of the items measuring loyalty reduced scale reliability and was thus removed. Internal reliability tests of the identified factors showed strong Cronbach's alpha (ranging from .610 to .819), Composite Reliability (CR) and Average Variances Extracted (AVE), with all CR and AVE estimates above recommended minimums of 0.70 and 0.50, respectively (Fornell and Lacker, 1981; Bagozzi and Yi, 1988; Hair et al., 2010). Thus, all of the factors demonstrated good internal consistency (Table 1). Overall fit indices indicated the robustness of the EXQUAL measurement model ($\chi^2(151) = 291.941$, $p < 0.01$ ($\chi^2/df = 1.933$, CFI = 0.94, TLI = 0.921, RMSEA = 0.06, SRMR = 0.048).

Convergent and discriminant validity were demonstrated by factor loadings and correlations between experience quality dimensions in the CFA model, respectively. All factor loadings for indicators measuring the same construct were statistically significant ($p < 0.01$), supporting convergent validity. Moreover, estimated pair-wise correlations between factors (i) did not exceed 0.85 and were significantly less than one (Bagozzi and Yi, 1988); and (ii) the square root of AVE for each construct was higher than the correlations between them (Fornell and Lacker, 1981), thus supporting discriminant validity (Anderson and Gerbing, 1988). Table 2 shows the means, reliabilities and correlations between the constructs.

Table 2: Means, reliabilities and correlations between the dimensions of experience quality

Dimensions	Mean	α	CR ^a	AVE ^b	Environment	Providers	Learning	Entertainment	Benefits	Trust
Environment	5.93	.752	.857	.600	1					
Providers	6.55	.698	.838	.634	.497 ^c	1				
Learning	6.33	.610	.796	.564	.449	.609	1			
Entertainment	6.18	.627	.843	.729	.540	.586	.578	1		
Benefits	6.09	.794	.867	.619	.679	.663	.591	.583	1	
Trust	6.25	.785	.862	.609	.591	.680	.524	.503	.672	1

^a Composite Reliability; ^b Average Variance Extracted; ^c Correlations on the off-diagonal; $p < 0.01$ for all correlations

After establishing the strength and psychometric properties of the scales underpinning the EXQUAL model, a second-order Confirmatory Factor Analysis (CFA) was then used to test the measurement model (Fig. 1), considering the model dimensions as first-order indicators of the higher order customer experience quality construct. Overall fit indices suggested a good fit of data $\chi^2(157) = 290.682$, $p < 0.01$ ($\chi^2/df = 1.851$, CFI = 0.941, TLI = 0.928, RMSEA = 0.057, SRMR = 0.048). The overall index score has a standardized Cronbach's alpha of 0.921. The second-order standardized factor loadings of the EXQUAL model were all positive and significant at $p < 0.01$. Benefits (0.965), Service Providers (0.929) and Learning (0.903) emerged as important determinants of customers' evaluation of experience quality. Trust (0.891), Entertainment (0.877) and Environment (0.755) were viewed as less important factors. H1 was therefore supported.

As for the predictive and nomological validity of the scale, we further conducted a structural model to examine whether customers' perceived experience quality had an effect on theoretically related constructs, namely customers' satisfaction, loyalty and word-of-mouth. Model fit and structural parameters for customer experience quality, satisfaction, loyalty and word-of-mouth paths are illustrated in Figure 1. The results show that the statistics of model fit were acceptable $\chi^2(356) = 646.28$, $p < 0.01$ ($\chi^2/df = 1.815$, CFI = 0.921, TLI = 0.910, RMSEA = 0.057, SRMR = 0.049). The coefficient values of all paths were significant at $p < 0.01$. Experience quality explained 99.6% of the variability of customer satisfaction, 61.8% of loyalty and 87.5% of word-of-mouth. The results demonstrated that experience quality had a direct effect on satisfaction (0.998), loyalty (0.786) and word-of-mouth (0.935), and thus predictive validity of the scale was achieved. Thus, H2 was also confirmed.

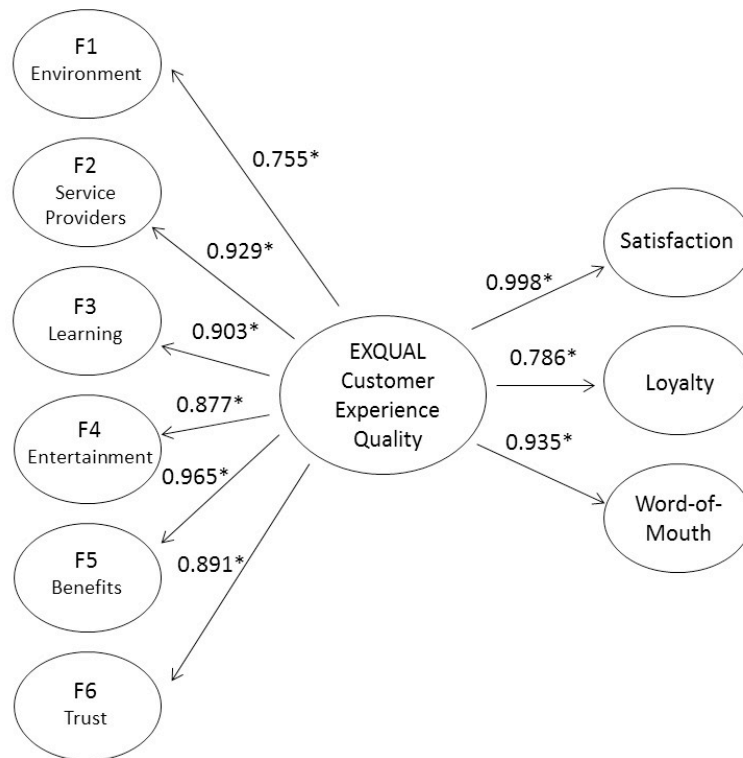


Figure 1: Results of CFA for the second-order model of customer experience quality (EXQUAL) and nomological validity assessment

5. Discussion and Implications

Because of today's advanced technology, more sophisticated and demanding customers, and an increasingly competitive business environment, the focus is shifting from a service-based to an experience-based economy (Knutson et al., 2006; Kim et al., 2011). According to Prahalad and Ramaswamy (2004), high-quality interactions that enable an individual customer to co-create unique experiences with the company are the key to unlocking new sources of competitive advantage. Companies should thus shift their focus away from thinking in terms of products and services and instead concentrate on facilitating compelling co-created experiences (Sandstrom et al., 2008). However, with some exceptions (e.g. Chang and Horng, 2010; Kim et al., 2011; Klaus and Maklan, 2013), few studies have measured experience quality, and even less related it to consumer behavioural intentions.

Addressing calls (e.g. Klaus and Maklan, 2012) to further investigate hedonic services, the main purpose of this research was to present a new experience quality (EXQUAL) measurement model, validated in the wine tourism industry, and to analyse the impact of customer experience quality on important marketing outcomes. The wine tourism setting remains relatively under-studied and, as a result, calls for further research in understanding tourists' experiences and post-consumption evaluations. Overall, the 20-item scale provides a reliable and valid measure of experience service quality. The six dimensions of EXQUAL were validated, with Service Providers and Benefits having the most significant impact on experience quality. Recent studies have also established the significant impact of these elements on experience quality (e.g. Charters et al., 2002, 2009; Kim et al., 2011; Klaus and Maklan, 2012). The Entertainment and Environment dimensions were viewed as less important determinants of experience quality. However, these findings contrast with e.g. Chang and Horng, 2010 study, wherein servicescape elements and customers themselves (through learning and having fun) had the most significant impact on customers' assessments. A plausible explanation for Environment could be that the authors from the previous study

chose companies known for creating delicate service environments and providing memorable experiences to test the scale. Studies developed in tourist settings, such as e.g. cruises (Hosany and Whitman, 2010) and theme parks (Slatten et al., 2009) also proved the relevance of experience environment and atmospherics. However, in other studies, such as Kim et al. (2011), developed in more generic settings, the Environment dimension came in last. This dimension recorded the lowest mean in our study. With regards to the entertaining dimension, Getz and Carlsen (2008) labelled the fun, informative, and social aspects of wine tourism as “edutainment” (p. 262). In fact, together with learning, entertainment is an integral part of wine tourism, and often wine is embedded in a variety of events and attractions (Mitchell and Hall, 2004; Carmichael, 2005). However, Entertainment had the second lowest impact on experience quality and was the third dimension with the lower average score. Given the specificity of the findings to one particular setting, further studies are required to re-evaluate the role of Environment and Entertainment in creating positive memorable experiences within wineries.

In line with Chang and Hong (2010), Kim et al. (2011) and Klaus and Maklan (2012) recommendations for additional research, a secondary aim of this study was to investigate the relationship between visitor’s experiences and relevant marketing outcomes. We have concluded that experience quality has a significant impact on loyalty, word-of-mouth and customer satisfaction. Thus, wineries should create pleasant experiences in order to generate higher satisfaction levels and to positively influence visitors’ behavioural intentions. Since tourists rely heavily on non-commercial sources of information, such as recommendations from friends and family (Hosany and Witham, 2010), memorable experiences may not only impact the intention to revisit, but also to bring new customers to the wineries.

In managerial terms, our findings allow winery managers to improve the overall service experience quality through a better understanding of its dimensions. Managers can also determine which experience dimensions are most strongly associated with customer-related outcomes and, thus, improve the effectiveness of marketing investments. For example, though considered the most relevant factor for assessing visitor’s experience quality, Benefits had the second lowest mean of all the dimensions considered, which may raise some questions about how this dimension is being managed. A similar result was observed with Environment, which was expected to enhance visitors’ winery experience (Alonso and Ogle, 2008). Namely, the ability of the wineries’ environment to generate surprise and impact the visitors’ state-of-mind had the lowest scores of all the items considered (5.45 and 5.76 respectively), and should deserve more attention as key elements of experience (Poulsson and Kale, 2004). Finally, wineries were highly rated in terms of Service Providers, and for visitors this seems to be one of the most important factor for building a quality experience, which might indicate a correct allocation of resources.

One limitation of this study is that it focuses on a particular setting, time of year, country, and customer sample. Future research should further cross validate our results in order to increase the study generalisability. Also, our research could be extended to include other dimensions and outcomes. For example, the scope of the present study was limited to one facet of interaction, namely between service providers and customers. Another facet could be the interaction between customers sharing the same service (e.g. Chang and Hong, 2010). Furthermore, qualitative based studies could help to understand why visitors value certain experience dimensions more than others. Overall, our findings enhance knowledge on the experiential concept and offer important implications for service managers.

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