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Experiential value: conceptualization, measurement and application in the catalog and Internet shopping environment☆

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Abstract

An experiential value scale (EVS) reflecting the benefits derived from perceptions of playfulness, aesthetics, customer "return on investment" and service excellence is developed and tested in the Internet and catalog shopping context. This study evaluates the psychometric properties of the EVS in both samples and tests the hypothesized hierarchical structure. Predictive modeling points to the value of the EVS as a measurement tool, useful in describing the perceived make-up of a retail value package and predicting differences in shopping preferences and patronage intent in multichannel retail systems. Study limitations and directions for future research are identified.

1. Introduction

The retail environment is being transformed with the introduction of multichannel operations designed to offer a spectrum of retail experiences for consumers to choose. Merchants

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are combining print and on-line catalog operations to replace pure-play Internet models that have encountered market difficulty. Traditional brick-and-mortar retailers are also beginning to complement their operations with catalogs, an on-line presence, or both (Pascale, 2000). These multichannel systems offer an array of shopping experiences, and in the process, deliver not only more value, but also different kinds of value.

In what has been dubbed an emerging "Experience Economy," we find retailers redefining themselves as a source of memories, rather than goods, as an "experience stager" rather than a service provider (Pine & Gilmore, 1999, p. 12). The brick-and-mortar segment, for example, is being transformed into "retail interactive theater," staffed to offer advice, cooking lessons, beauty makeovers and fashion shows (Forseter, 2000; Mahler, 2000; Pine & Gilmore, 1999). When consumers are looking for control and convenience, however, catalogs or the Internet become the venue of choice (Speigelman, 2000).

On-line shoppers are veterans of the direct retail environment, accustomed to dictating the terms of exchange. Whether on- or off-line, these shoppers have come to expect retailers to know who they are, what they've ordered in the past, and how they like to be contacted. They expect to be able to interact through whatever means (mail, phone, web, faxes or in-store) they choose, demanding personalized service, 24/7 access and memorable shopping experiences (Cyr, 2000; Pine & Gilmore, 1999).

As retail managers grapple with these demands, they are advised to keep in mind that the retail experience must deliver value if it is to turn a one-time visitor into a repeat customer (Steigelman, 2000). Perceived value has been characterized as the essential outcome of marketing activity (Holbrook, 1994; Babin, Darden & Griffin, 1994) and as a primary motivation for entering into marketing relationships (Peterson, 1995). To create and manage such relationships, retailers need a tool that is sensitive to the full range of components that define experience-based value.

The aim of this study is to develop such a tool, an experiential value scale (EVS) that can be used to assess the retail shopping experience in terms that go well beyond the traditional mix of price and quality. The focus is on self-oriented dimensions of experiential value, a subset of the consumer value domain (Holbrook, 1994). We hypothesize a hierarchical structure (Woodruff, 1997) for this scale and examine its psychometric properties in the Internet and catalog-shopping context. This context was chosen because multichannel retail strategy increasingly links catalogs with the Internet, a trend that is largely unexplored in terms of its impact on the consumer shopping experience and consequent perception of value. Predictive modeling in both contexts provides evidence of the nomological validity and generalizability of the EVS.

2. The nature and source of experiential value

The value that motivates consumption behavior has been attributed to functional, conditional, social, emotional and epistemic utility (Sheth, Newman & Gross, 1991). Despite this broad conceptualization, empirical researchers have traditionally interpreted value more narrowly as the tradeoff between quality and price (Dodds & Monroe, 1985; Yadav & Monroe, 1993). In investigating the price dimension, value researchers have come to

recognize that the "price" customers pay can extend far beyond money to include investments of time and effort (Babin & Darden, 1995; Batra & Ahtola, 1991; Bolton & Drew, 1991; Zeithaml, 1988).

The consumption experience itself can also be rich in value. Experiential value perceptions are based upon interactions involving either direct usage or distanced appreciation of goods and services. These interactions provide the basis for the relativistic preferences held by the individuals involved (Holbrook & Corfman, 1985). Experiential value has been said to offer both extrinsic and intrinsic benefit (Babin & Darden, 1995; Batra & Ahtola, 1991; Crowley, Spangenberg & Hughes, 1992; Mano & Oliver, 1993).

In a retail context, extrinsic benefit is typically derived from shopping trips that are utilitarian in nature, often initiated as "an errand" or "work" (Batra & Ahtola, 1991; Holbrook & Hirschman, 1982). An extrinsically oriented shopper is often happy to simply get through this type of exchange encounter (Babin, Darden & Griffin, 1994). Intrinsic value, by contrast, derives from the "appreciation of an experience for its own sake, apart from any other consequence that may result" (Holbrook, 1994, p. 40). Babin, Darden and Griffin (1994, p. 646) note the subjective and personal nature of intrinsic value perceptions that result from the "fun and playfulness (of an experience), rather than from task completion."

Holbrook (1994) broadens the traditional extrinsic–intrinsic conceptualization of experiential value by including an activity dimension. Reactive or passive value derives from the consumer's comprehension of, appreciation for, or response to a consumption object or experience. Active or participative value, on the other hand, implies a heightened collaboration between the consumer and the marketing entity. Deighton and Grayson (1995, pp. 660–661) cite consumer collaboration as a necessary prerequisite to creating a playful, gamelike exchange experience. In their view, the marketer "lures the buyer across a threshold" from distanced appreciation to active collaboration, and in the process, opens the door to a broad range of value sources. Collaboration can come in the form of cognitive, behavioral or financial investment on the part of the consumer. The activity dimension is used in this study as a means of bringing economic and experiential sources of value under one conceptual umbrella.

The typology of experiential value proposed by Holbrook (1994) suggests a value landscape divided into four quadrants framed by intrinsic/extrinsic sources of value on one axis and active/reactive value on the other. Drawing upon prior research, we label these four dimensions of experiential value: *consumer return on investment, service excellence, playfulness,* and *aesthetic appeal* (Fig. 1).

2.1. Active sources of extrinsic value: consumer return on investment (CROI)

Consumer return on investment (CROI) comprises the active investment of financial, temporal, behavioral and psychological resources that potentially yield a return. The consumer may experience this return in terms of economic utility—the perception of affordable quality (Thaler, 1985; Grewal, Monroe & Krishnan, 1996; Yadov & Monroe, 1993)—as well as utility derived from the efficiency of an exchange encounter (Holbrook, 1994; Zeithaml, 1988). In this study, therefore, these two aspects are conceptualized as indicators of the higher order dimension, CROI (Fig. 2).

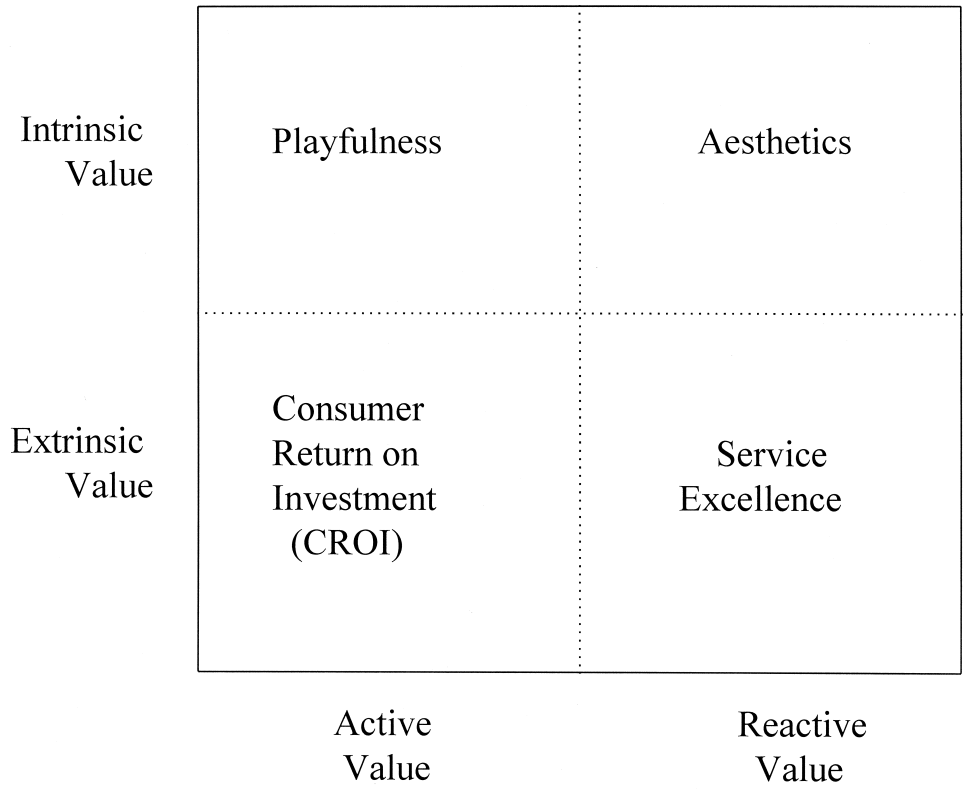

Fig. 1. Typology of experiential value.

2.2. Reactive sources of extrinsic value: service excellence

Service excellence reflects an inherently reactive response in which the consumer comes to admire a marketing entity for its capacity to serve as a means to a self-oriented end (Holbrook & Corfman, 1985; Holbrook, 1994). Oliver (1999) characterizes this dimension of value as operating as an ideal, a standard against which quality judgments are ultimately formed. He characterizes the relationship between perceived service excellence and service quality as moderated by performance outcomes. In other words, the value derived from perceived service excellence reflects the generalized consumer appreciation of a service provider to deliver on its promises through demonstrated expertise and task-related performance (Zeithaml, 1988).

2.3. Reactive sources of intrinsic value: Aesthetics

An *aesthetic response* is a reaction to the symmetry, proportion and unity of a physical object, a work of poetry or a performance (Olson, 1981; Veryzer, 1993). In the retail context, aesthetics is reflected in two key dimensions—the salient visual elements of the retail environment and the entertaining or dramatic aspects of the service performance itself

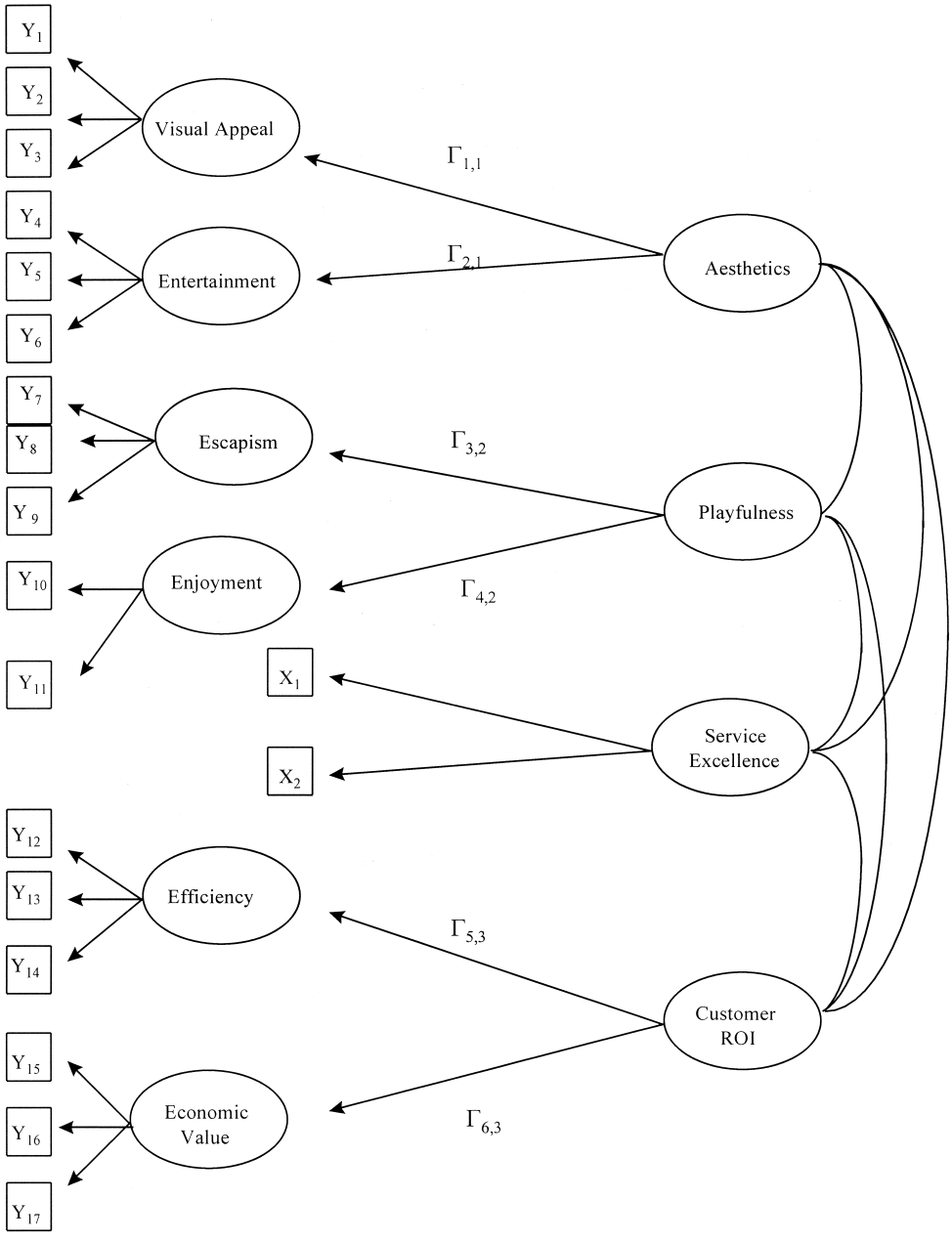

Fig. 2. Hierarchical model of experiential value.

(Bellenger, Steinberg & Stanton, 1976; Deighton & Grayson, 1995; Mano & Oliver, 1993). Visual appeal is driven by the design, physical attractiveness and beauty inherent in the retail setting (Holbrook, 1994). In the case of catalog merchandising, magazine-like formats that rely heavily on photography create a retail setting designed to showcase merchandise and

imply a desirable consumption experience (Schmid, 1998). On-line, the use of color, graphic layout and photographic quality combine to influence this dimension.

Consumers who perceive a shopping experience to be more than a purchase opportunity view that experience as one to be savored and appreciated for all its nuances. This shopper is responding to the entertainment dimension of the aesthetic response. Entertainment value reflects an appreciation for the retail "spectacle." For those who shop for the sake of entertainment, this type of experience operates as a "pick-me-up," which in some instances, is consciously used to lift the spirit (Babin, Darden & Griffin, 1994, p. 647).

Both visual appeal and the entertainment dimension of the aesthetic response offer immediate pleasure for its own sake, irrespective of a retail environment's ability to facilitate the accomplishment of a specific shopping task. (Deighton & Grayson, 1995; Driefus, 1997; Chain Store Age, 1996).

2.4. Active sources of intrinsic value: playfulness

Playful exchange behavior is reflected in the intrinsic enjoyment that comes from engaging in activities that are absorbing, to the point of offering an escape from the demands of the day-to-day world (Huizinga, 1955; Unger & Kernan, 1983). *Playfulness* exists to some degree in any activity that is freely engaged in. Playful acts have a restorative capability and operate outside of immediate material interests (Day, 1981). The intrinsic enjoyment of playful exchange behavior serves as an end unto itself, engaged in without concern for practical considerations (Babin, Darden & Griffin, 1994). Escapism is the aspect of playfulness that allows the customer to temporarily "get away from it all," often involving an element of "pretend" (Huizinga, 1955). Window shopping or other forms of vicarious consumption are examples of the pretend aspect of escapism in the retail shopping context.

The defining distinction between playfulness and aesthetic appeal is the active role the customer adopts as exchange is elevated to play. As the customer crosses the line from spectator to participant, their role shifts from one of distanced appreciation of aesthetic elements to co-producers of value (Deighton & Grayson, 1995; Gummesson, 1998). With this shift, the exchange experience is transformed into active play.

Woodruff (1997) comments on the structural properties of the customer value construct, suggesting a hierarchical structure based upon attribute qualities and performances, which lead to higher order consumption consequences. Customer goals operate at the top of this hierarchy of value, providing the contextual frame for attaching importance to various consumption experiences (Clemens & Woodruff, 1992). Woodruff's description of this hierarchical structure articulates a means-end conceptualization of value. Zeithaml (1988) adopted a similar perspective in her use of laddering procedures to uncover the links between product attributes, quality and value in exploratory work on this topic. The hierarchical structure implied by the literature and tested here is illustrated in Fig. 2.

3. Methods

3.1. Item generation and pretest

In this study, we developed seven subscales measuring the first order dimensions of experiential value. These subscales measure efficiency, economic value, visual appeal, entertainment, service excellence, escapism and intrinsic enjoyment. The item generation and pretest process used to develop the efficiency subscale is described in detail, to illustrate the procedures followed for each of the other first order dimensions of value.

Items generated for the efficiency scale were based upon qualitative research conducted by the Catalog Coalition (1993), a commercial cooperative of direct marketers led by Sears. This qualitative research was combined with published scales related to extrinsic value (Batra & Ahtola, 1991; Babin & Darden, 1995). The item reduction process for this scale, as well as for the remaining dimensions of value, involved three steps.

First, ten home shoppers were asked to assign each item from the combined item set to one of the seven first order dimensions of value. A total of 112 items were available for assignment. Each respondent was asked to sort items into the relevant dimensions of value, discarding those items that did not clearly fall into any one of these categories. A second group of eleven subject matter experts was then recruited to complete a sort task on the reduced item set. Subject matter expertise was based upon self-reported experience with home shopping services of any type, during the previous year.

These assignments were analyzed for substantive validity using a procedure suggested by Andersen and Gerbing (1991). The substantive validity coefficient (C_{sv}), a measure of the correct assignment of items to their posited construct, was calculated for each dimension of value. In line with Anderson and Gerbing's suggestion, C_{sv} was used in a comparative manner. The items yielding the largest C_{sv}, for each construct, were retained for the next stage of the pretest.

These items were then converted to Likert scales and administered to a group of five faculty and Ph.D. students from a large southeastern University. After incorporating comments, a final pretest involving all dimensions of value was administered to a convenience sample of 44 self-described home shoppers. The efficiency subscale was reduced to five items as a result of these procedures.

The item generation process for the remaining dimensions of value proceeded in a similar fashion. The visual appeal dimension of the aesthetic response, for example, drew from published scales related to visual appeal (Hirschman, 1986) and qualitative input from industry research (Catalog Coalition, 1993). Seventeen items were initially generated for this dimension, reducing to five items via pretest. A seven item scale developed by Lastovicka (1983), which measured the entertainment value of advertising, was modified to serve as the measure for the entertainment dimension of the aesthetic response.

A ten-item economic value scale was developed from an integration of Zeithaml's (1988) work, a published scale by Maddox (1982), and qualitative remarks taken from industry research (Catalog Coalition, 1993). These measures of economic value reduced to four items in pretest. A modified version of the Sharma, Netemeyer and Mahajan (1990) EXCEL scale was used to represent the global dimension of excellence in this study. We based excellence

upon a subset of the 16-item EXCEL scale that reduced to four items in pretest. And, finally, the escapism and intrinsic enjoyment dimensions of playfulness were measured with a modified, 11-item version of the Subjective Leisure Scale (Unger & Kernan, 1983).

In analyzing these pretest results, all newly developed and modified scales were subject to factor analysis and found to be unidimensional. Alpha levels of 0.70 or above suggested acceptable reliability levels for this early stage research (Nunnally, 1978).

3.2. Data collection

Data were collected by mail from a national sample of the catalog and Internet customers of a direct retailer specializing in women's apparel and housewares. This firm generated sales in excess of $3 billion in 1999 and was selected because Internet and catalog operations dominate its distribution strategy.

The mail sequence began with an endorsement letter from the management, followed one week later by a survey packet mailed to 1200 catalog and 1000 Internet shoppers. The sample was drawn in such a way as to explicitly exclude shoppers who had purchased from both the catalog and Internet mediums. A postcard, thanking respondents for participation and offering an 800 number for additional information was mailed the following week.

Altogether, 515 usable questionnaires were returned, 302 (25.2% response rate) from catalog and 213 (21.3% response rate) from Internet shoppers. These response rates are typical, considering that no incentives were offered (Malhotra, 1999). Response patterns were evaluated by splitting the respondent pool into "early responders" and "late responders," based on the median return date. Comparisons of age, income, household employment status, number of purchases made and dollars spent through their respective shopping medium revealed no significant difference between early and late responders.

3.3. Sample characteristics

Preliminary evidence of the distinctiveness of Internet versus catalog shoppers can be seen in their demographic profiles. For example, one out of five Internet respondents were male, compared to only one in twenty catalog shoppers. In addition to a larger male segment, the Internet shoppers also tended to be younger, more affluent, and spent more per transaction than did their catalog counterparts. Catalog shoppers did, however, report purchasing twice as frequently during the previous year. The differing profiles of catalog and Internet shoppers suggest these samples were drawn from two distinct populations (Table 1). To control for these sample differences, demographic variables were introduced into the predictive models tested in this study.

3.4. Measures

All measures were analyzed for reliability and validity following guidelines offered by Anderson and Gerbing (1988) and Jöreskog and Sörbom (1989). The hierarchical structure of experiential value proposed by Woodruff (1997) and the nomological validity of the scale are examined in both retail contexts.

Table 1
Demographic Comparison: Catalog and Internet Shoppers

Sample Characteristics	Catalog Shoppers	Internet Shoppers
Age Profile:		
<24 years	7.6%	8.0%
25–34 years	25.6%	34.4%
35–44 years	24.9%	32.5%
45–54 years	20.6%	17.9%
>55 years	21.3%	7.1%
Income Profile:		
<$20,000	9.5%	7.9%
$20–$34,999	20.1%	17.8%
$35–$49,000	20.1%	17.8%
$50–74,999	25.5%	24.8%
>$75,000	24.8%	31.7%
Employment Profile:		
Dual Income Household	50.5%	53.5%
Single Income Household	23.3%	32.4%
Partner is wage-earner	12.2%	8.3%
Retired	11.1%	4.9%
Gender	94.% Female	78.5% Female

3.5. Measurement model: scale calibration, reliability and validity

The experiential value scale developed in this study was first calibrated using the data from Internet shoppers and then cross-validated using the independent catalog data set. The scale calibration process began by establishing unidimensionality across the first order customer value factors. We assessed unidimensionality by examining the pattern of standardized residuals and the modification indices generated from a confirmatory factor analysis (CFA). This purification process resulted in reducing the value scales to the final 19 items detailed in Appendix A. Indices generated by this measurement model suggest acceptable fit in the Internet context [$\chi^2 = 229.66_{(131df.)}$, ($p = .000$); RMSEA = 0.060; GFI = 0.90; CFI = 0.96; n = 213] (Brown & Cudeck, 1992).

Cronbach's alpha was calculated for all dimensions of value reflecting three or more items and found to be greater than 0.70, in accordance with Nunnally's (1978) standard. For comparative purposes, CFA-based composite reliability for the first order dimensions of value was also calculated (Fornell & Larcker, 1981). The composite reliability threshold of 0.60 or greater was exceeded for each scale (Bagozzi & Yi, 1988). These results, as well as the standardized item loadings (SL) from the Internet calibration sample, are summarized in Appendix A.

Convergent validity is implied by the strength of the factor loading of each observed measure on its proposed latent variable. The metric for each scale was established by fixing the coefficient for one indicator to 1.00 for each factor. Other than these fixed loadings, each item evidenced highly significant t-values, (i.e., greater than 9.00), suggesting convergent validity was achieved. Confirming this conclusion, the squared multiple correlations (representing the proportion of item variance accounted for by the assigned common factor) for all nineteen items averaged 65% (Anderson & Gerbing, 1988).

Table 2
Completely Standardized Phi Matrix

Dimensions of Value	Visual Appeal	Entertain	Escapism	Enjoyment	Efficiency	Excellence	Economic Value
Visual Appeal	1.00	.49	.19	.16	.31	.49	.31
Entertain	.49	1.00	.52	.44	.34	.63	.28
Escapism	.32	.64	1.00	.86	.46	.58	.43
Enjoyment	.40	.64	.85	1.00	.36	.49	.42
Efficiency	.48	.48	.26	.32	1.00	.59	.60
Excellence	.60	.89	.61	.62	.66	1.00	.59
Economic Value	.42	.37	.18	.24	.54	.49	1.00

The completely standarized intercorrelations below the diagonal are from the Internet data set (n = 213), those above the diagonal are from the catalog data set (n = 302).

Discriminant validity is difficult to establish when working with multidimensional, hierarchically organized constructs, as is the case here. The existence of a second order factor structure implies the subdimensions of experiential value share common variance (Table 2). Discriminant validity can be demonstrated in a weak sense, however, by calculating confidence intervals (plus or minus two standard deviations) around the factor correlations. In this study, none of the confidence intervals surrounding the factor correlations contain "1.00;" therefore, discriminant validity is suggested (Anderson & Gerbing, 1988; Bagozzi & Heatherton, 1994).

3.6. Test of hierarchical structure

The preceding theoretical discussion suggests experiential value is hierarchically organized with playfulness, aesthetics and consumer "return on investment" operating as second order factors. These second order factors were allowed to freely intercorrelate with service excellence which is modeled as a first order factor. The fit of this hierarchical model of experiential value, as illustrated in Fig. 2, was acceptable [$\chi^2 = 244.67_{(df.=140)}$, ($p = .000$); RMSEA = 0.059; GFI = 0.90; CFI = 0.96, $n = 213$]. All factor loadings were highly significant, and the model diagnostics indicated acceptable fit, further supporting the hypothesized structure. Table 3 details the parameters estimated by this model.

A test of the nomological validity of the EVS is conducted to examine the nature of the relationships between the various dimensions of experiential value and theoretically related constructs. The higher order dimensions of aesthetic appeal, customer "return on investment," playfulness and service excellence were specified as predictors of retail preference and patronage intent in this test of nomological validity. To control for the differences in the demographic makeup of the Internet and catalog sample, age, income and gender were introduced as covariates in this predictive model. Literature suggests a predictive structure links the dimensions of value to preference (Holbrook & Corfman, 1985), and links preference to retail patronage intent (Dick & Basu, 1994; Bolton & Drew, 1991). Here preference is defined as the relative attitude of respondents toward catalog, Internet and local in-store retail shopping formats. Patronage intent is defined here as the customer's willing-

Table 3
Completely Standardized Gamma Estimates: Independent Estimation of Second Order Factor Model (Illustrated in Figure 2) Catalog and Internet Data Sets

Parameter Estimates	Catalog Shoppers (χ^2 = 258.46, $_{(140df)}$)	Internet Shoppers (χ^2 = 244.67, $_{(140df)}$)
$\Gamma_{1,1}$ (Aesthetics-Visual Appeal)	.56 (*)	.57 (*)
$\Gamma_{2,1}$ (Aesthetics-Entertainment)	.87 (t = 6.66)	.86 (t = 7.84)
$\Gamma_{3,2}$ (Playfulness-Escapism)	1.00 (*)	.91 (*)
$\Gamma_{4,2}$ (Playfulness-Enjoyment)	.86 (t = 7.83)	.93 (t = 7.88)
$\Gamma_{5,3}$ (CROI-Efficiency)	.78 (*)	.84 (*)
$\Gamma_{6,3}$ (CROI-Economic Value)	.77 (t = 6.55)	.64 (t = 5.34)
X_1 (Think of Excellence)	.79 (*)	.85 (*)
X_2 (Merchandise Expert)	.77 (t = 11.89)	.74 (12.19)
Y_1 (Attractive Display)	.88 (*)	.91 (*)
Y_2 (Aesthetically Appealing)	.90 (t = 20.93)	.88 (t = 19.08)
Y_3 (Like the Look)	.85 (t = 19.32)	.92 (t = 20.54)
Y_4 (Entertaining)	.83 (*)	.85 (*)
Y_5 (Pick-Me-Up)	.90 (t = 17.55)	.91 (t = 17.18)
Y_6 (XYZ Entertains Me)	.80 (t = 15.56)	.87 (t = 16.05)
Y_7 (Gets Me Away)	.68 (*)	.73 (*)
Y_8 (In Another World)	.86 (t = 12.32)	.86 (t = 11.09)
Y_9 (I Forget Everything Else)	.70 (t = 10.69)	.65 (t = 8.77)
Y_{10} (For Its Own Sake)	.74 (*)	.79 (*)
Y_{11} (Pure Enjoyment)	.78 (t = 11.32)	.83 (t = 11.33)
Y_{12} (Manage Time)	.61 (*)	.68 (*)
Y_{13} (Makes My Life Easier)	.87 (t = 9.56)	.87 (t = 8.94)
Y_{14} (Fits My Schedule)	.62 (t = 8.48)	.52 (t = 6.66)
Y_{15} (Good Economic Value)	.79 (*)	.78 (*)
Y_{16} (Happy With the Prices)	.89 (t = 13.62)	.89 (t = 11.39)
Y_{17} (Prices Too High)	.54 (t = 9.12)	.68 (t = 9.64)

Specific item wording for "X" and "Y" terms is detailed in Appendix A.
*The metric for each scale was established by fixing one of the construct indicators to 1.00.

ness to consider, recommend or purchase from a retailer in the future (Gremler, 1995; Jones & Sasser, 1995). Appendix A lists item wording and psychometric properties for the measures associated with these outcome variables.

The structural model predicting Internet preference and patronage intent from these four higher order dimensions of value produced results that indicate that this model fits the data well [χ^2 = 477.86 $_{(df.=267)}$; p = .000; RMSEA = 0.061; CFI = 0.93; n = 213]. Among Internet shoppers, *customer return on investment* (t = 2.49) was significant in predicting Internet shopping preference. The relationship between Internet preference and future patronage intent was also significant (t = 6.80) in this data set. None of the demographic covariates were significant predictors. Table 4 summarizes these results.

Cross-validation using the catalog data set provides further support. Model fit and diagnostics were acceptable for both the measurement model [χ^2 = 233.75 $_{(df.=131)}$, (p = .000); RMSEA = 0.051; CFI = 0.96, n = 302] and the hierarchical structural model [χ^2 = 258.46 $_{(df.=140)}$, (p = .000); RMSEA = 0.053; CFI = 0.96, n = 302]. All specified loadings were again highly significant in both models (Table 3).

The test of nomological validity was replicated in the catalog data set by specifying

Table 4
Independent Tests of Nomological Validity Predictive Relationships Between the EVS and Internet/Catalog Patronage and Patronage Intent

Predictive Parameter Estimates	Internet Shoppers completely std loadings (t-values)	Catalog Shoppers completely std loadings (t-values)
$\Gamma_{1,1}$ (Aesthetics-Retail Preference)	.50 (t = .92)	.47 (t = 2.54)**
$\Gamma_{1,2}$ (Playfulness-Retail Preference)	.14 (t = .65)	−.15 (t = −1.40)
$\Gamma_{1,3}$ (Service Excellence-Retail Preference)	−.44 (t = −.85)	−.03 (t = −.14)
$\Gamma_{1,4}$ (CROI-Retail Preference)	.92 (t = 2.49)**	.80 (t = 3.51)**
$\Gamma_{1,5}$ (Age-Retail Preference)	.10 (t = 1.03)	−.18 (t = −2.92)**
$\Gamma_{1,6}$ (Income-Retail Preference)	−.11 (t = −1.04)	−.22 (t = −2.92)**
$\Gamma_{1,7}$ (Gender-Retail Preference)	.00 (t = −.05)	−.07 (t = −1.41)
$B_{2,1}$ (Retail Preference-Patronage Intent)	.74 (t = 6.80)**	.78 (t = 9.15)**
Model Fit	[$\chi^2 = 477.86_{(267\ df)}$; RMSEA = .61; CFI = .93]	[$\chi^2 = 520.29_{(267\ df)}$; RMSEA = .056; CFI = .93]

**Indicates significant relationship

predictive relationships between the dimensions of experiential value, catalog preference and future patronage intent. This model again produced acceptable fit indices [$\chi^2 = 520.29_{(df.=267)}$, ($p = .000$); RMSEA = 0.056; CFI = 0.93, $n = 302$]. As suggested by theory, the dimensions of value that surface as significant predictors of catalog preference differed somewhat from the results observed when this relationship was modeled in the Internet context. In addition to *CROI* (t = 3.51), *aesthetic value* (t = 2.54) was also significant in predicting catalog preference among the shoppers in that sample. Two demographic variables, age (t = −2.92) and income (t = −2.92), surfaced as significant negative predictors of catalog preference. Catalog preference, in turn, predicts future catalog patronage intent (t = 9.15). See Table 4 for a summary of the results of this nomological test.

3.7. Discussion and limitations

The impact of the retail experience on consumer mood, attitude and behavior has a long history with research dating back more than 30 years (Turley & Milliman, 2000). However, at no time in this history, has the retail experience undergone more dramatic and profound changes than today. If retailers hope to design and position their various channel options as an integrated, value-rich package, understanding fundamental differences in the experience delivered by multichannel retail environments is essential.

Of note, among the results reported here are the differences in perceived value that predict customer preference in catalog versus Internet shopping contexts. In the case of on-line shopping, the perceived return on financial, temporal and behavioral investment (i.e., CROI) was found to be significantly related to preference for on-line shopping. This finding lends support to Pine and Gilmore's (1999) contention that Internet shopping may be leading to a widespread commoditization of products and services with an emphasis on cost reduction over brand-based differentiation. Catalog shopping, on the other hand, appears to be based upon a broader range of experiential value sources. Not only does it offer efficiency and

affordability, catalog shopping appears to entertain and delivers visual appeal that is either missing from, or, was not noticed in the on-line context. For multichannel retailers, these results raise interesting questions. Does the Internet channel in its current form, lack the ability to deliver aesthetic value (i.e., is it dull and lifeless?) Are the users of different channels looking for different value packages? Or, are there additional contingencies at work?

Whether this type of difference in experienced value can be deliberately designed into a retail environment, or whether it is simply a manifestation of the sensitivities of particular customers under a particular set of shopping circumstances, presents a fascinating area for future research. We believe an experiential value scale like that developed in this research, will become an essential tool for those interested in actively managing the value package delivered by increasingly diverse retail environments.

Caution should be exercised in attempting to generalize the current findings beyond the specific context of this study. Differences in shopper characteristics appear to exert an influence in the catalog shopping context where the age and income of participants was found to be negatively related to catalog preference. We believe this result reflects the successful positioning of this particular catalog to a relatively young, middle income market segment. Older, more affluent customers fall outside the primary target market served by this merchant, and therefore, exhibit low levels of catalog shopping preference.

It is interesting to note, however, that the appeal of the Internet as a shopping venue appears to transcend demographic differences, at least among the participants of this study. This finding supports industry information that suggests people who shop online are beginning to mirror the US population. The Internet is no longer the exclusive province of young, male, early adopters. Currently about half of all on-line shoppers are women who, on average are 40 years old, college educated, and married (Cyr, 2000). Future research will be needed to explicitly investigate the influence of shopper characteristics on experiential value judgments and on the value-preference relationship. Expanded testing in catalog, Internet and traditional retail settings is also recommended to explore the possibility that specific dimensions of value are uniquely associated with specific retail channels. Finally, the conclusions based upon these findings must be tempered by an awareness of the limitations of the mail survey method used for data collection.

3.8. Contributions and future research

We believe the EVS provides a broader examination of the consumption experience than addressed by earlier customer value research. This scale draws a distinction between the value derived from “active” interaction with a retail entity, as compared to the value associated with a consumer’s more passive “reaction” to a retail service performance. As consumers transition from passive observer to active participant in the consumption experience, a number of factors are likely to moderate these perceptions, including market segment characteristics (Bolton & Drew, 1991), product or service involvement and shopping goals (Woodruff, 1997). Future research investigating the effect of these potential moderators on the various dimensions of experiential value is likely to be fruitful.

On a theoretical level, we have worked to integrate the economic and experiential value literature, finding common ground in the higher order dimension of consumer return on investment. The integrated scale that has emerged represents an initial attempt to bring these two bodies of work together. In addition, our findings provide empirical support for Woodruff's conceptualization of customer value as a multidimensional hierarchically structured construct.

Through this study, we have attempted to focus attention on two retail channels of increasing substantive importance. While the generalizability of the EVS has been demonstrated in the Internet and catalog samples drawn here, future testing in both traditional and nontraditional retail environments is needed.

The scope of this scale development effort was restricted to the consumer context, and dealt only with Holbrook's (1994) "self-oriented" dimensions of value. The social dimension of value, referred to by Holbrook (1994) as the "other oriented" dimension remains unexplored. In both on and off-line retail service experiences, this element of value is likely to be a significant factor in shaping perceptions of the consumption experience. Future researchers are encouraged to extend this work to incorporate this added dimension that includes status, ethics, esteem and spirituality in order to capture Holbrook's full typology. It is hoped the scale development process and findings discussed here will be useful in that future effort.

Finally, a number of the subdimensions of experiential value have been well researched, and stand as distinct literature streams in their own right. For example, in this study, we have measured the equivalent of acquisition value—the perception of affordable quality in the merchandise purchased. Grewal, Monroe and Krishnan (1996) define economic value as a reflection of both acquisition and transaction value. Transaction value, the psychological pleasure attributable to negotiating a good "deal," has also been investigated by Babin et al. (1994). In the name of integrating related work, future researchers might consider extending the economic subdimension of *consumer return on investment* to include both acquisition and transaction value. In doing so, the diagnostic strength of this value dimension may be further enhanced, particularly in price competitive environments.

The relationship between the dimension of service excellence, as measured in this study, and consumer judgment relative to service quality is another possible area of future research (Cronin & Taylor, 1992; Gutman & Alden, 1985; Parasuraman, Zeithaml & Berry, 1988). Oliver (1999) characterizes service excellence as the standard against which performance is measured, and quality judgments are ultimately formed. An empirical examination of the relationship between quality judgments, service excellence and the other dimensions of the EVS may serve to integrate these related streams of research.

If we are, in fact, on the brink of an "Experience Economy," retailers will need a tool to measure their success at staging rich, memorable experiences, capable of delivering perceptible value across the spectrum of channels they utilize (Pine & Gilmore, 1999). This work represents an initial attempt to develop metrics that reliably capture this vital outcome of the practice of our discipline. Given the growing recognition of the importance of creating and delivering experience-based perceptions of value, more academic attention to this topic is strongly encouraged. We hope our work will inspire more research in this important area.

Appendix A
Psychometric Properties of First Order Factor Model: Internet Data Set
Completely Standardized Loadings (SL), Composite Reliabilities (CR) and t-values
[$\chi^2 = 320.32_{(194\ df)}$, (P = .000); RMSEA = .055; CFI = .96; n = 213]

Construct/Item Wording		α	CR	SL(t)
Visual Appeal		.92	.93	
Y1.	The way XYZ displays its products is attractive.			.91(*)
Y2.	XYZ's Internet site is aesthetically appealing.			.88 (t = 19.02)
Y3.	I like the way XYZ's Internet site looks.			.92 (t = 20.57)
Entertainment Value		.88	.91	
Y4.	I think XYZ's Internet site is very entertaining.			.85(*)
Y5.	The enthusiasm of XYZ's Internet site is catching, it picks me up.			.90 (t = 17.10)
Y6.	XYZ doesn't just sell products-it entertains me.			.87 (t = 16.11)
Escapism		.79	.79	
Y7.	Shopping from XYZ's Internet site "gets me away from it all".			.72(*)
Y8.	Shopping from XYZ makes me feel like I am in another world.			.86 (t = 11.10)
Y9.	I get so involved when I shop from XYZ that I forget everything else.			.65 (t = 8.80)
Intrinsic Enjoyment		na	.73	
Y10.	I enjoy shopping from XYZ's Internet site for its own sake, not just for the items I may have purchased.			.79(*)
Y11.	I shop from XYZ's Internet site for the pure enjoyment of it.			.82 (t = 11.42)
Efficiency		.74	.75	
Y12.	Shopping from XYZ is an efficient way to manage my time.			.69(*)
Y13.	Shopping from XYZ's Internet site makes my life easier.			.84 (t = 9.96)
Y14.	Shopping from XYZ's Internet site fits with my schedule.			.56 (t = 7.27)
Economic Value		.78	.83	
Y15.	XYZ products are a good economic value.			.77(*)
Y16.	Overall, I am happy with XYZ's prices.			.90 (t = 11.80)
Y17.	The prices of the product(s) I purchased from XYZ's Internet site are too high, given the quality of the merchandise.			.66 (t = 9.50)
Excellence		na	.78	
X1.	When I think of XYZ, I think of excellence.			.85(*)
X2.	I think of XYZ as an expert in the merchandise it offers.			.74 (t = 12.58)
Retail Preference		na	.72	
1.	XYZ's Internet site is the best place to shop.			.60(*)
2.	When it comes to shopping XYZ is my first preference			.88 (t = 8.21)
Future Patronage Intent		na	.89	
3.	I intend to shop from XYZ's Internet site in the future.			.82(*)
4.	In the future, XYZ's Internet site is one of the first places I will look when I need to find certain kinds of merchandise.			.88 (t = 12.62)

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