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Creusen, Marielle; Gemser, Gerda; Candi, Marina

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The influence of experiential augmentation on product evaluation

Mariëlle E.H. Creusen Department of Product Innovation Management, Faculty of Industrial Design Engineering, Delft University of Technology, Delft, The Netherlands

Gerda Gemser School of Economics, Finance and Marketing, College of Business, RMIT Technology University, Melbourne, Australia, and

Marina Candi

Center for Research on Innovation and Entrepreneurship, School of Business, Reykjavik University, Reykjavik, Iceland

Abstract

Purpose – The purpose of this paper is to examine the influence of experiential augmentation on product evaluation by consumers. An important distinction is made between product-related experiential augmentation and experiential augmentation of the environment. Furthermore, the research examines how brand familiarity moderates the effect of experiential augmentation.

Design/methodology/approach – In two experiments (N = 210 and N = 70), both product-related and environmental experiential augmentation were varied. Participants tasted and evaluated a new coffee product from either a well-known or a fictitious brand.

Findings – The findings of the first experiment indicate that product-related experiential augmentation contributes positively to product evaluation for both an unfamiliar and a familiar brand. Experiential augmentation of the environment influences product evaluation negatively, but only in the absence of product-related experiential augmentation. The second experiment tests some possible explanations for this negative effect and shows that it occurs only in the case of a familiar brand.

Practical implications – The findings offer implications for marketing managers seeking to positively influence consumer product evaluations through experiential augmentation. First, marketing managers are advised to make a distinction between product-related experiential augmentation and experiential augmentation of the evaluation environment, and, second, they should take brand familiarity into account when employing experiential augmentation of the environment.

Originality/value – This research contributes to the literature by showing that product-related experiential augmentation and experiential augmentation of the environment differ in the impact they have

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on product evaluation and providing insight into the relationship between brand familiarity and experiential augmentation. 52.5/6

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Product success hinges not only on technical and functional product attributes but can also be brought about through experiential attributes that provide hedonic or symbolic product value (Holbrook and Hirschman, 1982; Schmitt, 1999). Experiential augmentation refers to efforts made to enhance hedonic and symbolic value of offerings (Candi et al., 2013; Voss et al., 2008). Experiential augmentation can involve a range of components, such as product esthetics, product packaging and atmosphere design (scent, music, color, etc.). For example, the Rainforest Café is a themed restaurant that bases its experiential augmentation on creating the ambience of a safari adventure, which appeals even to those whose feelings about adventure are only aspirational.

Existing research documents the effectiveness of various types of experiential augmentation, including product and packaging design (Chitturi et al., 2008; Norman, 2004; Reimann et al. 2010) and atmosphere design (Teng et al. 2007; Turley and Milliman, 2000). However, existing research generally does not distinguish between experiential augmentation related to products themselves (e.g. the unique design of Apple's products) and experiential augmentation applied to the environment in which consumers evaluate products (e.g. the ambience of Apple's stores). In this research, we examine whether and how the effect of experiential augmentation on consumer evaluation differs depending on whether experiential augmentation is directly related to the product itself or whether it is applied to the environment in which consumers evaluate the product. Furthermore, this research examines how brand familiarity moderates the contribution of both types of experiential augmentation. While a substantial body of research exists on the topic of brand experience (Brakus et al., 2009; Delgado-Ballester and Fernandez Sabiote, 2015; Ding and Tseng, 2015; Schmitt, 1999), to our knowledge, the potential moderating effect of brand familiarity on the effectiveness of experiential augmentation has not been examined.

2. Theory and hypotheses

2.1 Experiential augmentation

Consumers assess products not solely based on their functional value – what they do – but also on their experiential value – what they mean, and the pleasure consumers derive from them (Holbrook and Hirschman, 1982; Pine and Gilmore, 1998; Mano and Oliver, 1993; Voss et al., 2003). Products can be experiential in nature (Crowley et al., 1992; Voss et al., 2008) or products can be augmented with experiences (Candi et al., 2013; Voss et al., 2008). In this article, the focus is on the second phenomenon. Examples of products that are experiential in nature are films and online games. In these cases, the experience is an inseparable part of the product and cannot be changed without changing the basic functionality of the product. Meanwhile, in experiential augmentation, companies invest in the hedonic and symbolic value of their products, but the experience is not an intrinsic part of the product and can be removed or modified without losing the core functionality of the product.

The basic distinction between product-related experiential augmentation and experiential augmentation of the environment in which consumers evaluate a product centers on relevance, or diagnosticity. Building on Heckler and Childers (1992), this distinction refers to whether the experiential augmentation conveys relevant information pertaining directly to the product or not. Experiential augmentation directly related to the product may include, for example, product packaging (Ghoshal *et al.*, 2009). A well-known example is the packaging of Apple products. Indeed, opening an Apple product has been described as "pretty close to a holy experience" (Tinari, 2015). Other examples of experiential augmentation directly related to the product include product design and promotional material. An example of experiential augmentation of the environment in which consumers evaluate a product is the use of music. Music may enhance the retail atmosphere (Turley and Milliman, 2000) but does not necessarily convey information about the products that are for sale, except perhaps in music stores.

Distinguishing between product-related experiential augmentation and experiential augmentation of environments is important, as they can differ in their contribution to consumer evaluations. For example, experiential augmentation without a clear connection to a product may well be perceived by consumers as all augmentation and no core (Beltagui *et al.*, 2012), as manipulative (Lunardo and Mbengue, 2013; Lunardo and Roux, 2015) or as inauthentic (Gilmore and Pine, 2007). Indeed, extant research suggests that successful experiential augmentation is not easy to achieve (Gupta and Vajic, 2000; Kwortnik and Thompson, 2009) and the creation of customer experiences may therefore not be effective in all circumstances (Voss *et al.*, 2008). For example, Pullman and Gross (2004) find that while an experience, such as offering access to a VIP hospitality tent, may elicit an emotional response, this emotional response may not result in customer loyalty. Thus, it is important for managers to understand the conditions under which experiential augmentation is likely to result in desired outcomes.

2.2 Product-related experiential augmentation

Companies may implement product-related experiential augmentation through the design of the product itself, promotional materials, packaging or other similar aspects. Existing research suggests that product design can evoke emotions, appeal to consumers' esthetic sense and create symbolic value for consumers (Creusen and Schoormans, 2005; Norman, 2004). Chitturi et al. (2008) find that product design can be an effective tool for experiential augmentation by stimulating consumer delight, which in turn contributes to consumer loyalty. Evidence of the positive effects of experiential augmentation generated by entertaining or esthetically pleasing logos (Henderson and Cote, 1998), packaging (Orth and Malkewitz, 2008; Reimann et al., 2010) and promotion materials (Jung et al., 2011) exists as well. For example, in a series of experiments, Reimann et al. (2010) find that respondents prefer esthetically pleasing packaging of an unknown brand over a well-known brand in a standardized package. Naylor et al. (2008) show that advertisements focusing on customer experiences (i.e. transformational advertising) lead to more positive hedonic and symbolic benefit evaluations. Jung et al. (2011) show that online advertisements with a high level of entertainment value can result in more positive feelings toward a brand and enhanced purchase intentions. In research on experiential augmentation, Candi et al. (2013) find that such augmentation of products and services contributes to new customer attraction. These extant results lead to the hypothesis that product-related experiential augmentation is positively related with product evaluation:

H1. Product-related experiential augmentation contributes positively to product evaluation.

2.3 Experiential augmentation of evaluation environments

Experiential augmentation can also be applied to the environments in which consumers evaluate products. Existing research demonstrates the impact of physical environments, such as retail environments, on consumers (Bitner, 1992; Kotler, 1973; Mohan *et al.*, 2013; Turley and Milliman, 2000). Indeed, as Candi *et al.* (2013, p. 14) note: "The environment [...] is a key element of the stage on which an experience is enacted and can thus be expected to influence

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consumers' decision making". Augmentation of the environment – for example, the attitude and appearance of staff – can give customers clues about service quality (Berry *et al.*, 2002).

Research on retail environments shows that experiential augmentation influences consumer behavior. For instance, pleasant ambient stimuli such as music, scent or lighting influence behaviors such as store patronage (Baker *et al.*, 1992), impulse buying (Mattila and Wirtz, 2001; Mohan *et al.*, 2013) and time and money spent (Morrison *et al.*, 2011). In addition, store design features such as a pleasing color scheme and layout can, among other things, influence approach behavior (Bellizzi *et al.*, 1983) and store repatronage intention (Baker *et al.*, 2002). Furthermore, positive reactions to the store environment may extend to the merchandise (i.e. affect transfer), as the pleasure experienced from the surroundings can lead to heightened product evaluation (Spangenberg *et al.*, 1996; Teng *et al.*, 2007). For example, Spangenberg *et al.* (1996) show that evaluations and purchase intentions of a backpack were more positive in a nicely scented store as opposed to an unscented one. Store ambience influences consumers' mood (Spies *et al.*, 1997). When consumers are in a good mood, the standards with which they assess products may become looser and their tolerance for product defects or service errors may be raised (Teng *et al.*, 2007). This, in turn, may lead to higher product evaluation:

H2. Experiential augmentation of the environment in which consumers evaluate a product contributes positively to product evaluation.

2.4 Combining types of experiential augmentation

If consumers consider a cue to be relevant (i.e. strongly associated with a product), they are likely to elaborately process the cue so that it more strongly impacts product evaluation than cues that are not or less relevant to the product (Sengupta *et al.*, 1997; Shavitt *et al.*, 1994). The use of related advertisement cues (i.e. cues that have strong associations with a product) produces significantly greater attitude persistence than the use of unrelated cues (i.e. cues that have few or no associations with a product) (Sengupta et al., 1997). In a similar vein, existing research suggests that website embellishments such as logos and pictures are more effective when more strongly associated with the target (Mu and Galletta, 2007). In addition, extrinsic cues (i.e. cues that are not part of the physical product itself, such as price) are less influential when other, more diagnostic cues are available, such as intrinsic cues (Caporale and Monteleone, 2004; Zeithaml, 1988). Other findings indicate that consumers make less use of cues such as product appearance and price to infer product quality when a stronger cue for quality is available, such as a strong brand name (Monroe and Krishnan, 1985; Morrin and Ratneshwar, 2000; Page and Herr, 2002). This leads to the hypothesis that experiential augmentation of the evaluation environment will be less influential when product-related experiential augmentation is also available, as the latter is more relevant for consumer evaluations:

H3. Product-related experiential augmentation moderates the relationship between experiential augmentation of the environment and product evaluation. The relationship is weaker (stronger) when there is also (no) product-related augmentation.

2.5 The moderating effect of brand familiarity

Alba and Hutchinson (1987) define brand familiarity as the number of product-related interactions accumulated by a consumer. These include direct and indirect interactions, such as exposure to advertising, communication with salespeople, word of mouth, trial and consumption. When brands are familiar or well recognized, they often serve as a cue for product quality and exert an influence on customer product preference and evaluation both

before and even after consumption (Dodds et al., 1991; Lane and Jacobson, 1995; Richardson et al., 1994; Varela et al., 2010). If a customer is less familiar with a brand and, therefore, has little information about attributes in memory, he or she is more likely to evaluate a product on the basis of concrete attributes that are directly perceivable (Wedel et al., 1998). Weak brands are thus less capable of serving as diagnostic cues, resulting in any additional information being likely to carry greater weight than for strong brands (Page and Herr, 2002). Indeed, Page and Herr (2002) find that product esthetics influence perceived quality more strongly for unfamiliar or weak brands than for strong brands. Similarly, the influence of price on product evaluations is likely to be stronger when consumers are unfamiliar with a brand than when they are familiar with the brand (Monroe and Krishnan, 1985), Navlor et al. (2008) show that the effectiveness of experiential advertising that emphasizes hedonic and symbolic product benefits diminishes with a customer's familiarity with the product. As repeat customers already have specific expectations, the ability of the advertisement to influence them diminishes. Finally, Morrin and Ratneshwar (2000) find that ambient scent, an atmospheric cue, improves brand evaluations especially for unfamiliar brands. These findings suggest that experiential augmentation will be more effective for products belonging to unfamiliar brands than those belonging to familiar brands and leads to the following set of hypotheses:

- *H4a.* Product-related experiential augmentation exerts a stronger effect on product evaluation for unfamiliar brands than for familiar brands.
- *H5a.* Experiential augmentation of the environment exerts a stronger effect on product evaluation for unfamiliar brands than for familiar brands.

Meanwhile, there are also arguments for an opposite effect, where experiential augmentation is particularly effective for familiar brands. Several researchers have examined the benefits of investing in utilitarian value versus investing in hedonic value. Utilitarian value refers to functional, instrumental attributes, while hedonic value relates to experiential, enjoymentrelated attributes (Chitturi et al., 2008; Holbrook and Hirschman, 1982). This literature suggests that consumers generally perceive hedonic value or benefits as luxuries, while utilitarian benefits are perceived as necessities (Chitturi et al., 2007; 2008). This literature also suggests the so-called *principle of precedence*, which posits that for customer satisfaction, fulfilling utilitarian benefits is more important than fulfilling hedonic benefits (Chitturi et al., 2007). In congruence with these ideas, Chitturi et al. (2007, 2008) find that consumers attach importance to hedonic benefits, but only if utilitarian benefits have met their expectations. In a similar vein, Noseworthy and Trudel (2011) find evidence that consumers must understand products' functional benefits before engaging in experiential consumption. When applying the principle of precedence to the context of brand familiarity, we can hypothesize that only in the case of familiar brands will consumers be influenced by experiential augmentation. Consumers typically possess pre-stored performance quality evaluations for familiar, strong brands (Page and Herr, 2002). In the case of strong brands, these functional evaluations are likely to be positive overall – or at least meet expectations. Following the principle of precedence, consumers may then be receptive to experiential augmentation for familiar brands. Meanwhile, in the case of unfamiliar (and thereby weak) brands, consumers will have no or insufficient information about a brand's functional value in memory. Consumer evaluation of unfamiliar brands will therefore be primarily cognitionbased, focused on establishing functional value, while more affective, experiential elements may have less effect. This agrees with notions of product appearance – a source of experiential value – becoming more influential later in the product life cycle (PLC).

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Consumer attention progresses from emphasis on function to emphasis on operation or appearance in the maturity phase of the PLC (Luh, 1994). The same may apply to more familiar brands for which consumers already know that quality is sufficient. The above discussion leads to an alternative set of hypotheses in which brand familiarity strengthens the influence of experiential augmentation:

- *H4b.* Product-related experiential augmentation exerts a stronger effect on product evaluation for familiar brands than for unfamiliar brands.
- *H5b.* Experiential augmentation of the environment exerts a stronger effect on product evaluation for familiar brands than for unfamiliar brands.

Figure 1 summarizes the hypothesized relationships.

3. Research methodology

The hypotheses were tested using two experiments, referred to as Study 1 and Study 2. The experiments, conducted in The Netherlands, involved getting people to try out and evaluate a new coffee product under conditions of experiential augmentation applied to the product, experiential augmentation applied to the evaluation environment, no experiential augmentation or both types of experiential augmentation. The coffee was presented as belonging to either a well-known brand or an unknown fictitious brand. The same coffee was used for both the familiar and the unfamiliar brand conditions to eliminate variability due to actual differences in coffee taste.

For the familiar coffee brand, a popular brand sold in national supermarkets was used, namely, the well-known Dutch coffee brand *Douwe Egberts*. Pre-tests were conducted to determine a suitable brand name and logo for the unfamiliar brand. Several fictitious Dutch brand names and logos were designed and tested in collaboration with Dutch design and branding experts, resulting in a brand name (*Anton Ruijven*) and logo that were intended to communicate a feeling of quality similar to that of the familiar brand (namely good quality but not premium) and that did not cause strong associations with other products or brands.

Subjects were recruited from the general public with the following condition: they needed to consume at least one cup of coffee every day. They were invited to participate in the experiment in groups of five and were asked not to talk during the experiment so that they would not influence each other.





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The new coffee product was described as "durably produced quality coffee" and was presented as "Good Inside: Caffé Lungo". This information was introduced to subjects using two large posters facing the table where they sat and folded tent cards positioned in front of them on the table. The brand name and logo on the posters and tent cards were different in the familiar and unfamiliar brand conditions.

Each session took about 30-45 min. In both studies, subjects filled in a questionnaire after tasting the coffee. In Study 2, subjects also filled in a questionnaire before tasting. When finished, they were given an envelope with a small monetary compensation and a debriefing explaining that the presented coffee product would not actually be introduced on the market.

3.1 The experiential augmentation conditions

In our studies, product-related experiential augmentation was implemented using promotional material, providing an attractively designed tri-fold brochure consisting of about two-thirds pleasant coffee-related images and one-third text emphasizing the socially responsible methods used to produce the coffee and general information about growing coffee. The information communicated in the brochure was also communicated on posters and tent cards, so the information was also present in the conditions when no product-related experiential augmentation was included, but in shorter summary statements. By emphasizing the social responsibility perspective, the brochure was designed to not only appeal to subjects visually but also to appeal to their sense of being socially responsible and thus resonate with a generally desirable self-image. Thus, the product-related experiential augmentation was designed to create both emotional/esthetic value and symbolic/relational value.

Experiential augmentation of the evaluation environment was implemented through deliberate design of the experiment room to positively enhance the atmosphere. Among the elements used were plants, mood lighting, soft background music, tablecloths, nicer tableware (although the cups were the same in both conditions to not influence the coffee taste) and an attractive uniform for the coffee server.

3.2 Dependent variable and covariates

To measure the dependent variable "product evaluation", six seven-point semantic differential items based on Luna and Peracchio (2005) were used, namely, "unappealing/ appealing product", "I would not/would recommend it to a friend", "I would not/would buy the product", "very low/very high quality", "inferior/superior" and "very bad/very good" (Cronbach's alpha Study 1 = 0.91, Study 2 = 0.85).

In addition, several potential covariates were included, such as age, gender and involvement with coffee in general. As none of these variables had a significant relation with the dependent variable for product evaluation, these variables were not included as covariates in the analyses (Hair *et al.*, 2006, p. 407).

3.3 Manipulation checks

The effectiveness of the experiment manipulations was tested to ensure that they were actually successful. To assess whether the product-related experiential augmentation (Study 1) heightened the perceived experiential benefits of the new coffee product, six seven-point Likert items based on Candi *et al.* (2010) were used. The items were "coffee from the Good Inside label tastes good", "coffee from the Good Inside label appeals to my senses", "buying and drinking coffee from the Good Inside label says a lot about me as a person", "buying and drinking the Good Inside label would make me feel part of a group", "the Good Inside label evokes positive emotions for me" and "the Good Inside label

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creates a good experience for me" (Cronbach's alpha = 0.81). Subjects who received product-related experiential augmentation in the form of a brochure (Study 1) reported significantly higher experiential benefits of the coffee than subjects who did not receive the augmentation ($M_{no} = 4.13$, $M_{yes} = 4.54$, t (209) = -3.41, p < 0.001). This indicates that the product-related augmentation was successful.

The success of the experiential augmentation of the environment (Study 1 and 2) was checked using the atmosphere evaluation scale from Mattila and Wirtz (2001), consisting of seven 7-point adjective pairs (unattractive/attractive, uninteresting/interesting, bad/good, depressing/cheerful, dull/bright, uncomfortable/comfortable and unpleasant/pleasant) (Cronbach's alpha Study 1 and 2 = 0.92). In Study 1, subjects' evaluation of the atmosphere in the room was significantly higher in the experientially augmented environment condition than in the unembellished environment condition [M_{not augmented} = 4.47, M_{augmented} = 5.11, t (209) = -5.05, p < 0.001]. Also in Study 2, subjects' evaluation of the atmosphere in the room was significantly higher in the augmented condition than in the non-augmented condition [M_{not augmented} = 4.16, M_{augmented} = 4.74, t (67) = -2.40, p < 0.05]. This suggests that the manipulation of the atmosphere in the room was successful.

The manipulation of brand familiarity was checked by means of a multiple-choice question, in which subjects indicated whether the brand was "a very well-known brand", "a well-known brand" or "an unknown brand". For the familiar brand, 85.3 per cent (Study 1) and 100 per cent (Study 2) of subjects indicated that the brand was "a very well-known brand", and no one indicated the brand to be unknown. For the unfamiliar brand, 93.3 per cent (Study 1) and 90.9 per cent (Study 2) indicated it to be "an unknown brand", and no one indicated it to be very well known. These differences are statistically significant (Study 1: chi-square (2) = 190.51, p < 0.001; Study 2: chi-square (2) = 70.00, p < 0.001), showing that the manipulation of brand familiarity was successful.

4. Study 1

In the first study, the effects of product-related experiential augmentation and experiential augmentation of the environment were tested for both the familiar and the unfamiliar (fictitious) brand. This results in a 2 (brand) \times 2 (experiential augmentation of product) \times 2 (experiential augmentation of environment) between subjects experimental research design. The total number of subjects was 213, split about equally among the eight groups. Of those subjects, 210 completely filled in the questionnaire and were included in data analysis. Their ages ranged from 19 to 66 years, with a mean age of 42 years. The percentage of male subjects was 52.4.

4.1 Hypotheses testing

Mean values for the dependent variable across the conditions are shown in Table I. Confirmatory factor analysis for the product evaluation scale showed a satisfactory fit ($\chi^2 = 1.86$, df = 6, p = 0.93, RMSEA = 0.00 and CFI = 1.00). The standardized item loadings ranged between 0.65 and 0.92 and were all statistically significant (p < 0.001).

H1 and *H2* were tested with structural equation modeling using maximum likelihood estimation with AMOS 22. The structural model had a good fit, with a chi-square value of 11.78 (df = 17, p = 0.81), RMSEA = 0.00 and CFI = 1.00 (Figure 2).

Product-related experiential augmentation was found to be related with product evaluation at a statistically significant level ($\beta = 0.15$, p = 0.01). When the brochure (i.e. product-related experiential augmentation) was included, evaluation of the coffee was more positive than without such intervention, supporting *H*1.

Experiential augmentation of the evaluation environment was also related with product evaluation at a statistically significant level ($\beta = -0.16$, p < 0.05). However, this effect was in the direction opposite to the hypothesis, in that the augmented environment negatively influenced product evaluation (even though this environment was more positively evaluated, see the manipulation checks section). This finding contradicts *H2*.

A multi-group analysis was conducted to test whether the effect of experiential augmentation of the evaluation environment differs depending on whether product-related experiential augmentation was applied or not. Model fit was good ($\chi^2 = 26.08$, df = 33, p = 0.80, RMSEA = 0.00 and CFI = 1.00). The (negative) relationship between experiential augmentation of the evaluation environment and product evaluation was found to be statistically significant only when no product-related experiential augmentation was present ($\beta_{no \ brochure} = -0.28$, p < 0.01; $\beta_{brochure} = -0.01$, ns), and the difference between the coefficients in the two conditions was statistically significant (critical ratio for difference: Z = 2.17, p < 0.05), supporting H3.

A multi-group analysis ($\chi^2 = 41.36$, df = 51, p = 0.83, RMSEA = 0.00 and CFI = 1.00) showed that the effect of product-related experiential augmentation did not differ with brand familiarity ($\beta_{unfamiliar}$ brand = 0.11, $\beta_{familiar}$ brand = 0.18; critical ratio for difference: Z = 0.37, ns), so H4a and H4b were not supported. The effect of experiential augmentation of the evaluation environment was only (negatively) statistically significant in the familiar brand condition ($\beta_{unfamiliar}$ brand = -0.09, ns, $\beta_{familiar}$ brand = -0.23, p < 0.05), in line with H5b. However, the difference between the coefficients for the unfamiliar and familiar brand conditions was not statistically significant (critical ratio for difference: Z = -0.87, ns), so H5a and H5b were not supported. See Figure 3 for an overview.

| Experiential augmentation of evaluation environment | Brand familiarity | Product-related experiential augmentation | | | |
|---|------------------------------------|---|----------------------|--|--|
| Without | Unfamiliar brand Familiar brand | Without 4.89 5.48 | With 5.04 5.48 | Table I.Mean productevaluation scores for | |
| With | Unfamiliar brand Familiar brand | 4.61 4.69 | 5.01 5.36 | the eight experiment conditions in Study 1 | |



Figure 2. Structural model Study 1

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4.2 Discussion of Study 1 findings

Product-related experiential augmentation increased perceived experiential product benefits (such as "tastes good" and "evokes positive emotions", see manipulation checks) and related with higher product evaluation. For experiential augmentation of the environment on the other hand, the relationship with product evaluation was negative even though tests confirmed that the manipulation of the environment was successful (as perceived by subjects). Experiential augmentation of the evaluation environment only had a significant effect in the conditions in which there was no product-related experiential augmentation (i.e. no brochure). This suggests that experiential augmentation of the evaluation environment only influences consumers when not enough product-related (i.e. more relevant) information is available and confirms that more relevant information decreases the influence of less relevant information (cf. Monroe and Krishnan, 1985; Morrin and Ratneshwar, 2000; Page and Herr, 2002).

This study furthermore found no statistically significant moderation effect of brand familiarity on either of the two types of experiential augmentation. The absence of statistically significant moderation by brand familiarity may be due to the fact that tasting the coffee diminishes the influence of brand familiarity, making the evaluations more similar and thereby making it more difficult to detect a moderating effect. Existing research suggests a considerable difference between expected quality and actual experienced quality (i.e. perceived quality at the moment of consumption) (Acebrón and Dopico, 2000). Furthermore, extrinsic cues such as brand and atmosphere can be expected to have stronger effects before actual tasting of a product than after tasting (Caporale and Monteleone, 2004; Zeithaml, 1988). Thus, to obtain a clearer picture of the contribution of experiential augmentation and to better test for a moderation effect of brand familiarity, taking consumer expectations about the product into account is important. Product expectations are very important in consumers' first time purchase decisions and continue to have an effect after consumers use the product (Acebrón and Dopico, 2000; Naylor *et al.*, 2008; Richardson *et al.*, 1994).

Expectations before tasting might also shed light on the negative effect of experiential augmentation of the environment. This negative effect can potentially result from a difference between expectations based on brand and/or experiential augmentation, and the actual sensory qualities of the product (Raudenbush *et al.*, 2002; Yeomans *et al.*, 2008). When expectations are high, a contrast effect might occur when the coffee does not taste as good as expected, resulting in evaluations that are more negative than in a condition that



Figure 3. Structural model Study 1 for the unfamiliar and familiar brand



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engenders expectations closer to the actual taste. Thus, to obtain clearer insight, product evaluation should be assessed both before tasting and after tasting.

Another possible explanation for the negative effect of experiential augmentation of the environment on product evaluation may be a lack of fit between the augmented environment and the image of the coffee brands. Existing research points to the importance of creating an experience that fits an organization's identity or brand image (Beverland *et al.*, 2006; Mattila and Wirtz, 2001; Voss *et al.*, 2008). In the case of a misfit, consumers may perceive the experiential augmentation as a means of intentional manipulation, leading to negative evaluations (Lunardo and Mbengue, 2013; Lunardo and Roux, 2015). Therefore, the negative contribution of experiential augmentation of the evaluation environment to product evaluation found in this study might be a result of subjects' perceptions that the room atmosphere did not fit the coffee brand.

In view of the above, a second study was designed in which the room atmosphere was manipulated as in Study 1, and subjects were asked to make evaluations both before and after tasting the coffee. Product evaluation was measured before tasting (at which time the brand name and experiential augmentation of the environment were already evident but subjects had not yet tasted the coffee) and after coffee tasting. Furthermore, the perceived fit between the brand and the room atmosphere was assessed to test whether a misfit might contribute to the negative effects found in Study 1.

5. Study 2

In the second study, a condition including experiential augmentation of the evaluation environment was compared with a condition with no experiential augmentation for both the familiar and unfamiliar brand used in Study 1, thus constituting a 2 (brand) \times 2 (experiential augmentation of evaluation environment) between subjects experimental research design. Experiential augmentation of the evaluation environment was implemented as described in the research methodology section.

The variables used were the same as in the first study, with the addition of two items assessing the fit between brand and environment. Brand-environment fit was measured using two seven-point Likert items stating "I think the interior of this room fits the brand [brand name]" and "I think the atmosphere of this room agrees with the brand [brand name]". Furthermore, product evaluation was measured twice, namely before and after tasting the coffee (see the discussion of Study 1 findings).

The total number of participants was 71, of which 70 completely filled in the questionnaire and were included in data analysis. In both the control condition and the experiential augmentation of the evaluation environment condition, 35 subjects participated. Subjects' ages ranged from 19 to 66 years, with a mean age of 42 years. The percentage of male subjects was 51.4.

5.1 Hypotheses testing

Separate ANOVA analyses were conducted on the pre-taste and post-taste data to test *H2* and *H4b*, as the number of subjects was too small to use structural equation modeling. Means for the dependent variable product evaluation are reported in Table II.

The analysis showed that before tasting, a significant main effect of experiential augmentation of the environment on product evaluation was present [$M_{no} = 5.02$, $M_{yes} = 4.55$, F(1, 66) = 7.62, p < 0.01]. However, as in Study 1, these results were in the direction opposite to that hypothesized. Product evaluation was lower in the condition with experiential augmentation of the evaluation environment than in the unembellished

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condition. Thus, the pre-tasting results of this study are consistent with the results of Study 1 and contradict H2.

After tasting, no statistically significant differences were found for experiential augmentation of the environment [$M_{no} = 4.47$, $M_{yes} = 4.60$, F(1, 66) = 0.24, ns]. Thus, the post-tasting results of this study neither support nor contradict *H2*.

According to *H5a* and *H5b*, brand familiarity will moderate the influence of experiential augmentation of the environment on product evaluation. Before subjects tasted the coffee, the moderation effect of brand familiarity on experiential augmentation of the environment was statistically significant [F(1, 66) = 5.48, p < 0.05], the mean values are shown in Table II. As can be seen in Figure 4, evaluation of the unfamiliar brand barely differed between the experientially augmented environment and the unaugmented environment, while evaluation of the familiar brand was lower in the experientially augmented environment condition than in the condition without experiential augmentation of the environment, supporting *H5b* and contradicting *H5a*.

After tasting the coffee, brand familiarity did not moderate the relationship between experiential augmentation of the evaluation environment and product evaluation [F(1, 66) = 0.24, ns; mean values are shown in Table II]. Thus, the results of Study 2 partially support *H5b*, as there was a moderating effect in the pre-tasting condition but not after tasting.

Lack of fit between the familiar brand and the experiential augmentation of the environment does not appear to provide an explanation for the negative contribution of experiential augmentation of the environment. The mean brand-environment fit rating in

| Table II. Mean pre-taste and post-taste product avaluation for the | he II. n pre-taste and -taste product variant for the Product evaluation | Without experienti evaluation e Unfamiliar brand | al augmentation of environment Familiar brand | With experiential augmentation of evaluation environment Unfamiliar brand Familiar brand | |
|--|--|--|---|--|------|
| four experiment | Pre-tasting | 4.66 | 5.40 | 4.58 | 4.50 |
| conditions in Study 2 | Post-tasting | 4.22 | 4.44 | 4.48 | 4.76 |



Figure 4. Pre-tasting moderation effect of brand familiarity on experiential augmentation of the environment the augmented condition was positive and even tended to be higher for the familiar brand than for the unfamiliar brand [$M_{unfamiliar} = 4.23$, $M_{familiar} = 5.03$; t (33) = -1.70, p = 0.10]. Furthermore, subjects rated the brand-environment fit higher in the experientially augmented environment than in the unaugmented environment [$M_{not augmented} = 2.91$, $M_{augmented} = 4.57$; t (68) = -4.81, p < 0.001].

5.2 Discussion of Study 2 findings

In the discussion of the findings of Study 1, it was argued that the negative effect of experiential augmentation of the environment on product evaluation might result from a difference between expectations (based on brand and/or experiential augmentation), and actual sensory qualities of the coffee (Raudenbush *et al.*, 2002; Yeomans *et al.*, 2008). However, Study 2 showed that this negative effect already exists before tasting. So the negative effect of experiential augmentation of the environment does not appear to result from a contrast effect between the expectations this environment engenders and the actual coffee taste.

Another possible explanation for the negative effect of experiential augmentation of the environment on product evaluation that Study 2 tested is a lack of fit between the augmented environment and the image of the coffee brands. However, the results showed that the mean brand-environment fit rating in the augmented condition is positive for both the familiar and the unfamiliar brand.

Study 2 showed that before tasting the coffee, the negative influence of experiential augmentation of the environment only applied for the familiar brand. Unlike in Study 1, experiential augmentation of the environment did not have a statistically significant negative effect on product evaluation after coffee tasting in Study 2. In Study 2, subjects provided evaluations twice, namely before and after tasting. In a similar vein, Naylor *et al.* (2008) found less effect of an experiential advertisement for subjects who articulated a priori expectations than for subjects who did not provide expectations before tasting. Asking subjects to make an evaluation before tasting could make them more conscious of the influence of the environment, thereby diminishing its influence after an additional source of information is provided, namely, the coffee taste. As Gorn *et al.* (1993) show, people tend to correct for a bias in their evaluation when they are aware of its source. Another possible reason for the smaller influence of the experiential augmentation of the environment after tasting the coffee in Study 2 compared to Study 1 is that respondents may have focused more on the coffee taste, as this taste is the only new information they received after their pre-taste evaluation in Study 2.

6. Discussion

6.1 Summary of findings

This research focuses on the *experiential augmentation* of products and makes an important distinction between product-related experiential augmentation and experiential augmentation of the product evaluation environment. Furthermore, this work examines how brand familiarity moderates the contribution of both types of experiential augmentation.

The results of Study 1 show that experiential augmentation of a coffee product, using a brochure designed to emphasize hedonic and symbolic product value, successfully heightens subjects' perceived experiential product benefits (see manipulation checks section) and has a positive effect on product evaluation. Furthermore, the findings suggest that brand familiarity does not moderate these relationships; for both the familiar and unfamiliar brand, product-related experiential augmentation results in better product evaluation. The results also suggest that product-related experiential augmentation has a stronger influence

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EJM 52,5/6 than experiential augmentation of the evaluation environment, as experiential augmentation of the evaluation environment only (negatively) influences consumer evaluation when no concurrent product-related experiential augmentation is applied.

Contrary to expectations, experiential augmentation of the environment was found to be negatively related with product evaluation, even though subjects evaluated the augmented environment more positively than the neutral one. Comparison of pre-tasting and posttasting evaluations (in Study 2) showed that the negative effect of the augmented environment already exists in subjects' pre-taste evaluation. This seems to rule out the possibility that the negative effect is a result of contrast effects between subjects' expectations based on the experiential augmentation of the environment and the actual taste of the coffee. Interestingly, Study 2 showed that the negative effect of the experientially augmented environment only occurred for the familiar brand. Because subjects perceived the experientially augmented environment as fitting both the familiar and unfamiliar brand, a lack of fit between the augmented environment and brand does not explain this negative effect.

Table III shows an overview of the hypotheses and findings.

6.2 Implications for theory and future research

This work makes three important contributions to theory. In the first place, our work extends upon existing work on experiential consumption by distinguishing between product-related experiential augmentation and experiential augmentation of the environment. There is prior work on how experiential, enjoyment-related product benefits influence consumer evaluation compared to functional, utilitarian product benefits (Chitturi et al., 2007; 2008; Dhar and Wertenbroch, 2000; Okada, 2005; Voss et al., 2003). However, this literature provides no clear insight into how impact may differ depending on different types of experiential augmentation. We thus add to the literature by suggesting that, in addition to the distinction between functional and experiential product benefits, the type of experiential augmentation offered (directly related to the product or not) influences outcomes. More specifically, the results of this research suggest that product-related experiential augmentation has a stronger influence than experiential augmentation of the evaluation environment, probably because this type of augmentation provides more relevant information for consumers in evaluating the product (cf. Shavitt et al., 1994). Experiential augmentation of the evaluation environment was found to (negatively) influence product evaluation in the condition without product-related experiential augmentation, but this effect was offset when product-related experiential augmentation was present. This agrees with the notion that when a more relevant cue is present, the influence of other cues is weaker (cf. Morrin and Ratneshwar, 2000). Thus, to heighten the evaluation of new products, product-related experiential augmentation is likely to be effective, whereas experiential augmentation of the environment seems only influential when there is no other more relevant information available. Further research could examine whether experiential augmentation of the evaluation environment is also more influential when consumers are not motivated enough (e.g. because of low involvement in the purchase decision) or do not have enough time to pay attention to product-relevant information. In such conditions, consumers may use a peripheral route as opposed to a central route to product evaluation, where contextual cues may be more influential (Petty et al., 1983; Candi et al., 2017). In addition, future research could examine how effects of experiential augmentation may differ depending on the type of product. For example, in the case of products with an experiential core, such as theme parks, restaurants and movies, the effects of experiential augmentation may differ compared to products with a functional core (such as power tools), as consumers

| Hypoth | ieses | Study 1 | Study 2 | experiential augmentation | |
|--------|---|---|--|---|--|
| H1 | Product-related experiential augmentation \rightarrow product evaluation | Supported | (Not tested) | | |
| H2 | Experiential augmentation of the environment \rightarrow product evaluation | Not supported; significant in opposite direction | <i>Pre-tasting</i> : not supported; significant in opposite direction <i>Post-tasting</i> : not supported: not significant | 939 | |
| H3 | The effect of experiential augmentation of the environment on product evaluation is weaker (stronger) when there is also (no) product-related augmentation | Supported | (Not tested) | | |
| H4a | The effect of product-related experiential augmentation is bigger for an unfamiliar brand | Not supported; not significant | (Not tested) | | |
| H4b | The effect of product-related experiential augmentation is bigger for a familiar brand | Not supported; not significant | (Not tested) | | |
| H5a | The effect of experiential augmentation of the environment is bigger for an unfamiliar brand | Not supported; not significant | Pre-tasting: Not supported; only significant for familiar brand Post-tasting: Not supported: not significant | | |
| H5b | The effect of experiential augmentation of the environment is bigger for a familiar brand | Not supported; difference with brand not significant although effect only (negatively) significant for familiar brand | <i>Pre-tasting</i> : Supported; only (negatively) significant for familiar brand <i>Post-tasting</i> : Not supported; not significant | Table III. Overview of findings | |

will have different expectations as regards to appropriate organizational actions or behavior for these type of products (Candi *et al.*, 2013). Longitudinal research might also yield interesting insights, as effects of experiential augmentation may change over time.

The second contribution of this work rests on the finding that experientially augmenting the environment may have negative effects on consumers. This resonates with the findings of Lunardo and colleagues (Lunardo and Mbengue, 2013; Lunardo and Roux, 2015) and contradicts the prevalent positive view of atmospherics (Turley and Milliman, 2000). In their research, Lunardo and colleagues used written scenarios of a hypothetical bakery (Lunardo and Mbengue, 2013) or pictures of toy stores (Lunardo and Roux, 2015) and studied consumers' evaluation of retailers. Our research extends their findings to a real product-tasting situation and to the evaluation of products – rather than stores. Although the situation in which participants tasted coffee in a real environment is more realistic than showing scenarios or slides, it is still different from an actual retail environment. Therefore, further research in actual retail or consumption environments is needed. As regards tasting the product, our results illustrate that it influences the effects of experiential augmentation; the effects become smaller after product tasting (see Study 2). This is consistent with existing research suggesting that extrinsic quality cues such as price, promotion and

presentation diminish in importance when consumers can evaluate products based on intrinsic quality cues that are inherent to the product, such as color and freshness (Caporale and Monteleone, 2004; Zeithaml, 1988). However, as tasting or trying a product is often not possible in a purchase situation, the effects of extrinsic cues for product quality (such as brand name, advertising or store atmosphere) are very relevant. Furthermore, as Study 1 shows, these cues continue to have an effect after consumers taste or experience the product (cf. Acebrón and Dopico, 2000; Naylor *et al.*, 2008; Richardson *et al.*, 1994). Therefore, research in this area is very relevant.

The third key contribution of our research is insight into the influence of brand familiarity on the effectiveness of experiential augmentation. The results of Study 2 show that, in the pre-tasting setting, brand familiarity moderates the relationship between experiential augmentation of the environment and product evaluation. More specifically, in the case of the familiar brand, there was a negative effect of the experientially augmented environment. For the unfamiliar brand, the experientially augmented environment had no significant effect. In Study 2, we examined whether the negative effect of the experientially augmented environment was due to consumers perceiving this environment as not fitting the brand, but evidence of this was not found. Perhaps, in the case of familiar brands, people feel more manipulated when confronted with experiential augmentation of the environment, particularly if the experiential augmentation is felt to be inauthentic to the brand. This seems to agree with the work of Gilmore and Pine (2007), in which the importance of authenticity is stressed. For example, the retail outlets opened by Microsoft around the world are still attracting much fewer customers than Apple's retail outlets, even though Microsoft offers a similar retail experience in terms of, for example, store design (Reisinger, 2015; Fried, 2016). Future research could examine the importance of (perceived) authenticity of experiential augmentation in more depth. The reasons why some experiential augmentations of environments are successful and some are not, are still poorly understood.

6.3 Implications for practice

Extant research suggests that successful experiential augmentation is not easy to achieve (Gupta and Vajic, 2000; Kwortnik and Thompson, 2009). To design and orchestrate experiences, companies must understand and appropriately manipulate the elements that provide experiential value to consumers. This research helps increase this understanding.

In particular, our findings suggest that companies engaged in experiential augmentation should make a distinction between product-related experiential augmentation and experiential augmentation of the consumption environment, as these vary in their effectiveness. Product-related experiential augmentation seems particularly effective to heighten perceived experiential product benefits (Naylor *et al.*, 2008) and product evaluation, for unfamiliar as well as familiar brands. This offers interesting opportunities for marketing managers, who could provide experiential product information by means of a well-designed product brochure – as in our research – or, for example, by means of well-designed product the places and communities where their coffee is grown are a good example of product-related experiential augmentation designed to heighten the company's reputation and make customers feel good about buying Starbucks coffee.

Conversely, experiential augmentation of the environment should be applied with caution. Although enhanced environments have been shown to have a positive

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influence (Turley and Milliman, 2000), this influence can also be negative (Lunardo and Mbengue, 2013; Lunardo and Roux, 2015). In our study, this negative effect occurred only in the case of a familiar brand and possibly has to do with the experiential augmentation of the environment not feeling authentic to, or fitting with the nature of the brand. When experiential aspects are part of the brand image, environmental augmentation will fit and be considered authentic, as exemplified by Apple stores and Disney stores. But when the fit is poor, consumers may feel manipulated when experiential augmentation of the environment is used. For example, if low-cost grocery stores such as Aldi, or budget hotel chains, were to experientially augment their stores or lobbies, this would likely seem inauthentic, as it would not fit the low-cost or budget brand image and potentially backfire.

In addition, whether a store is a single or multi-brand store will make a difference. Augmentation of the environment is often applied at a store level, while product-related augmentation is usually done on a brand level. Only in the case of a single brand store are these decisions made by the same company. In the case of a multi-brand store, the effects of an experientially augmented environment on product evaluation of a known brand may be less negative, or even positive, as in this case consumers may not feel manipulated by the brand (causing a negative evaluation), as they are not likely to attribute the augmentation of the environment to the brand (but to the store). This may explain the prevalent positive view of atmospherics (Turley and Milliman, 2000), as existing research tends to focus on multi-brand stores, such as supermarkets, department stores and drugstores. Therefore, marketing managers of familiar brands sold in single brand stores should keep in mind a potential negative response from consumers and carefully test experiential augmentation of the environment before introducing it.

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Corresponding author

Mariëlle E.H. Creusen can be contacted at: m.e.h.creusen@tudelft.nl

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