
Effects of experiential elements on experiential satisfaction and loyalty intentions: a case study of the super basketball league in Taiwan

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Abstract: As the change of economical environment, customers consume sometimes merely for fun, joy and pleasure instead of problems solving or specific product function. For consumers, sports performance means more than competition, but the entertainment, excitement and wonderful memories. For most sport leagues, attracting customers to watch the live games can contribute a lot to revenues. The spectators of sport games are motivated by entertainment, thus sport leagues can focus on the experiential elements to maintain satisfied and loyal customers to increase revenues. In consequence, the purpose of this study is to explore the influence of experiential elements, such as surprise, participation and immersion on experiential satisfaction and loyalty intentions, and propose a model to depict the structural relationship among the experiential processes. This study collected 452 samples on basketball games, and the model reached an adequate fit. Managerial implications and future research directions are also provided.

Keywords: experiential element; experiential marketing; experiential satisfaction; loyalty intention; revenue management; sports performance industry.

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1 Introduction

Consumers nowadays purchase a product not only for problem solving or product functions, but also for fun and enjoyment as the development and changes of economies (Holbrook and Hirschman, 1982). Buying behaviour is no longer simply rational for consumers. In late 1970s, some researchers began to question the information processing perspective and identified that some important consumption phenomena were neglected (Olshavsky and Grabois, 1979; Sheth, 1979). The ignored phenomena include various playful leisure activities, esthetic enjoyment and emotional responses. The research of consumer behaviour has changed from the traditional view of rational choice to emotional or affective needs. The experiential perspective regards consumption as a subjective state of consciousness with a variety of symbolic meanings, hedonic responses and esthetic criteria (Holbrook and Hirschman, 1982).

Pine II and Gilmore (1999) identified that the economic value has progressed from commodities, goods and services to experiences. Distinct experience can differentiate itself from competitors and charge the price at a premium. In other words, it is no longer enough to offer good product or service in the competitive environment. Schmitt (1999) identified that marketing has progressed into a new stage, which focuses on experiences rather than functions or packages. Moreover, the concept of experiential marketing is helpful for marketers to find market niches instead of involving in price wars or product function competition.

The research of experiential consumption is getting noticed recently. For example, Schmitt (1999) proposed the experiential modules, which include sense, feel, think, act and relate (Schmitt, 1999). Nevertheless, the effect of experiential marketing on consumer behaviour still needs to be explored. Some researches pointed out the importance of experiential marketing in arts (Petkus, 2004), tourism (Hannam, 2004) and sports (Stenhouse, 2003). However, instead of verifying the concepts from empirical data these researches focused on introducing the concepts. This research takes basketball shows as an example and collects empirical data to explore the experiential elements and experiential process of consumers, so as to provide better evidence regarding the potential impact of experiential marketing on revenues.

The spending of sports is approximately US\$200 billion globally (Carter and Rovell, 2003), implying the fast growth in sport industry. The development of sport industry is an important policy in many countries. The formation and development of professional sport industry is helpful for the growth of other industries and thus helpful for economic prosperity. Thus, the sport industry is important in many highly developed countries. Sport managers always strive to generate more revenues to offset the rising costs of maintaining sport teams. Since gate receipts and media revenues are two major source of income for most professional sports (Leonard, 1997), increasing ticket sales is a very important task for sport leagues. Thus, understanding the reasons that lead consumers to watch live games in stadiums or even become loyal to watching the games is imperative for increasing revenues.

According to the database of Eastern Integrated Consumer Profile (E-ICP) (2003), baseball, basketball and snooker are three major sport shows watched by the audience in Taiwan. Since basketball is one of the most popular sports in Taiwan, Super Basketball League (SBL) was formed in November, 2003. There are seven teams and 84 routine games in SBL, which is the largest basketball league in Taiwan. Therefore, this research takes the basketball games of SBL as an empirical example to discuss the experiential process.

Though many people play or watch basketball games in Taiwan, few people go to the gymnasias to watch the live shows. Most people prefer to watch the games on TV. Why do some consumers still prefer to watch the show on site? What element or characteristic of the game arouses the affect or feeling of these consumers? The nature of a basketball game is not only competition, but also enjoyment, impressive memories and entertainment. Lots of researches tried to find personal motives for sport consumption (Trail and James, 2001). The major motives include achievement, acquisition of knowledge, aesthetics, drama, escape, family, physical attraction, physical skill and social interaction. Many studies suggested that entertainment, drama and escape are major motives for sport consumption (James and Ridinger, 2002; James and Ross, 2004). These researches implied that experiential elements are important for sport consumption.

Holbrook and Hirschman (1982) proposed that consumers may make purchase decisions by rational or logical thinking, but consumers' decisions may also be driven by affects. For example, consumers often have the emotions of fantasies, feeling, and fun, pursuing excitements or sensory pleasures. Experience is usually motivated by extrinsic stimuli, thus, marketers should provide experiential stimuli to consumers (Schmitt, 1999). In addition, if professional sport leagues want to maintain a large number of loyal fans, they should provide the fans with unforgettable entertainment experiences (Carter and Rovell, 2003). According to the definition of experiential marketing, the content of a performance includes all detailed processes that are related to consumer experiences, such as the service provided by workers, the programmes performed by the actors, and the on-site atmosphere. A basketball show is also a performance art. The act (game) played by the actors (sportsmen) is one of the experiential components, which includes the complete entertaining activities.

Therefore, it is necessary to analyse the experiential processes during consumption and fully understand the changes of consumer mental processes and loyalty intentions after purchase. Thus, this research tries to explore the effect of experiential elements on loyalty intentions and their mediating processes, and propose a conceptual model to portray the processes.

2 Literature review

2.1 Experience economy and experiential marketing

Pine II and Gilmore (1999) suggest that marketers should provide great value to customers, such as customisation and unforgettable experiences. Experiences are important to consumers. When businesses take services as the stage and the products as props, and involve consumers in the process, experiences occur.

In the experience economy, experiential activities can segment markets and charge premium prices. Commodities are fungible, goods are tangible, services are intangible and experiences are memorable. Consumers are enjoying the experiences provided by businesses when purchasing experiences.

In the stage of experience economy, every business plans various experiences, and thus it is easier to emphasise uniqueness and charge prices based on the unique value instead of competitive market prices. Therefore, in the highly growing economy, consumers' needs are getting various and personalised, and traditional services and marketing practices cannot satisfy their needs. Thus, experience is becoming the best way to satisfy consumer needs.

Businesses create experiences by using products and services as props and stages, producing memorable and impressive activities to consumers (Pine II and Gilmore, 1999). Experiences are inherent in the minds of everybody, and are the results of involving in physical, emotional and cognitive activities. Experiences come from the interaction of personal minds and events, and thus no one experiences the same with the other person (Schmitt, 1999).

McGregor (1974) identified that in the generally neglected experiential view, the criteria for successful consumption are essentially esthetic in nature and hinge on an appreciation of the product for its own sake, apart from any utilitarian function that it may or may not perform (Holbrook and Hirschman, 1982). Thus, the processes of experiential consumption are like the appreciation of art, emphasising the nature of the product or service without regard to its functional utility. Consequently, the major difference between experiential marketing and traditional marketing, which emphasises promoting product functions, is that the former takes customer as affective decision makers who consume for excitement and joy.

2.2 Experiential elements

Holbrook (2000) proposed that more and more consumers love happy adventures and joyful processes of using products, suggesting that experience orientation is becoming the mainstream. Schmitt (1999) suggested five strategic experiential modes – sense, feel, think, act and relate – as the basis of experiential marketing. However, many sensory variables may also influence consumption intentions.

This research explores variables that affects consumers during experiential activities, and finds that surprise, participation and immersion are three essential components in sport shows. The three experiential elements are discussed as follows.

2.2.1 Surprise

Holbrook and Hirschman (1982) identified that consumer experiences come from the pursuit of fantasies, feelings and fun. The experiences enhance many sensory stimuli (Pine II and Gilmore, 1999). Schmitt (1999) proposed that consumer senses, feelings, minds, and behaviours will continuously interact with the environments, and consumers acquire unique feelings and experiences from these interactions. Special, unique or even extraordinary experiences surprise consumers, making the experiences vivid in memory. Therefore, marketers should provide stable quality service and creative content service to induce participants to generate good experiences.

Thus, this research defines surprise as the feeling of freshness, uniqueness and distinctiveness in the processes of consuming products or services.

2.2.2 Participation

Holbrook and Hirschman (1982) suggested that experiences often relate to emotions, feelings and other subconscious levels. Schmitt (1999) proposed that experiences often come from indirect appreciation or direct participation.

Pine II and Gilmore (1999) identified that exhibiting experiences is to make customers involve in the activities, rather than just to entertain customers. This research takes participation as an important variable in testing the experiential consumption processes. Participation is not just the inputs of consumer spirits, energies or time during leisure activities. This research defines participation as the degree of interaction among consumers and products, services or environments during consumption.

2.2.3 Immersion

Csikszentmihalyi (1975) proposed the flow theory and identified that consumers enter into the status of immersion when involving thoroughly in activities, paying attention to the activities and filtering out all unrelated perceptions. Immersion is a temporal and subject experience and it helps to explain the reasons of loyal behaviours (Webster, Trevino and Ryan, 1993). Consumers have the desires of pursuing fun and achievement. When consumers interest in some activities, they will fully involve in the activities and forget the surrounding environments.

From the experiential perspective, Pine II and Gilmore (1999) identified that immersion is the integration of consumers and experiences. Specifically, the players or the audience immerse and focus on the games, isolating themselves from the reality. The tension and uncertainty of games attract the participants. The games can also generate imagination and creativity, which detach the participant from the reality. For example, when the audiences watch basketball games in the gymnasium or performance arts in the theatre, the scenes, surprises, stimuli, music and the interaction between actors and the audiences can all influence the experiential processes of consumers.

Thus, this research defines immersion as the involvement of consumers when enjoying the consumption and to forget the passing of time. Immersion makes consumers emphasise consumption processes instead of results.

2.3 *Emotional experiences*

Havlena and Holbrook (1986) identified that the most important factors in experiential consumption are emotional factors, which are personal perception of emotions (Russell and Snodgrass, 1987). The environment can affect perceptions and human affective responses, and the environmental factors felt by personal senses include visual stimulus and non-visual stimulus such as the senses of touch, smell, taste and hearing (Ulrich, 1983). Any environment, including that of a retail store, will produce an emotional state in an individual that can be characterised in terms of the three PAD (pleasure-arousal-dominance) dimensions (Mehrabian and Russell, 1974; Donovan and Rossiter, 1982). Pleasure refers the degree to which the person feels good, joyful, happy or satisfied in the situation; arousal refers to the degree to which a person feels excited, stimulated, alert or active in the situation; and dominance refers to the extent to which the individual feels in control of the situation. Moreover, the positive emotions of pleasure and arousal would positively influence consumers' buying behaviours (Donovan and Rossiter, 1982).

Since emotional experiences are important in the experience processes based on the experiential perspective, this research takes emotional experience as a mediator in the experience process model and puts emphasis on the emotional pleasure and arousal under specific situation. Thus, this research defines emotional experience as consumer subjective positive feelings aroused by external stimuli, such as pleasure and arousal.

The three experiential elements – surprise, participation and immersion – are subjective feelings aroused by the play or games, and these elements can thus positively generate emotional experiences. Thus, the following three hypotheses are proposed:

Hypotheses 1. There is a positive relationship between surprise and consumers' emotional experiences.

Hypotheses 2. There is a positive relationship between participation and consumers' emotional experiences.

Hypotheses 3. There is a positive relationship between immersion and consumers' emotional experiences.

2.4 *Experiential attitudes*

Attitude is the enduring and consistent behavioral tendency toward an object, such as a person, a brand, or an event. Attitude can change after direct or indirect learning. Attitude differs from opinion or belief. Attitude focuses on affect or feelings, but opinion or belief focuses on cognition. Attitude is also an important variable to predict behaviours. Therefore, in this research attitude is used as a mediator in the experiential process.

Overall, from the experiential perspective, experiential attitude is defined as consumers' positive or negative behavioural tendency towards experienced stimuli during consumption processes.

Therefore, positive emotions aroused by external stimuli would generate positive feelings towards the stimuli and thus positively affect experiential attitude. That is, emotional experiences will positively affect experiential attitudes.

Hypotheses 4. There is a positive relationship between emotional experiences and consumers' experiential attitudes.

2.5 *Experiential satisfactions*

2.5.1 *Product and service satisfaction*

Customer satisfaction has a positive impact on increasing revenues (Anderson, Fornell and Lehmann, 1994; Fornell, Ittner and Larcker, 1995). Satisfaction is the assessment of all previous relationship quality between buyers and sellers, and forms as the expectation of future quality (Crosby, Evans and Cowels, 1990). Anderson and Narus (1990) proposed that satisfaction is the overall evaluation of the relationship between buyers and sellers. Satisfaction of channel members is often defined as one firm's comprehensive evaluation of relationship on another firm, and thus forming a positive feeling towards the firm (Garbarino and Johnson, 1999). Ganesan (1994) defined satisfaction as the positive feelings formed by the overall evaluation when retailers negotiate with the suppliers.

Satisfaction judgment is often used to compare the performance or quality of products or services (Anderson et al., 1994). Generally, the measurement of satisfaction is defined as the disconfirmation beliefs between consumer expectation before purchase and perceived actual performance of the product or service. This definition is often used as the criteria for assessing satisfaction (Oliver, 1980; Westbrook, 1980; Bearden and Teel, 1983). Other assessment criteria are also discussed in the literature, such as the performance need or the results level (Westbrook and Reilly, 1983), and performance equity or results (Oliver and Swan, 1989).

2.5.2 *Experiential satisfaction*

Previous literature regarding satisfaction often focused on satisfaction of products or services. In fact, satisfaction is also an important variable in experiences (Oliver, 1980; Westbrook and Oliver, 1991). Customer satisfaction of a specific transaction is the immediate evaluation after purchase, or the positive feeling towards recent transaction experiences (Oliver, 1993). Customers use personal experiences to form cognitive and effective evaluation about service relationship and thus form the degree of satisfaction (Storbacka, Standvik and Grönroos, 1994). Anderson et al. (1994) proposed that satisfaction is the overall evaluation of the purchased products or services based on previous experiences. Mano and Oliver (1993) suggested that in the post consumption experience, product-elicited affect is highly correlated with satisfaction.

The experiential satisfaction discussed in this research is extended from the concept of service satisfaction, which explores service satisfaction and consumers' affects in specific situation. Although experiential satisfaction is extended from the concept of service satisfaction, experiential satisfaction focuses on consumers' overall evaluation of experiences after consumption. Thus, from the experiential perspective, experiential satisfaction is the satisfaction experienced from the service content under a specific transaction. Consumers will compare the experience with prior expectation after consumption, and generate cognitive consistency or cognitive dissonance. The emotional responses based on cognitive consistency or dissonance form the results of satisfaction or dissatisfaction. Therefore, this research tries to propose the concept of experiential satisfaction based on experiential perspective, and defines experiential satisfaction as the results of consumers' evaluation on the contents presented by service providers.

The positive emotional experiences rose from external stimuli would generate positive feelings that lead to experiential satisfaction. Thus, the following hypothesis is proposed.

Hypotheses 5. There is a positive relationship between emotional experiences and consumers' experiential satisfactions.

Experiential attitude involves the positive or negative effect towards products or services. Positive effect is highly correlated with satisfaction. Thus, experiential attitude is positively related to experiential satisfaction, and the following hypothesis is proposed.

Hypotheses 6. There is a positive relationship between experiential attitudes and consumers' experiential satisfactions.

2.6 Loyalty intentions

2.6.1 Loyalty and revenues

Customer satisfaction and loyalty intentions have been widely identified as important indications of profitability, especially for service firms (Anderson et al., 1994; Edvardsson et al., 2000). Firms usually incur costs on acquiring customers, such as awareness advertising and prospecting costs. However, firms often receive revenues from satisfied or loyal customers. The revenue growth comes from the cross-selling of additional products or services and an increase in purchase volume or customer referrals. Many researches suggested that customer satisfaction and loyalty have positive impact on increasing revenues and financial performance (Fornell et al., 1995; Smith and Wright, 2004). Thus, increasing satisfied spectators or loyal fans is an important way for sport leagues to increase revenues.

Loyalty is the willingness of making investment or sacrifice of one person in order to enhance one relationship. Earlier studies took repeat purchase or repurchase intentions as an index of brand or service loyalty (Heskett et al., 1994). Recent studies such as Rust, Zahorik and Keiningham (1995), Zeithaml, Berry and Parasurman (1996) tended to use consumer preferences of businesses, word-of-mouth, and praises as the criteria for measuring loyalty intentions. Reinartz and Kumar (2002) suggested that the costs of serving loyal customers are low and loyal customers are willing to spend more money than disloyal customers. Besides, loyal customers can also serve as powerful marketers for promoting products.

According to literatures, this research selects repurchase intentions and recommendation intentions as the measurement of loyalty intentions.

2.6.2 Repurchase intention

Usually, loyal customers buy more products or services from the same company than disloyal customers (Verhoef, Franses and Hoekstra, 2002). Generally, as customer satisfaction increases, the perceived benefits of switching to another service provider decrease, and thus repurchase intention increases (Anderson and Sullivan, 1993). Most researches support the correlation between satisfaction and customer retention (Oliver and Swan, 1989; Fornell, 1992; Taylor and Baker, 1994).

Thus, in this research, repurchase intention is consumers' willingness to maintain transaction relationship with service providers after experiential consumption.

2.6.3 Recommendation intention

Jones and Sasser (1995) found that satisfied customers exhibit not only repurchase behaviour but also word-of-mouth communication and public recommendation. When customers are loyal to one service provider, they are pleased to recommend the service to other customers, such as friends, family members, or colleagues (Verhoef, Franses and Hoekstra, 2002). Thus, customers' willingness to recommend is a powerful indication of loyalty (Reichheld, 2003). In addition, when customers act as warrantors, they usually do not get economic benefits from the firms. They put their personal credit at stakes. Therefore, customers risk their credits only when they are strongly loyal to the company (Reichheld, 2003).

Thus, in this research, recommendation intention is consumers' willingness to recommend other people to deal with the service provider after experiential consumption.

Most research of consumer post-purchase behaviour focuses on the issue of customer satisfaction. Consumers form expectation on products or retailers before purchase, and feel satisfied or even loyal to the products or retailers when the perceived performance exceeds expectation (Blackwell, Miniard and Engel, 2001). Satisfied customers communicate their learning of previous experiences. Thus, satisfaction can explain some important post-purchase behaviour, such as complaint and word-of-mouth communication (Howard, 1989). Moreover, overall satisfaction can affect consumers' repurchase intentions (Fornell, 1992).

Prus and Brandt (1995) identified that customer satisfaction drives customer loyalty. Customer loyalty refers to the commitment of maintaining a long-term relationship with a brand or firm, and exhibits the behaviours of repurchasing the same brand or purchasing the firm's other products and recommending the brand to other persons.

Therefore, when consumers are more satisfied with an experience, they are more likely to repurchase the product or service and recommend the experience to other people. Besides, when consumers are willing to repurchase the product or service in the future, they also tend to recommend the experience to other people. Thus, the following hypotheses are proposed.

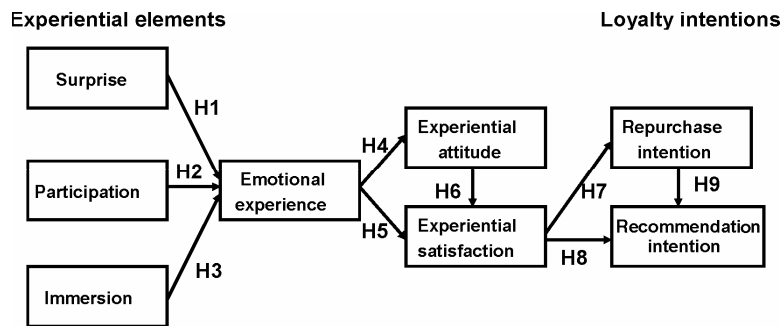
Hypotheses 7. There is a positive relationship between experiential satisfactions and consumers' repurchase intentions.

Hypotheses 8. There is a positive relationship between experiential satisfactions and consumers' recommendation intentions.

Hypotheses 9. There is a positive relationship between repurchase intention and consumers' recommendation intentions.

2.7 Research structure

All the hypotheses and the research structure are depicted in Figure 1. The three experiential elements will affect loyalty intentions through emotional experience, experiential attitude and satisfaction.

Figure 1 Research structure

3 Research method

3.1 Measures

The scales used to measure the latent constructs are provided in Table 1. All constructs were assessed using five-point Likert rating scales, with 1 representing strongly disagree and 5 representing strongly agree.

Surprise, participation and immersion are the three experiential elements discussed in this research. Surprise is defined as the freshness, specialty, and uniqueness, which are perceived by consumers when using a product or during a service. This research focuses on basketball games, so the definition is modified as the uniqueness and surprising experience during the games. Three items were measured. Participation is defined as the interaction between consumers and product or service. This research focuses on consumer participation in programmes or shows provided by the host. Two items were measured. Immersion is the involvement of consumers during consumption, leading consumers to forgetting time and putting emphasis on consumption processes instead of consumption results. This research focuses on the involvement during basketball games. Four items were collected by five-point Likert scales.

Emotional experience, experiential attitude and experiential satisfaction are the three mediating constructs discussed in this research. Emotional experience is defined as the subjective positive feelings perceived by consumers during consumption, such as excitement and happiness. This research focuses on the feelings experienced during the games and measures by four items. Experiential attitude is consumers' positive or negative evaluations towards consumption experiences. This research put emphasis on consumers' subjective evaluation of the games according to their experiences. Three statements were measured. Experiential satisfaction is defined as the integrated evaluations of the consumptions and the contentment to the whole consumption process. This research focuses on the overall evaluations of the basketball games and measures by four items.

Repurchase intention and recommendation intention are the two loyalty intentions discussed in this research. Repurchase intention is the willingness to keep a transaction relationship with service providers after one purchase. This research modifies the definition as the willingness to come back to watch the games in future. Two items were collected. Recommendation intention is the willingness to suggest other people to

transact with the service provider. This research modifies the definition as the willingness to suggest others to watch the show after this game. Three items were measured.

Table 1 Scale items and measurement properties

	<i>IR</i> [†]	<i>SR</i>	<i>VE</i>	<i>Cronbach's</i> <i>α</i>
<i>Surprise</i>				
I can see some surprising, wonderful actions.	0.53			
I can see the scenes that can not be substituted by TV broadcasting.	0.57	0.78	0.75	0.71
I can see some unexpected program.	0.51			
<i>Participation</i>				
I join the games provided by the host.	0.74	0.91	0.69	0.86
I interact with the host.	0.93			
<i>Immersion</i>				
I forget the time running by.	0.51			
I feel comfortable for watching this game.	0.79			
I enjoy the process of this game.	0.84	0.91	0.85	0.85
I involve in this game.	0.73			
<i>Emotional experience</i>				
The game is cliff-hanging.	0.61			
The game is marvelous.	0.66			
I feel joyful by the atmosphere on the scene.	0.82	0.91	0.82	0.86
I am happy about the experience tonight.	0.77			
<i>Experiential attitude</i>				
The program is good.	0.68			
I think the host is thoughtful.	0.72	0.88	0.76	0.82
I like the atmosphere of this game.	0.72			
<i>Experiential satisfaction</i>				
I am satisfied by this game.	0.73			
I am satisfied by the light and music of this site.	0.55	0.89	0.78	0.84
It is worthwhile to watch the game tonight.	0.72			
I am satisfied by the whole program.	0.68			
<i>Repurchase intention</i>				
I will come back to watch the game in the future.	0.92	0.96	0.67	0.91
I will come to feel the atmosphere again.	0.93			
<i>Recommendation intention</i>				
I will recommend this game to my friends.	0.80			
I will tell my friends about the positive experience of watching this game.	0.70	0.89	0.73	0.84
I will say the name of this game when someone asks me about my leisure activities.	0.72			

[†]For each construct, the item reliability (IR), scale reliability (SR) variance extracted (VE), and Cronbach's α are provided.

3.2 Sampling

Quota sampling was used to collect the data. According to E-ICP (Eastern Integrated Consumer Profile), one marketing research agency in Taiwan, basketball game is one of the most popular sports in Taiwan. However, only 4.5% of people will go to see the games on average. This research takes SBL as an example, and collects the data from two popular games in Taipei Physical Education College Gymnasium on two weekends during March 2004. The population was stratified as five groups based on ages, and the sampling percentage was calculated according to census data and the database of E-ICP. The calculation is shown in Table 2. Five hundred questionnaires were delivered and 452 effective samples were collected. Effective sample rate is 90.4%. The percentage of the male is 51 sample. The actual sampling structure is not significantly different from that of E-ICP ($\chi^2 = 4.608$, $df = 4$, $p > 0.05$), implying that the sampling result is adequate.

Table 2 Sampling structure

Age	13-19	20-29	30-39	40-49	50-59
Population (census data)	2,283,152	3,866,463	3,702,454	3,653,549	2,315,667
The percentage of people that will go to see the games (E-ICP)	11.4%	9.0%	1.3%	1.3%	0.6%
People that will go to see the game (=A × B)	260,279	347,982	48,132	47,496	13,894
Sampling percentage ($C_i / \sum C_i$)	36.3%	48.5%	6.7%	6.6%	1.9%
Expected number of samples ($500 \times D_i$)	181	243	34	33	9
Actual number of samples (total 452)	166	216	34	28	8
Actual sampling percentage ($F_i / \sum F_i$)	36.7%	47.8%	7.5%	6.2%	1.8%

4 Analysis and results

4.1 Measurement properties of the scales

The scales used to measure the latent constructs in the model are provided in Table 1. Item reliability, construct reliability, variance extracted and Cronbach's α are shown. The assessment of the measurement properties of all eight scales indicated that the factor loadings (lambdas) were high and significant ($p < 0.001$), which satisfies the criteria for convergent validity. Fornell and Larcker (1981) suggest that discriminant validity can be assessed by determining whether the variance extracted estimates for two constructs are greater than the square of the parameter estimate between them. The largest squares of correlations is 0.618, which is smaller than the lowest variances extracted (0.67). Therefore, the data passes the discriminant validity criterion of Fornell and Larcker. Fornell and Larcker (1981) also stress the importance of examining composite reliability and variance extracted. Bagozzi and Yi (1988) suggest two criteria: composite reliability

should be ≥ 0.60 , and variance extracted should be ≥ 0.50 . All eight composite reliabilities were > 0.78 and all eight variance extracted were > 0.67 (see Table 1). Finally, all of the Cronbach's α s are above 0.70, suggesting good measurement reliability.

4.2 Model fit

The causal model was specified as shown in Figure 1. The PSI, TD and TE matrices were diagonal and free. The lambda matrices (both X and Y) were full and fixed. Then the individual items associated with the exogenous and endogenous constructs were freed. However, one of the lambdas for each construct was set to 1.0 to properly define the measurement (Jöreskog and Sörbom, 1989).

The overall fit of the structural model was determined initially by examining χ^2 statistics, which was significant. A significant χ^2 statistics could indicate an inadequate fit, but this statistics is sensitive to sample size and model complexity; therefore, based on this evidence alone rejection of a model is inappropriate (Bagozzi and Yi, 1988). Accordingly, other measures of fit compensating for sample size also were applied: GFI was 0.84, AGFI was 0.80, CFI was 0.91, NFI was 0.89, and NNFI was 0.90. All of these indices showed an adequate fit (see Table 3).

Table 3 Testing the model relationships

	<i>From</i>	<i>To</i>	<i>Sign</i>	<i>Standardized estimate</i>	<i>t-value</i> [†]
H1	surprise	→ emotional experience	+	0.15	2.34
H2	participation	→ emotional experience	+	0.10	2.97
H3	immersion	→ emotional experience	+	0.71	9.77
H4	emotional experience	→ experiential attitude	+	0.82	15.85
H5	emotional experience	→ experiential satisfaction	+	0.51	9.44
H6	experiential attitude	→ experiential satisfaction	+	0.50	9.33
H7	experiential satisfaction	→ repurchase intention	+	0.72	17.04
H8	experiential satisfaction	→ recommendation intention	+	0.50	9.97
H9	repurchase intention	→ recommendation intention	+	0.41	8.57

Goodness-of-fit statistics
 Chi-Square (df) = 1097.11 (263), GFI = 0.84, AGFI = 0.80, CFI = 0.91, NFI = 0.89, NNFI = 0.90, RMR = 0.057

[†]Significant at $p < 0.01$ (one-tailed).

4.3 Hypotheses tests

The standardised estimates for the various model paths and the associated t -values are provided in Table 3. All hypotheses were supported. Surprise, participation and immersion are the three important experiential elements that are positively related to emotional experiences. Specifically, when consumers perceive unique or special experiences during consumption processes, interact closely with the product or service, or highly involve in the consumption activities, higher emotional experience will be aroused (H1~H3). The effects of three experiential elements on loyalty intentions are mediated by

three constructs – emotional experience, experiential attitude and experiential satisfaction. The results suggest that higher emotional experiences will lead to higher experiential attitude and experiential satisfaction (H4, H5). Experiential attitude is also positively related to experiential satisfaction (H6). When consumers are more satisfied with the experiences, they are more likely to exhibit higher loyalty intentions (H7, H8), which are expressed by repurchase and recommendation intentions. The results are in accordance with Anderson and Sullivan (1993) and Jones and Sasser (1995). In addition, higher repurchase intention also leads to higher recommendation intention (H9).

5 Discussion

This research discusses the effects of experiential elements on loyalty intentions. Three important experiential elements – surprise, participation and immersion – are selected according to the characteristics of sport games. The effects of these three experiential elements on loyalty intentions are mediated by three constructs – emotional experience, experiential attitude and experiential satisfaction. These intermediary constructs are important to clarify the experiential processes during consumption. The empirical results support all structural paths and exhibit adequate model fit. This structural model is helpful for understanding the detailed process of experiential marketing.

5.1 Managerial implications

Experiential elements are important factors to determine successful and profitable sports games. Traditional sports industry should be repositioned to focus on consumers' experiential processes so as to increase revenues. The competition could be reorganized as a program, including some entertainment activities and shows, and thus attract more people to watch the games. This research suggests that surprise, participation, and immersion are three important experiential elements for satisfactions and loyalty intentions, implying that basketball leagues could enhance positive experiential stimulus in the show. Besides coordinating the on-site atmosphere, the leagues could design the programmes as more interactive and unique.

5.1.1 Surprise

The performance of players and team records are important for the element of surprise. Thus, unchanged mix of players and competition between teams disparity in competence are by no means surprising to the audience. In other words, if consumers would easily predict the results of games before competition, it is harmful for the leagues. The managers of basketball teams and leagues should establish a good system to recruit new players and rearrange the players sometimes to strengthen the element of surprise, and thus keep the show interesting and unexpected.

5.1.2 Participation

To increase the element of participation, the leagues could design more activities to interact with the audience. For example, the host or the cheerleader could design some

interactive activities with the audience. Thus, the spectators could participate in the cheering actions and exclaim slogans loudly, instead of watching the game passively.

5.1.3 Immersion

From the empirical result of this research, immersion is the most influential element to emotional experience. Thus, enhancing the element of immersion will lead to great improvement in emotional experience. The leagues should watch out for the physical facilities and the progress of the games. Every detail component of the game, such the light, music, activities and the pace of the competition, is important for the audience to get fully involved in the game.

5.2 Limitations and avenues for future research

This research takes basketball game as an example to verify the relationship between experiential elements and loyalty intentions. The results are helpful for other sports industries. However, as experiential marketing is getting more and more important in service industries, participation and involvement of consumers are important in industries such as tourism or on-line games. The experiential elements and experiential processes of these and other industries can be explored in future studies.

The experiential processes may be diverse for consumers differed in demographics or psychographics. This research proposes a structure for simplicity. Future studies can provide different models based on various segments. For example, age, gender, lifestyles and involvement may have moderating effects on the structure. The determinant experiential elements may also differ for different segments, and managers should stress different experiential contents for different segments. The comparison of experiential processes across different cultures can also be discussed in the future.

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