

## Virtual Experiential Marketing on Online Customer Intentions and Loyalty

Jashen Chen  
Yuan-Ze University  
jchen@saturn.yzu.edu.tw

Margaret Meiling Luo  
Yuan Ze University  
luo@saturn.yzu.edu.tw

Russell K.H. Ching  
California State University, Sacramento  
chingr@csus.edu

Chu-Chi Liu  
Yuan Ze University  
S938029@mail.yzu.edu.tw

### Abstract

*Advances in information and web technologies have opened numerous opportunities for online retailing. The pervasiveness of the Internet coupled with the keenness in competition among online retailers has led to virtual experiential marketing (VEM). This study examines the relationship of five VEM elements on customer browse and purchase intentions and loyalty, and the moderating effects of shopping orientation and Internet experience on these relationships. A survey was conducted of customers who frequently visited two online game stores to play two popular games in Taiwan. The results suggest that of the five VEM elements, three have positive effects on browse intention, and two on purchase intentions. Both browse and purchase intentions have positive effects on customer loyalty. Economic orientation was found to moderate that relationships between the VEM elements and browse and purchase intentions. However, convenience orientation moderated only the relationships between the VEM elements and browse intention.*

### 1. Introduction

Advances in information and web technologies have opened numerous opportunities for online retailing. In the US market alone, Jupiter Research forecasts online retail sales will top \$117 billion by 2008 (approximately 10 percent of total retail sales), up from US\$95 billion in 2006, and \$144 billion by 2010. Similarly, Forrester Research sees solid growth that will boost 2010 online retail sales to \$210 billion, generated from the spending of nearly 63 million households. Globally, Visa International reports Internet sales to have exceeded \$150 billion in 2004, and following the trend of US sales, should exceed \$225 billion by 2010. With the average spending per buyer estimated at \$780 in 2008, Jupiter Research indicates consumers will continue to prefer the conveniences of shopping online. Forecasts suggest the future of online retailing holds much promise.

Yet, online retailing poses many challenges. As online consumer preferences mature and the online population approaches saturation, Forrester Research indicates online retailers will shift their emphasis from offering a low-cost sales channel to capture sales to creating an optimal and enhanced shopping experience. The objective is to improve customer service and retention. Prior studies (e.g., [15], [60], [64]) have linked well-designed experiences to customer loyalty as they involve the personal interpretation of a situation and are inherently emotional and personal [63]. Experiences have also been favorable in shaping a customer's attitudes, mood and behaviors [17], and provide a means for gaining a competitive advantage through differentiation [60]. Gilmore and Pine [25] describe a great experience as being engaging, robust, compelling and memorable. Thus, the success of an experience depends on its ability to touch the customer's senses and capture his/her loyalty.

Gilmore and Pine [61] define experiential marketing as memorable events or experiences that engage the consumer in a personal way, such that he/she feels as being part of them, while exhilarating the senses and providing him/her with sufficient information to make a decision. The pervasiveness of the Internet coupled with the keenness in competition among online retailers has led to virtual experiential marketing (VEM). VEM embraces the Internet and its various channels, including blogs, chat rooms, interactive images, virtual communities and multi-play game playing, and technology to create an enriched environmental experience through visual and audio cues and produce an immersive experience. In contrast to a physical experience that directly plays to the senses, VEM relies on interfaces that act as surrogates for direct, real-world experiences [41]. The challenge lies in a retailer's ability to present an electronic environment that can engage customers and arouse their emotional responses to create an unparalleled experience and consequently capture their loyalty.

Prior studies have examined experiential marketing in traditional physical store (i.e., brick and mortar) settings with few investigating experiences in online retailing.

This study examines the relationship of five VEM elements (sense, interaction, pleasure, flow, community relationship), on customer browse and purchase intentions and loyalty, and the moderating effects of economic and convenience shopping orientation and Internet experience on the relationship between the VEM elements and customer intentions. It proposes that the VEM elements will have a positive effect on the customer's intention to browse (the web site) and purchase products or services (from the web site). This is enhanced through the moderating effects of shopping orientation and Internet usage level. A customer's motivation for finding a *good* price (economic orientation) or searching for information (convenience orientation), or his/her familiarity or expertise with navigating the Internet will leverage the web site's ability to manipulate sense, interaction, pleasure, flow and community relationship, and consequently will increase his/her browse and purchase intentions. In turn, these increased intentions will boost customer loyalty. Therefore, this study seeks to identify *what factors are supportive to the success of experiential marketing on the Internet (i.e., VEM)?*

## 2. Background

### 2.1. Experiential Marketing and Online Shopping

Experiential marketing involves the marketing of a product or service through an experience, such that the customer becomes emotionally involved with the object of the experience [44]. A well designed experience engages the consumer, becomes memorable and allows for a free interpretation as it is non-partisan [29]. In contrast to traditional marketing which focuses on gaining customer satisfaction, experiential marketing creates emotional attachment [48]. Zaltman [76] explains that the sensory or emotional elements of a total experience have a greater impact on shaping consumer preferences than the attributes of product or service. The benefits of a positive experience include the value it provides the consumer [3], [32] and the potential for building loyalty [27], [60]. To achieve success, an experience should include personal relevance, novelty, surprise, learning and engagement [62].

Online experiences pose numerous challenges to retailers due to the peculiarities of online shopping. In an offline experience, factors, such as time constraints [7], the "shopping environment" [14] and perceived rewards [3], often influence the shopping experience. Although these factors may play importantly in the evaluation of an online experience, the challenge centers on the conscious design of a web environment that creates positive effects in users and increases favorable consumer responses [12]. Prior studies have concluded that atmospherics influence buyer behavior (e.g., [20], [75]). Kotler [40] originally defined atmospherics as "the conscious designing of space

to create buyer effects, specifically, the designing of buying environments to produce specific emotional effects in the buyer that enhance purchase probability," and involves the intentional control and manipulation of environmental cues. With online retailing, visual (i.e., color, hue, graphics, layout, design, etc.) and to a limited extent auditory cues must be capable of arousing affective responses and conveying information to consumers [20]. Often, the stimulus-organism-response (SOR) model describes the targeted effect of atmospherics [31], such that an atmospheric cue provides a stimulus which leads to an emotional reaction in the consumer (i.e., organism) to produce a desired response in approach (i.e., stay, further explore and interact, desire to communicate with others, feeling of satisfaction)/avoidance (i.e., leave, ignore, disappointment) behaviors. Consequently, atmospherics can influence browsing and purchasing intentions, and shopping time [4], [6], [40], [51].

### 2.2. Purchase and Browse Intention

The theoretical foundation supporting intentions, the theory of reasoned action (TRA), states that behavioral intentions formed through the attitude toward a behavior and subjective norms lead to actual behavior given the availability of resources and opportunities [1], [2]. Azjen [1] suggests that generally, the stronger a person's intention, the more likely he or she will perform a behavior. The attitude toward a behavior reflects a person's interest in performing a particular behavior, and is determined through behavioral beliefs. These beliefs are derived through a cognitive evaluation of outcomes associated with performing the behavior and the strength of the associations between outcomes and behavior. The evaluation produces either a favorable or unfavorable response to the object, person, thing or event. In contrast to attitudes, subjective norms set a standard for perceived acceptable behavior based on a person's referents, people or groups that influence or motivate a person's behavior through their approval or disapproval (i.e., social pressure). Normative beliefs motivate a person to comply with his or her subjective norms. Hence, methods to instill a belief of what is proper or desired behavior, and increase the association between desired outcomes and behavior will increase the chances of intended and actual behavior.

Because shopping is often a hedonic (i.e., pleasure) experience for consumers [3], intentions may be directed toward browsing a store or purchasing a product or service from the store. Browsing may satisfy a consumer's need for fantasies, feelings and fun [33], and entertain or heighten emotions [5]. Thus, a consumer's intention to browse may be as significant as his/her intention to purchase since the experience still affects his/her attitudes toward the brand [46] and may be an outcome of the shopping activity and not necessarily an end result (i.e.,

purchase) [17].

Based upon TRA, purchase intentions are used to predict actual behavior. Prior studies have identified a positive relationship between purchase intentions and purchase behavior (e.g., [55]). As it applies to purchase intentions, the online experience must instill positive attitudes and relate positive normative beliefs to achieve purchase intentions.

### 2.3. Customer Loyalty

Oliver [58] defines loyalty as a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same-brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviors. Although frequent usage and satisfaction with a product or service are frequently associated with loyalty, they by themselves insufficiently serve as the precursors to loyalty. The customer's attitude toward a service or product (brand) including attitudinal preference and commitment has a greater impact on forming loyalty [36].

Day [16] suggests that two dimensions comprise loyalty: behavior and attitude. The behavioral dimension is characterized by consequential actions (i.e., as a result of loyalty), such as repeat purchases, share of wallet (i.e., value a customer places on a brand) and word of mouth. In contrast, the attitudinal dimension includes formative behaviors as commitment, a desire to maintain a valued relationship [53]; trust, a willingness to rely on an exchange partner in whom one has confidence and embodies integrity and reliability in the relationship [53], [54]; and a strong emotional attachment that reflects a customer's bond with a brand. Customer loyal results from the development of attitude and leads to positive behaviors.

The significance of customer loyalty lies in the competitive advantages a business gains. Most notably, loyal customers tend not to consider alternatives or shop for lower prices [28]. When tied to loyalty programs, customer loyalty can increase business revenue and total customer market share. For example, Reichheld and Sasser [65] note that a 5 percent increase in customer retention may result in a 25 to 95 percent net present value increase in profits as observed over 14 industries. Moreover, the retention costs have been reported at five times less than acquisition costs of new customers [50].

### 2.4. Consumer Background

Certain demographic and psychographic factors will

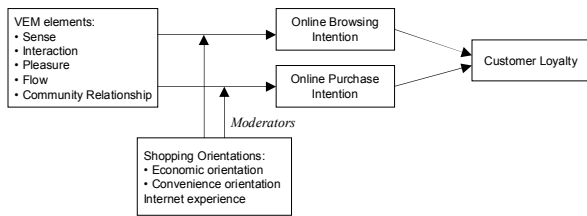
influence consumer online shopping; Zhou et al. [77] identified nine, including demographics, Internet experience, normative beliefs, shopping orientation, shopping motivation, personal traits, online experience, psychological perception and online shopping experience. The two factors selected for this study are shopping orientation and Internet experience.

Shopping orientation refers to the general predisposition of consumers toward the act of shopping [23], and includes eight categories: economic (price-oriented and concerned with buying products at the lowest prices or getting the best value for the money they pay), personalizing (valued relationships with store personnel), ethical (loyalty to a specific store or brand), apathetic (inactive consumers), recreational (enjoyment for shopping regardless whether something is purchased), convenience-oriented (oriented towards time and effort savings), highly-involved (opposite of apathetic), and psych-socializing or community-oriented (shop because of social motives) [77]. Several studies (e.g., [18], [39], [41], [42], [73]) have found that most consumers tend to be convenience oriented, although in recent years, the economic and recreational orientations have become prominent [77].

Internet experience is a key determinant of online shopping behavior [19], [52], [56] and e-commerce use [69]. Prior studies examining Internet usage experience have found that Internet apprehensiveness is negatively related to the amount of time spent online [72], negatively related to perceived product risk (e.g., [10], [35], [57], and comfort level positively related to online shopping tendency [47]. Other studies (e.g., [30], [43], [70]) suggest that consumers who possess the skills and perceptions of the Web tend to have slightly higher intensities of online shopping experiences.

## 3. Research Model and Hypotheses

Figure 1 depicts the research model of this study. It proposes that five VEM elements have positive effects on both the consumer's browse and purchase intentions. This in turn will have a positive effect on customer loyalty. When the web site's atmosphere appeals to the consumer's senses, interaction, pleasure, flow and community, positive attitudes toward the business and its products and services will develop. Consequently, these positive attitudes increase his/her online browse and purchase intentions, which lead to customer loyalty. The model proposes that three moderating variables, economic and convenience (shopping) orientation and Internet experience, enhance the effects of the VEM elements on browse and purchase intention.



**Figure 1. Research model**

The five VEM elements selected for this study are described in the following paragraphs. They were taken from prior studies [45], [49], [59], [60], [62], [67], and their selection narrowed through focus group discussions.

**Sense.** In the absence of a physical experience, sense plays an important role in differentiating the products and services, motivating customers and adding value to products, such as through aesthetics or excitement [67]. The objective is to create a sensory experience that appeals through sight and sound. The atmospherics of an online web site’s emotional effects arouse consumers to respond through cues, and positively influence both their browse and purchase intentions. By altering consumer cognition and affect, atmospheric cues will influence a consumer’s behavioral intentions towards a web site [13].

**Interaction.** The interaction features of a web site have been credited with enhancing positive attitudes towards the online retailer, desire to browse or return to the site, and online purchasing [9] and willingness to purchase online [21]. It can occur between people, or people and machine [30], and involves the extent to which consumers can participate in modifying the form and content of a mediated environment in real time [71], such as customizing the presentation of information (to better suit their specific needs), manipulating an image and being entertained. Thus, interaction reduces perceived product or service uncertainties through the discovery of information and knowledge, and consequently contributes toward developing favorable attitudes that build consumer confidence in the retailer and desires to continually patronize the site.

**Pleasure.** Pleasure can produce favorable attitudes towards future approach behavior and creates a preference for more stimulating arousal in subsequent interactions [34], [49]. It is described as the degree to which a person feels good, joyful, happy or satisfied in a situation [49], and therefore is an affective response to a stimulus and facilitates goal achievement [37]. Pleasure emotions tend to sway consumers toward making favorable evaluations of a novel stimulus, exploring new possibilities and taking risks [68]. A consumer’s achievement or fulfillment of a hedonic experience will therefore influence his/her desire to return to a web site or continually patronize the retailer. When the consumer’s experience does not meet his/her expectations, he/she may be better served by visiting

another site.

**Flow.** When consumers peruse the Internet and become immersed in its navigation, they experience “flow.” It is an indication of a self-motivating, enjoyable state [24], and has been associated with positive attitudes [11] and exploratory behaviors [49]. Hoffman and Novak [30] characterize flow as a state in which there is a seamless sequence of responses that is facilitated by interactivity, intrinsic enjoyment accompanied by a loss of consciousness and self-reinforcement. On the web, flow controls navigation, the way in which consumers determine their current location and the actions required to reach another location within the setting [74], to ensure the consumer experiences the site as intended by its designers [12]. The results of Korzaan’s [38] study support flow’s positive influence on both purchase intention through attitude, and exploratory behavior (i.e., browse intention).

**Community relationship.** Social identity with a group or community has an impact on attitude development. A community allows its members to share particular interests, usually in a consumption context of a product or service, with one another [66], and focuses on achieving personal as well as shared goals. Membership, whether actual or perceived, often fosters loyalty and citizenship [8].

Browsing satisfies a need for pleasure, including fantasies, fun and feelings. A web site’s ability to meet these needs along the five elements will bear on the consumer’s intention to browse. Thus, a web site that entertains the senses and interacts with the consumer, such that it arouses affective responses which form positive attitudes, facilitates the pleasure of the shopping experience through (navigational) flow, and builds a sense of belongingness to a community will build positive (favorable) attitudes towards the business and its offerings which will lead to increased browse intention. The way in which a retailer effectively invokes each element toward achieving a common objective of arousing involvement plays importantly in promoting browse intention. Thus, the marketing experience impacts the consumer’s intentions to continually browse.

- H1: *Virtual experiential marketing elements have a positive effect on online browse intention*
- H1a: *Sense has a positive effect on online browse intention*
- H1b: *Interaction has a positive effect on online browse intention*
- H1c: *Pleasure has a positive effect on online browse intention*
- H1d: *Flow has a positive effect on online browse intention*
- H1e: *Community relationship has a positive effect on online browse intention*

A customer’s intention to purchase a product or

service from a web site will also be affected by the five VEM elements. Although other factors, such as trust and loyalty, may influence a customer's decision to purchase, the marketing experience as defined through the elements help develop a positive attitude that leads to purchase intention. As in the case of browse intention, the five elements must appeal or play to the consumer's emotions to create a desired response, such as strengthening his/her purchase intention. By orchestrating the application of the elements to create a strong positive association between outcomes and performing a behavior, a retailer can develop strengthen a customer's purchase intention.

- H2: *Virtual experiential marketing elements have a positive effect on online purchase intention*
- H2a: *Sense has a positive effect on online purchase intention*
- H2b: *Interaction has a positive effect on online purchase intention*
- H2c: *Pleasure has a positive effect on online purchase e intention*
- H2d: *Flow has a positive effect on online purchase intention*
- H2e: *Community relationship has a positive effect on online purchase intention*

Shopping is often a hedonic experience which is enhanced through the site's ability to satisfy a consumer's fantasy, feelings and fun, and entertain and arouse his/her emotions. The positive attitudes formed through the intention to browse will develop attitudinal preference, at which time loyalty ensues. With browse intention, this will involve patronizing a web site because of its pleasurable experience and promoting the site to others (i.e., word of mouth).

- H3: *Online browse intention has a positive effect on loyalty*

A consumer's positive attitude toward a product or service motivates his/her purchase intention. Because he/she sees buying as fulfilling a need, satisfying a preference, and perhaps placing him/her in a better position than before and in a way no other competing product or service can as perceived through the marketing experience, the strong favorable attitudes leading to purchase intention underlie an emotional attachment to the brand, product or service, and develop into a commitment. This commitment indicates the customer's loyalty.

- H4: *Online purchase intention has a positive effect on loyalty*

A consumer's shopping orientation, both economic and convenience, and Internet experience will positively

influence the VEM elements' effect on browse and purchase intentions. The consumer's motivation and willingness to engage in online shopping may be lead by his/her need to gain an advantage, such as the lowest price or least time and effort. In the case of economic orientation, the pursuit of low prices creates personal motivations that may enhance a person's perceptions and form positive attitudes toward browsing and purchasing.

- H5: *Economic orientation has a moderating effect on the relationship between VEM and customer intentions*
- H5a: *Economic orientation has a moderating effect on the on the relationship between VEM and browse intention*
- H5b: *Price orientation has a moderating effect on the on the relationship between VEM and purchase intention*

Similarly, a customer's convenience orientation will provide the motivation to enhance VEM's effect on his/her browsing and purchase intentions. Consumers who visit a web site often are motivated by time and effort savings in gaining information, value and pleasure while in the comforts of their confines. Girard et al. [26] found convenience orientation as a strong predictor for shopping on the Internet. Thus, convenience orientation should enhance the effects of the VEM elements on customer intentions.

- H6: *Convenience orientation has a moderating effect on the relationship between VEM and customer intentions*
- H6a: *Convenience orientation has a moderating effect on the on the relationship between VEM and browse intention*
- H6b: *Convenience orientation has a moderating effect on the on the relationship between VEM and purchase intention*

Prior research has identified Internet experience as a major influence of Internet and e-commerce use [69]. Experienced Internet users tend to be more exploratory and are inclined to favorably evaluate a novel experience. Therefore, a consumer's Internet experience will contribute to the development of positive attitudes towards browse and purchase intentions through the enhanced perception of the VEM elements (i.e., awareness, receptiveness, manipulation, etc.).

- H7: *Internet usage has a moderating effect on the relationship between VEM and customer intentions*

- H7a: *Internet usage level has a moderating effect on the on the relationship between VEM and browse intention*
- H7b: *Internet usage level has a moderating effect on the on the relationship between VEM and purchase intention*

#### 4. Methodology

To test the proposed model, a survey was conducted of customers who frequently visited two online games stores to play “World of War” (WOW) and “Maple Story” (MS) in Taiwan. WOW is a subscribed game with a free trial period and MS a free-to-start game with options to purchase enhanced gaming features. Because both games are networked (i.e., play against other players), the dynamics of the games will always change. Thus, customers can build a strong loyalty to them. A questionnaire was distributed to customers through the Internet and in hard-copy. The respondents were required to have played both games but surveyed on only one of them. Of the 1,052 collected questionnaires, 976 (576 for WOW, 400 for MS) were returned usable for a response rate of 92.8 percent. A summary of the demographics shows most were males (82.9 percent), between the ages of 21 and 30 (61.8 percent) and possessed at least a college education (80.9 percent). Eighty-nine percent (89.2) possessed experiences in other online games and 59.0 percent had at least 2 years of Internet experience.

The questionnaire contained 50 psychographic and 6 respondent demographic items (i.e., gender, age, education, occupation, online experience, length of online experience). The psychographic items were taken from prior research studies and refined through focus group discussions and interviews with veteran players. Responses were measured on 5-point Likert-type scales (1 = strongly disagree, 5 = strongly agree). The questionnaire was organized into four sections: VEM items (28), browse and purchase intentions and customer loyalty items (14), shopping orientation items (8) and user demographics (6).

#### 5. Analysis and Discussion

A partial least squares (PLS) analysis in PLS Graph (version 3.0) was conducted to examine the reliability and validity of the measures and test the significance of the hypothesized relationships of the proposed model. Separate analyses were performed for WOW and MS samples.

Construct validity was tested with the PLS loadings. For both WOW and MS, all items loaded substantially high (i.e., above .600) on their intended constructs and were found significant at the  $p < .001$  level with the

exception of a purchase intention item; although the loading was lower than the others (less than .600), it was still significant ( $p < .01$ ). The internal composite reliability, square roots of AVE (average variance extracted) and the inter-construct correlations were all at acceptable levels. A bootstrap method (200 times for both samples) tested the validity of the constructs and the significance level of regression path coefficients. With PLS, convergent and discriminant validity were assessed by examining the square root of the AVE for each construct with its (larger) correlation to other constructs, and comparing each item’s higher loading on its construct against its loading on others [22]. Both samples met the criteria. Furthermore, the internal composite reliability of all constructs was greater than .80. Thus, there is evidence of construct reliability and validity.

Table 1 summarizes the results for the direct effects. Of the five VEM elements, the two data sets support three (interaction, pleasure, community relationship) of the hypothesized relationships with browse intention (H1b, c, e supported). With purchase intention, only three relationships for WOW (pleasure, flow, community relationship) and two for MS (pleasure, community relationship) were significant (H2c, d, e supported for WOW and H2c, e supported for MS). Both browse and purchase intentions were significant to customer loyalty (H3 and H4 supported). Thus, interaction, pleasure and community relationship play importantly in developing a consumer’s attitude toward browse intention, and at least pleasure and community relationship toward purchase intention.

The PLS analysis yielded nearly the same results for the two samples. The patterns of the loadings also suggest the unidimensionality of the latent constructs. To further estimate the model, a multiple group analysis, which is the pooled t-test for path difference, was used to test the differences between the path coefficients for the two sets of data. The analysis examines the significance of differences in structure across the different groups under the assumption that the underlying weights in the formation of the constructs for each group is approximately equivalent. The results revealed no significant differences and suggest the models for WOW and MS are the same.

Given the results of the multiple group analysis, a pooled sample was used to test the moderating effects of shopping orientation (shopping and economic orientations) and Internet usage. A moderated regression analysis (MRA) was conducted in SAS (version 8.2). An item parceling technique (i.e., the sum or average of a set of individual items) was used to convert multi-item VEM element measures into a single measure. Using this single item measure, an interaction variable (i.e., VEM elements x convenience orientation, VEM elements x economic orientation, etc.) was introduced into the model. The

results (Table 2) support H5b, and H6a and b. This indicates that convenience orientation enhances or leverages VEM's effect on browse and purchase intentions while economic orientation only on purchase intention. Consumers seeking information (i.e., browsing) from web sites are principally driven by economic motives (i.e., price orientation). In contrast, those who intend to purchase a product or service are driven by the low price advantage (i.e., economic orientation) and the convenience of shopping via the Internet. Internet usage had no effect on the relationships between the VEM elements and browse intention and (VEM elements and) purchase intention. It was not necessary to center the variables as it would not change the interpretation of the moderating effect.

Creating a web site that supports online shopping comes with its challenges in creating a shopping experience. Unlike offline (physical) shopping, online shopping must arouse emotional responses through limited virtual channels. This study examined the effects of five VEM elements, sense, interaction, pleasure, flow and community relationship, on creating and developing attitudes (i.e., favorable emotional responses to stimuli) that contribute to customer loyalty. The three salient elements, interaction, pleasure and community relationship, can be mapped to the three components of the SOR model. Interaction provides the means for atmospheric cues to stimulate an emotional response, pleasure, in the consumer. A consequent response is community relationship, the need to identify with a group or community which fosters loyalty and citizenship. The presence of the three elements contributes to the formation of positive attitudes that are essential to browse and purchase intentions. The consumer's economic and convenience (shopping) orientations enhance the effects of the three elements on browse intention, such that the stronger a person's motives as reflected in his/her price- and efficiency-centric behaviors, the greater the impact they (elements) will have on developing browse intention, which contributes towards building customer loyalty.

Thus, the evidence suggests that for a business engaged in VEM to gain a competitive advantage through customer loyalty, it needs to focus its web atmospherics on leveraging the three VEM elements and facilitating the price and convenience motives of consumers to create an emotional attachment to browsing. Similarly, designing the atmospherics around at least two of the elements (pleasure and community relationship) to capture the economic motives of consumers will trigger an emotional attachment supportive of purchasing. When the VEM experience arouses positive affective responses, it fulfills an emotional need, which will lead to continual patronizing and over time, loyalty.

## 6. Conclusion

The projected growth in global online retailing embraces future opportunities for businesses. Gaining a competitive advantage through customer loyalty requires the business to understand the role web atmospherics plays in empowering at least three of the VEM elements presented in this study to elicit favorable emotional responses and the primary shopping orientation motives driving consumers. The proposed model has identified factors that are supportive to the success of experiential marketing on the Internet.

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**Table 1.** Significant test of path coefficients and R<sup>2</sup>

Causal Relationship	Path Coefficient (t-value)		R <sup>2</sup>	
	WOW	MS	WOW	MS
<b>Dependent Variable: Browse Intention</b>			0.354	0.461
Sense	0.076 (1.880)	0.098 (1.580)		
Interaction	0.146 (2.936)**	0.161 (2.367)*		
Pleasure	0.199 (3.388)***	0.277 (3.183)*		
Flow	0.056 (1.289)	-0.018 (0.312)		
Community relationship	0.286 (6.042)***	0.330 (5.383)***		
<b>Dependent Variable: Purchase Intention</b>			0.494	0.212
Sense	0.070 (1.439)	0.069 (0.850)		
Interaction	0.100 (1.939)	0.058 (0.730)		
Pleasure	0.135 (2.156)*	0.191 (2.222)*		
Flow	0.103 (2.001)*	0.065 (0.941)		
Community relationship	0.268 (5.162)***	0.167 (2.287)*		
<b>Dependent Variable: Customer Loyalty</b>			0.601	0.649
Browse intention	0.351 (8.701)***	0.394 (8.701)***		
Purchase intention	0.494 (12.746)***	0.524 (12.746)***		

\* p < .05, \*\*p < .01, \*\*\*p < .001

**Table 2.** Tests for moderating effects

Dependent Variable: Browse Intention	Std. Coefficient	R <sup>2</sup>	F
VEM elements	0.408***	0.387	204.97***
Economic orientation	-0.240		
VEM elements x economic orientation ( <i>interaction</i> )	0.101		
VEM elements	0.353*	0.383	201.29***
Convenience orientation	-0.424**		
VEM elements x convenience orientation ( <i>interaction</i> )	0.129***		
VEM elements	0.497	0.376	195.97***
IT usage	-0.262		
VEM elements x Internet usage	0.080		
<b>Dependent Variable: Purchase Intention</b>			
VEM elements	0.342	0.292	134.10***
Economic orientation	-0.277		
VEM elements x economic orientation ( <i>interaction</i> )	0.120*		
VEM elements	0.144	0.298	137.68***
Convenience orientation	-0.577***		
VEM elements x convenience orientation ( <i>interaction</i> )	0.193***		
VEM elements	0.449*	0.281	126.90***
IT usage	-0.280		
VEM elements x Internet usage	0.093		

n = 976 \*p < .05, \*\*p < .01, \*\*\*p < .001