Journal of Management Sciences Vol: 11(2): 27-53, 2024
DOI: https://doi.org/10.20547/jms.2014.2411202

The Role of Consumer Experiences in Shaping Brand Equity and Perceived Quality in Phygital Luxury Retail

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Abstract: *The luxury goods sector is experiencing a substantial transformation due to the amalgamation of physical and digital experiences, altering customer interactions with companies. This progress is propelled by the implementation of phygital retail. This study seeks to analyze the impact of experiential dimensions—hedonic, utilitarian, social, and playful—on quality perceptions in luxury physical retail environments. This study demonstrates that experiential value substantially mediates the connection between consumer experiences and perceived quality, offering practical insights for utilizing phygital techniques to improve brand perceptions and customer loyalty. A quantitative investigation involving 351 people from Chengdu, China, use structural equation modeling (SEM) to examine the mediational pathways. This study examines how experiencing value mediates the relationships using frameworks such as experiencing Marketing Theory, Aaker's Brand Equity Model, and Cognitive Appraisal Theory. The results offer practical guidance for luxury marketers to utilize phygital tactics in creating immersive, engaging, and premium brand experiences. This study enhances the theoretical dialogue on phygital luxury branding and emphasizes experience value as a crucial element in consumer-brand interactions.*

Keywords: Experiential Value, Perceived Quality, Phygital Retail, Luxury Goods, Utilitarian Experiences, Social Experiences, Hedonic Experiences, Playfulness Experiences, Consumer Behaviour, Structural Equation Modelling.

Introduction

Sustainable development, defined by the World Commission on Environment and Development in 1987, emphasizes meeting present needs without compromising the ability of future generations (WCED, 1987). Corporate Sustainability, as redefined by the Commission, involves a triple bottom line (TBL) encompassing economic, social, and environmental components (Crace & Gehman, 2023). Recent studies in corporate sustainability predominantly focus on conceptual, case study, survey, and review type contributions. A comprehensive literature review by Bastas and Liyanage (2018) on TBL in supply chain operations reveals that only 43% of research in the past 20 years focused holistically on all the three pillars of TBL. Whereas, the rest of 40% body emphasizes on environment-related issues, 2% on social dimensions, and remaining 15% on both social and environmental factors. Notably, China, India, and the United States were the

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countries with the most studies on sustainability in supply chain management (Bastas & Liyanage, 2018; Gupta & Gupta, 2020). Pakistan, amid rapid industrialization, faces significant environmental challenges, particularly in the mismanagement of plastic and industrial waste. The country ranks sixth globally in plastic waste generation, producing 30 million tons of solid waste annually, with 9% being plastic (UN-HABITAT, 2023). Karachi, its former capital, is identified as one of the t

The luxury goods industry is experiencing a significant metamorphosis driven by the amalgamation of tangible and virtual experiences, commonly termed "phygital" retail methodologies. The designation 'phygital' denotes the fluid amalgamation of physical and digital encounters, resulting in engaging and customized interactions that surpass conventional retail limitations (Alexander, 2024; Batat, 2022). These methodologies seek to establish fluid and engaging consumer pathways that integrate the sensory allure of physical outlets with the efficiency and individualization offered by digital platforms. By synthesizing physical and digital interfaces, brands facilitate ubiquitous engagement, nurturing emotional bonds and strengthening consumer loyalty (Batat, 2022; Luxe Digital, 2023). Notably, Bain & Company (2023) predicts that digital channels will dominate luxury purchases by 2025, making phygital retail an imperative for luxury brands.

Phygital retail resonates particularly with younger demographics, including Millennials and Gen Z, who account for over 40% of global luxury spending (Luxe Digital, 2023). The National Bureau of Statistics (NBS) of China reported that total online retail sales reached US $981 billion in the first half of 2024, marking a 9.8% year-on-year increase linked to the Phygital trend in consumer markets. Team, C. (2024). This augmentation highlights the strategic significance of customizing phygital experiences to align with the anticipations of China's technologically proficient and affluent populace. In order to maintain their competitive advantage, brands such as Gucci and Dior are adopting contemporary technologies including AR, VR, and (AI)-driven personalization to increase customer engagement and elevate perceived value (Mele et al., 2023; Guzzetti et al., 2024). Although phygital strategies present considerable opportunities, some scholars contend that the incorporation of AR and VR may engender potential data privacy issues and alienate consumers who are less technologically adept (Mele et al., 2023; Lawry, 2022). Addressing these concerns is crucial for broadening the adoption of phygital luxury retail strategies.

Despite the adoption of phygital strategies, research on how experiential dimensions influence consumer perceptions—particularly perceived quality—remains limited. Existing studies often focus on either physical or digital environments, neglecting the integrated nature of phygital retail. Kim and Kim (2020). Furthermore, the intermediary function of experiential value, a conceptual framework that incorporates emotional, sensory, and cognitive facets, remains inadequately investigated within this particular context (Schmitt, 1999; Mele et al., 2023). Perceived quality should not be regarded as a solitary or isolated phenomenon; rather, it is intricately intertwined with the complex construct of brand equity, whereby elevated perceptions of quality generally lead to enhanced connections with the brand, an increase in consumer loyalty, and the ability to command premium pricing strategies that reflect the perceived value of the brand in the marketplace, as noted in the scholarly work of Boulding et al. in 1993. Despite the fact that the implementation of phygital tools has been shown to significantly enhance client engagement and involvement, there exists a prominent shortage in the body of research concerning the varied demographic responses that could potentially empower luxury firms to tailor their marketing strategies in a manner that is more effective and

responsive to the unique preferences and behaviours of their diverse consumer base, as highlighted by Mohamed et al. in 2024. It highlights the significance of the interaction among digital and physical experiences, a vital aspect of phygital space (Lawry, 2022). This research gap is particularly critical for luxury brands, where perceived quality—shaped by tangible attributes like craftsmanship and intangible elements like exclusivity—is a cornerstone of brand equity (Aaker, 1991; Zeithaml, 1988). Subsequent research endeavours ought to examine additional constructs and potential determinants affecting consumer behaviour and brand allegiance, thereby enhancing the comprehension of these dynamics (Chandra, 2023).
To achieve a comprehensive understanding of consumer perceptions in phygital luxury retail, this study examines the interplay between experiential dimensions—hedonic, utilitarian, social, and playful—and perceived quality. Rooted in the principles of Experiential Marketing Theory (Schmitt, 1999) and Aaker's Brand Equity Model (1991), this investigation accentuates the intermediary function of experiential value in the formation of these relationships. By directing attention towards the swiftly expanding luxury market in China, this research further examines the impact of demographic variables on consumer reactions. Given these considerations, this study addresses the following key research questions to advance understanding of the role of experiential dimensions and experiential value in shaping perceived quality within phygital luxury environments:
What is the impact of hedonic, utilitarian, social, and playful experiences on perceived quality in phygital luxury environments?
To what extent does experiential value mediate these relationships?
How do demographic factors shape consumer responses to experiential dimensions in phygital luxury settings?

Literature Review

Phygital Retail and Experiential Dimensions

Phygital retail, derived from the fusion of "physical" and "digital," represents a hybrid framework that integrates advanced technologies with traditional retail experiences to create seamless and immersive consumer journeys (Gaggioli, 2017; Batat, 2022). Recent research highlights the impact of cutting-edge technologies like blockchain, AR, and AI in enriching phygital experiences (Guzzetti et al., 2024; Mohamed et al., 2024). These technologies provide immersive shopping environments, enhancing consumer satisfaction and loyalty. The phygital environment mainly concerns a digital image of luxury brands enhanced through the multi-sensory experiences which are somehow distinctive in physical stores and online (Zurlo et al., 2018).

Consumers are increasingly relying on such dimensions of consumption as hedonic, utilitarian, social or playful, which are also experiential features to build such luxury brands perception and equity. Thus, hedonistic consumption, which is geared towards sensory enjoyment and evocation of feelings, is the case of luxury retail, where aesthetic pleasure and consumption are important factors in judging the value of offered products (Schmitt, 1999; Sun, 2024). Furthermore, this digital media has altered the scope creating enabling consumers to connect emotionally and brands to easily connect with them while in phygital retails there is more brand equity. For example, the use of AR/VR by certain brands has enabled greater narrative engagement through deeper immersion (Bartoli et al., 2023). Phygital consumption also necessitates the attitudinal dependence on the consumption utility, where the notion of convenience alongside a practical focus is important, as there is wide use of the omnichannel approach where the online and offline experience and service efficiency increases consumer loyalty (Zeithaml, 1988).

Social interactions are essential for luxury branding as they both help reinforce status signaling and enable interaction. Luxury items are themselves regarded as largely as exclusive and of high prestige which also means they require social endorsement as part of the experience (Ozen & Kodaz, 2012). Sad playful activities stimulate the creativity, the involvement and the pleasure content through gaming experiences such as virtual try on with AR features and haptic displays (Mele et al., 2023; Guzzetti et al., 2024). As an instance, the case of Louis Vuitton AR pop-ups and gaming instore interaction indicates the importance of play for creating desired level of interaction with consumers. These examples illustrate how combining playful and constructive activities with luxury-related contexts can contribute to positive brand experiences, strengthening the brand loyalty and perceived quality of the brand. (Bartoli et al., 2023; Guzzetti et al., 2024). It is clear that such playful interactions have a primary purpose of improving emotional engagement; however, they also provide forgettable moments that shape the perceived quality determinants.

Experiential Value as a Mediator

According to Schmitt (1999) and Babin et al., (1994), consumer experiences, and perceived quality are mediated through an underlying construct called experiential value, which is defined as a multi-dimensional construct including the emotional, sensory, cognitive and social dimensions. The term phygital refers to something that is both physical and digital. Experienced value, in this case, enhances the effect that hedonic, utilitarian, social, and playful experiences have on consumers in relation to brands rather than seeing them as discrete separate experiences (Lowry et al., 2012; Mele et al., 2023). For example, Gucci's AR-based virtual fittings and Dior's wide use of VR in campaign activities show how much the digital tools are aimed to enhance the experiential dimensions of activities intended to deepen the consumer-brand relationship (Bartoli et al., 2023). The brand perceptions and the customer satisfaction and loyalty are greatly affected by the consumer conduct while brand value is reported to exert influence over the consumer (Sun, 2024). Moreover, among marketing strategies that have proven to increase appreciation for luxury brands is electronic services that include, interaction capability, human centred design and the length of queues experienced on the online interfaces (Hyun et al., 2022).

Singing the praises of (AR) and (AI) technologies would not be enough, seeing as there has been a significant development in both since 2020, leading to an increased expansion of the potential humanity holds in being able to create unique phygital (technologically enhanced) experiences for individuals (Bartoli et al., 2023). Nevertheless, with such technological advancements comes more creativity and thought processes, which can result in the creation of tailored experiences that are interactive, easy, and above all unique, and would further strengthen a customer's bond with their favorite luxury brand (Pantano & Gandini, 2017). This situation is dire because new requirements such as value and experiences have emerged which have significantly led to a shift in focusing more on the value rather than experiences. (Fanandaru et al., 2023) In all frankness, the recent work of Kim and Kim (2020) seems to have particularly failed to elaborate on how certain dimensions of experience affect the luxury brand in question However, these experience dimensions should be applied more to phygital luxury contexts because they are lacking empirical evidence on their satisfaction in terms of aggregate quality. Synthesizing cutting edge solutions such as VR, AR technology and AI items has in the long run revolutionised the way in which people view things and sent out shivers of excitement as they go on a shopping spree which then altered their perception of quality as their sensory signs have interacted with their emotions (Mele et al., 2023). The gap is resolved by developing experiential value at the heart of the perception of quality of what lies in the relationship between the experiential dimensions, thereby reinforcing the growing debate around phygital marketing.

Experiential value works as a key conceptualization through which consumers evaluate the quality of luxury brands, integrating the sensory, emotional, and cognitive aspects of their interactions. This mediation explains the necessity of developing integrated phygital experiences that respond to consumers' needs for differentiation and customization (Schmitt, 1999; Mele et al., 2023).

Theoretical Foundation

The three frameworks that support this spice study are Experiential Marketing Theory, Aaker's Brand Equity Theory, and Cognitive Appraisal Theory. These theories can together explain consumer experiences as well as perceived quality in the context of the luxury phygital retailing. The practical approaches offered by these theories combined enhance investigations in relation to the part of experiential value as a mediator of the association between different consumer experiences and the brand equity of luxury goods.

Marketers using "Experiential Marketing" (Schmitt, 1999) focus on the emotions and sensory engagement that brands are able to create for consumers rather than the transactions. As Schmitt (1999) described, experiential marketing is concerned with ensuring that consumers have an emotional, sensory and cognitive experience in relation to the brand and the engagement that the brand has with them. This theoretical model is applicable with the luxury goods market where the value of the product is more than the functional use and is directly linked to the emotional relationship and the experience it gives to the consumer. In the phygital retailing context, a physical presence of the retailer is no more a requisite as a rich sensory experience of the brand is already available. Such calculation results in enhancing the prestige held by the luxury product brand and therefore its ownership (Mele et al., 2023). Therefore, the construct of experiential value is the link which connects the degree of emotional and sensory feeling with the brand value.

Aaker's Brand Equity Theory (1991) is a very extensive conception through which the marketing activities of the brands are explained in terms of value to consumers. As per the findings of Aaker (1991), there are four attributes which mainly determine the equity of the brand: brand loyalty, brand awareness, brand's associations and the branded products themselves. Within these dimensions, perceived quality assumes a pivotal role, especially within the luxury goods industry. The quality of a consumer good is said to be perceived and it concern how customers sense overall about the quality or level of excellence of the product influenced by concrete elements such as design and the build-up of the product and abstract elements such as the brand and the experience of the customer. In the luxury retail sector quality that is perceived is seen to be a function of a brand's ability to meet or exceed expectations of the consumers in terms of the high-class nature of the product, exclusivity and the status associated with the product. In phygital retail settings, where online and offline elements merge to add to experience, perceived quality becomes a stronger determinant of brand equity as it affects consumers' perception of the brand, how loyal they will be to the brand and their intention to buy it (Kim and Kim, 2020).

Lazarus's (1991) Cognitive Appraisal Theory explains the various ways in which an individual subjectively evaluates and considers a situation indeed elaborated as cognitive processes. According to this model, the emotions experienced by individuals in relation to various occurrences or conditions are determined by the way the individual's reason about the occurrences or conditions and as a result the relevance of such experiences to their quality of life is thrice modified. In luxury consumption, cognitive appraisal has to do with consumers' perception and meaning of their experiences with a luxury item such as its quality, self-image and overall satisfaction. In phygital retailing, the multisensory packaging of a product or brand can create heightened emotional connections between consumers and the brand. The merging of components of physical and digital luxuries in retail not only fosters sensory involvement but also enhances the cognitive assessment of the luxury good and as a result adjusts the consumers' view of the value of the brand (Lazarus, 1991). Understanding this theory clarifies how hedonic, social, utilitarian and playful experiences help consumers interpret and evaluate quality and brand equity.

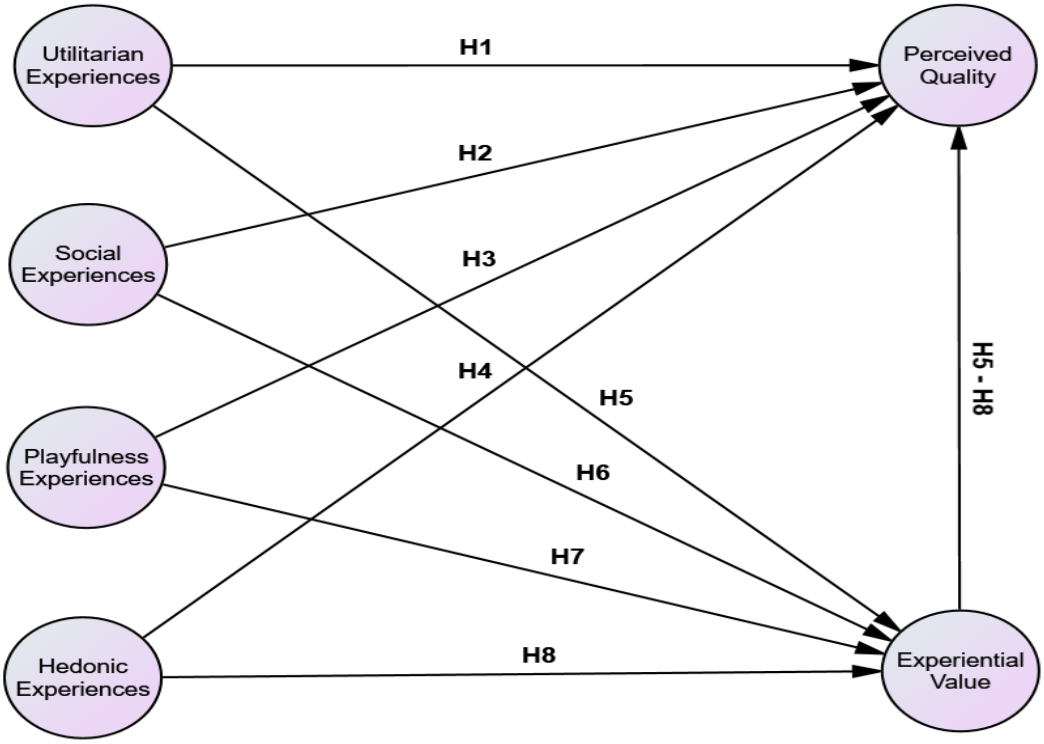
To summarize, the Theoretical Framework for this study is based on a combination of Reception Theory, Throgmorton's Theory of Branding as a Marketing Mix, and Appraisal Theory, which all hypothesize concerning the role of the whole of consumer experiences in phygital retail settings with quality perceptions and hence the equity of the brand in luxury markets. In this sense, experiential value acts as a mediator variable giving effectiveness towards the quality ratings of the consumers with emotions and senses involvement. This study will make an effort to understand how luxury brands may specifically benefit from the evolving phygital retail experience in order to create stronger brand equity and better consumer interaction. This theory is guiding the research and the theory assists in explaining the importance of the experiential facets in building strong and inelastic brand connections with the consumers.

Research Model

As discussed in the theory and literature review, this study sought to modify the research model to determine how consumer experiences (utilitarian, social, playful and hedonic) are related to accepted value of the perceived quality within the context of luxury phygital retail. The model posits that different dimensions of an experience not only affect perceptual quality but, in the case of luxury, the enjoyment of the experience acts as an element of the brand equity. Major assumptions of the Experiential Marketing Theory (Schmitt 1999), Aaker's 1991 Brand Equity and Lazarus' 1991 Cognitive Appraisal Theory are synthesized in this conceptual model in order to elucidate the connection between perceived quality and the various consumer experiences with the help of user defined mediating factors. With the use of the following diagram, the conceptual structure of the research model is outlined and it can be observed how the experiences gained frame the perception that consumers have regarding luxury brands and how this observation affects their loyalty and the brand equity in the long run.

Figure 1

Research Model



Hypothesis Development

Based on the proposed research model in (Figure 1), this section elaborates the hypotheses which associate the four experiential dimensions—utilitarian, hedonic, social and playful—with the perceived quality, the experiential value as a mediating factor. Each hypothesis draws on Aaker's Brand Equity Model and Experiential Marketing Theory, which provides a proper basis of the claims that are being put forth.

The future of any industry, including luxury retailing, has now shifted toward digital-physical relationships since the digital tools are allowed to fit right into the physicals of the retail place for better consumer experience (Mele et al., 2023). Drawing on the theory of experiential marketing (Schmitt, 1999) customers have more information when making decisions about the brand due to interactions with the brand and in precise in the case of luxury retail, emotions and senses are fostered to be engaged. As perceived quality is a perilous constituent of brand equity (Aaker, 1991; Keller, 1993), it follows that positive consumer experiences—whether hedonic, utilitarian, social, or playful—should enhance perceived quality and brand equity in phygital environments.

Understanding experiential value is crucial for grasping how consumer interactions shape the relationship between consumer actions and brand worth. Experiential worth, integrating emotional, sensory, and cognitive layers of the customer journey, could act as a middle ground in the relationship between consumer experiences and how quality is perceived (Lowry et al., 2012; Mele et al., 2023).

Utilitarian Experiences

Utilitarianism refers to the maximisation of benefit derived from a product or service. The practical advantages and functional priorities concentrate on utilitarian experiences that affect system adoption and engagement (Lowry et al., 2012). The tangible advantages of a product are associated with its utilitarian experiences (Kringelbach, 2010). The utilitarian perspective posits that the customer functions as a rational problem solver (Sarkar, 2011). Hirschman and Holbrook (1982) characterised it as critical, rational, decision-effective, and goal-oriented. Functionality and usefulness are prioritised in utilitarian experiences (Poyry et al., 2012). In the realm of luxury commodities, utilitarian experiences underscore characteristics such as product excellence, longevity, and dependability, all of which significantly enhance consumer satisfaction (Batra et al., 2019). For instance, upon acquiring a luxury item, consumers frequently anticipate that the product will exhibit superior performance and adhere to elevated standards of functionality—whether it pertains to a high-performance chronometer, an upscale designer handbag, or a premium automobile. These functional aspects are critical in shaping perceived quality in luxury markets.

H1: Utilitarian experiences have a positive impact on the perceived quality of luxury goods.

As consumers perceive luxury goods as highly functional and effective, their judgment of the product's quality improves. The enhancement of the utilitarian experience (for instance, user-friendliness, pragmatic functionality) correlates positively with the assessment of the perceived quality of the luxury brand. This relationship has been shown to affect consumer satisfaction and brand loyalty in luxury retail (Aaker, 1991).

Social Experiences

Social interactions within brand communities enhance perceived quality, hence favourably influencing brand equity through the promotion of favourable evaluations and robust customer relationships, ultimately resulting in heightened purchase intentions (Kim, 2015). Social experiences cultivate brand equity by enhancing customer involvement and generating content, which influences views and relationships with the brand, ultimately altering the aspects of brand equity (Zailskaitė-Jakštė et al., 2016). Social experiences cultivate brand equity by enhancing trust and commitment among participants, resulting in heightened customer loyalty and favourable brand perceptions through effective corporate social responsibility efforts (Abdolvand et al., 2013).

Social experiences in luxury goods refer to the benefits consumers derive from the social interactions and status they gain by purchasing or owning luxury products. Such experiences frequently encompass sensations of exclusivity, prestige, and acknowledgment from peers, which are greatly esteemed within the luxury domain. When consumers purchase luxury items, they are not only engaging with a product but also with the social meaning that the product carries (Ozen & Kodaz, 2012). Luxury brands often capitalize on these social experiences by offering products that symbolize success, wealth, or high status, enhancing the social value attached to the brand.

H2: Social experiences positively affect the perceived quality of luxury

goods.

The positive emotional responses derived from social experiences are likely to influence perceived quality. Given that consumers correlate luxury commodities with social standing and acknowledgment, their assessment of the brand's caliber is favourably influenced. The greater the social experience, the more consumers perceive the luxury item as high-quality, reinforcing their brand loyalty (Fanandaru et al., 2023).

Playfulness Experiences

Experiences of playfulness can enhance brand equity by fostering customer interaction, creating memorable messages, and promoting emotional connections, ultimately resulting in heightened loyalty and favourable brand views (Molesworth et al., 2008). Experiences of playfulness yield intrinsic satisfaction for the customer. (Mathwick, 2001). In the context of fun experiences, consumers are inclined to acquire products that offer enjoyment and exhibit a welcoming demeanour (Gozen et al., 2023). Consumer desires can be generated through playfulness, leading to the acquisition of the brand's products. This process transforms new consumers into practical consumers by purchasing the brand's product (Yu & Yuan, 2019).

Playful experiences denote interactions characterized by enjoyment, creativity, and active engagement. Recent studies highlight the significance of playfulness in phygital contexts, where gamified shopping, virtual try-ons, and interactive displays foster creativity and engagement (Mele et al., 2023; Guzzetti et al., 2024). These experiences not only enhance hedonic value but also create memorable interactions that significantly influence perceived quality. Such experiences are frequently linked to elements of novelty, pleasure, and exploratory behaviour. In luxury retail, where consumers expect unique, high-end experiences, playfulness adds an element of surprise and delight. For example, interactive virtual try-ons, gamified shopping experiences, or immersive product displays in-store offer a sense of enjoyment and excitement (Batra et al., 2019). These vibrant interactions support the cultivation of a deeper emotional attachment between the client and the brand.

H3: Playfulness experiences positively influence the perceived quality of luxury goods.

The more playful and enjoyable the luxury experience, the higher the consumer's perception of perceived quality. The association of fun with high-quality luxury products reinforces the brand's appeal and value in the eyes of the consumer. These positive emotions increase the perceived worth of the luxury item (Fanandaru et al., 2023).

Hedonic Experiences

Hedonism means maximizing the pleasure from any product or service. The intrinsic enjoyment and pleasure are focused in Hedonic experiences (Lowry et al., 2012). Kringelbach, (2010) also explained that the hedonic experiences emphasize the emotional processing and pleasure. The hedonic experience is viewed as positive experience where the emotionally satisfied experience is enjoyed by the consumer (Kim, 2006). The happiness, awakening, sensuality and enjoyment is included in hedonic experiences (Ozen, & Kodaz, 2012). Hedonic experiences focus on intrinsic enjoyment and creativity (Stock et al., 2015). In luxury retail, these experiences are key to elevating a brand's appeal. Hedonic consumption emphasizes the pursuit of sensory pleasure, encompassing the tactile experience of opulent materials, the aesthetic allure of sophisticated designs, and the comprehensive emotional fulfilment obtained from interaction with the brand (Schmitt, 1999). Luxury goods, by their nature, provide a rich hedonic experience that makes the consumer feel special, pampered, or indulgent.

H4: Hedonic experiences positively influence the perceived quality of luxury goods.

The more intense the hedonic experience, the more profound the emotional and sensory affiliations that consumers establish with the brand, consequently enhancing their assessment of the perceived quality of the luxury product. These experiences are instrumental in reinforcing the perceived value of the brand, particularly when consumers associate pleasure with quality (Schmitt, 1999).

Experiential Value

Experiential value states the total experience that consumers have when interacting with a brand, encompassing emotional, sensory, and cognitive elements (Batra et al., 2019). The word experience is multifaceted in the case of consumer purchase as it includes some emotional, behavioural, sensory, cognitive and even social responses to a company's offering (Lemon & Verhoef, 2016). Consumers will often find that when purchasing luxury goods, there are practical benefits that may be enhanced by the use of an emotional and sensory dimension which in turn increases the consumers assessment of the overall quality. Therefore, with the increase in the dimensionality of quality, it is now possible to perceive even greater ability to satisfy utilitarian experiences with the possibility of increased emotional satisfaction.

H5: Experiential value mediates the relationship between utilitarian experiences and perceived quality of luxury goods.

While utilitarian activities are beneficial in a practical sense, the experiential value deepens an individual's satisfaction with the experience by incorporating affective and sensory aspects, which in turn increases their perceived quality (Fanandaru et al., 2023).

H6: Experiential value mediates the relationship between social experiences and perceived quality of luxury goods.

Social experiences increase perceived quality by providing the elements of prestige and exclusivity, which are central to the identity of a luxury brand. In the intermediary role, experiential value increases the emotional bond through social endorsement, such that the consumer perceives the luxury brand and its products to be of higher quality (Mele et al., 2023).

H7: Experiential value mediates the relationship between playfulness experiences and perceived quality of luxury goods.

Enjoyable experiences infuse fun and creativity into the luxury perspective, which enhance the consumers' emotional connection with the brand. Experiential value amplifies this playful exchange by reinforcing the consumers' positive emotions and sensory perceptions towards the brand hence improving the perceived quality.

H8: Experiential value mediates the relationship between hedonic experiences and perceived quality of luxury goods.

Hedonic experiences focus on what consumers feel when they interact with luxury brands. Here, an experiential value acts as a mediator by reinforcing those emotions, causing improved quality perception by the increase in sensory and emotional infusion that is experienced.

This research extends the Experiential Marketing Theory upward by demonstrating such important factors as experiential value in the context of phygital luxury retail. Previous studies focus on sensory and emotional engagement (Schmitt, 1999); this work broadens the theory by examining the joint effect of hedonic, utilitarian, social, and playful encounters on the quality experienced. Moreover, Aaker's (1991) Brand Equity Model allows to conceive the changing perception of quality as an important construct in hybrid chains. By using experiential value as a mediator, this study moves the boundaries of Experiential Marketing Theory to the phygital space. It also raises questions about the general ideas presented in Aaker's (1991) Brand Equity Model where sections may have embraced a more homogeneous understanding of consumer behaviour in physical and digital environments.

The proposed hypotheses are grounded in the foundation of the Experiential Marketing Theory (Schmitt, 1999) and Aaker's (199) Brand Equity Model by concentrating on the effects of utilitarian, social, playful and hedonic on perceived quality via experiential value. These hypotheses jointly try to offer possible ways to reconcile the gaps between theoretical constructs and concepts of luxury branding in practice.

By bridging traditional and phygital retail strategies, this study discourses an important gap in the application of Experiential Marketing Theory to contemporary luxury branding. It provides actionable insights for marketers to design cohesive experiences that align with modern consumer expectations, especially within technologically advanced and culturally diverse markets such as Chengdu.

Methodology

This study employed a quantitative survey-based approach to investigate causal relationships between experiential dimensions, experiential value, and perceived quality. The research was conducted in Chengdu, China, a rapidly expanding luxury market with a tech-savvy demographic. Data were collected from 351 participants through a structured questionnaire distributed via QR codes in high-end retail locations. A meticulous evaluation of the accrued data was accomplished through AMOS and SPSS 25.

The questionnaire used already validated scales to measure constructs such as perceived quality, experiential value, and consumer experiences. The instruments, with the exception of the demographic questions, were measured on a five-point Likert scale which expresses the degree to which contestants agree with or have experienced various statements. The review structure was framed such that it shifted from 1 = Strongly Disagree to 5 = Strongly Agree. In addition, overall information such as gender, age and level of education were also collected through close-ended categorical questions which were meant to provide context to the results.

Table 1

Characteristics of Respondents Profile

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	183	52.1
	Female	168	47.9
Age Group	18 – 25	264	75.2
	26 – 35	62	17.7
	36 – 45	21	6.0
	46 – 55	3	0.9
	56 or above	1	0.3
Education Level	Undergraduate	268	76.4
	Graduate	73	20.8
	Post Graduate	10	2.8

The role of Chengdu, China, in this research is interesting because it is a city with an expanding market for luxury products and developed consumers making it a great place to investigate phygital retailing. Its ascent as a centre of luxury goods mirrors the patterns of many emerging economies, where rise in income levels and access to internet has reversed the expectations of consumers (Jiang & Xie, 2022). Furthermore, the city offers a suitable context for investigating consumer behaviour in relation to phygital markets, which is relevant to other booming luxury markets.

The research focused on Chengdu in an attempt to reflect the urban and technologically advanced society of Chengdu in the respondents. In a bid to understand the results more clearly and compare them with more general patterns in consumers, demographic evidence for instance age, sex, and education was painstakingly and meticulously solicited.

Table 2

Measurement Scales and Sources

Construct	Number of Items	Source(s)	Description
Perceived Quality	3	Aaker (1991); Keller (1993)	Evaluates how consumers recognize and remember the brand.
Experiential Value	4	Mathwick et al., (2001); Schmitt (1999)	Captures the perceived value derived from engaging with the brand experience.
Utilitarian Experiences	4	Babin et al., (1994); Zeithaml (1988)	Assesses the functional and practical aspects of consumer experiences.

Social Experiences	4	Veblen (2017); Schmitt (1999)	Evaluates consumer feelings about the social aspects of their connection with the brand.
Playfulness Experiences	4	Hoffman et al., (1996); Mathwick et al., (2001)	Measures the extent of fun, creativity, and engagement experienced during brand interactions.
Hedonic Experiences	4	Babin et al., (1994); Holbrook & Hirschman (1982)	Evaluates emotional engagement and enjoyment derived from interacting with the brand.
Personal Information	7	-	Captures demographic or personal details of respondents to contextualize the data.

To enhance the reliability and increase the statistical power of source data, a total of 351 respondents were recruited, thus, exceeding the pre-specified threshold. The sample size appears to be representative of the Chengdu population and suitable for the statistical techniques used, which include Structural Equation Modelling (SEM) and regression analysis. As stated by Hair and colleagues in 2010, for any analyse to be statistically meaningful, it is expected to have a minimum of 200 samples. Whereas Kline (2023) on the other hand, argues that models of similar complexity require samples between 200 to 500. With this number of 351 respondents, there are good chances of being able to explain important inter-relationships among the variables under investigation.

Data Analysis and Results

The method of Structural Equation Modelling (SEM) has been selected as a framework for analysing data due to its capability of evaluating complex mediational structures in the study of consumer behaviour. In the other hand, SEM allows for such numerous linkages to be simultaneously tested which makes it effective in tracing the degree to which experiential dimensions influence the perceived quality in terms of experiential value. The analytical procedures were conducted in SPSS version 25 for reliability tests, crosstabulation and AMOS software in conducting Confirmatory Factor Analysis (CFA) and mediation analysis (Hair et al., 2010).

Measurement Scales

Reliability

Table 3
Reliability Test Results

Variable	Cronbach's Alpha(α)
Perceived Quality	.698
Experiential Value	.863
Utilitarian Experiences	.832
Social Experiences	.763
Playfulness Experiences	.861
Hedonic Experiences	.799

The reliability analysis confirms, the scales employed to measure consumer experiences, perceived quality, and experiential value are valid and appropriate for the purposes of this work. Although the Perceived Quality dimension showed a Cronbach's Alpha of 0.698, which nearly misses the conventional 0.70 cut-off, it still remains acceptable for investigations in the social sciences over wide ranges. The other constructs demonstrated stronger reliability, further validating the measurement instruments used in this research. The aforementioned reliability substantiates the credibility of the findings and guarantees that the results can be employed to evaluate the hypotheses posited by the study.

Model Fit Indices (Confirmatory Factor Analysis)

The evaluation of the constructs utilized Cronbach's alpha, indicating that every dimension exhibited significant internal reliability ($\alpha > 0.70$), with the exception of one that was considered just acceptable. In conclusion, the validity of the construct received backing via Confirmatory Factor Analysis (CFA), confirming that the measurement model holds strong.

Table 4

Model Fit Goodness

Measure	Estimate	Threshold	Interpretation
CMIN	599.013	--	--
DF	203.000	--	--
CMIN/DF	2.951	Between 1 and 3	Excellent
CFI	0.911	>0.95	Acceptable
SRMR	0.051	<0.08	Excellent
RMSEA	0.075	<0.08	Acceptable
PClose	0.000	>0.05	Not Estimated

The outcomes of the CFA of construct have shown that fit of the model as a whole is good and, in several indices, there is a high compatibility between the theoretical framework posed and what has been observed. The results of the confirmatory factor analysis support the satisfactory compatibility of the model with CMIN/DF averaging 2.951 acceptable range between 1 and 3 SRMR at 0.051 while the cut off limit is 0.08 whereas CFI value was 0.911. These indices in all cases support the proposition that the theoretical model in question is relatively close to the data set and the internal cohesion and their grading is high. The value of PClose equal to 0.000 shows that we cannot estimate, it is possible to find a given model that would fit perfectly to population but this does not take anything from the degree of goodness of fit explained by the other indices. Instead, these fit indices provide persuasive support, such as the structure of the model empirically corresponds to the structure of the data set.

Figure 2
Co-Variances among Variables

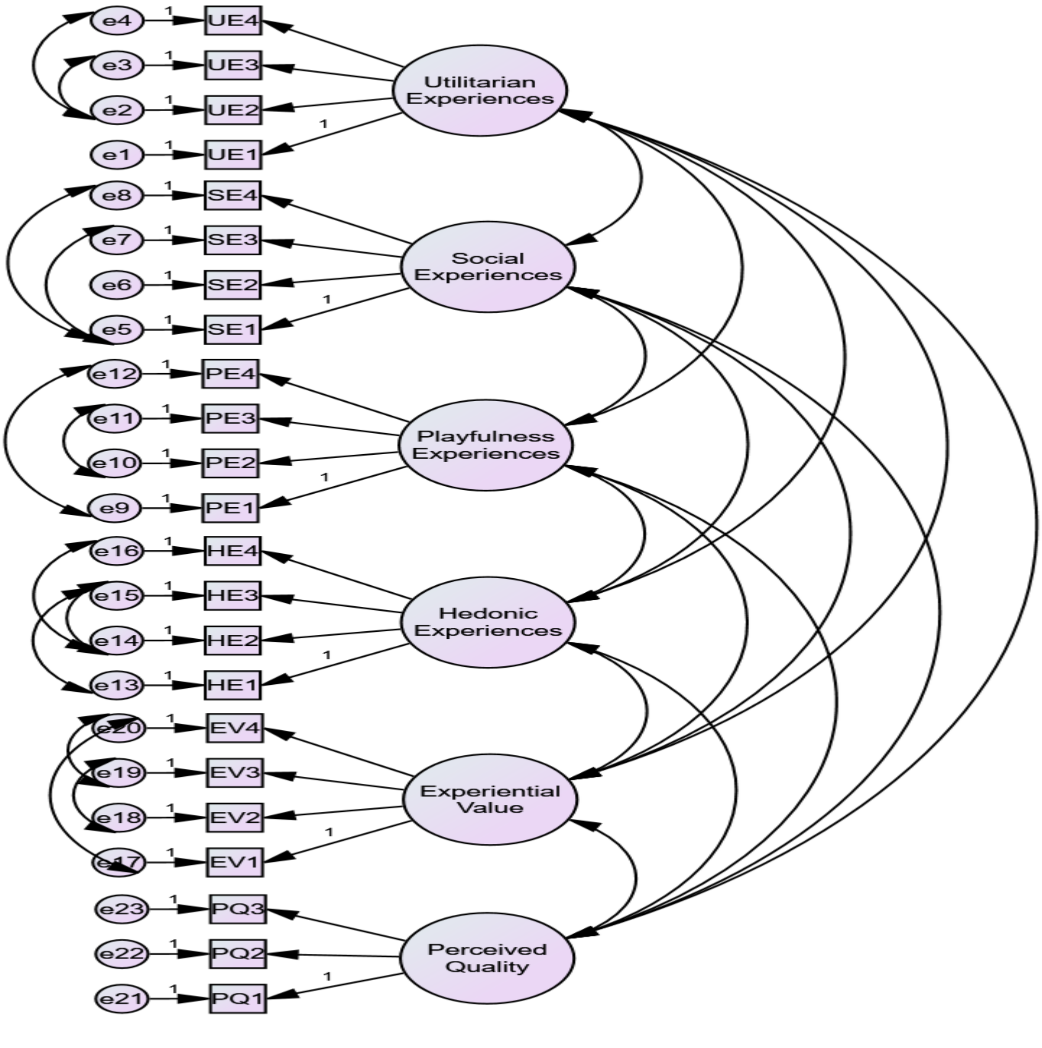


Figure 2 illustrates the co-variances among independent variables, which are essential to account for potential interdependencies and correlated error terms in the SEM model. The inclusion of these co-variances enhances the model's explanatory power and aligns with best practices in structural equation modelling. This integration is supported by the model fit indices: CMIN/DF = 2.951, SRMR = 0.051, RMSEA = 0.075, and CFI = 0.911. These metrics collectively confirm the model's adequacy and robustness in explaining the mediating role of experiential value in shaping perceived quality. The co-variances reflect the theoretical assumption that the experiential dimensions (hedonic, utilitarian, social, and playful experiences) may not operate entirely independently but instead interact within the phygital luxury retail context.

Structural Equation Modelling

The methodology of Structural Equation Modelling (SEM) appears to be a useful approach for studying the complex relations and mediating variables that are important for determining how experiential value is related to the quality that is perceived by the user. The various consideration factors such as CFI > 0.90, RMSEA < 0.06 were used to check the model adequacy in terms of the reliability of ratings of phygital experiences in the luxury market segment (Hair et al. 2010). Therefore, the use of SEM as well as the fit indices not only confirm the model but also enable the study of the effect of experiential dimensions on the perceived quality in detail thus increasing the methodological strength of the study as a whole.

Moreover, the SEM results justify the relationships that have been hypothesized, especially the direct and mediated relationships between experiential variables and the perceived quality. Particular mention should be made of the intricate nature of the interrelations among the experiential dimensions and how these interrelations are perceived in terms of quality regarding luxury goods.

Figure 3
Structure Equation Modelling

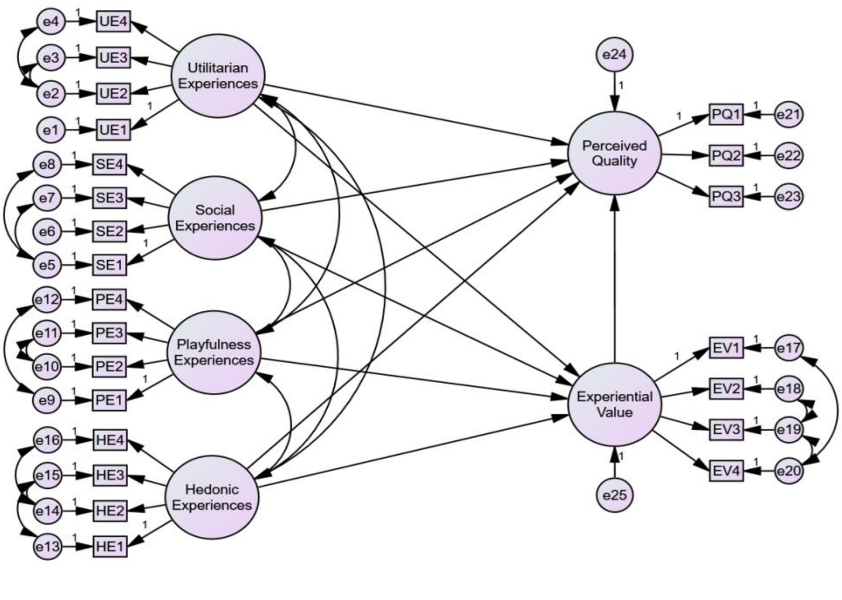


Table 5
Regression Weights

			Estimate	S.E.	C.R.	P
Utilitarian_Experiences	--->	Experiential_Value	.200	.036	5.499	***
Social_Experiences	--->	Experiential_Value	.240	.047	5.057	***
Hedonic_Experiences	--->	Experiential_Value	.196	.040	4.854	***
Playfulness_Experiences	--->	Experiential_Value	.614	.062	9.855	***
Utilitarian_Experiences	--->	Perceived_Quality	-.090	.117	-.770	.441
Social_Experiences	--->	Perceived_Quality	.038	.141	.268	.789
Playfulness_Experiences	--->	Perceived_Quality	-.652	.337	-1.935	.053
Hedonic_Experiences	--->	Perceived_Quality	-.018	.116	-.156	.876
Experiential_Value	--->	Perceived_Quality	1.202	.533	2.254	.024

H1: Utilitarian experiences positively influence perceived quality of luxury goods.

There was no statistically significant association between the utilitarian experiences and the perceived quality of luxury goods, which was estimated to be -0.090 (C.R. = -0770, p = 0.441). The finding shows that the practical and the utilitarian features of these products as luxury items, such as operational effectiveness or usability, have no direct bearing on how consumers perceive the quality of such items. This conclusion also conforms to the position that luxury items are most often evaluated in terms of experience and emotional feelings but not utilitarian ones. Therefore, while utilitarian experiences may contribute to other constructs, their direct influence on perceived quality appears minimal in this context.

H2: Social experiences positively influence perceived quality of luxury goods.

The assessment revealed that social experiences do not significantly impact perceived quality in a direct manner, as evidenced by an estimate of 0.038 (C.R. = 0.268, p = 0.789). Social experiences, which encompass interactions and community-building activities related to the consumption of luxury goods, may not directly shape consumers' evaluations of quality. This finding implies that the influence of social experiences is likely more nuanced and could require the presence of mediating factors, such as the experiential value of the luxury good, to manifest in perceptions of quality.

H3: Playfulness experiences positively influence perceived quality of luxury goods.

The primary association between instances of playfulness and the perceived quality is of minimal relevance, demonstrating a negative coefficient of -0.652 (C.R. = -1.935, p = 0.053). Interestingly, this suggests that playfulness, characterized by light-hearted, entertaining, or fun interactions, might detract from perceptions of luxury quality. This counterintuitive result could be attributed to a potential mismatch between consumers' expectations of sophistication and prestige in luxury goods and the whimsical nature of playfulness. Consequently, luxury brands should cautiously integrate playfulness into their experiential strategies to ensure alignment with their brand image.

H4: Hedonic experiences positively influence perceived quality of luxury goods.

Hedonic experiences exhibited no statistically significant influence on perceived quality (Estimate = -0.018, C.R. = -0.156, $p = 0.876$). Hedonic experiences, which are centred on sensory pleasure and emotional satisfaction, appear insufficient to independently influence quality perceptions. This result underscores the idea that luxury consumers may evaluate quality based on a composite of factors, and hedonic elements alone may not carry enough weight to shape these judgments directly.

H5: Experiential value mediates the relationship between utilitarian experiences and perceived quality of luxury goods.

The findings indicate that utilitarian experiences significantly contribute to experiential value, with an estimate of 0.200 (C.R. = 5.499, $p < 0.001$), and experiential value significantly impacts perceived quality (Estimate = 1.202, C.R. = 2.254, $p = 0.024$). This substantiates the intermediary function of experiential value, indicating that although utilitarian experiences do not directly augment perceived quality, they do so indirectly by elevating the experiential value associated with luxury goods. This highlights the importance of emphasizing how functional attributes contribute to a richer overall experience, thus enhancing the perception of quality through indirect pathways.

H6: Experiential value mediates the relationship between social experiences and perceived quality of luxury goods.

Social experiences were found to significantly influence experiential value, with an estimate of 0.240 (C.R. = 5.057, $p < 0.001$), which in turn positively impacts perceived quality. These results elucidate the intermediary function of experiential value in the transmutation of the advantages derived from social experiences into elevated perceptions of quality. This indicates that while social interactions may not directly enhance perceived quality, their contribution to the overall experiential value fosters a more favourable evaluation of luxury goods.

H7: Experiential value mediates the relationship between playfulness experiences and perceived quality of luxury goods.

The relationship between playfulness experiences and experiential value is strong and highly significant (Estimate = 0.614, C.R. = 9.855, $p < 0.001$), and experiential value positively influences perceived quality. These results underline the importance of experiential value as a bridge between playfulness and perceived quality. While direct effects may be limited or even negative, the indirect pathway highlights the potential of playful interactions to create meaningful and memorable experiences that ultimately enhance the perception of quality.

H8: Experiential value mediates the relationship between hedonic experiences and perceived quality of luxury goods.

Hedonic experiences significantly influence experiential value, as demonstrated by an estimated coefficient of 0.196 (C.R. = 4.854, $p < 0.001$). Experiential value, in turn, significantly impacts perceived quality. This establishes the mediating role of experiential value, suggesting that sensory and emotional pleasures associated with luxury goods contribute to quality perceptions when integrated into a broader experiential context. This suggests that a more rounded approach should be looked at where pleasure is integrated with other aspects of experience.

This study points to the significant mediating role of the experiential value. While the direct impacts of the experiential dimensions on perceived quality have a rather limited reach, the mediated effects show more clearly that the experiential value serves to increase the extent to which utilitarian, social, and playful experiences influence luxury consumers' perceptions.

This research captures the intricate modes of how the different experiential aspects influence perceived quality in the context of luxury goods. Regarding the dimensions of experience, i.e. utilitarian, social, playful or hedonic, none showed a statistically significant direct influence on perceived quality as such in turn, emphasizes the importance of experiential value as a mediating variable. This understanding is further reinforced with their concentration on the perception of the quality of luxury items to the whole of the experiences instead of the sum of the different experiences. The mediating role of the experiential value seems to be significant and therefore crucial at determining the level of perceived quality. These observations give concrete policy implications to the marketers in the luxury market to pay more attention in enhancing the experiential value of the products so that all the aspects of the experience play an important role in how customer evaluates quality of product for the most part.

Such findings clarify the protagonist of experiential value as a mediator in process of functional benefits changing into meaningful value for the customer, in accordance with the customer experience framework presented by Lemon and Verhoef (2016). This means that cognitive and pragmatic components are relevant in the luxury setting but only when coupled with affective phygital experience. Besides, the low weight of playful experiences highlights the need to reconcile the experience design with the aspirational self-connected to luxury brands.

These observations support the works of Batat (2022), who emphasizes the fundamental role that experiential value plays in enhancing consumer participation in phygital spaces. In a complimentary review of the subject Bartoli et al., (2023) argue that sense and emotions' incorporation into phygital encounters improves the records of the brands. Our research focus on these arguments by showing that experiential value contributes to such fragments as utilitarian, hedonic, social and playful turning them into strong consumer – brand relationships.

Crosstab Analysis

To explain the patterns of brand preferences due to the social factors such as, age, gender and education which are presented in the figures, these trends would assist in a better understanding of these differences.

Table 6
Brand Preferences According Gender, Age & Education

		Burberry	Gucci	Louis Vuitton	Dior	Prada	Chanel	Hermès	Cartier	Total
		Which brand do you like?								
Ge	Male	8	29	44	27	5	28	32	10	183
	Female	5	12	20	31	9	67	16	8	168
	Total	13	41	64	58	14	95	48	18	351
Age	18-25	8	29	46	48	10	69	39	15	264
	26-35	5	8	14	6	2	18	8	1	62
	36-45	0	2	4	4	2	7	1	1	21
	46-55	0	1	0	0	0	1	0	1	3
	56 or above	0	1	0	0	0	0	0	0	1
	Total	13	41	64	58	14	95	48	18	351
Educati	Undergraduate	8	31	48	47	10	69	38	17	268
	Graduate	4	9	15	8	4	25	7	1	73
	Post Graduate	1	1	1	3	0	1	3	0	10
	Total	13	41	64	58	14	95	48	18	351

The research highlights people's biases towards certain brands according to gender where 67 female respondents preferred Chanel because of its feminine branding while 44 male respondents preferred Louis Vuitton which exhibits some masculine traits. Here, it emphasizes further how brand image and marketing strategies employed are critical in the development of gender-wise preferences.

The findings portray a strong leaning by consumers of age between 18 – 25 years towards luxury brands especially Chanel, Gucci, and Louis Vuitton. It has been found that more often than not, younger people are more likely to be drawn into luxury brands because of the lifestyle they want to achieve or the society they are in, while older people are less interested, hence a change in generations.

Preferences for brands are markedly influenced by levels of educational attainment, with undergraduate individuals demonstrating a pronounced affinity for Chanel and Louis Vuitton, likely attributable to sociocultural and aspirational factors prevalent during early adulthood. In contrast, respondents at the graduate and postgraduate levels display more discerning preferences, reflecting an evolution in consumer behaviours and enhanced brand loyalty associated with advanced education.

Table 7
Brand Awareness According Gender, Age & Education

		From social media	**From Website**	**From Friends and Family Members**	**From Advertising other than social media**	Total
		How did you come to know about this brand?				
Gender	Male	99	22	39	23	183
	Female	100	15	30	23	168
Total		199	37	69	46	351
Age	18-25	150	30	51	33	264
	26-35	37	5	12	8	62
	36-45	9	2	6	4	21
	46-55	2	0	0	1	3
	56 or above	1	0	0	0	1
Total		199	37	69	46	351
Education	Undergraduate	152	29	53	34	268
	Graduate	40	7	15	11	73
	Post Graduate	7	1	1	1	10
Total		199	37	69	46	351

The examination of the sources of brand awareness elucidates the preeminent influence of social media across various gender, age, and educational demographics in the marketing of luxury brands.

Social media emerges as the principal conduit for brand recognition among individuals of all genders, with 199 out of 351 respondents affirming its critical importance. While familial affiliations and websites fulfil ancillary functions, the efficacy of social media as a marketing instrument for diverse gender demographics within the luxury sector is underscored.

Social media constitutes the foremost avenue for brand recognition among younger consumers (ages 18–25), with 150 out of 264 respondents acknowledging its significance. This phenomenon signifies a generational disparity, as older demographics demonstrate a diminished dependence on social media, thereby accentuating its strategic importance for engaging younger, digitally-savvy audiences.

Social media serves as the principal medium for brand recognition across varying educational strata, particularly among undergraduates, with 152 participants designating it as their primary source. In contrast, graduate and postgraduate respondents demonstrate a more extensive engagement with a range of informational channels; however, social media continues to be integral for the visibility of luxury brands across educational demographics.

Table 8
Purchase Frequency According Gender, Age & Education

		How often do you shop at luxury stores?				
		Once in two years	Once a year	Several times a year	Once a month	Total
Gender	Male	122	31	16	14	183
	Female	93	42	25	8	168
Total		215	73	41	22	351
Age	18-25	172	45	27	20	264
	26-35	32	21	7	2	62
	36-45	10	6	5	0	21
	46-55	0	1	2	0	3
	56 or above	1	0	0	0	1
Total		215	73	41	22	351
Education	Undergraduate	168	50	31	19	268
	Graduate	43	20	8	2	73
	Post Graduate	4	3	2	1	10
Total		215	73	41	22	351

The examination of shopping frequency elucidates discernible patterns contingent upon gender, age, and educational attainment:

Male participants predominantly exhibit infrequent engagement in luxury shopping, with 122 out of 183 indicating purchases occurring only biennially, whereas female respondents demonstrate a heightened frequency, partaking in luxury acquisitions annually or at a greater rate, thereby reflecting a marginal predilection for luxury consumption among women.

Younger consumers (18–25) manifest the most pronounced propensity for luxury shopping; however, a significant majority (172 out of 264) report infrequent purchasing habits, averaging biennially. Nevertheless, this demographic displays a heightened likelihood of engaging in annual or more frequent shopping compared to older cohorts, suggesting potential future escalations in luxury expenditure.

Undergraduates exhibit the highest engagement in luxury shopping, likely driven by aspirational goals during early adulthood. On the other hand, graduate and postgraduate respondents demonstrate trend shifts in purchase patterns and brand loyalty. This trend suggests that luxury shopping may be more appealing to undergraduates who are possibly due to differences in disposable income or expectations that usually accompany young adults.

To sum up, the findings enhance the understanding of the mediating role of experiential value on perceived quality. Although direct effects of experiential dimensions remain low, the indirect pathways demonstrate that experiential value enhances the effects of those variables. Such results make it necessary to consider the design of integrated experiential strategies that seek to bolster the image of luxury goods in the minds of consumers.

Discussion & Conclusion

This research shows how important experiential value is in relation to consumer experience from the perception of a quality viewpoint within the phygital environment of luxury retailing. This study contributes to experiential marketing on the significance of multi-sensory usage in the shaping of consumers' views. The findings emphasize that luxury brands need to be integrated by combining the digital and physical aspects to create a substantial relationship with the consumers. (Schmitt, 1999; Mele et al., 2023). While, there is no strong influences of the social, playful, utilitarian, and hedonic experiences on the perceived quality; however, the respective mediations through experiential value were great signifying its importance in consumer-brand relations (Schmitt, 1999; Lemon & Verhoef, 2016).

As it is, playful interactions, even if they are lowly ranked as a significance factor alone, improve quality thoroughly when combining it with experiential value. Such assertion is consistent with Cognitive Appraisal Theory, which places much priority on emotions with processing (Lazarus, 1991) and extends the current literature by focusing on the importance of digital playfulness in phygital retailing. (Batra et al., 2019; Mele et al., 2023). In the similar means, utilitarian, social and hedonic experiences affect perceived quality only in the presence of experiential value, underlining the importance of a global experience in these strategies (Fanandaru et al, 2023).

These results further confirm the need for luxury brands to relay their efforts beyond the functional features integration, focusing on all the other features that are sensory, emotional and even cognitive. This all-encompassing view supports the equity of the brand and is in line with classical paradigm of Experiential Marketing Theory (Schmitt 1999) and Aaker's brand equity model (Aaker, 1991).

In addressing gaps in the literature, this study develops theoretical perspectives by showing how experiential value makes it possible to integrate consumer experiences and perceived quality. It also gives practical tips for practitioners such as the importance of sensory and emotional engagement in hybrid retail settings (Kim et al., 2020; Bartoli et al., 2023). This research fills theoretical gaps by illustrating the importance of experiential value in phygital retailing. It presents a framework for luxury brands to use in formulating adequate consumer-oriented strategies that integrate digital and physical aspects.

This research, through the combination of Experiential Marketing Theory and Cognitive Appraisal Theory, offers new insights into how consumers view phygital perspectives. All these contributions give a basis for new studies to be undertaken accompanied by the practical enhancement of luxury branding concepts.

With these theories as background, the following practical meanings suggest concrete steps that luxury marketers can take to improve consumer involvement and brand equity.

Practical Implications

The results highlight the need of emphasizing the experiential value offered to increase perceived quality in phygital luxury retailing. In this case, practitioners need to incorporate sensory, emotional and functional aspects in the experience. AR Try-ons and gamified shopping features make use of playful interaction during shopping and such features make the experience engaging and enjoyable. Personalized recommendations by AI also augment the utilitarian and social aspects and therefore strengthen the relationships with brands.

Luxury phygital strategies should also be contextually adapted to the local culture and technologies. For instance, Gucci's AR try-ons and Chanel's VR narrations are good cases on how to apply digital tools. In China, AR shopping with the aid of Wechat mini-programs is what connects to the culture there, while Instagram serves the western audience. Adapting these strategies helps brands to target young people who are technologically-oriented and different regions of the world.

There are practical implications of this study for business managers in terms of how to combine physical and virtual features in phygital places. Augmented reality, virtual fitting room and digitally tailor-made interactions are said to enrich the sensory and emotional aspects of the customers. Furthermore, culturally relevant strategies may especially help the brands target many groups of people including young and technologically savvy people in fast growing economies such as Chengdu.

Future Work Suggested

Future research, the researchers need to conduct longitudinal research in order to explore the enduring effects of phygital experiences on brand equity. To appropriately address such questions, cross country studies between the more matured luxury markets and the emerging ones can prove to be informative. Also, the role of emerging technologies such as blockchain and AI in providing more experiential value should be looked into. These avenues of research could uncover more intricate interactions between consumer experiences, experiential value, and brand outcomes in luxury retail.

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