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Linking pop-up brand stores to brand experience and word of mouth: The case of luxury retail

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ABSTRACT

Facing the risk of being perceived as old-fashioned and outdated, luxury brands need to seek novel ways of providing brand experiences while reaching out to both existing and new target groups. This study investigates the effectiveness of pop-up brand stores at addressing this challenge in the context of luxury retail. Analyzing survey data from 345 visitors of two luxury car brand pop-up stores in the US and in the UK, the study finds that pop-up brand stores' hedonic shopping value, store uniqueness, and store atmosphere increase consumers' word of mouth intentions (WOM) towards the brand. Brand experience mediates the effect of these pop-up brand store characteristics on WOM. Finally, while the link between hedonic shopping value and WOM is stronger for low levels of brand familiarity, store uniqueness exerts a stronger effect on WOM in case of high levels of brand familiarity.

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1. Introduction

As consumers' demand for memorable experiences continues to grow, creating superior brand experiences is becoming one of the central objectives in contemporary luxury retail (Kim, Ko, Xu, & Han, 2012). While luxury traditionally restricts access to its retail stores in order to create an atmosphere of uniqueness and reverence (Dion & Arnould, 2011), both existing and new target groups are now starting to perceive such a retail strategy as old-fashioned and outdated (Halzack, 2015; Lassus & Freire, 2014). Facing the risk of becoming obsolete in the long run, luxury brands need to find new ways to facilitate consumers' experiences with the brand and reach out to new target groups without diluting the brand for existing customers. In an effort to overcome the resulting positioning challenge, pop-up brand stores are becoming a popular experiential marketing tool in luxury retail, aimed at creating brand experiences and increasing word of mouth (WOM) within existing and new target groups simultaneously.

Pop-up brand stores are temporary stores that seek to offer customers more approachable access to luxury brands and are usually open for only a couple of weeks. They aim to provide consumers with exciting brand experiences via a unique store concept, a pleasant store atmosphere, and by delivering hedonic shopping value. Indeed, a key distinguishing characteristic of pop-up brand stores is their objective: in focusing on experience creation for consumers, the luxury brand's

goal is not to sell products, but rather to stimulate WOM in order to multiply the reach of the brand in existing and new target groups. An illustrative example is the pop-up brand store operated by French luxury brand Hermès in New York City in 2013. The store was only open for four weeks and included a mini-golf course that incorporated different designs by the luxury fashion label (Fitts, 2013).

Given that the purpose of pop-up brand stores contradicts current business practices in luxury retail, marketers cannot directly measure their value or effectiveness by relying on traditional metrics such as within store sales. Instead, to meaningfully assess the attractiveness of this store format, marketers and researchers need to gauge the extent to which pop-up brand stores are able to leverage brand and non-purchase related behavioral outcomes for both existing and new customer target groups. Prior research, however, largely neglects to investigate the potential value of customer experience-based strategies in general (Verhoef et al., 2009), and does not assess the effectiveness of pop-up brand stores in particular (Lassus & Freire, 2014).

The present study seeks to answer three research questions. Are pop-up brand stores effective levers for stimulating positive WOM? What role does brand experience play in the relationship between customers' perception of the pop-up brand store and their WOM? Are pop-up brand stores an effective experiential marketing tool for both existing and new target groups of luxury brands?

2. Characteristics of pop-up brand stores

Building on Kozinets et al.'s (2002) definition of flagship stores, this study defines pop-up brand stores as retail environments that carry a

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single brand, are controlled by the brand's manufacturer, and are operated with the intention of reinforcing the brand experience rather than selling products at a profit. Contrary to flagship stores, pop-up brand stores are only temporarily available in a given location, usually for a couple of weeks. Aiming at the creation of WOM instead of focusing on selling the brand's products, pop-up brand stores characteristically offer consumers unique interactions with the brand, for example via design elements, media stations, or interactive games (Fitts, 2013). The focus on creating a superior brand experience and the focus on triggering WOM (rather than on selling a product) differentiates pop-up brand stores from so called flash retailing and seasonal pop-up stores, such as Halloween or Christmas stores.

According to previous research, specific store characteristics are intrinsic to experiential retail in general and pop-up brand stores in particular. Table 1 summarizes this predominantly qualitative research stream, which identifies three primary store characteristics that constitute experiential stores. These are hedonic shopping value, store uniqueness, and store atmosphere. In other words, besides providing consumers with hedonic shopping value—which Babin, Darden, and Griffin (1994) define as the entertainment fun associated with in-store shopping—pop-up brand stores offer an attractive store atmosphere and a unique retail environment. This differentiates pop-up brand stores from regular brand stores (Hollenbeck, Peters, & Zinkhan, 2008; Kozinets et al., 2002). Particularly, pop-up brand stores offer an up-to-date design as well as an inviting and an interactive environment, all of which enables consumers to access the brand more easily compared to traditional luxury retail stores (Lassus & Freire, 2014).

Even though existing research clearly identifies the characteristics of pop-up brand stores, literature remains silent on the impact of these specific features on brand and behavioral outcomes. The role of pop-up brand stores as an experiential marketing tool does not allow a performance assessment in terms of sales outcomes, but rather requires the investigation of effects on pre-economic success factors such as WOM.

3. Brand experience in luxury retail

The notion that customer experience drives purchases and the established understanding that marketers must actively manage customers' experiences (Verhoef et al., 2009) dates back to Holbrook and Hirschman's (1982) seminal article on the importance of the experiential aspects of consumption. The retail environment, in particular, needs to go beyond product sales by competing on the basis of memorable experiences with the brand (Grewal, Levy, & Kumar, 2009; Pine & Gilmore, 1998). Consumer interactions with touchpoints such as the brand stores' physical and non-physical elements significantly shape

consumer brand experiences, which Brakus, Schmitt, and Zarantonello (2009) define as the feelings and emotions that are evoked by brand-related stimuli.

Brand experiences play an important role in luxury retail, as they enable luxury brands to connect with their customers on an emotional level, and thus to differentiate themselves from the primarily functional characteristics of value brands (Brakus et al., 2009; Hagtvedt & Patrick, 2009). To sustain this differentiating experience, existing research argues that luxury stores should create an atmosphere of uniqueness and reverence. In particular, the predominant line of thinking advises luxury brands to restrict access to their brand in retail so as not to dilute the brand experience for existing customers (Dion & Arnould, 2011). However, a luxury brand that follows such a retailing strategy risks being perceived as intimidating, and new target groups might even perceive the brand as outdated or even obsolete (Lassus & Freire, 2014). Thus, the challenge facing luxury brands is how to grant new target groups access to the experience of the brand without alienating existing target groups.

4. Word of mouth for luxury brands

WOM communications between consumers are increasingly important for brands as they strive to spread their message and to strengthen their image. According to a recent global consumer survey, 83% of consumers claim to trust recommendations from friends and family, while only about 50% trust mass media marketing (Nielsen, 2015). WOM communication plays a particular important role for luxury brands, because activities such as referrals and consumer reporting of positive experiences with a brand increase both the relevance of the brand within target groups and the customers' desire for the brand (Kim & Ko, 2012). As such, the creation of positive WOM is a vital task for luxury brand managers.

Consumers are more likely to engage in WOM activities when they can share fun or novel information and experiences (Berger, 2014). Additionally, consumers' excitement also serves as a driver for WOM activities (Lovett, Peres, & Shachar, 2013). Interestingly, although literature acknowledges the potential of pop-up brand stores to provide consumers with unusual and exciting brand experiences, research linking pop-up brand stores and WOM remains scarce.

5. Research hypotheses

To extend existing knowledge on the effectiveness of pop-up brand stores as means of WOM generation, this study seeks to quantify the effects of pop-up brand store characteristics on brand and behavioral outcomes. More precisely, the study analyzes the effectiveness of hedonic

Table 1
Characteristics of experiential retail stores.

Author (year)	Experiential store	Store characteristics			Method	Findings
		Hedonic value	Store uniqueness	Store atmosphere		
Kozinets et al. (2002)	Themed flagship brand store	X	X	X	Qualitative	Experiential stores are unique places that allow for engaging experiences with the brand.
Kozinets et al. (2004)	Themed flagship brand store	X			Qualitative	Consumers are co-creators in a ludic and exciting retail spectacle in which they enact with the brand.
Hollenbeck et al. (2008)	Brand museums	X	X	X	Qualitative	Experiential stores offer an engaging experience with the brand in which consumers feel joy, fun, and excitement.
Borghini et al. (2009)	Themed flagship brand store	(X)	X	X	Qualitative	Experiential stores enable the brand experience and realize the brand's individual value and ideology.
Dolbec and Chebat (2013)	Flagship vs. brand store			X	Quantitative	The store atmosphere positively influences brand outcomes, particularly flagship stores exert a stronger effect than brand stores.
Lassus & Freire (2014)	Pop-up brand store	X	X	X	Qualitative	Pop-up stores offer a ludic and tangible brand experience, while being more approachable than traditional brand stores.

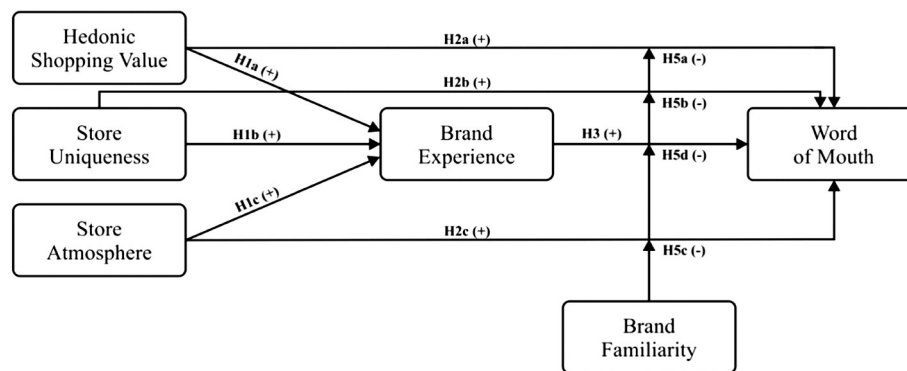


Fig. 1. Research model. Hypotheses H4a–H4c propose that brand experience mediates the relationship between the distinct store characteristics and word of mouth.

shopping value, store uniqueness, and store atmosphere on brand experience and on WOM. Fig. 1 provides an overview of the research model.

Brand contact within the pop-up brand store is likely to increase the consumers' brand experience due to sensory stimulation (Schmitt, 2012). Pop-up brand stores seek to capitalize on this effect by stimulating consumers via different store attributes in order to increase brand experience. Specifically, qualitative studies on customer in-store experience suggest a link between distinct store characteristics – hedonic shopping value (Kozinets et al., 2004), store uniqueness (Dion & Arnould, 2011), and store atmosphere (Hollenbeck et al., 2008) – and brand experience. Hedonic shopping value allows for a ludic interaction with the brand, which aims at building or enhancing emotional brand associations (Kozinets et al., 2004). Pop-up brand stores' uniqueness should enhance brand experience based on consumers' exceptional interaction with the brand, which differs from common daily brand interactions (Dion & Arnould, 2011). Finally, high levels of atmospherics create fascination with the brand, which might translate into brand experiences (Hollenbeck et al., 2008). These insights and review lead to the following hypotheses.

H1. (a) Hedonic shopping value, (b) store uniqueness, and (c) store atmosphere have a positive effect on brand experience.

Existing research emphasizes the ability of social and emotional drivers to engage consumers in WOM (Lovett et al., 2013). The social driver behind WOM builds on consumers' desire to enhance their social self. WOM is a social interaction that enables consumers to present themselves in a desired way. Consumers prefer to share interesting, unique, and entertaining content (Berger, 2014). The second driver behind WOM is emotional in nature and emphasizes the need to share positive feelings about a brand. When consumers experience emotional arousal following a brand encounter, they are more likely to talk about the brand (Lovett et al., 2013). Thus, this research on main drivers behind WOM activities suggest that the perception of pop-up brand stores as unique, entertaining, or pleasant, along with consumers' experience of the brand, should stimulate positive WOM towards the brand.

H2. (a) Hedonic shopping value, (b) store uniqueness, and (c) store atmosphere have a positive effect on WOM.

H3. Brand experience has a positive effect on WOM.

When studying brand experience in retailing, the focus should not be on customer perceptions of the particular store, but on how these perceptions affect the customer's experience of the brand (Brakus et al., 2009; Dolbec & Chebat, 2013), and how the brand experience finally shapes behavioral outcomes. In his consumer psychology model, Schmitt (2012) suggests that “experiencing a brand” is a psychological process that includes “sensory, affective and participatory experiences that a consumer has with a brand” (p. 8). Accordingly, consumers undergo a process from multi-sensory perception through brand affect to interpersonal brand participation. Each step describes a higher level of engagement with the brand. The present study not only builds on, but also adapts this experience process to the luxury retail context by assessing the effect of pop-up brand stores'

characteristics on WOM through affective brand experience, leading to the following mediation hypotheses.

H4. Brand experience mediates the effect of (a) hedonic shopping value, (b) store uniqueness, and (c) store atmosphere on WOM.

To explore the effects of experiential store characteristics on existing and new target groups, the research model also includes brand familiarity as a moderating variable. Brand familiarity captures the accumulated number of direct and indirect experiences a customer has with a brand (Alba & Hutchinson, 1987), and is thus more suitable than brand ownership for differentiating between new and existing customers. The rationale is that consumers with higher brand familiarity form a stronger brand schema from a greater number of previous encounters with the brand (Kent & Allen, 1994). This stronger brand schema is less prone to change because of a single additional encounter. Conversely, less familiar consumers, whose brand schema is not as stable, are more affected by each new encounter. Moreover, inexperienced consumers are more likely to make generalizations about the brand based on a single encounter with the pop-up brand store (Alba & Hutchinson, 1987). Therefore, brand familiarity should moderate the effects of store characteristics and brand experience on WOM as follows.

H5. The positive effect of (a) hedonic shopping value, (b) store uniqueness, (c) store atmosphere, and (d) brand experience on WOM increases as brand familiarity decreases.

6. Method

6.1. Research design

Two pop-up brand stores of a luxury car brand serve as the research context for the empirical part of the study. Alongside apparel and jewelry, cars constitute a typical good of luxury consumption (Hwang, Ko, & Megehee, 2014), and thus present a suitable context for studies in luxury retail. The study uses data collected at two identical pop-up brand stores operating in two metropolitan cities (one in the US, another in the UK) over a three-week period in 2014. The pop-up brand stores were designed to stimulate the visitors' interaction with the brand via a unique design including different areas that provided visitors with the opportunity to interact with the brand, for example via media stations. No cars were sold and no sales conversations were conducted in the pop-up brand stores.

6.2. Survey instrument

As Donovan and Rossiter (1982) suggest, the survey data were collected using a self-administrated questionnaire. The questionnaire was administered directly in the stores when the visitors were about to exit. To minimize systematic method bias, the questionnaire includes a reversed item, which helps to identify acquiescent responses (Weijters & Baumgartner, 2012). All constructs are measured based on established scales from previous studies in the retailing context, either

using seven-point semantic differentials or seven-point Likert scales (ranging from “1-strongly disagree” to “7-strongly agree”). Hedonic shopping value is assessed using three semantic differentials (not fun–fun, dull–exciting, not thrilling–thrilling) as in Rayburn and Voss (2013). Store uniqueness is assessed with a single item, asking the respondent to rate the uniqueness of the pop-up brand store (Ray & Chiagouris, 2009). For store atmosphere, two semantic differentials (unattractive–attractive, unpleasant–pleasant) adopted from Fisher’s (1974) environmental quality scale are used. To measure brand experience, the survey includes the affective dimension of the brand experience scale as developed by Brakus et al. (2009). WOM intentions about the brand are measured based on three items as in Maxham and Netemeyer (2002). A single item measures brand familiarity (not at all familiar–very familiar), in line with Milberg, Sinn, and Goodstein (2010).

6.3. Respondents

A total of 440 pop-up brand store visitors responded to the survey, 181 from the US, 259 from the UK. Of these, 19.5% turned out to be miss-responses—in line with the findings of Swain, Weathers, and Niedrich (2008)—and as a consequence were excluded from the analysis. Due to a cut-off age of 16 years and missing data, a further nine responses had to be discarded; resulting in a final sample size of 345. About 73% of the respondents were male. The average age was 34.68 years. None of the respondents had prior experience with the store, which fits the idea of a temporary store very well.

7. Analysis

7.1. Measurement validation

Estimating whether or not the data obtained from the US and UK stores can be pooled is the first step (De Wulf, Odekerken-Schröder, & Iacobucci, 2001). This step involves testing for measurement invariance across samples (Steenkamp & Baumgartner, 1998) and can be taken by investigating whether or not the relationships between indicators and latent variables are the same across both samples (Childers, Carr, Peck, & Carson, 2001). Using multi-group confirmatory factor analysis, the fit of a free measurement model, in which item loadings are freely estimated across both samples, is compared to the fit of an equal measurement model, in which loadings are set equal. In the case of the two datasets used in this study, the χ^2 -difference test does not indicate a significant difference between the two models ($\chi^2_{free}(104) = 228.50$, $\chi^2_{equal}(111) = 241.46$) and no difference can be found in alternative fit measures (CFI_{free} = 0.95, CFI_{equal} = 0.95; TLI_{free} = 0.92, TLI_{equal} = 0.92; RMSEA_{free} = 0.06, RMSEA_{equal} = 0.06). This provides support for data pooling. The next step is checking measurement reliability using Cronbach’s alpha, which should exceed the threshold of 0.7 (Nunnally, 1978) for all constructs. This requirement is fulfilled, as the alphas are adequate for store atmosphere (0.763) and brand experience (0.794), and good for hedonic shopping value (0.885) and WOM intentions (0.873). Running a confirmatory factor analysis with single indicators for store uniqueness and brand familiarity integrated as recommended by Anderson and Gerbing (1988) reveals that the standardized factor loadings for all constructs exceeded the threshold of 0.5. Table 2 summarizes these results. The average variance extracted (AVE) is also above 0.5 for each construct, suggesting satisfactory convergent validity (Fornell & Larcker, 1981). Finally, discriminant validity is supported by the Fornell-Larcker criterion, since the squared correlation between each pair of constructs is less than the average variance extracted of these constructs (Fornell & Larcker, 1981). Table 3 provides a detailed overview.

Table 2
Confirmatory factor analysis: Factor loadings and Cronbach’s alpha.

Construct	Items	Factor loading	Cronbach’s α
Hedonic shopping value	Not fun - fun	0.82	0.89
	Dull - exciting	0.90	
	Not thrilling - thrilling	0.84	
Store uniqueness	This store is unique	-	-
Store atmosphere	Unattractive - attractive	0.82	0.76
	Unpleasant - pleasant	0.75	
Brand experience	This brand induces feeling and sentiments	0.85	0.79
	I do not have strong emotions for the brand	0.69	
	This brand is an emotional brand	0.74	
Word of mouth intentions	How likely are you to spread word of mouth about [brand name]?	0.84	0.87
	I would recommend [brand name] to my friends	0.91	
	If my friends were looking for a luxury car, I would tell them to buy a [brand name]	0.78	
Brand familiarity	Not at all familiar - very familiar	-	-

7.2. Hypotheses testing

To analyze the structural model, this study employs maximum likelihood estimation, run in AMOS 22.0. Marsh, Wen, and Hau (2004; see also Fig. 1) suggest estimating an overall model in which the interaction effects are integrated based on the unconstrained approach. Running this model shows adequate overall fit fulfilling the usual fit criteria recommended in literature: $\chi^2(170) = 477.949$, $\chi^2/df = 2.811$; CFI = 0.929; TLI = 0.904; RMSEA = 0.073, SRMR = 0.048 (Browne & Cudeck, 1993; Hu & Bentler, 1999). Fig. 2 illustrates the results of the model testing and reports standardized path coefficients.

The standardized path coefficients for hedonic shopping value ($\beta = 0.27$, $p < 0.01$) and store atmosphere ($\beta = 0.26$, $p < 0.01$) on brand experience are both significant and positive. However, store uniqueness ($\beta = 0.11$, $p > 0.05$) does not yield a significant impact on brand experience. Therefore, the findings support H1a and H1c, but not H1b. In addition, hedonic shopping value ($\beta = 0.30$, $p < 0.001$) and store uniqueness ($\beta = 0.15$, $p < 0.05$) exert a significant and positive direct effect on WOM. In contrast, store atmosphere shows no significant direct effect on WOM ($\beta = -0.06$, $p > 0.05$). These results thus support H2a and H2b, but not H2c. The analysis also finds support for H3, since the effect of brand experience and WOM ($\beta = 0.54$, $p < 0.001$) is significant and positive.

As Zhao, Lynch, and Chen (2010) recommend, the study employs the bias-corrected bootstrapping procedure in AMOS to test whether brand experience acts as a mediator between the three store characteristics and WOM. Drawing 5000 bootstrap samples with a 95% bias-corrected confidence, the results suggest that the standardized indirect effects of hedonic shopping value (0.15, 95% CI: [0.037; 0.274]) and of store atmosphere (0.14, 95% CI: [0.028; 0.293]) on WOM are both positive and

Table 3
Confirmatory factor analysis: Average variance extracted and shared variance.

	HSV	SU	SA	BEX	WOM	BF
HSV	0.729					
SU	0.271	-				
SA	0.457	0.317	0.621			
BEX	0.251	0.158	0.255	0.553		
WOM	0.311	0.206	0.233	0.540	0.705	
BF	0.004	0.033	0.030	0.103	0.106	-

On the diagonal in bold: AVE; numbers below diagonal: shared variance between constructs; HSV = hedonic shopping value, SU = store uniqueness, SA = store atmosphere, BEX = brand experience, WOM = word of mouth, BF = brand familiarity.

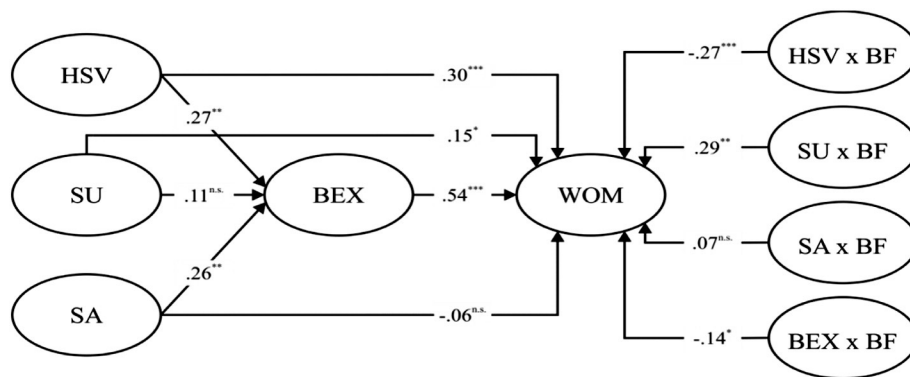


Fig. 2. Structural model results. *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$, n.s. = not significant; $\chi^2(170) = 477.949$; CFI = 0.929; TLI = 0.904; RMSEA = 0.073; HSV = hedonic shopping value, SU = store uniqueness, SA = store atmosphere, BEX = brand experience, WOM = word of mouth, BF = brand familiarity.

significant, with a 95% confidence interval excluding zero (MacKinnon, Lockwood, & Williams, 2004). The fact that a significant direct effect exists for hedonic shopping value on WOM, but not for store atmosphere indicates that brand experience partially mediates the effect of hedonic shopping value on WOM, and fully mediates the effect of store atmosphere. However, there is no significant mediation effect of brand experience in the link between store uniqueness and WOM (0.05, 95% CI: $[-0.037; 0.171]$). While these results do not support H4b, they provide support for the mediation hypotheses H4a and H4c.

Assessing whether brand familiarity moderates the relationships between store characteristics and WOM, as well as the relationship between brand experience and WOM, requires computing the relevant latent interaction terms. This is done by mean-centering all construct indicator variables and the moderating variable, and then multiplying each indicator variable by the single indicator of the moderating variable. Integrating the resulting interaction terms into the structural model reveals all interaction effects to be significant, aside from the interaction between store atmosphere and brand familiarity on WOM ($\beta = 0.07$, $p > 0.05$). The interaction effect between hedonic shopping value and brand familiarity ($\beta = -0.27$, $p < 0.001$) as well as the interaction effect between brand experience and brand familiarity on WOM ($\beta = -0.14$, $p < 0.05$) are both negative. This result indicates that the effects of hedonic shopping value and brand experience on WOM become stronger for consumers with lower brand familiarity. Conversely, there is a significant and positive interaction effect between store uniqueness and brand familiarity on WOM ($\beta = 0.29$, $p < 0.01$). In other words, the effect of store uniqueness on WOM gets stronger for consumers with higher brand familiarity. As such, the findings support the moderation hypotheses H5a and H5d, but not H5b and H5c.

8. Contributions to theory and practice

The findings of the study illustrate that pop-up brand stores are an effective experiential marketing tool to increase brand experience and to stimulate positive WOM. Specifically, pop-up brand stores' hedonic shopping value, store uniqueness, and store atmosphere exert a positive effect on word of mouth intentions towards a luxury brand. Consumers' brand experience plays an important role in this process by mediating the effects of hedonic shopping value and store atmosphere on WOM. Furthermore, hedonic shopping value and brand experience exert stronger effects for new target groups, whereas store uniqueness is more effective in stimulating WOM with existing target groups. Overall, the findings underline that pop-up brand stores are an exceptional opportunity for luxury brands to reach existing and new target groups alike.

These findings contribute to existing research and to managerial practice in several ways. First, by quantifying the effects of pop-up brand stores on brand experience and on WOM, the study contributes

to literature on experiential stores (e.g., Hollenbeck et al., 2008; Kozinets et al., 2002, 2004; Lassus & Freire, 2014), which almost exclusively investigates the effects of experiential stores by means of qualitative research. The results highlight an interesting pattern that partially contradicts prior research on luxury brands: while hedonic shopping value and store atmosphere strengthen consumers' brand experience, store uniqueness does not contribute to consumers' experience of the brand. This finding is surprising, as extant research on luxury brands describes uniqueness as one of the main determinant of consumers' brand experience (Kapferer & Bastien, 2009), and as a necessary condition to stage the experience within the luxury store (Dion & Arnould, 2011). This study, however, suggests that simply being different is not sufficient to induce an affective experience with the brand in luxury retail. Unique store formats should rather be accompanied by an exciting and pleasant store environment in order to enhance consumers' brand experiences.

Second, by examining the role of brand experience in stimulating WOM, the study contributes to current understanding of the effectiveness of customer experience-based strategies (Verhoef et al., 2009). This extension highlights the role of brand experience in stimulating positive behavioral intentions towards the brand. More precisely, the results underline that brand experience acts as an important mediating variable between consumers' perception of store characteristics and their intentions to spread WOM. Brand experiences are thus a powerful lever to stimulate positive WOM. From a theoretical perspective, the study emphasizes the importance of creating superior and affective brand experiences when seeking to induce behavioral intentions (Schmitt, 2012), thereby contributing to the literature on firm-created WOM (Godes & Mayzlin, 2009; Godes et al., 2005). Specifically, the study illustrates how firms can use pop-up brand stores as experiential marketing tool to stimulate positive WOM for their brand, and calls for the consideration of brand experience as a focal construct in retailing studies.

Third, the study contrasts pop-up brand stores' effectiveness in existing and new target groups, thus adding to research on luxury brand marketing. Luxury brands face the challenge of addressing new customer groups without diluting the brand for existing target groups (Hagtvedt & Patrick, 2009; Lassus & Freire, 2014). The results illustrate that pop-up brand stores provide an effective experiential marketing tool to solve this positioning challenge, as they induce positive WOM among both existing and new target groups. Specifically, consumers' positive WOM increases consumers' exposure to the brand and thus strengthens the brand beyond the actual visit (Anderson, Fornell, & Mazvancheryl, 2004; Lovett et al., 2013). In other words, positive WOM not only augments the reach of a luxury brand, but also its relevance, particularly within new target groups that have previously only had limited exposure to the brand (Godes & Mayzlin, 2009; Kim & Ko, 2012). However, the distinct store characteristics are not equally

relevant for these two groups. Whereas hedonic shopping value and the overall brand experience provide stronger effects for new target groups, it is the stores' uniqueness that triggers WOM in existing target groups.

Fourth, the findings provide important implications for luxury brand managers regarding the development of experience-based brand strategies. Pop-up brand stores, by design, deviate from traditional luxury retail strategies by making the brand more accessible in a pleasant, exciting, and fun store environment. As a result, luxury brand managers might shy away from this experiential store concept. This study, however, finds strong support for the use of pop-up brand stores as a complement to the traditional luxury retail. Particularly, the findings illustrate a win-win situation in which pop-up brand stores are able to grant consumers a superior brand experience while simultaneously stimulating positive WOM for the luxury brand, particularly among new target groups. Furthermore, quantifying the effects of hedonic shopping value, store uniqueness, and store atmosphere provides initial justification as well as guidelines for luxury brand managers regarding the use of pop-up brand stores. Luxury brand managers might, for example, rely on these results when seeking to address existing and new target groups via different store characteristics; that is, emphasizing store uniqueness for existing target groups while creating hedonic shopping values for new target groups.

9. Limitations, suggestions for further research, and conclusion

9.1. Limitations, suggestions for further research

This study is not without limitations. The combination of a pop-up brand store and a luxury brand, which offers hedonic appeal in itself (Hagtvedt & Patrick, 2009), might reinforce the effects in the tested model, which potentially limits the generalizability of the findings beyond luxury brands. Considering that non-luxury brands such as eBay and IKEA already make use of the pop-up brand store concept, extending research on volume brands seems to be a worthwhile endeavor. As the focus of this study is on the characteristics of experiential stores, the study does not consider the role of other consumers as an influence on consumers' brand experience. In a recent study, Bellezza and Keinan (2014) find that under certain circumstances, so called brand tourists (e.g., visitors of the pop-up brand stores) enhance the brand image of actual customers instead of diluting it. Analyzing whether the perception of other consumers within a pop-up brand store influences the experience of a luxury brand would add an interesting perspective to the explanation of pop-up brand stores' effectiveness.

9.2. Conclusion

Pop-up brand stores are an effective experiential marketing tool that enables luxury brand managers to stimulate positive WOM via superior brand experience. While luxury retail has traditionally restricted access to retail stores in order to sustain the brand experience for existing customers, this study suggests that pop-up brand stores enable luxury brands to enhance consumers' brand experience while stimulating WOM for both existing and new target groups. Consequently, luxury brand managers should consider pop-up brand stores as a complement to traditional retail stores.

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