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Beyond Haute Couture:

The Impact of Storytelling and Augmented Reality in Luxury Experiential Retail

*Understanding Consumer Experience and Consumer Valuations through the
Sequential Mediating effects of Emotional Curiosity and Flow State within store
atmospherics of luxury fashion brands*

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“Fashion designers offer one of the last refuges of the marvellous. They are, in a way, the masters of dreams...”

- Christian Dior

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Abstract

Storytelling is crucial in creating meaning by imbuing brands with symbolic value and fostering emotionally involving experiences. The extent to which emerging technologies such as augmented reality (AR) – help brands create unique and distinctive store atmospheres and impact consumers lag behind. An experimental study was conducted to examine the differences between types of storytelling narrative (without AR vs. with AR) on consumer experience (perceived experiential value) and consumer valuations (brand equity, purchase intention, and willingness to pay). The sequential mediating roles of emotional curiosity and flow state were also examined. Results show that emotional curiosity and flow state sequentially mediate the relationship between storytelling narrative types and perceived experiential value, brand equity, and purchase intention, with exception for willingness to pay. In other words, when participants felt more emotionally curious, they became more involved and immersed in a flow state. This, in turn, positively and significantly influenced the consumer experience and both brand equity and purchase intentions, when visiting a luxury fashion boutique.

The findings indicate that AR with storytelling significantly impacts luxury fashion experiences, enhancing psychological processes and consumer valuations. This research advances luxury brand communication theory by examining psychological responses that activate narrative transportation, especially as consumers seek engaging technological innovations from luxury fashion brands.

Keywords: Luxury Fashion, Storytelling, Visual Narratives, Augmented Reality, Luxury Experiential Retail, Brand Experience, Emotions, Curiosity, Flow State, Aesthetic Experience, Store Atmospherics

Resumo

O storytelling é crucial para criar significado, conferindo valor simbólico às marcas e promovendo experiências emocionalmente envolventes. A medida em que tecnologias emergentes, como a realidade aumentada (RA) – ajudam marcas a criar atmosferas de loja únicas e distintas, que impactam os consumidores, é um tema pouco investigado. Para examinar as diferenças entre os tipos de storytelling (sem RA vs. com RA) na experiência do consumidor (valor experiencial percebido) e nas avaliações do consumidor (valor da marca, intenção de compra e disposição para pagar), foi realizado um estudo experimental. Os papéis mediadores sequenciais da curiosidade emocional e do estado de fluxo foram também analisados. Os resultados mostraram que a curiosidade emocional e o estado de fluxo mediam sequencialmente a relação entre os tipos de storytelling e o valor experiencial percebido, o valor da marca e a intenção de compra, à exceção de disposição para pagar. Quando os participantes se sentiram mais emocionalmente curiosos, envolveram-se com mais intensidade e entraram num estado de fluxo. Isto, por sua vez, influenciou positiva e significativamente a experiência do consumidor, o valor da marca e as intenções de compra.

Os resultados indicam que a presença de storytelling na RA tem um impacto significativo nas experiências de moda de luxo, melhorando os processos psicológicos e as avaliações dos consumidores. Esta investigação contribui para a teoria da comunicação de marcas de luxo ao examinar as respostas psicológicas que desencadeiam a experiência de imersão narrativa, especialmente quando os consumidores procuram inovações tecnológicas envolventes de marcas de moda de luxo.

Palavras-Chave: Moda de luxo, Storytelling, Narrativas Visuais, Realidade Aumentada, Retail Experiencial de Luxo, Experiência de Marca, Emoções, Curiosidade, Estado de Fluxo, Experiência Estética, Atmosfera de Loja

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1. Introduction

1.1. Problem Definition and Relevance

In recent times, there has been a notable increase in consumer expectations of luxury retail, as a consequence of the events of the pandemic and a corresponding growth in the desire to travel more (McKinsey & Company, 2024). Consequently, physical stores are assuming a pivotal role in the customer journey, with 77% of luxury customers intending to visit a store as frequently or even more regularly in the near future, driven by the aspiration to shop in person (BoF, 2023). Moreover, a BoF-McKinsey study conducted in 2024 predicted that 80% of consumers will engage in fashion shopping when travelling, with 28% intending to spend more than the previous year (McKinsey & Company, 2024). The current resurgence of enthusiasm to shop in physical retail spaces is compelling brands to provide consumers with immersive and distinctive experiences. The pop-up café of Prada in London's Harrods department store, the beach club and boutique of Loro Piana in Saint-Tropez, the summer pop-up boutique of Chanel in Mykonos, and the magic mirrors of Burberry in Tokyo serve as illustrative examples of brands that are differentiating themselves and offering superior experiences (McKinsey & Company, 2024). Such experiences expand the luxury fashion industry to embrace adjacent elements, such as café spaces, museums and digital interactions (Jeong et al., 2024).

In this context, experiential retail offers novel opportunities to create distinctive and memorable shopping atmospheres, providing a dream-like experience that is not always replicable on online shopping platforms and that can meet, and possibly exceed, customer expectations (Dion & Arnould, 2011). Creating an emotionally engaging journey is key, as customers look for brands that offer authentic, meaningful and inclusive shopping experiences that extend beyond transactions (Balchandani, 2024). Storytelling is also embraced in the visual presentation of retail atmospheres as a means to inspire desire, arouse aspirations and create a meaningful connection between the customer and the brand, while transporting the shopper into the world of the brand (Roggeveen et al., 2021). Because of the immersive experience aspect, consumers tend to be drawn to visit store atmospheres where such stimuli evoke sensory and aesthetic enjoyment (Hagtvedt & Chandukala, 2023). Szocs et al. (2023) highlight the role of visual atmospheric elements in activating human senses - visuals, aromas, music, haptics, tasting.

In luxury fashion branding, creating a distinctive and emotionally engaging brand image is a key factor in establishing a strong presence in the market (Okonkwo, 2007). To exemplify, Christian Louboutin high heels are strongly associated with the red sole, representing more than a simple colour; it's a symbol of attitude (Venkatesh et al., 2010). Additionally, Chanel is notably linked to tweed fabrics that are present in their fashion collections and with retail spaces that are characterized by neutral hues, such as white and black, encapsulating the essence of the brand's founder (Okonkwo, 2007). Therefore, the recognition of luxury fashion brands is accompanied by both tangible and intangible aspects of the brand. Upon being part of a brand's story, consumers tend to feel transported into the narrative while experiencing a deeper sense of emotional engagement and involvement (Green & Brock, 2000; Kim et al., 2016; Ahmed et al., 2024). By offering an escape from the ordinary world, luxury brands can transport customers to a realm that is both enchanting and extraordinary (Dion & Arnould, 2011). The emergence of new technologies, such as augmented reality (AR) proved an efficacious instrument in enhancing retail fashion experiences, inducing deep states of involvement – the flow state (Roggeveen et al., 2021; Csikszentmihalyi, 2014; Kim. et. al., 2016; Sung et. al, 2012). Flow states are linked to positive emotions such as curiosity, driving a sense of discovery into the activity (Wolff et al., 2024). Csikszentmihalyi (2014) also found that when individuals experience flow states, they find highly enjoyable, they are willing to participate again, which may be related to the sense of discovery of the emotional curiosity that precedes the activity.

Limited research offers an opportunity to explore the impact of storytelling and AR in luxury fashion experiences in greater depth. While studies on narrative transportation in luxury branding (Kim et al., 2016) and emotional engagement through storytelling in advertising (Hamby & Jones, 2022) are prevalent, this dissertation seeks to contribute by focusing on storytelling in retail, particularly visual narratives. Recent research highlights the growing impact of AR growing in brand experiences (Barhorst et al., 2021). Prior studies have examined AR's role on consumer engagement, emphasizing flow states (Barhorst et al., 2021; Arghashi & Yuksel, 2023) and responses to technology-enhanced storytelling (Sung et al., 2022). However, while van Berlo and Stikos (2023) explore storytelling, AR, and flow states, gaps remain in understanding the emotions preceding flow such as emotional curiosity (Csikszentmihalyi, 2014; Wolff et al., 2024) and their combined effects on consumer experience and valuations in luxury fashion retailing.

Therefore, this research aims to address the gap by investigating how luxury fashion brands can integrate storytelling and AR into their retail spaces to create unique, immersive, and emotionally engaging experiences. Accordingly, two scenarios were developed: type of storytelling narrative (without AR vs. with AR), understand the impact on consumer experience (perceived experiential value) and brand valuations (brand equity, purchase intention, and willingness to pay). Furthermore, the mediating roles of emotional curiosity and flow state are analysed. This dissertation contributes to luxury brand retail and communication theory by providing insights on how brands can transform in-store experiences into meaningful and memorable interactions, offering a form of hedonistic escapism from the ordinary world.

1.2. Objectives and Research Questions

In the dynamic landscape of luxury fashion retail, creating meaningful and immersive experiences has become paramount. Traditional transactional interactions are being replaced by emotionally engaging narratives that foster deeper connections between brands and consumers. Storytelling, particularly when combined with innovative technologies such as AR, has emerged as a powerful tool for enhancing consumer experiences and their valuations. AR can transform retail environments into interactive and immersive spaces, amplifying consumer engagement and emotional involvement. This leads to the first research question:

RQ1: *How do storytelling and augmented reality influence the customer experience in luxury experiential retail within the context of fashion?*

Emotional connections often drive consumer experiences in luxury fashion, as these interactions tap into hedonic values rather than utilitarian needs. Immersive visual narratives and technology-driven experiences may significantly enhance these emotional engagements. Furthermore, such experiences can directly influence consumer valuations, including brand equity, purchase intention, and willingness to pay. Understanding how these factors interact in the context of luxury fashion retail is critical for designing impactful retail atmospheres with technology enhancement. This brings us to the second research question:

RQ2: *What impact do immersive visual narratives and technology-driven experiences have on consumers' valuations, such as brand equity, purchase intention and willingness to pay, towards luxury fashion retailing?*

Psychological constructs, such as emotional curiosity and flow state, are essential in understanding how consumers engage with immersive retail experiences. Emotional curiosity

reflects a consumer's desire to explore and connect with a narrative, while flow state captures the seamless, immersive experience that heightens their involvement. The interplay of these states within multisensory and aesthetically engaging luxury atmospherics remains a rich area for exploration, especially in the antecedent role of emotions such as curiosity. Hence, the third research question emerges:

RQ3: *To what extent does the creation of traditional, aesthetically engaging and multisensory in-store experiences drive consumer emotional curiosity and flow state, and affect consumer experience and valuations, compared to augmented reality experiences?*

By addressing these research questions, this study aims to contribute to the growing body of knowledge on how storytelling and AR reshape luxury experiences.

1.3. Thesis Structure

The present dissertation comprises eight chapters, to be succeeded by this introduction. Upon introducing the research problem concerning the main theme of storytelling and AR in luxury experiential retail, the research questions were created to formulate the dissertation's hypothesis. Furthermore, in the second chapter, the academic literature is addressed for a better understanding of the topics involved in luxury fashion retail experiences, such as the luxury industry, the importance of visual narratives, the impact of AR, as well as consumers' overall perceptions and psychological responses. Chapter three presents the design of the conceptual framework based on the literature review while also emphasizing the foundation of the hypotheses. Moreover, the methodology used to collect and analyse the data is explained in chapter four. Additionally, the definition and analysis of the variables employed, and the main results are explained in chapter five. Lastly, the discussion, the conclusion, theoretical and practical implications, limitations, and future research recommendations are presented in chapters six, seven, and eight in the order aforementioned.

2. Academic Literature Review

2.1. Understanding Fashion in the Luxury Industry

The luxury industry is recognized for its capacity to achieve high profit margins, which can be perceived as a financial aspiration (Kapferer & Tabatoni, 2011). A limited supply of products distinguishes luxury brands from the high level of consumer demand. The concept of rarity is a key factor in determining a product's luxury status, as it allows brands to charge higher prices without diluting brand penetration, which is essential to maintaining the elements of scarcity and exclusivity (Kapferer, 2014). Therefore, in this industry, growth is an important challenge to maintain the relevance and allure offered to its customer base. To do so, it's necessary to engage with the intangible aspects of the brand: luxury brands offer more than just simply a product; they represent symbology through a set of values and unique histories that read their heritage; and a mystique that nurtures the dream of owning such a brand (Kapferer, 2014).

It's important to understand that "luxury" and "fashion" refer to two different ways of managing a brand's business model (Kapferer & Bastien, 2012). Fashion brands are often associated with creating dreams, as they offer emotional narratives of ideal lifestyles intrinsic to customers' self-identities (Crepax & Liu, 2024). Regardless of the resemblance, a fashion business model behaves differently in the market. In luxury elements such as rarity, quality, and timelessness are highly valued, while in fashion, originality, trendiness and seasonality are most prized (Kapferer, 2012). The fashion industry is characterized by short-term cycles, emphasizing new collections that reflect current trends. In contrast, the luxury industry operates on long-term cycles, preserving a non-temporal essence and constructing enduring narratives in customers' minds (Kapferer, 2012).

That's why the process of artification is an essential component of managing a luxury fashion brand. Artification reinforces the symbolic and meaningful aspect, transforming "non-art" elements of the luxury brand into art, including retail spaces, the founder's mystique, and the brands' advertising (Kapferer, 2014; Crane, 2019). The aim is to maintain the brand's aura of timelessness and transform fashion pieces into classic icons that transcend momentary trendiness. Luxury fashion items become detached from their functional purpose and instead depend on the value created by both designer and brand, encouraging consumers to justify the higher prices spent on the products.

2.2. Luxury Brand Communication: Symbology and Dreams

2.2.1. Art of Storytelling, Narrative Transportation and Visual Narratives

Stories are instrumental in constructing meaning, as individuals tend to organize information in a narrative format to facilitate the interpretation of the surrounding world (Escalas, 2004b; Woodside, 2010). Previous literature demonstrated that, upon being part of a brand's story, consumers feel transported into the narrative while experiencing a deeper sense of emotional engagement and involvement (Green & Brock, 2000; Kim et al., 2016; Ahmed et al., 2024).

Consumer involvement can be defined as the perceived importance derived from individual motivations, values, and passions (Zaichkowsky, 1985). In the context of storytelling, the sense of involvement assumes particular significance, as it reveals the intensity and lasting impact of the customer's engagement with the brand through the medium of stories (Ahmed et al., 2024). This approach reflects how much a customer is invested in a product, brand, or narrative. Furthermore, when a narrative or brand resonates on a personal level, it captivates the consumer and becomes an integral part of their cognitive and sentimental senses (Escalas, 2004b; Kemp et al., 2021). Comparatively, transportation is an experience related to consumer involvement, characterised as a process of convergence between cognitive and bodily systems, resulting in a state of heightened concentration (Green & Brock, 2000). When consumers experience narrative transportation, they become deeply immersed in the story and disconnect from the surrounding reality (Green & Brock, 2000). As a consequence, the story listener undergoes an experiential process involving awareness, visual sensations, and emotional engagement, accompanied by a transformative experience that deepens affective, cognitive, and behavioural responses (Gerrig, 1993; Green & Brock, 2000; Van Laer et al., 2014).

Therefore, storytelling represents a form of communication strategy with the potential to persuade and enhance customer-brand engagement at the cognitive, affective and sensorial levels (Dessart & Pitardi, 2019). Building emotional connections while increasing consumer processing and involvement within the narrative is an essential part of the storytelling process, resulting in the establishment of an authentic brand DNA (Escalas, 2004b; Lund et al., 2018; Shahid et al., 2021; Ahmed et al., 2024). Mattila (2000) and Chiu et al. (2012) further demonstrated the importance of authenticity in forming good stories, highlighting its positive impact on attitude formation and purchase intentions, particularly in experience products such as luxury items. When customers perceive authenticity, they may experience a profound sense of immersion, enhancing their sense of connection and emotional response to the story (Chiu et

al., 2012). Hence, storytelling must incorporate authenticity, distinctive elements and a sense of discovery, to make a relevant impact on customer's experiential value (Ganassali & Matysiewicz, 2021).

The art of storytelling and narrative transportation assume significant importance for luxury fashion brands. Luxury brands are characterised by their hedonic quality, associated with sensory delights, aesthetic experience and the capacity to inspire emotional resonance in consumers (Dion & Arnould, 2011). By offering an escape from the ordinary world, luxury brands can transport customers to a realm that is both enchanting and extraordinary (Dion & Arnould, 2011). Consequently, a fashion item can be transformed into an object of wonder, becoming an experience, particularly when artfully integrated into a visual narrative. These visual elements enhance the brand's storytelling aspects, providing a more impactful, immersive and imaginative encounter with the customers, while impacting the sensory senses of the customers (Megehee & Woodside, 2010; Nikulina et al., 2024; Escalas, 2004a; Schank, 1995; Elder & Krishna, 2021).

2.3. Luxury Fashion Retailing

2.3.1. Experiential Retail and Its Relevance in Luxury

Brand experience involves a range of sensory, emotional and cognitive processes, as well as attitudinal outcomes, evoked by the contact established with a brand. This contact can occur through elements of brand image, brand messages, packaging, and physical spaces such as retail environments (Brakus et al., 2009). The experiences orchestrated within retail spaces, known as experiential retail, are of particular importance to luxury fashion brands, as it's where the dreaming elements take place and where both the consumer's experience and shopping journey is shaped (Dion & Arnould, 2011; Moeller, 2008; Grewal et al., 2020).

The aura of authenticity and sense of rarity characteristic of luxury brands is constructed at the retail level, where distribution processes are selective and the allure of the store experience is orchestrated (Kapferer, 2012; Dion & Arnould, 2011). A luxury retail strategy is distinguished from retailing strategies of other brands by incorporating elements of art, magic, charisma and aesthetic experience, embodied by the creative director (Dion & Arnould, 2011). As Kapferer (2014) stated, the growing presence of luxury brands in global markets diminishes the sense of craftsmanship and exclusivity. It's therefore vital for luxury brands to maintain their enchanting aura by building on the artful construction of their tangible and intangible aspects, especially at

the retail level. Contamination is a fundamental aspect of luxury retailing, as it helps to create a sense of connection, wonder and reverence for the brand, with storytelling having a significant role in beautifying the brand's products and setting them apart from the ordinary world (Dion & Arnould, 2011; Kozinets et al., 2002).

To create mesmerising retail experiences, luxury brands are enhancing retail experiences through cafés and art spaces into flagship stores, offering areas for relaxation, dining, brand storytelling, and artwork appreciation. These spaces activate consumers' senses, influencing purchasing and revisiting intentions (Jeong et al., 2024). By incorporating aesthetics, authenticity, and exclusivity, such experiences provide a temporary, hedonic escape from day-to-day routines (Holmqvist et al., 2020).

Moreover, the aura of a luxury fashion brand can be enhanced by in-store atmospherics. Given the convenience, rapidity and effortlessness of online shopping, it's crucial for brands to engage with customers on an emotional and sensorial level through physical stores that offer pleasurable and charming environments (Verhoef & Langerak, 2001; Szocs et al., 2023; Dagger & Danaher, 2014; Roggeveen et al., 2020).

2.3.2. In-store Atmospherics, Multisensory Engagement & Aesthetic Experience

In-store atmospherics can provide a multi-sensory role in shaping consumer experiences and their emotional involvement (Spence et al., 2014; Cho et al., 2017). When designing retail atmospheres, brands increasingly integrate appealing merchandise displays, aesthetic artwork, lighting ambiances, signature aromas, and sound elements to deliver a unique and pleasurable experience (Keh et al., 2021; Wang et al., 2023; Biswas et al., 2017; Biswas & Szocs, 2019; Ahlbom et al., 2022). The colour palette can also affect a shopper's mood and affective state, particularly in fashion stores where pleasure and excitement are enhanced (Evans, 2002; Cho et al., 2017). Basu et al. (2022) also demonstrate the importance of visual merchandising, highlighting the positive effects on store image and brand valuations (Ha et al., 2007; Hartman, 1995; Stanforth & Lennon, 1997). It contributes to a sense of curiosity and discovery when entering the store, leading to revisit intentions (Sen et al., 2002; Jeong et al., 2023).

Luxury fashion stores are designed as retail spaces where aspirations are formed and dreams are fulfilled (Crewe, 2016). In these store environments, the worlds of art and fashion meet, and retailers often employ visual artists as an extension of their brand personality to enhance retail appeal, brand admiration and beauty (Kim et al., 2018; Joy et al., 2014). Most traditional

conceptions of luxury define aesthetics to product attributes, but previous research emphasised its role in the consumer experience concerning extensions of self-image and embodiment (Smith & Colgate, 2007; Tynan et al., 2010; Holmqvist et al., 2020). In fashion, consumers project their aesthetics through their bags, clothes or shoes. This psychological approach has also been discovered by other authors who emphasise aesthetic experience as an extension of the flow state, a sense of involvement, which is further discussed in this literature (Csikszentmihalyi & Robinson, 1990; Joy & Sherry, 2003; Wanzer et. al, 2018).

2.4. Emerging Technology in Luxury Retail: Balancing Tradition with Innovation

2.4.1. Augmented Reality in Fashion: The Immersive Experience

Technology is transforming the experiential retail world, with research highlighting the importance of modern and mobile technology in enhancing the immersive aspects of in-store atmospherics (Grewal et al., 2020; Grewal et al. 2018; Grewal & Stephen 2019; Tong et al., 2020; Hagtvedt & Chandukala, 2023). Emerging technologies such as augmented reality allow brands to enrich reality and create memorable moments for customers to connect with brands (Grewal et al., 2024; Kowalczyk et al., 2021; Roggeveen et al., 2021; Smink et al., 2020). Augmented reality can be described as a reality-based visualisation, enhanced by the layering of virtual computer-based content in the real world, including visual, video and auditory information (Barhorst et al., 2021). Such integration creates an immersive experience of novelty, interaction, vividness and singularity (Yim & Park, 2019; Attri et. al., 2024).

In luxury fashion retail, augmented reality can enhance the brand experience while balancing tradition and innovation. It can serve as a hedonistic escapism that transforms the mundane into a spectacular experience (Javornik et al., 2021; Holmqvist et al., 2020). Through augmented reality, luxury brands can create encounters that aim to produce *ephemeral elevation*, where strong emotions are evoked, and *auratic amplification*, where the aura of the brand provides an entry point into the brand sphere (Javornik et al., 2021). With virtual scenarios, it's possible to generate captivating aesthetic experiences while using storytelling elements in an entertaining or educational format (Javornik et al., 2021; Sung et al., 2022). It's a way to create dreamlike experiences that reinforce the brand identity and foster engagement, while expanding the magical and charismatic qualities found in retail stores (Dion & Arnould, 2011; Sung et al., 2022). Augmented reality has also been found to be a fulfilling shopping experience infused with a sense of wonder, with emotions such as curiosity and inspiration playing an important role (Jessen et al., 2020; Yang et al., 2020; Rauschnabel et al., 2019; Arghashi & Yuksel, 2022).

Furthermore, Nawres et al. (2024) highlight augmented reality's role in luxury branding of enhancing behavioural responses, purchase intent, and positive *word-of-mouth*. Immersive experiences offering intellectual and hedonic benefits positively influence the shopping experience, inducing deep involvement (Barhorst et al., 2021).

2.5. Consumer Brand Involvement: Psychological Effect in Luxury Fashion Retail

2.5.1. Emotional Curiosity & The Flow State

The concept of flow state can be defined as a positive emotional state experienced by an individual when completely absorbed in an activity, characterized by a distorted sense of time and a profound engagement with the immediate surroundings (Csikszentmihalyi, 2014; Alexander et al., 2021).

Previous flow theories have suggested that to experience flow, it's necessary to be free from feelings of boredom, as these are considered to be its opposite (Csikszentmihalyi, 1990; Wolff et al., 2024; Weibel & Wissmath, 2024). Flow experience is described as a highly rewarding mental state, characterized by complete engagement in the current moment, where the notion of time seems to pass rapidly (Nakamura & Csikszentmihalyi, 2002). Boredom, on the other hand, occurs when there's a lack of challenge and engagement.

Recent literature suggests a connection between the emotion of curiosity and the flow state (Wolff et al., 2024). Curiosity is defined as the aspiration for novel information and experiences involving a positive attitude of receptiveness towards new opportunities, as opposed to boredom (Kidd & Hayden, 2015; Dubey & Griffiths, 2020). Emotional curiosity can be considered an incentive-based driver of discovery, with feelings of gratification that are similarly present in flow states (Bench & Lench, 2013; Kashdan & Silvia, 2009; Agrawal et al., 2022). Therefore, by encouraging openness to new experiences and aligning with individuals' intrinsic motivations, curiosity may become an antecedent to the flow state by stimulating discovery and leading to a consequent state of involvement in an activity.

Immersive experiences, such as augmented reality, have been demonstrated to facilitate an enhanced state of flow (Barhorst et al., 2021). It allows consumers to interact with brands in novel ways, with research highlighting its potential to induce curiosity due to its cognitive and sensorily engaging nature (Yim et al., 2017; Xue et al., 2021). Furthermore, research by van Berlo and Stikos (2023) underlines the important role of storytelling in augmented reality experiences in fostering flow states, suggesting a favourable impact on consumer attitudes and

brand associations. Thus, the integration of immersive experiences, characterised by heightened states of flow, aesthetic experience and narrative transportation, can offer valuable opportunities for luxury brands to construct sensorial, memorable and meaningful retail encounters (Csikszentmihalyi & Robinson, 1990; Dion & Arnould, 2011; Kim et al., 2016). This dissertation further explores how the complementary constructs of curiosity and flow state shape storytelling and augmented reality experiences in luxury fashion retailing.

2.6. Consumer Experience: Experiential Effect in Luxury Fashion Retail

2.6.1. Experiential Value

Mathwick et al. (2001) introduced the concept of experiential value, which is defined as the perceptivity of customers towards brand benefits, categorised into two main forms: intrinsic value (aesthetics, playfulness) and extrinsic value (service excellence). Regarding the intrinsic value, aesthetic responses are related to the visual charm and the entertaining aspects of a retail atmosphere. In contrast, playful responses are connected to enjoyment and escapism sensations derived from the experience (Mathwick et al., 2001). More specifically, aesthetic responses are crucial in influencing states of flow and deep immersion, as has recently been discovered (Wanzer, et al, 2018). Different from intrinsic values, service excellence is distinguished by its emphasis on responses that are related to formed judgements of the perceived quality of the experience, reflecting the consumer's sense of satisfaction (Oliver, 1999; Mathwick et al., 2001). The authors Mathwick et al. (2001) also emphasise the aspect of brands as a source of creating memory-making experiences that become impactful on consumers, rather than simple transactions of products or services.

This aspect is connected to the very essence of luxury fashion brands at the retail level, where charisma and dreamlike elements serves to distinguish them, while building a special place in the customer's memories (Dior & Arnould, 2011; Kapferer, 2012). Moreover, storytelling and augmented reality can have a significant role towards these intrinsic and extrinsic values, since both approaches have been demonstrated to evoke immersive and emotional engaging states (Kim at al., 2016; Ahmed et al., 2024; Sung et al., 2022).

2.7. Consumer Brand Valuations: Perceptual Effect in Luxury Fashion Retail

2.7.1. Brand Equity

Luxury fashion brands rely on tangible and intangible benefits to reinforce brand image and build strong brand equity, positively impacting customer lifetime value (Kapferer, 2012; Cho

et al., 2015; Kim et al., 2012). Retail atmospheres foster luxury brand equity by enhancing *brand awareness, brand associations, perceived quality* and *brand loyalty* (Aaker, 1996; Yoo & Donthu, 2001). Decoration, sensory, and emotional elements create memorable touchpoints that shape consumer perceptions and drive loyalty (Biswas, 2019). However, balancing tradition and innovation remains critical to preserving the brand's aura and inspiring experiences (Chandon et al., 2016; Pantano & Verteramo, 2018; Dion & Borraz, 2017). Recent research responds to this challenge, by highlighting the opportunity of luxury brands to enhance brand equity through augmented reality experiences, as it strengthens brand associations, evokes emotional states, and provides an aura of authenticity (Javornik et al., 2021).

2.7.2. Purchase Intention

Storytelling immersion fosters positive customer outcomes in technology-enabled settings (Sung et al., 2022). Meaningful stories enhance experiences and influence purchase intentions (Escalas, 2004b; Júnior et al., 2022). In retail, visual storytelling evokes emotions and builds brand sentiment, shaping shopping intentions (Puccinelli et al., 2009; Chiu et al., 2012).

As mentioned earlier in luxury fashion retailing, the aesthetic values present in the physical environment represent hedonic and emblematic values that further impact purchase decisions, with sensory elements playing a role in the consumer engagement (Atwal & Williams, 2009; Spence et al., 2014; Hagtvædt & Chandukala, 2023; Spencer et al., 2014). For this reason, affective and experiential elements must be enhanced to influence brand value, which in turn influences intentions to shop in luxury boutiques, with augmented reality-based experiences playing a significant role (Choi et al., 2016; Nawres et al., 2024).

2.7.3. Willingness to Pay

Fashion retailers can increase engagement, loyalty, and willingness to pay by offering experiences that align with consumer values and preferences, especially through creative product displays integrating brand stories and virtual elements (Roggeveen et al., 2021). The alignment of a consumer's identity with a brand space can significantly strengthen long-lasting relationship with brands.

To enhance the communication of the retail experience and encourage willingness to pay, it's recommended that retailers consider incorporating thematic ambiences, brand narratives, elements of playfulness, an aura of prestige, and virtual merchandise (Roggeveen et al., 2021). This concept is further supported by the findings of Grewal and Baker (1994) and Baker et al.

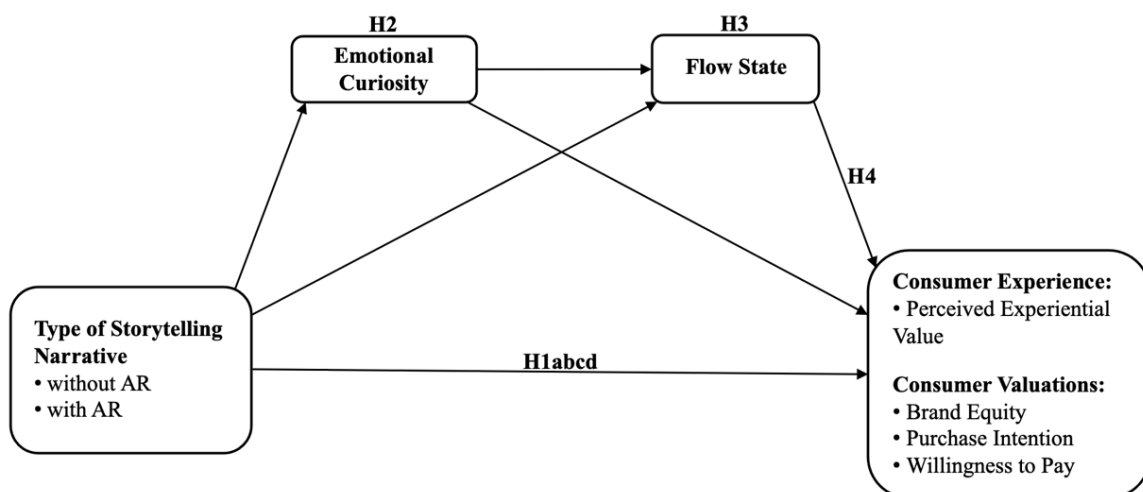
(1994), who demonstrated the highly interactional nature of atmosphere and visual design elements on the acceptability of pricing.

Poushneh and Vasquez-Parraga (2017) contribute to the purchasing theory by demonstrating that augmented reality has positive effects on consumers' willingness to pay and satisfaction levels. Similarly, stories also appeal to consumers by embellishing both products and experience, stimulating the willingness to pay (Lundqvist et al., 2013; Júnior et al., 2022).

3. Conceptual Framework and Hypotheses

According to the academic literature and earlier research on luxury fashion, storytelling transportation, and AR, four hypotheses are formulated, with a corresponding conceptual framework. Subsequent to the hypotheses, an experimental design is proposed to provide empirical evidence in support of the initial premises and to ascertain the relationship among the variables. The present study aims to understand the mediating effects of psychological processes that may induce immersive states and narrative transportation while analysing their potential impact on consumer experience (perceived experiential value), as well as consumer valuations (brand equity, purchase intention, and willingness to pay), within the context of luxury fashion experiences. In particular, the research explores the potential of luxury fashion brands to benefit from storytelling experiences at the retail level that incorporate AR in comparison to environments with no technology-enhanced interactions. Within this context, the sequential mediating role of the psychological processes such as emotional curiosity and flow state (mediator 1 and mediator 2) are examined on the relationship between the type of storytelling narrative (without AR vs. with AR) on consumer experience and consumer valuations. The conceptual model presented below provides a framework for understanding these relationships (**Figure 3**).

Figure 1 – Conceptual Framework



As suggested by the literature review, there is still a research gap in understanding how storytelling and AR can shape the consumer experience in luxury fashion retail environments, with previous research emphasising the charisma and magic of creative directors (Dion & Arnould, 2011), the selective customer base in those environments (Kapferer, 2012) and the hedonistic escapism aspect (Holmqvist et al., 2020). While recent research from Sung et. al (2022) and van Berlo and Stikos (2023) demonstrate the relationship between storytelling and AR in terms of its immersive aspect in attitudinal and learning processes, it remains important to understand how they impact the consumer experience and consumer valuations, and what differs between traditional luxury store environments and luxury store atmospheres with AR. Authors have introduced the enhancement of experiential value (Sung et al., 2022), brand equity (Javornik et al., 2021), purchase intention (Nawres et al., 2024) and willingness to pay (Roggeveen et al., 2021) towards AR experiences, however it was not in the context of story-based ones. Based on the prior literature, the first set of hypotheses are suggested as follows:

H1: The type of storytelling narrative with AR has a greater impact on luxury fashion experiences than the storytelling narrative without AR because consumers will benefit from: **(H1a)** a higher level of perceived experiential value, **(H1b)** a higher brand equity, **(H1c)** a higher purchase intention and **(H1d)** a higher willingness to pay.

According to the literature, storytelling and AR can play a significant role in enhancing consumer emotions, with the ability to foster deeper connections with the brand (Sung et al., 2022; Shahid et al., 2021). When in contact with novel experiences, curiosity can be considered an incentive-based driver of discovery, encouraging openness to new experiences and aligning with individuals' intrinsic motivations (Kashdan & Silvia, 2009; Agrawal et al., 2022). Based on the previous research, a focus on emotional curiosity is hypothesized to indirectly impact the relationship between storytelling narrative type and both consumer experience and valuations. Due to the highly innovative nature of AR, it's expected to have a greater impact compared to a traditional store atmosphere:

H2: Emotional curiosity will mediate the relationship between the type of storytelling narrative (without AR vs. with AR) and both consumer experience (perceived experiential value) and consumer valuations (brand equity, purchase intention, and willingness to pay).

As aforementioned in the literature review section, the flow state is a positive emotional state experienced by an individual when completely absorbed in an activity, characterized by a distorted sense of time and a profound engagement with the immediate surroundings

(Csikszentmihalyi, 2014; Alexander et al., 2021). Narrative transportation induces a heightened immersive involvement and positive emotional responses, that in turn, influence brand attitudes and brand valuations (Escalas, 2004a; Kim et al., 2016). Moreover, in experiential retailing, aesthetic responses can enhance the customer experience, while amplifying these immersive states (Mathwick et al., 2001). Immersive experiences such as AR can help to achieve this state due to its involving and captivating essence that combines the real and the physical world. Thereby, it's possible to assume that both consumer experience and consumer valuations will also improve. Therefore, the third hypothesis is suggested as follows:

H3: Flow state will mediate the relationship between the type of storytelling narrative (without AR vs. with AR) and both consumer experience (perceived experiential value) and consumer valuations (brand equity, purchase intention and willingness to pay).

For the fourth and final hypothesis, as the academic literature indicates, there might be a connection between the emotion of curiosity and its role on the flow state (Wolff et al., 2024). Curiosity is defined as the aspiration for novel information and a positive attitude of receptiveness towards new opportunities, with feelings of gratification that are similarly present in states of flow (Kashdan & Silvia, 2009; Agrawal et al., 2022). Curiosity can become an antecedent to the flow state by stimulating discovery and leading to a consequent state of deep involvement in an activity. Hence, based on the literature, it's conceivable that AR, as an interactive and immersive technology in retail, can enhance the consumer experience. As a result, with high levels of curiosity inducing the flow state, consumer valuations can be influenced significantly in the process. More formally, the fourth hypothesis is suggested as follows:

H4: The effect of the type of storytelling narrative (without AR vs. with AR) on both consumer experience (perceived experiential value) and consumer valuations (brand equity, purchase intention and willingness to pay), will be sequentially mediated by emotional curiosity and flow state.

4. Methodology and Data Collection

4.1. Research Method

As a complement to the secondary data previously analysed in the literature review, primary data was created to test the constructed hypotheses. To accomplish this, an experimental design was conducted to test two conditions within the context of the study: type of storytelling narrative (without AR vs. with AR). The experimental design involves the establishment of a control group, which is not subjected to any form of manipulation, and an experimental group that is exposed to the factor of interest (Eifler & Leitgöb, 2019).

The objective of the experimental procedure was to provide a comprehensive analysis of the participants' perceptions, psychological responses and evaluations in relation to the thematic framework of the research. The study was conducted in accordance with a quantitative research method, through an online survey constructed and designed on the Qualtrics platform due to its suitability and adaptability for academic research (Evans & Mathur, 2005). Subsequently, the data collated was subjected to analysis using the SPSS software.

4.2. Sampling

The sampling technique adopted in this study was a non-probability sample method, specifically the snowball sampling technique. This is a technique that provides a research sample through recommendations made among individuals who share or have knowledge of others meeting specific research interests (Biernacki & Waldorf, 1981).

As previously stated by Kapferer (2012), the communication strategy of luxury brands should be designed to resonate with a diverse audience, with the aim of nurturing the aspirational associations connected with luxury brands. Therefore, it was essential to engage with a heterogeneous sample, extending beyond those who are regular luxury fashion consumers, to gain richer insights. For this reason, the online surveys were distributed through social media platforms, including WhatsApp, Instagram, Facebook and LinkedIn. Additionally, the surveys were distributed through recommendations from the authors' professional and social networks.

4.3. Research Instruments

To guarantee the accuracy and integrity of the data, two experimental design studies were conducted: a pilot study and a main study. The pilot study was designed to pre-test the survey

with regard to its clarity and to construct validity, but to also determine any potential obstacles that might influence participants' responses and validate the interpretation of the experimental conditions. This pre-phase facilitated the refinement of the survey, prior to the launch of the main study. Through the Qualtrics platform, both online surveys were shared via anonymous links and a QR Code, allowing greater accessibility and the inclusion of a heterogeneous and extensive sample.

4.3.1. Pilot Study

As previously stated, the pilot study was designed to validate the perceptivity of the stimuli scenarios and evaluate the clarity of the questions, including those pertaining to the manipulation check questions and the scale of flow state, prior to the incorporation in the main study. A total of 27 responses were collected, with 12 respondents participating in the storytelling narrative without AR and 15 participating with AR. The participants were exposed to stimuli scenarios that represented identical luxury retail experiences. Dior was chosen as the subject of the study due to its high level of recognition within the luxury industry and its association with *haute couture*, facilitating the interpretation for the participants.

The first scenario involved a traditional in-store environment, while the second scenario involved an in-store environment with AR, incorporating moving animations. Simulating a true experience of this emerging technology was essential to assess the participants' involvement and subsequent psychological responses (**Appendix 1**). Afterwards, the participants were asked to respond to the manipulation check questions to evaluate their perception of the condition exposed (*perceptivity of absence of technology elements vs. the presence of AR*), followed by assessing the flow state and demographic questions.

To evaluate the validation of the manipulation check questions, a one-way analysis of variance (ANOVA) was conducted on a 2-item scale to test for differences between-subject groups, ensuring that the experimental conditions were perceived as intended. The one-way analysis of variance (ANOVA) is used to assess whether there are statistically significant differences in the means of the tested variables across the groups. A significant *F*-value indicates that at least one group differs from the others, thereby validating the efficacy of the manipulation (Field, 2013):

Table 1 – Manipulation Check 1 in Pilot Study: Type of Storytelling Narrative

	Type of Storytelling Narrative				
	Storytelling without AR		Storytelling with AR		F-test
	Mean	SD	Mean	SD	
Manipulation Check 1	5.75	1.60	2.73	2.09	17.01***

*Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$*

For the first manipulation check question analysis, the findings indicated that there was a significant difference between the means of both types of storytelling narratives ($M_{\text{Storytelling without AR}} = 5.75$, $SD = 1.60$ vs. $M_{\text{Storytelling with AR}} = 2.73$, $SD = 2.09$; $F(1, 26) = 17.01$, $p < .001$) (Table 1).

Table 2 – Manipulation Check 2 in Pilot Study: Type of Storytelling Narrative

	Type of Storytelling Narrative				
	Storytelling without AR		Storytelling with AR		F-test
	Mean	SD	Mean	SD	
Manipulation Check 2	3.25	1.55	6.00	1.56	20.92***

*Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$*

With regard to the second manipulation check question, results also revealed statistically significant differences between both conditions: ($M_{\text{Storytelling without AR}} = 3.25$, $SD = 1.55$ vs. $M_{\text{Storytelling with AR}} = 6.00$, $SD = 1.56$; $F(1, 26) = 20.92$, $p < .001$) (Table 2).

According to both manipulations check results, the participants identified the manipulations of the pilot study correctly. Nevertheless, minor modifications were implemented in the main study to facilitate a more comprehensive and simplified reading experience for the participants.

4.3.2. Main Study

The research instrument pivotal to the comprehensive development of the master's thesis was the main study, which served as the basis for the data interpretation and validation of the conceptual framework hypotheses. The online survey was available for completion between 21st November and 3rd December 2024. A total of 210 responses were collected, of which 137 were determined to be valid for inclusion in the study. The participants were randomly distributed between two experimental conditions. A total of 67 respondents participated in the

storytelling narrative without AR, while 70 respondents participated in the storytelling narrative with AR. Maxwell & Delaney (2004) have demonstrated that in experimental design, manipulation scenarios can yield more than 50 responses, a figure that is more than satisfactory for the purpose of supporting or rejecting hypothesis testing.

The primary objective of the main study was to evaluate the dependent variables, including consumer experience (*perceived experiential value*) and consumer valuations (*brand equity, purchase intention and willingness to pay*), with *flow state* and *emotional curiosity* as variables mediating the relationship between both conditions and dependent variables. Furthermore, additional variables were employed to investigate the topic of AR in greater depth, specifically the *augmented reality experience* (**Appendix 2 and 5**).

4.4. Design and Procedure

The objective of this study was to examine the influence of storytelling experiences in luxury retail contexts, focusing on the comparison of stores without technological enhancements and with the presence of AR. Therefore, the study followed a 2 x (type of storytelling narrative: without AR vs. with AR) between-within-subjects design, with emotional curiosity and flow state measured as continuous mediating variables.

The survey opened with a brief introduction to the research topic, accompanied by assurances of privacy protection and the anonymous nature of the data collected. Participants were instructed to imagine themselves in a luxury fashion boutique and to respond in a manner that reflected their genuine perceptions. This pre-stimulus phase was designed to facilitate the understanding and imagination of the stimuli concept.

Afterwards, the stimulus was randomly presented to the participants, featuring a luxury boutique from Dior with either no AR or with AR. Both scenarios included similar visual narratives with décor embellishments, suggesting to participants whether the exposed condition represented AR or a traditional store setting. Moreover, participants were presented with a 2-item manipulation check using a 7-point Likert scale (1 - strongly disagree, 7 - strongly agree) to assess their perceptions of the presence of AR.

The manipulation check questions were followed by the assessment of flow state and emotions to capture participants' psychological effects immediately after exposure to the conditions. It was essential that those psychological responses were immediately recorded before the effects could dissipate, especially with regard to flow states (Engeser & Rheinberg, 2008). Afterwards,

questions regarding the perceived experiential value were addressed, followed by questions concerning Dior's brand equity, purchase intention, and willingness to pay to understand the effects when exposed to the randomized conditions. All participants were asked questions regarding their shopping profile and their familiarity with the concept of AR. Furthermore, the perceived value of an AR storytelling experience was measured to understand the impact on participants' future luxury shopping experiences. Before completing the survey, a series of demographic questions were requested.

4.5. Stimuli Development

The stimuli scenarios were initially pre-tested within the pilot study, to ensure that participants could comprehend the manipulations' images and animations with clarity, perceptibility, and simplicity. Despite the *haute couture* association, Dior was the inspired brand in the study due to its previous experience with AR and storytelling elements in the beauty category. In collaboration with artist *Pietro Ruffo*, Dior created the "Atelier of Dreams" through a mobile application, where a display of constellations and descending stars transported consumers into a contemplative universe (Meta Sparks, 2023). For the condition of storytelling narrative with AR, a distinct exemplar was constructed by the author and applied to the fashion category.

In the main study, participants were exposed to one of the two designed manipulations corresponding to the type of storytelling narrative: **(1)** without AR and **(2)** with AR in a luxury fashion boutique scenario. In each scenario, the participants were encouraged to engage imaginatively to capture their psychological involvement and genuine emotional responses.

For the stimuli of **(1)** storytelling narrative without AR, a visual representation of a Dior boutique was demonstrated. The store portrayed a festive atmosphere, reflecting the Christmas season, and incorporated storytelling elements in the form of golden butterflies and trees of life inspired by the designer *Maria Grazia Chiuri*. The aim was to demonstrate an ambiance that would draw participants into the narrative of the space.

To achieve a similar effect of "Atelier of Dreams", two moving animations were created for the stimuli of **(2)** storytelling narrative with AR. For this specific stimulus, it was essential to construct a narrative that was immersive and capable of transporting the participants into an involving ambiance, aligned with an AR experience observed through the lens of a mobile phone camera. The objects displayed were constantly moving, as if the participant were interacting realistically on their mobile phone. The Dior boutique was once again illustrated;

however, in this case, an image of a mobile phone was positioned centrally within the scenario. The first animation illustrated was a *letter from Dior*, asking the participants to open and read it, followed by an invitation to click on virtual stars distributed around the store. It was described that each star opened a short video showing the evolution of Dior's fashion from the 20th century to the present day. To support the idea, the second animation was a *short film* of a 1955 model wearing a Dior dress, illustrating the resulting interaction with a star (**Appendix 2**).

4.6. Variable Descriptions

4.6.1. Manipulation Checks

The manipulation check questions were designed to determine whether the randomized luxury fashion experience was perceived “without technology elements” or “with the presence of AR”. Consisted of 2 items on a 7-point Likert scale (1 - strongly disagree, 7 - strongly agree). After presenting the stimuli scenarios, the mediators and dependent variables were measured in the following order.

4.6.2. Independent Variables

Type of storytelling narrative: Two identical conditions were experimentally manipulated: storytelling narrative without AR vs. storytelling narrative with AR.

4.6.3. Mediators

Flow state: was assessed using the “Two-Dimensional Flow Scale (TDFS)”, adapted from Lavoie et al. (2022), which comprises 4 items on a 7-point Likert scale (1 - strongly disagree, 7 - strongly agree) to assess the level of the participant's involvement. To provide further insight, a scale from Wanzer et al. (2018) titled “Aesthetic Experience” was included, featuring a single item on a 7-point Likert scale (1 - strongly disagree, 7 - strongly agree) to understand participants' satisfaction while immersed in visually appealing in-store environments. A total of 5 items were used on a 7-point Likert scale (1 - strongly disagree, 7 - strongly agree): “I was completely lost in thought when I imagined such an immersive experience”; “The experience demonstrated was the only thing on my mind”; “I had no difficulty concentrating as I envisioned the visual narrative”; “I felt like it was just me and the experience surrounding me”; and “The idea of being part of such a retail experience is rewarding for me because of its creativity and beauty.”.

Emotions (with a focus on emotional curiosity): were measured by using the “Emotions in the Consumption Experience” scale, which was adapted from Richins (1997). This scale consisted

of 5 items, presented on a 7-point Likert scale (1 - 7) and was connected to the negative and positive emotions indicated. “Please indicate the extent to which you believe the following emotions reflect how you feel about the Dior boutique experience.”: Sad – Happy; Bored – Curious; Uninspired – Inspired; Stressful – Peaceful, and Overwhelmed – Amazed. In this way, it was possible to assess the level of intensity that the participants were experiencing when exposed to the stimuli scenarios.

4.6.4. Dependent Variables

Consumer Experience

Perceived Experiential Value: was evaluated using the “Experiential Value Scale”, adopted from Mathwick et al. (2001). In this scale, the following dimensions were measured *Visual Appeal, Entertainment Value, Escapism, Excellence* and *Future Patronage Intent*, composed of 5 items on a 7-point Likert scale (1 - strongly disagree, 7 - strongly agree): “The atmosphere of the store is aesthetically appealing.”; “The luxury brand goes beyond just selling products, it entertains and engages me.”; “Visiting Dior boutique such as the one above, is like being transported to another world.”; “The retail experience at this Dior boutique demonstrates a high level of excellence in meeting consumer expectations.” and “In the future, I look forward to returning to a luxury store that can offer me this kind of experience.”.

Consumer Valuations

Brand Equity: was assessed by using the “Brand Equity” scale, which was adapted from Yoo & Donthu (2001). It aimed to understand how participants’ perceptions of the Dior brand would compare in light of the presented scenarios. It was formulated with 4 items and presented on a 7-point Likert scale (1 - strongly disagree, 7 - strongly agree): “I can recognize Dior among other luxury fashion brands.”; “When I think of Dior, particular characteristics and visual elements quickly come to my mind.”; “I associate Dior with a unique *savoir-faire* and superlative quality.” and “Although there are other luxury fashion brands, I prefer to choose Dior.”.

Purchase Intention: was evaluated to assess the likelihood of participants buying a luxury fashion item and the impact of exposure to the adapted stimuli scenarios from Berens et al. (2005). This was measured on a 7-point Likert scale (1 - extremely unlikely, 7 - extremely likely) using a single item: “Regardless of your financial situation, how likely are you to

purchase a luxury good (e.g., leather wallet, handbag) from Dior based on the experience offered?”.

Willingness to Pay: was assessed using a randomizer function, ranging from a price of €0 to €8,000, with an example of a luxury item: “Regardless of your financial situation, how much would you pay for a fashion item (e.g., a handbag) if a luxury brand like Dior provided such a unique retail experience? Please consider the pricing practices of luxury brands at the retail level.”

Price sensitivity was initially addressed by asking participants to assume a hypothetical financial position in light of the elevated price points associated with luxury fashion items.

4.6.5. Additional Variables

Augmented Reality Experience: was measured by using the “Augmented Reality Experience” scale, adapted from the authors Hilken et al. (2017). In this scale, the following dimensions were measured *Hedonic value*, *Spatial presence*, *Word-of-mouth (WOM) intentions* and *Involvement*, by utilizing 4 items with a 7-point Likert scale (1 - strongly disagree, 7 - strongly agree): “The shopping experience with AR would make me feel connected to the brand in an enjoyable way.”; “It would feel like the products/characters of the story were actually there in the real world.”, “During the AR experience, I would think about how valuable and worthy the fashion pieces are.” and “I would say positive things about the AR experience to other people.”.

The variable was presented to all participants via a storytelling scenario with AR in the form of text, by asking the respondents to envision such an experience through their mobile phone camera. This approach enabled the analysis of their perceptions and the assessment of the value they attributed to a technological experience in luxury fashion retailing (**Appendix 5**).

5. Results and Analysis

5.1. Sampling Characterization

It was essential that participants responded to the demographic questions, to gain a comprehensive understanding of the data collected and the profile of the participants. Therefore, an analysis of the descriptive statistics allowed the characterization of the sample that was exposed to the experimental design (**Appendix 3**). In a total of 137 responses received, the sample size represented 70.80% of female gender, 28.47% of male gender, and 0.73% of respondents who did not disclose their gender. The participants are aged mostly between 18-25 years old (62.27%), followed by 25-34 years old (20.44%) and 45-54 years old (8.03%). Regarding their current occupation, most participants are employed (37.96%), followed by university students (31.39%), student workers (18.98%) and participants that are self-employed (6.57%). Additionally, the majority of respondents own a bachelor's degree (50.36%) and a master's degree (34.31%).

The respondents came from 15 different countries, representing the continents of Europe, Eurasia, North America and South America. However, the majority of respondents are from Europe, with the largest proportion residing in Portugal (70.80%) and the second largest in Germany (10.22%). Regarding individual annual income, 26.28% of the participants have an income between €10.000 and €19.999. The participants who did not disclose this information represented the same percentage. In addition, 21.90% of the participants earns lower than €10.000, while 10.95% have an income between €20.000 and €29.999. Lastly, with respect to the shopping profile, 45.26% of respondents had already purchased a fashion item from a luxury brand, while 35.77% of respondents had never purchased but aspired to do so in the future. Finally, 18.98% of participants have never made a purchase of a luxury fashion item.

5.2. Scale Reliability and Factor Analysis

The scales and respective items measured were based on the findings of reliable academic literature and adapted into the main study. Accordingly, to ensure the validity and rigor of those variables, it was essential to conduct a scale reliability and a factor analysis. In the case of 2-item scales, a bi-variate correlation was performed to analyse the size of the value of Pearson Correlation (r), specifically in relation to the questions regarding the manipulations. The

following analysis evaluates the relationship between the 2-items used (*perceptivity of absence of technology elements vs. the presence of AR*), according to the guidelines of Cohen (1988):

Table 3 – *Bi-variate Correlation: Pearson Correlation*

Variable	Pearson Correlation (<i>r</i>)	Sig (2-tailed)
Manipulations Check	-.55	< .001

In the context of bi-variate correlation, the value of the Pearson correlation (*r*) can vary from -1.00 to 1.00, indicating the strength of a relationship between the two variables, which can demonstrate a perfect positive or a perfect negative correlation. According to Cohen's (1988) guidelines, the manipulations have a perfectly large negative correlation with a (*r*) value of -.55, ranging between -.50 and -1.0 (**Table 3**). By interpreting the results, it's possible to validate the manipulations due to an opposite strength between the two items, as it was intended.

For the above 3-items scales, a factor analysis was conducted with a component extraction analysis and a varimax rotation, for the scales of flow state, emotions, perceived experiential value and brand equity. A single component was extracted from all variables, thereby maintaining the final number of items and allowing the creation of the main variables.

The main variables were subsequently subjected to a scale reliability analysis to assess the value of Cronbach's alpha (**Table 4**). The following coefficient calculates the internal consistency among items, where alpha values greater than .70 can be considered satisfactory and adequate (Cortina, 1993). As illustrated in the table below, the Cronbach's alpha coefficient for the main variables oscillates between .82 and .88, with the variable "perceived experiential value" showing the highest level of internal consistency. Following the preceding analysis, the main variables were transformed and computed, allowing the study to be taken forward with the analysis of the data.

Table 4 – Scale Reliability: Cronbach’s alpha

Variable	Initial number of items	Cronbach’s alpha	Cronbach’s alpha if items deleted	Items deleted	Final number of items
Flow State	5	.82	-	-	5
Emotions	5	.83	-	-	5
Perceived Experiential Value	5	.88	-	-	5
Brand Equity	4	.82	-	-	4

5.3. Manipulation Check Results

Univariate analysis of variance (ANOVA) was also conducted to evaluate the efficacy of the manipulations (*perceptivity of absence of technology elements vs. the presence of AR*) and to assess whether the participants perceived the stimuli scenarios designed in the study, similarly to the analysis of the pilot study.

Table 5 – Manipulation Check 1 in Main Study: Type of Storytelling Narrative

	Type of Storytelling Narrative				
	Storytelling without AR		Storytelling with AR		F-test
	Mean	SD	Mean	SD	
Manipulation Check 1	5.19	1.77	2.97	1.86	51.37***

*Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$*

For the first manipulation check question (*perceptivity of absence of technology elements*), the findings indicated opposite evaluations for the type of storytelling narrative, demonstrating a statistically significant relationship: ($M_{\text{Storytelling without AR}} = 5.19$, $SD = 1.77$ vs. $M_{\text{Storytelling with AR}} = 2.97$, $SD = 1.86$; $F(1, 136) = 51.37$, $p < .001$) (**Table 5**). A higher evaluative response was observed in participants who were exposed to storytelling scenarios without AR.

Table 6 – Manipulation Check 2 in Main Study: Type of Storytelling Narrative

	Type of Storytelling Narrative				
	Storytelling without AR		Storytelling with AR		F-test
	Mean	SD	Mean	SD	
Manipulation Check 2	3.24	1.99	6.13	1.05	114.17***

*Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$*

Regarding the second manipulation check question (*the presence of AR*), a statistically significant difference was also noted between the types of storytelling narratives. Participants exposed to storytelling scenarios with AR demonstrated a higher evaluation in comparison to those without AR: ($M_{\text{Storytelling without AR}} = 3.24$, $SD = 1.99$ vs. $M_{\text{Storytelling with AR}} = 6.13$, $SD = 1.05$; $F(1, 136) = 114.17$, $p < .001$) (**Table 6**).

As previously confirmed with the pilot study, the manipulations were validated and demonstrated that participants properly perceived the two conditions as intended.

5.4. Main Results

Hypothesis 1: The Effect of the Type of Storytelling Narratives

H1: *The type of storytelling narrative with AR has a greater impact on luxury fashion experiences than the storytelling narrative without AR because consumers will benefit from: (H1a) a higher level of perceived experiential value, (H1b) a higher brand equity, (H1c) a higher purchase intention and (H1d) a higher willingness to pay.*

To test the first hypothesis, a multivariate analysis of variance (MANOVA) was conducted to analyse the main effect of the type of storytelling narrative (without AR vs. with AR) on the dependent variables (**Table 7**). The statistical test in question is generally employed with a view to evaluating the effect of single or multiple independent categorical variables upon a single or multiple continuous dependent variables (Fitzmaurice et al., 2009).

MANOVA results show a statistically significant main effect of type of storytelling narrative (without AR vs. with AR) on a single dependent variable: purchase intention ($M_{\text{Storytelling without AR}} = 4.36$, $SD = 1.93$ vs. $M_{\text{Storytelling with AR}} = 5.11$, $SD = 1.74$, $F(1, 136) = 5.81$, $p < .05$). As for perceived experiential value, the results were marginally significant, revealing that storytelling with AR was more positively rated compared to without AR: ($M_{\text{Storytelling without AR}} = 5.42$, $SD = 1.10$ vs. $M_{\text{Storytelling with AR}} = 5.77$, $SD = 1.11$, $F(1, 136) = 3.57$, $p \leq .1$).

No further main effects were obtained for the remainder dependent variables: brand equity ($M_{\text{Storytelling without AR}} = 5.07$, $SD = 1.25$ vs. $M_{\text{Storytelling with AR}} = 5.33$, $SD = 1.05$, $F(1, 136) = 1.72$, $p = .19$) and willingness to pay ($M_{\text{Storytelling without AR}} = 1814.93$, $SD = 1657.06$ vs. $M_{\text{Storytelling with AR}} = 2171.43$, $SD = 1652.15$, $F(1, 136) = 1.59$, $p = .21$).

The findings indicate that storytelling with AR is generally assessed more favourably than storytelling without AR. The main effects were particularly evident for the **(H1a)** perceived experiential value and **(H1c)** purchase intention, where a significant increase was observed in the storytelling scenario with AR during the luxury fashion experience, thereby partially supporting the first hypothesis.

Table 7 – Main effect of Type of Storytelling Narrative in Dependent Variables: One-way MANOVA

Dependent Variables	Type of Storytelling Narrative				
	Storytelling without AR		Storytelling with AR		F-test
	Mean	SD	Mean	SD	
Perceived Experiential Value	5.42	1.10	5.77	1.11	3.57+
Brand Equity	5.07	1.25	5.33	1.05	1.72
Purchase Intention	4.36	1.93	5.11	1.74	5.81*
Willingness to Pay	1814.93	1657.06	2171.43	1652.15	1.59

*Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$*

Hypothesis 2: Mediation of Emotional Curiosity

H2: Emotional curiosity will mediate the relationship between the type of storytelling narrative (without AR vs. with AR) and both consumer experience (perceived experiential value) and consumer valuations (brand equity, purchase intention, and willingness to pay).

Despite emotional curiosity being the research focus, to obtain a more profound comprehension of the emotional impact on participants, a multivariate analysis of variance (MANOVA) was conducted to examine the main effect of the type of storytelling narrative (without AR vs. with AR) on five emotional responses (**Appendix 4**). As expected, emotional curiosity played a significant role, with participants demonstrating higher ratings of curiosity and reduced feelings of boredom when exposed to storytelling with AR. This finding enabled the researcher to

approach the analysis with confidence, and emotional curiosity was solely integrated into the study.

To test the second hypothesis, a regression analysis was conducted using Hayes's (2018, Model 4) PROCESS macro for SPSS, testing for simple mediation of the emotional curiosity. As illustrated by Baron & Kenny (1986), simple mediation occurs when the independent variable influences the dependent variable, with the effect intersected by a third variable called the mediator.

Table 8 – *The mediating role of Emotional Curiosity between Type of Storytelling Narrative and Perceived Experiential Value*

Outcome	Indirect Effect Paths	Indirect Effect	SE	Lower CI	Upper CI
1	Type of Storytelling Narrative → Emotional Curiosity	.55*	.25	.06	1.03
2	Emotional Curiosity → Perceived Experiential Value	.43***	.05	.32	.54
3	Type of Storytelling Narrative → Emotional Curiosity → Perceived Experiential Value	.23	.11	.03	.48
	Direct Effect Path	Direct Effect	SE	Lower CI	Upper CI
4	Type of Storytelling Narrative → Perceived Experiential Value	.12	.16	-.19	.44

Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$

Perceived Experiential Value: Findings show a significant and positive main effect of the type of storytelling narrative on emotional curiosity ($b = .55$, $SE = .25$, $p < .05$, 95% CI = [.06 to 1.03]) and a positive main effect of emotional curiosity on perceived experiential value ($b = .43$, $SE = .05$, $p < .001$, 95% CI = [.32 to .54]).

The resulting direct effect of the type of storytelling narrative on perceived experiential value became insignificant (*direct effect:* $b = .12$, $SE = .16$, $p = .45$, 95% CI = [-.19 to .44]), showing

a full mediating and positive effect of emotional curiosity on the relationship between the type of storytelling narrative and perceived experiential value (*indirect effect: $b = .23$, $SE = .11$, $95\% CI = [.03 \text{ to } .48]$*).

Table 9 – *The mediating role of Emotional Curiosity between Type of Storytelling Narrative and Brand Equity*

Outcome	Indirect Effect Paths	Indirect Effect	SE	Lower CI	Upper CI
1	Type of Storytelling Narrative → Emotional Curiosity	.55*	.25	.06	1.03
2	Emotional Curiosity → Brand Equity	.19**	.07	.06	.32
3	Type of Storytelling Narrative → Emotional Curiosity → Brand Equity	.10	.06	.002	.25
	Direct Effect Path	Direct Effect	SE	Lower CI	Upper CI
4	Type of Storytelling Narrative → Brand Equity	.15	.20	-.23	.54

*Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$*

3rd Lower CI is reported with three decimal places to ensure accuracy in the interpretation of results

Brand Equity: Results show a positive and statistically significant main effect of the type of storytelling narrative on emotional curiosity ($b = .55$, $SE = .25$, $p < .05$, $95\% CI = [.06 \text{ to } 1.03]$) and a positive main effect of emotional curiosity on brand equity ($b = .19$, $SE = .07$, $p < .01$, $95\% CI = [.06 \text{ to } .32]$).

Furthermore, the direct effect of the type of storytelling narrative on brand equity was found to be insignificant (*direct effect: $b = .15$, $SE = .20$, $p = .43$, $95\% CI = [-.23 \text{ to } .54]$*), demonstrating a full mediating and positive effect of emotional curiosity on the relationship between the type of storytelling narrative and brand equity (*indirect effect: $b = .10$, $SE = .06$, $95\% CI = [.002 \text{ to } .25]$*).

Table 10 – The mediating role of Emotional Curiosity between Type of Storytelling Narrative and Purchase Intention

Outcome	Indirect Effect Paths	Indirect Effect	SE	Lower CI	Upper CI
1	Type of Storytelling Narrative → Emotional Curiosity	.55*	.25	.06	1.03
2	Emotional Curiosity → Purchase Intention	.33**	.11	.12	.54
3	Type of Storytelling Narrative → Emotional Curiosity → Purchase Intention	.18	.10	.01	.40
	Direct Effect Path	Direct Effect	SE	Lower CI	Upper CI
4	Type of Storytelling Narrative → Purchase Intention	.58+	.31	-.04	1.19

*Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$*

Purchase Intention: The type of storytelling narrative on emotional curiosity demonstrated a significant main effect ($b = .55$, $SE = .25$, $p < .05$, 95% CI = [.06 to 1.03]), and a positive main effect of emotional curiosity on purchase intention was also discovered ($b = .33$, $SE = .11$, $p < .01$, 95% CI = [.12 to .54]).

The findings indicate that the direct effect of the type of storytelling narrative on purchase intention became non-significant (*direct effect:* $b = .58$, $SE = .31$, $p \leq .1$, 95% CI = [-.04 to 1.19]), suggesting a positive and full mediating effect of emotional curiosity on the relationship between the type of storytelling narrative and purchase intention (*indirect effect:* $b = .18$, $SE = .10$, 95% CI = [.01 to .40]).

Table 11 – The mediating role of Emotional Curiosity between Type of Storytelling Narrative and Willingness to Pay

Outcome	Indirect Effect Paths	Indirect Effect	SE	Lower CI	Upper CI
1	Type of Storytelling Narrative → Emotional Curiosity	.55*	.25	.06	1.03
2	Emotional Curiosity → Willingness to Pay	124.39	98.74	-70.91	319.69
3	Type of Storytelling Narrative → Emotional Curiosity → Willingness to Pay	67.79	66.24	-64.99	203.83
	Direct Effect Path	Direct Effect	SE	Lower CI	Upper CI
4	Type of Storytelling Narrative → Willingness to Pay	288.71	287.26	-279.43	856.86

*Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$*

Willingness to Pay: Findings reveal a significant and positive main effect of type of storytelling narrative on emotional curiosity ($b = .55$, $SE = .25$, $p < .05$, 95% CI = [.06 to 1.03]), but a non-significant main effect of emotional curiosity on willingness to pay ($b = 124.39$, $SE = 98.74$, $p = .21$, 95% CI = [-70.91 to 319.69]).

In contrast to the preceding findings, the direct effect of the type of storytelling narrative on willingness to pay was not statistically significant (*direct effect:* $b = 288.71$, $SE = 287.26$, $p = .32$, 95% CI = [-279.43 to 856.86]). Consequently, emotional curiosity did mediate and exhibited a non-significant indirect effect on the dependent variable willingness to pay (*indirect effect:* $b = 67.79$, $SE = 66.24$, 95% CI = [-64.99 to 203.83]).

In conclusion, the findings indicated that emotional curiosity mediates the relationship between the type of storytelling (without AR vs. with AR) and the perceived experiential value, brand equity, and purchase intention dependent variables. However, mediation was not found to be significant for the dependent variable of willingness to pay. Moreover, the analysis revealed that the storytelling scenario with AR is more favourably evaluated than without AR. In light of these findings, the second hypothesis is partially validated.

Hypothesis 3: Mediation of Flow State

H3: Flow state will mediate the relationship between the type of storytelling narrative (without AR vs. with AR) and both consumer experience (perceived experiential value) and consumer valuations (brand equity, purchase intention and willingness to pay).

In the third hypothesis, another regression analysis was conducted using Hayes's (2018, Model 4) PROCESS macro for SPSS, testing for simple mediation of the flow state.

Table 12 – The mediating role of Flow State between Type of Storytelling Narrative and Perceived Experiential Value

Outcome	Indirect Effect Paths	Indirect Effect	SE	Lower CI	Upper CI
1	Type of Storytelling Narrative → Flow State	.48*	.19	.11	.85
2	Flow State → Perceived Experiential Value	.71***	.06	.59	.83
3	Type of Storytelling Narrative → Flow State → Perceived Experiential Value	.34	.14	.08	.62
	Direct Effect Path	Direct Effect	SE	Lower CI	Upper CI
4	Type of Storytelling Narrative → Perceived Experiential Value	.02	.14	-.25	.29

Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$

Perceived Experiential Value: The impact of the type of storytelling narrative on flow state was found to be positive and significant ($b = .48$, $SE = .19$, $p < .05$, 95% CI = [.11 to .85]), along with a positive main effect of flow state on perceived experiential value ($b = .71$, $SE = .06$, $p < .001$, 95% CI = [.59 to .83]).

Results show a direct effect of the type of storytelling narrative on perceived experiential value to be insignificant (*direct effect:* $b = .02$, $SE = .14$, $p = .91$, 95% CI = [-.25 to .29]), thereby indicating a full mediating and positive effect of flow state on the relationship between the type of storytelling narrative and perceived experiential value (*indirect effect:* $b = .34$, $SE = .14$, 95% CI = [.08 to .62]).

Table 13 – The mediating role of Flow State between Type of Storytelling Narrative and Brand Equity

Outcome	Indirect Effect Paths	Indirect Effect	SE	Lower CI	Upper CI
1	Type of Storytelling Narrative → Flow State	.48*	.19	.11	.85
2	Flow State → Brand Equity	.38***	.08	.22	.55
3	Type of Storytelling Narrative → Flow State → Brand Equity	.18	.09	.04	.37
	Direct Effect Path	Direct Effect	SE	Lower CI	Upper CI
4	Type of Storytelling Narrative → Brand Equity	.07	.19	-.30	.45

*Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$*

Brand Equity: Findings demonstrated that the main effect of type of storytelling narrative on flow state was positive and statistically significant ($b = .48$, $SE = .19$, $p < .05$, 95% CI = [.11 to .85]). Moreover, flow state demonstrated to have a positive and notably significant main effect on brand equity ($b = .38$, $SE = .08$, $p < .001$, 95% CI = [.22 to .55]).

The analysis of the data indicates that the type of storytelling narrative had no significant direct effect on brand equity: (*direct effect*: $b = .07$, $SE = .19$, $p = .69$, 95% CI = [-.30 to .45]), and full mediating and positive effects of flow state were obtained on the relationship between the type of storytelling narrative and brand equity (*indirect effect*: $b = .18$, $SE = .09$, 95% CI = [.04 to .37]).

Table 14 – *The mediating role of Flow State between Type of Storytelling Narrative and Purchase Intention*

Outcome	Indirect Effect Paths	Indirect Effect	SE	Lower CI	Upper CI	
1	Type of Storytelling Narrative → Flow State	.48*	.19	.11	.85	
2	Flow State → Purchase Intention	.78***	.13	.53	1.03	
3	Type of Storytelling Narrative → Flow State → Purchase Intention	.38	.16	.09	.72	
		Direct Effect Path	Direct Effect	SE	Lower CI	Upper CI
4	Type of Storytelling Narrative → Purchase Intention	.38	.28	-.18	.94	

*Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$*

Purchase Intention: Results identified a significant and positive main effect of the type of storytelling narrative on flow state ($b = .48$, $SE = .19$, $p < .05$, 95% CI = [.11 to .85]). Furthermore, a positive and main effect of flow state on purchase intention ($b = .78$, $SE = .13$, $p < .001$, 95% CI = [.53 to 1.03]) was also obtained.

The direct effect of the type of storytelling narrative on purchase intention was found to be non-significant (direct effect: $b = .38$, $SE = .28$, $p = .18$, 95% CI = [-.18 to .94]), highlighting the flow state full mediating effect between the type of storytelling narrative and purchase intention (indirect effect: $b = .38$, $SE = .16$, 95% CI = [.09 to .72]).

Table 15 – The mediating role of Flow State between Type of Storytelling Narrative and Willingness to Pay

Outcome	Indirect Effect Paths	Indirect Effect	SE	Lower CI	Upper CI
1	Type of Storytelling Narrative → Flow State	.48*	.19	.11	.85
2	Flow State → Willingness to Pay	127.42	129.13	-127.98	382.83
3	Type of Storytelling Narrative → Flow State → Willingness to Pay	61.07	72.99	-77.47	219.37
	Direct Effect Path	Direct Effect	SE	Lower CI	Upper CI
4	Type of Storytelling Narrative → Willingness to Pay	295.43	289.50	-277.16	868.02

*Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$*

Willingness to Pay: The type of storytelling narrative shows a significant and positive main effect on flow state ($b = .48$, $SE = .19$, $p < .05$, 95% CI = [.11 to .85]). However, a negative main effect of flow state is shown in relation to willingness to pay ($b = 127.42$, $SE = 129.13$, $p = .33$, 95% CI = [-127.98 to 382.83]).

Results indicate a non-statistically significant direct effect of the type of storytelling narrative on willingness to pay (*direct effect:* $b = 295.43$, $SE = 289.50$, $p = .31$, 95% CI = [-277.16 to 868.02]) and a non-significant indirect effect of flow state on the relationship between the type of storytelling narrative and willingness to pay (*indirect effect:* $b = 61.07$, $SE = 72.99$, 95% CI = [-77.47 to 219.37]).

Consistent with previous findings, the results show that flow state mediates the relationship between the type of storytelling (without AR vs. with AR) and the perceived experiential value, brand equity, and purchase intention, excluding willingness to pay, which partially supports the third hypothesis.

Hypothesis 4: Sequential Mediation of Emotional Curiosity and Flow State

H4: *The effect of the type of storytelling narrative (without AR vs. with AR) on both consumer experience (perceived experiential value) and consumer valuations (brand equity, purchase intention and willingness to pay), will be sequentially mediated by emotional curiosity and flow state.*

A regression analysis was conducted using Hayes's (2018, Model 6) PROCESS macro for SPSS to test the fourth hypothesis, which tested for sequential mediation of emotional curiosity and flow state. Sequential mediation occurs when a chain of mediators mediates an independent variable's effect on a dependent variable (Preacher & Hayes, 2008).

Results indicate the presence of a positive and significant main effect of emotional curiosity on flow state ($b = .42$, $SE = .06$, $p < .001$, $95\% CI = [.31 \text{ to } .53]$), thereby validating the proposed relationship between the two mediators. As predicted, findings show full sequential mediating effects of the type of storytelling narrative (without AR vs. with AR) on consumer experience and consumer valuations through emotional curiosity (M1) and flow state (M2), namely on: perceived experiential value ($b = .13$, $SE = .07$, $95\% CI = [.01 \text{ to } .28]$), brand equity ($b = .08$, $SE = .05$, $95\% CI = [.01 \text{ to } .19]$), and purchase intention ($b = .18$, $SE = .09$, $95\% CI = [.02 \text{ to } .38]$), except for willingness to pay ($b = 12.54$, $SE = 46.38$, $95\% CI = [-83.18 \text{ to } 112.48]$) (**Table 19**).

In summary, these findings demonstrate valuable insights concerning the sequential mediation effect of emotional curiosity and flow state between the type of storytelling (without AR vs. with AR) and the perceived experiential value, brand equity and purchase intention. Consequently, the results partially validate the fourth hypothesis (**Table 16, 17 and 18**).

Table 16 – *The sequential mediating role of Emotional Curiosity and Flow State between Type of Storytelling Narrative and Perceived Experiential Value*

Outcome	Indirect Effect Paths	Indirect Effect	SE	Lower CI	Upper CI
1	Emotional Curiosity → Flow State	.42***	.06	.31	.53
2	Type of Storytelling Narrative → Emotional Curiosity → Flow State → Perceived Experiential Value	.13	.07	.01	.28
Direct Effect Path		Direct Effect	SE	Lower CI	Upper CI
3	Type of Storytelling Narrative → Perceived Experiential Value	-.02	.13	-.28	.24

*Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$*

Table 17 – *The sequential mediating role of Emotional Curiosity and Flow State between Type of Storytelling Narrative and Brand Equity*

Outcome	Indirect Effect Paths	Indirect Effect	SE	Lower CI	Upper CI
1	Emotional Curiosity → Flow State	.42***	.06	.31	.53
2	Type of Storytelling Narrative → Emotional Curiosity → Flow State → Brand Equity	.08	.05	.01	.19
Direct Effect Path		Direct Effect	SE	Lower CI	Upper CI
3	Type of Storytelling Narrative → Brand Equity	.07	.19	-.31	.44

*Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$*

Table 18 – The sequential mediating role of Emotional Curiosity and Flow State between Type of Storytelling Narrative and Purchase Intention

Outcome	Indirect Effect Paths	Indirect Effect	SE	Lower CI	Upper CI
1	Emotional Curiosity → Flow State	.42***	.06	.31	.53
2	Type of Storytelling Narrative → Emotional Curiosity → Flow State → Purchase Intention	.18	.09	.02	.38
	Direct Effect Path	Direct Effect	SE	Lower CI	Upper CI
3	Type of Storytelling Narrative → Purchase Intention	.38	.29	-.19	.95

*Note: ***p < .001, **p < .01, *p < .05, +p ≤ .1*

Table 19 – The sequential mediating role of Emotional Curiosity and Flow State between Type of Storytelling Narrative and Willingness to Pay

Outcome	Indirect Effect Paths	Indirect Effect	SE	Lower CI	Upper CI
1	Emotional Curiosity → Flow State	.42***	.06	.31	.53
2	Type of Storytelling Narrative → Emotional Curiosity → Flow State → Willingness to Pay	12.54	46.38	-83.18	112.48
	Direct Effect Path	Direct Effect	SE	Lower CI	Upper CI
3	Type of Storytelling Narrative → Willingness to Pay	275.21	290.77	-299.92	850.34

*Note: ***p < .001, **p < .01, *p < .05, +p ≤ .1*

6. Discussion

The findings reveal interesting effects. The first hypothesis showed a statistically significant difference between the type of storytelling narrative (without AR vs. AR). The storytelling narrative with AR had a more pronounced impact on purchase intention (**H1c**) and marginally significant on perceived experiential value (**H1a**). Nonetheless, the results showed no significant effects on brand equity or willingness to pay. Further, the second hypothesis aligned with initial predictions. Emotional curiosity had a significant indirect effect between the type of storytelling narrative (without AR vs. with AR) and consumer experience and valuations. Once again, the effect did not manifest in willingness to pay, but this time, there was a notable impact on brand equity. These findings support the essential role of emotions in storytelling while also calling for further analysis of emotional curiosity and its effects on consumers. The third hypothesis further analysed the mediating role of the flow state, which also showed a significant indirect effect between the types of storytelling narratives and the dependent variables, with willingness to pay once again failing to demonstrate significant evidence.

Finally, the fourth hypothesis corroborated sequential mediation predictions. The mediating effects of emotional curiosity and flow state were also found to influence the relationship between the types of storytelling narratives and dependent variables, except for willingness to pay. In other words, when participants felt more emotionally curious, they became more involved and immersed in a flow state. This, in turn, positively and significantly influenced the consumer experience and both brand equity and purchase intentions. Overall, the findings indicate that storytelling involving AR has an enhancement impact, demonstrating that incorporating this technology into luxury fashion experiences should be considered, as it enhances psychological processes and, consequently, the consumer experience and their valuations.

7. Conclusion and Implications

This study aimed to investigate the influence of storytelling narratives (without AR vs. with AR) on consumer experience and valuations in luxury fashion retail. Moreover, the sequential mediating effects of emotional curiosity, as an antecedent of flow state, is explored in this study.

The findings for RQ1 confirmed that storytelling with AR significantly enhances the consumer experience, with a marginally significant impact on perceived experiential value (**H1a**). These results demonstrate the potential of AR as a strategic tool for luxury fashion brands to amplify emotional engagement and strengthening consumer connections.

Regarding RQ2, the effects of storytelling with AR was partially approved by the **H1**. Purchase intention was the single consumer valuation found to be impactful between both storytelling scenarios. Brand equity and willingness to pay were not found to be significant, although the results were positive in both traditional contexts and technology contexts. This means that immersive visual narratives and AR experiences have indeed positive effects on consumer's brand valuations. Despite the visible impact on purchase intention, there's have no significant differences regarding brand equity and willingness to pay between type of storytelling scenarios (without AR vs. with AR).

Lastly, when addressing RQ3, the mediating role of emotional curiosity and flow state further revealed its significant indirect effects on consumer experience and valuations, both in **H2** and **H3**. It was also found that participants who experienced greater emotional curiosity were more likely to immerse themselves in a flow state, which positively influenced purchase intention, brand equity, and perceived experiential value, as previously confirmed in **H4**.

The results of the study suggest new findings in the context of the role of curiosity in activating the customer sense of involvement – flow state – regarding luxury experiential retail. The present dissertation proves the significant impact of these psychological processes on enhancing consumers' experience and valuations in AR storytelling contexts.

7.1. Theoretical Implications

The present dissertation contributes to the academic literature by providing a comprehensive analysis of how storytelling integrated with AR can enhance retail experiences in the luxury fashion industry. It fills gaps in existing research that often addresses storytelling and AR with

attitudinal and learning processes (Sung et al., 2022, van Berlo & Stikos 2023), extending insights into the consumer experience and valuation outcomes. The findings reveal that storytelling through AR significantly improves retail experiences by fostering deeper emotional connections, enhancing brand experience, and encouraging purchasing intentions, while enhancing brand equity. This supports prior research on narrative transportation (Kim et al., 2016) and emotional engagement derived from stories (Hamby & Jones, 2022), while complementing these insights to the luxury retail environment (Dion & Arnould, 2011). The thesis further contributes to the literature regarding the impact of technology-enhanced store experiences (Grewal et al., 2020; Grewal et al. 2018; Grewal & Stephen 2019; Tong et al., 2020; Hagtvedt & Chandukala, 2023) and the role of AR in creating memorable moments for customers to connect with brands (Roggeveen et al., 2021). The author's study focuses on the relationship between the luxury brand and the customer, with a connecting role, rather than on social stratification, which has been the focus of previous research (Kapferer, 2012).

Additionally, the study highlights the vital role of emotions, especially curiosity, in driving consumer engagement. While emotions have been widely recognised as central to storytelling efficacy, curiosity has received limited attention in the context of AR-enhanced storytelling. This research emphasises curiosity as a precursor to the flow state, a psychological condition associated with deep involvement and positive experiences (Csikszentmihalyi, 2014). By exploring how curiosity interacts with AR and storytelling, this dissertation extends previous theories that focused solely on flow state (Kashdan & Silvia, 2009; Barhorst et al., 2021; Agrawal et al., 2022) to a nuanced understanding of the psychological mechanisms underlying luxury fashion retail experiences in the activation of the sense of involvement.

The findings also contribute to the ongoing discussion about the cultural and psychological aspects of visual narratives in luxury branding. The application of visual narratives in this study extends the research of Nikulina et al. (2024) related to imagery, as the created AR videos seemed to enrich the participant's experience and involvement, creating a more immersive and interactive experience across a global audience. Finally, although the Augmented Reality Experience scale was not included in the initial conceptual framework of this study, its potential value is evident from the findings (see **Appendix 5**). The results suggest that an AR experience in luxury fashion retailing can reveal an intention to enjoy connecting with a brand through the use of technology, a heightened perception of the value of fashion products, and an increased intention to engage in positive *word-of-mouth* (Nawres et al., 2024).

7.2. Managerial Implications

The findings of this dissertation have important implications for creative directors, marketing managers and retail specialists operating within the luxury fashion industry. By demonstrating the value of integrating storytelling and AR into retail environments, this research provides actionable insights for creating more engaging and emotionally resonant consumer experiences that offer dreamlike and escapist elements beyond those present in the everyday routines.

Creative directors can draw from the study's emphasis on curiosity and the flow state to create spaces that stimulate consumer engagement and also focus on harmonizing AR elements with the charisma and authentic aura of the self-artist, ensuring that the technology complements the luxury aesthetic experience (Dion & Arnould, 2011). Marketing managers can leverage these insights to design retail strategies that enhance brand storytelling through AR, with a focus on incorporating factors that evoke curiosity, thereby fostering a deeper consumer involvement

Curiosity, as a key driver of attentional focus, should be a central element in the design of AR narratives. As demonstrated in the analysis of the Dior boutique simulated by the author (**see Appendix 2**), AR storytelling experiences that gradually interact with consumers and that reveal brand stories, seamlessly intertwining the connection of the past and the future, can sustain consumer interest and lead to a heightened state of involvement. The findings of this study underscore the potential of AR to serve as a vehicle for fostering positive *word-of-mouth* and forging joyful connections. Consequently, by facilitating the dissemination of these experiences on social media platforms, luxury brands can extend their influence beyond the physical store, reaching a global audience and reinforcing their aspirational image.

8. Limitations and Future Research

While valuable insights were uncovered, it's crucial to consider the study limitations when interpreting the results to guide future research. The sample was predominantly female, aged 18 to 24, and based in Portugal, which may limit generalizability to other age groups, genders, or cultural contexts. Additionally, the relatively modest sample size could impact the statistical robustness of the findings, requiring cautious interpretation. The snowball sampling method may have introduced bias, as the online survey was distributed via the author's professional and social networks and third-party referrals.

Regarding the experimental design, psychological factors like emotional curiosity and flow state might have been affected, as participants completed the survey in uncontrolled environments, potentially facing distractions that interfered with the immersive experience of the stimuli. The use of the Dior brand, known for its strong *haute couture* association, could have introduced preference bias, influencing participant's responses and outcomes.

To address these limitations, future research should incorporate qualitative data to provide an in-depth analysis of participants' emotional and psychological engagement with immersive storytelling technologies. Conducting experiments in more controlled environments would minimize external influences and enhance participant's immersion. Further exploration of in-store atmospherics and aesthetic experiences is recommended, by focusing on how these factors shape consumer perceptions and behaviours in storytelling and AR contexts. Investigating material aspects like ambiance and décor could yield insights into creating compelling physical surroundings while connecting to the virtual scenarios. Lastly, further studies on aspirational consumers are suggested to understand how storytelling and AR align with their motivations in luxury fashion, given their significant role in the industry.

Appendices

Appendix 1 – Pilot Study

On the following page you will be exposed to a scenario concerning a retail boutique of a luxury fashion brand.

Please take your time to observe the ambience of the store and to imagine yourself in the following situation. There are no right or wrong answers, simply be as authentic and genuine as you can.

You can scroll up and down to visualise the presented image better.

When you're ready, please proceed to the next page.

Stimuli Scenarios (Randomized 1.1 – 1.2)

1.1 Storytelling Narrative without Augmented Reality

--- Consider the following scenario ---

You are visiting a Dior boutique.

The ambience of the retail space is characterised by a **festive atmosphere**, reflecting the Christmas season.

The decorations, inspired by the designer *Maria Grazia Chiuri*, feature golden butterflies and trees of life, which leave room for you to engage with the narrative of the space in a creative manner.



1.2 Storytelling Narrative with Augmented Reality

--- Consider the following scenario ---

You are visiting a Dior boutique.

For the Christmas season, the brand is offering an **augmented reality experience** via a mobile application. Upon opening the camera on your mobile phone, you are transported into a alternative space, characterised by a garden of flowers that evoke the brand's identity and descending stars, which reflect the festive season.

A letter from Dior appears for you to open and read.



The letter says: "Dior wishes you a magical season. Follow the stars and discover special moments that are part of our history."

Each star gives you access to **short videos** showing the evolution of Christian Dior's fashion from the 20th century to the present day, related to fall/winter collections. **Imagine you are presented with the following example, when clicking on one star.**



Questions:

Q1: Manipulation Check

Q4a - MC



After looking at the scenario, please indicate how much you agree with the following statements, on a scale from 1 (strongly disagree) to 7 (strongly agree).

	1 - Strongly disagree	2 - Disagree	3 - Somewhat disagree	4 - Neither disagree nor agree	5 - Somewhat agree	6 - Agree	7 - Strongly agree
For me, the following scenario represents a luxury fashion store, with absence of technology elements.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe the following scenario is a luxury fashion experience with augmented reality (interactive technology used in mobile apps that displays virtual elements in the physical world, through images, text, video).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q2: Flow State

Q5a - Flow State



Think about the retail experience you have just visualised and imagined yourself in. Please indicate the extent to which you felt **involved** in the scenario, using a scale from 1 (strongly disagree) to 7 (strongly agree).

	1 - Strongly disagree	2 - Disagree	3 - Somewhat disagree	4 - Neither disagree nor agree	5 - Somewhat agree	6 - Agree	7 - Strongly agree
I was completely lost in thoughts when I imagined such an immersive experience.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The experience demonstrated was the only thing on my mind.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I had no difficulty concentrating, as I imagined the visual narrative.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The idea of being part of such a retail experience is rewarding for me because of its creativity and beauty.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q3-7: Demographics

Q7

What is your gender?

- Female
- Male
- I prefer not to say
- Other:

Q8

What is your age?

- Under 18 years old
- 18 - 24 years old
- 25 - 34 years old
- 35 - 44 years old
- 45 - 54 years old
- 55 - 64 years old
- Over 65 years old

Q9

What is your current occupation?

- High School Student
 - University Student
 - Student Worker
 - Employed
 - Self-employed
 - Unemployed
 - Retired
-

Q10

What is the highest level of education you have completed?

- Less than High School
- High School
- Bachelor Degree
- Master Degree
- Doctoral Degree
- Professional Degree

Q11 | List of Countries

In which country do you currently reside?

Portugal

Q12

What is your household's annual income in the currency Euro?

- Under €10,000
- €10,000 - €20,000
- €20,000 - €30,000
- €30,000 - €40,000
- Over €40,000
- I prefer not to say.

Appendix 2 – Main Study

Introduction

Dear participant,

Welcome and thank you for participating in this study, which aims to understand consumer perceptions and behaviour regarding retail experiences in the luxury fashion industry. This study is part of a Master's Thesis, and your contribution is of great importance to enable the project to reach its final stage.

The survey should take approximately 7 minutes to complete.

The data collected will be kept strictly confidential and will only be used for the purposes of this research. It's therefore important to respond as genuinely as possible to ensure accuracy in the results.

Thank you in advance,
Adriana Marques

Preparation for the Scenario Stimuli

On the following page you will be introduced to a scenario involving a boutique of a luxury fashion brand.

Please take your time to observe the ambience of the store and to imagine yourself in the described situation. There are no right or wrong answers, simply be as authentic and genuine as you can.

You can scroll up and down to visualise the presented image better.

When you're ready, please proceed to the next page.

Randomized Stimuli Scenario of Storytelling without Augmented Reality

You are visiting a Dior boutique.

The atmosphere of the store is festive, reflecting the **Christmas season**. The decorations, inspired by the designer *Maria Grazia Chiuri*, feature golden butterflies and trees of life, which leave room for you to engage with the narrative of the space in a creative manner. Each decorative piece has been designed with attention to detail, following a traditional but contemporary style.



Randomized Stimuli Scenario of Storytelling with Augmented Reality

You are visiting a Dior boutique.

The atmosphere of the store is festive, reflecting the **Christmas season**. The decorations, inspired by the designer *Maria Grazia Chiuri*, feature golden butterflies and trees of life.

For Christmas, the brand is offering an *augmented reality experience*, an innovative technology, via a mobile app. Upon opening the phone camera, you are transported into an alternative space, characterised by a garden of flowers and descending stars that reflect the festive season.

A letter from Dior appears for you to open and read.



The letter reads: "Dior wishes you a magical season. Follow the stars and discover special moments that are part of our history."

Each star opens a short video showing the evolution of Dior's fashion from the 20th century to the present day, demonstrating Fall-Winter collections. **Imagine you clicked on a star.**



Q1: Manipulation Check

Q4a - MC



After looking at the scenario, please indicate how much you agree with the following statements, on a scale from 1 (strongly disagree) to 7 (strongly agree).

	1 - Strongly disagree	2 - Disagree	3 - Somewhat disagree	4 - Neither agree nor disagree	5 - Somewhat agree	6 - Agree	7 - Strongly agree
For me, the following scenario represents a luxury fashion store, without technology elements.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe the following scenario is a luxury fashion experience with augmented reality (innovative technology used via mobile apps, that displays virtual elements in the real world, when using the phone camera).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q2: Flow State

Q5a - Flow State



Think about the retail experience you have just visualised and imagined yourself in. Please indicate the extent to which you felt **involved** in the scenario, using a scale from 1 (strongly disagree) to 7 (strongly agree).

	1 - Strongly disagree	2 - Disagree	3 - Somewhat disagree	4 - Neither agree nor disagree	5 - Somewhat agree	6 - Agree	7 - Strongly agree
I was completely lost in thoughts when I imagined such an immersive experience.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The experience demonstrated was the only thing on my mind.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I had no difficulty concentrating, as I imagined the visual narrative.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I felt like it was just me and the experience surrounding me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The idea of being part of such a retail experience is rewarding for me because of its creativity and beauty.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q3: Emotions

Q6a - Emotions

Please indicate the extent to which you believe the following emotions reflect how you **feel** about the Dior boutique experience.

Sad	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Happy
Bored	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Curious
Uninspired	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Inspired
Stressful	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Peaceful
Overwhelmed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Amazed

Q4: Experiential Value

Q7a - Experi. Value



Please indicate the extent to which you believe the following statements reflect the **value** of the Dior boutique experience, on a scale from 1 (strongly disagree) to 7 (strongly agree).

	1 - Strongly disagree	2 - Disagree	3 - Somewhat disagree	4 - Neither agree nor disagree	5 - Somewhat agree	6 - Agree	7 - Strongly agree
The atmosphere of the store is aesthetically appealing.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The luxury brand goes beyond just selling products, it entertains and engages me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Visiting Dior boutique such as the one above, is like being transported to another world.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The retail experience at this Dior boutique demonstrates a high level of excellence in meeting consumer expectations.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In the future, I look forward to returning to a luxury store that can offer me this kind of experience.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q5: Brand Equity

Q8a - Brand Equity



Reflect on your **perceptions** of the Dior **brand** based on the experience you have just visualised. Please indicate your level of agreement with the following statements, on a scale from 1 (strongly disagree) to 7 (strongly agree).

	1 - Strongly disagree	2 - Disagree	3 - Somewhat disagree	4 - Neither agree nor disagree	5 - Somewhat agree	6 - Agree	7 - Strongly agree
I can recognize Dior among other luxury fashion brands.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When I think of Dior, particular characteristics and visual elements quickly come to my mind.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I associate Dior with a unique savoir-faire and superlative quality.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Although there are other luxury fashion brands, I prefer to choose Dior.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q6: Purchase Intention

Q9a - Purchase Int.



Regardless of your financial situation, how likely are you to **purchase** a luxury good (e.g. leather wallet, handbag) from Dior based on the experience offered, on a scale from 1 (extremely unlikely) to 7 (extremely likely)?

- 1 - Extremely unlikely
 2 - Moderately unlikely
 3 - Slightly unlikely
 4 - Neither likely nor unlikely
 5 - Slightly likely
 6 - Moderately likely
 7 - Extremely likely

Q7: Willingness to Pay (WTP)

Q10a - WTP



Regardless of your financial situation, how much would you **pay** for a fashion item (e.g. handbag) if a luxury brand like Dior provided such a unique retail experience?

Please consider the pricing practices of luxury brands at the retail level.



Q8: Shopping Profile

Q11

We are reaching the final phase! 😊 Please answer the following questions about your shopping preferences and your thoughts on the use of technology in luxury retail experiences.

Luxury Shopping



Have you ever **purchased** a **fashion item** from a luxury brand? (e.g. Chanel, Louis Vuitton, Miu Miu, Bottega, Loewe, Saint Laurent, etc.)

- Yes
 No
 No, but I aspire to in the future.

Q9: Familiarity with Augmented Reality

AR Fam



Luxury brands are increasingly embracing augmented reality, offering customers a differentiated experience that blends the real and the virtual. This is achieved through the use of mobile apps (e.g. Snapchat, exclusive brand apps) that bring the virtual elements to life in the user's phone camera.

How familiar are you with the concept of **augmented reality**, on a scale from 1 (not at all familiar) to 7 (very much familiar)?

- 1 - Not at all familiar 2 - Unfamiliar 3 - Slightly unfamiliar 4 - Neither familiar nor unfamiliar 5 - Slightly familiar 6 - Familiar 7 - Very much familiar

Q10: Augmented Reality Experience

AR Exp



Imagine using this technology in a luxury fashion store, where the brand creates **visual stories** about its heritage or special celebrations, and brings them to life through your phone camera, in the form of videos and captivating animations.

Please indicate the extent to which the following statements reflect your **perceptions** of the **augmented reality (AR)** experience described, on a scale from 1 (strongly disagree) to 7 (strongly agree).

	1 - Strongly disagree	2 - Disagree	3 - Somewhat disagree	4 - Neither agree nor disagree	5 - Somewhat agree	6 - Agree	7 - Strongly agree
The shopping experience with AR would make me feel connected to the brand in an enjoyable way.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It would feel like the products/characters of the story were actually there in the real world.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
During the AR experience, I would think about how valuable and worthy the fashion pieces are.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would say positive things about the AR experience to other people.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q11 – Q16: Demographics

Q15

Almost there! Please answer a few demographic questions about yourself.

Q16

What is your gender?

- Female
 Male
 I prefer not to say
 Other:

Q17

What is your age?

- Under 18 years old
 18 - 24 years old
 25 - 34 years old
 35 - 44 years old
 45 - 54 years old
 55 - 64 years old
 Over 65 years old

Q18
What is your current occupation?

- High School Student
- University Student
- Student Worker
- Employed
- Self-employed
- Unemployed
- Retired

Q19
What is the highest level of education you have completed?

- Less than High School
- High School
- Bachelor Degree
- Master Degree
- Doctoral Degree
- Professional Degree

Q20 | List of Countries
In which country do you currently reside?

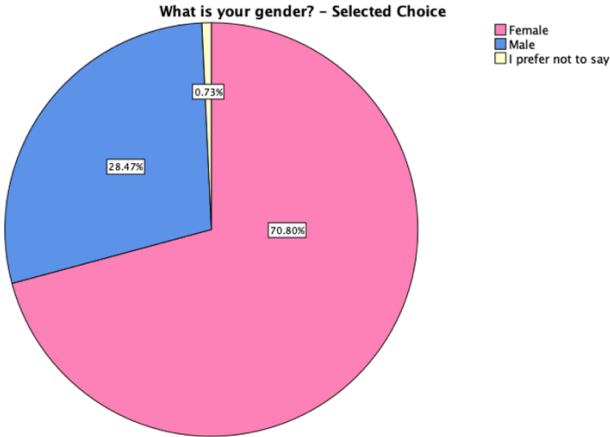
Afghanistan

Q21
What is your current annual income in the currency Euro?

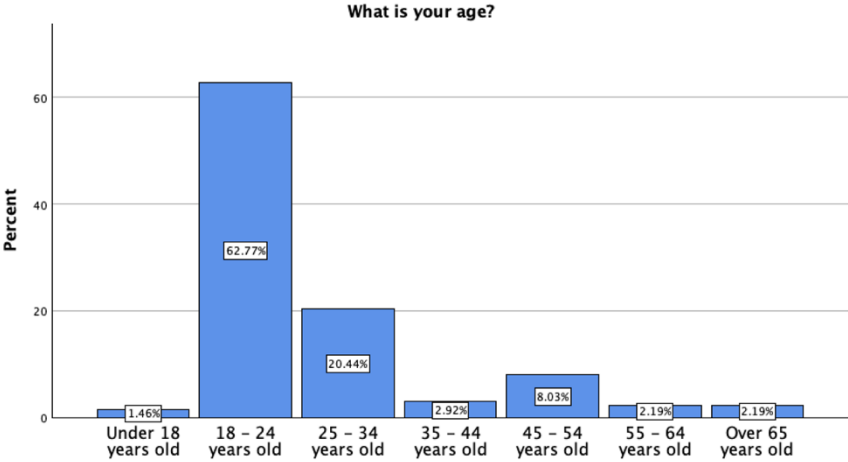
- Under €10,000
- €10,000 - €19,999
- €20,000 - €29,999
- €30,000 - €39,999
- €40,000 - €49,999
- Over €50,000
- I prefer not to say.

Appendix 3 – Sample Characterization

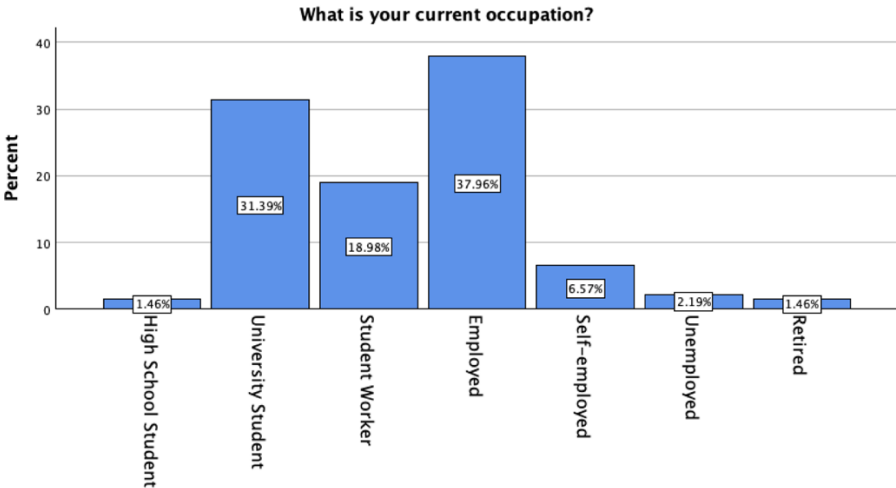
Gender



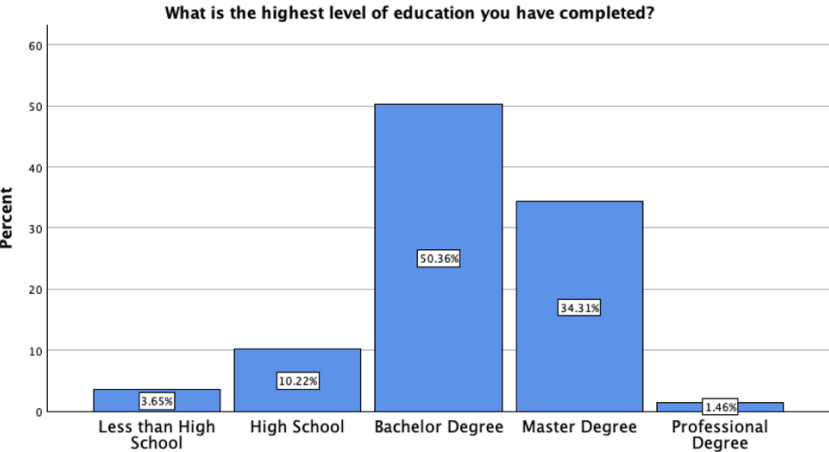
Age



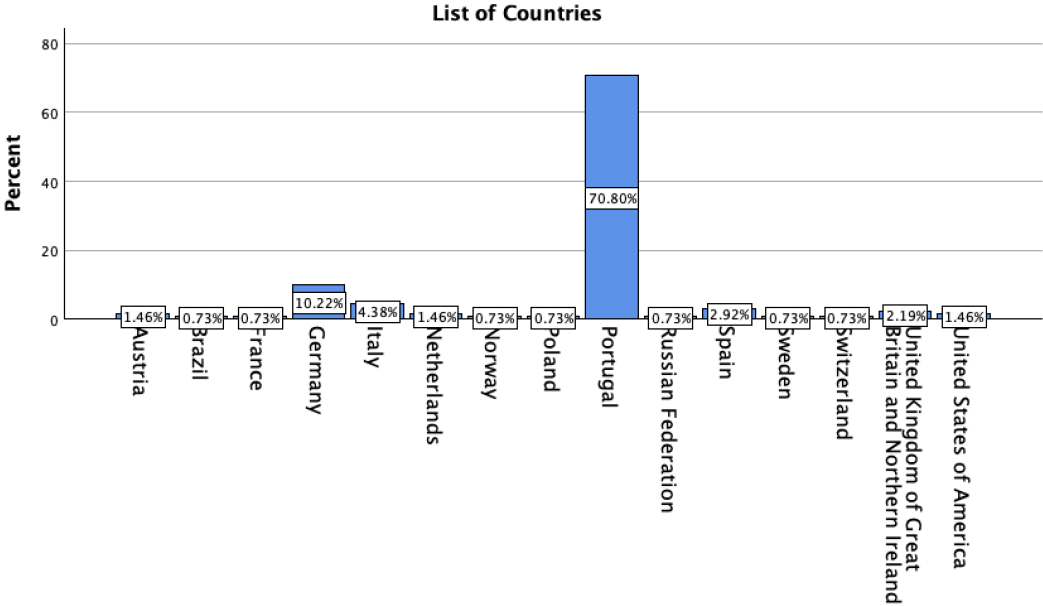
Occupation



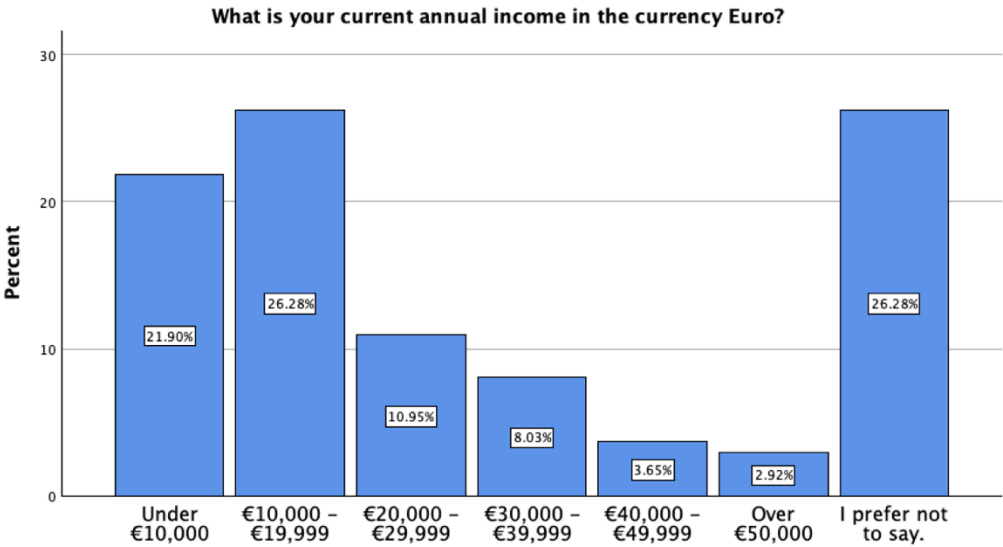
Education



Country

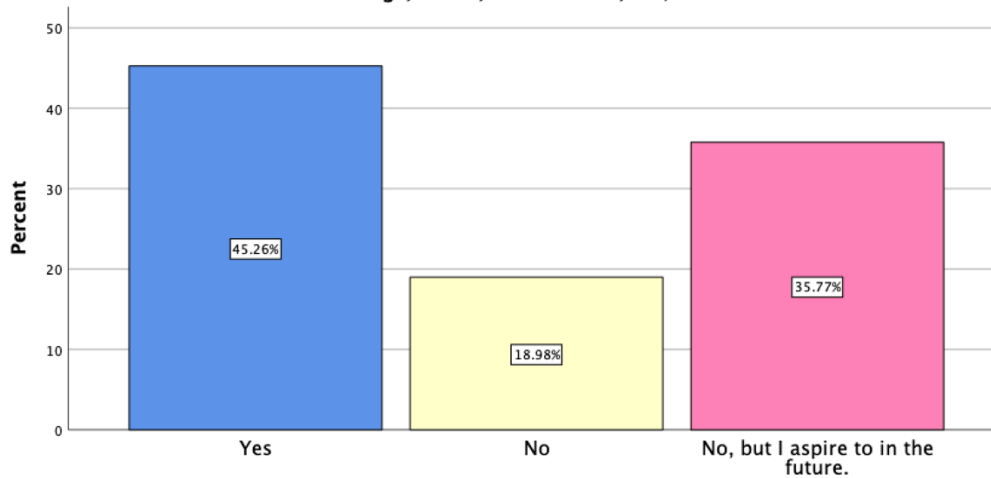


Individual Income (€)



Shopping Profile

Have you ever purchased a fashion item from a luxury brand? (e.g. Chanel, Louis Vuitton, Miu Miu, Bottega, Loewe, Saint Laurent, etc.)



Appendix 4 – Main effect of Type of Storytelling Narrative in Emotions

Emotions: MANOVA results indicate a statistically significant main effect of the type of storytelling narrative (without AR vs. with AR) on a single variable from Emotions: bored-curious ($M_{\text{Storytelling without AR}} = 5.28$, $SD = 1.54$ vs. $M_{\text{Storytelling with AR}} = 5.83$, $SD = 1.34$, $F(1, 136) = 4.91$, $p < .05$) (see Table 20).

Further analysis did not identify any statistically significant main effects in the remaining four variables related to Emotions, such as: sad - happy ($M_{\text{Storytelling without AR}} = 5.79$, $SD = 1.10$ vs. $M_{\text{Storytelling with AR}} = 5.79$, $SD = 1.22$, $F(1, 136) = .001$, $p = .979$), uninspired - inspired ($M_{\text{Storytelling without AR}} = 5.61$, $SD = 1.45$ vs. $M_{\text{Storytelling with AR}} = 5.81$, $SD = 1.41$, $F(1, 136) = .689$, $p = .408$), stressful - peaceful ($M_{\text{Storytelling without AR}} = 5.33$, $SD = 1.62$ vs. $M_{\text{Storytelling with AR}} = 5.40$, $SD = 1.53$, $F(1, 136) = .071$, $p = .790$) and overwhelmed - amazed ($M_{\text{Storytelling without AR}} = 5.34$, $SD = 1.39$ vs. $M_{\text{Storytelling with AR}} = 5.49$, $SD = 1.42$, $F(1, 136) = .352$, $p = .554$).

Despite the overall emotional responses indicating a favourable inclination towards storytelling with AR, the findings suggest that the main effects were predominantly significant for a single variable (boredom-curious), which the author has defined as emotional curiosity. The results indicated a prevalence of higher ratings towards curiosity states, while boredom states received lower ratings and were less significant in the scenarios involving luxury fashion storytelling.

Table 20 – Main effect of Type of Storytelling Narrative in Emotions: One-way MANOVA

Variable Emotions	Type of Storytelling Narrative		Type of Storytelling Narrative		F-test
	Storytelling without AR		Storytelling with AR		
	Mean	SD	Mean	SD	
Sad – Happy	5.79	1.10	5.79	1.22	.001
Bored – Curious	5.28	1.54	5.83	1.34	4.91*
Uninspired – Inspired	5.61	1.45	5.81	1.41	.689
Stressful – Peaceful	5.33	1.62	5.40	1.53	.071
Overwhelmed – Amazed	5.34	1.39	5.49	1.42	.352

Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$

Appendix 5 – Main effect of Type of Storytelling Narrative in Augmented Reality Experience

Augmented Reality Experience: A single component was extracted from the variables, thus maintaining the final number of items and enabling the creation of the main variable (see **Table 21**). The main variable was then subjected to a scale reliability analysis to assess the value of Cronbach's alpha (.88), which demonstrated a stronger level of internal consistency. Following this analysis, the main variables were transformed and computed.

Table 21 – Cronbach's alpha: Factor Analysis of Augmented Reality Experience

Variable	Initial number of items	Cronbach's alpha	Cronbach's alpha if items deleted	Items deleted	Final number of items
Augmented Reality Experience	4	.88	-	-	4

Table 22 – Main effect of Type of Storytelling Narrative in Variables of Augmented Reality Experience:
One-way MANOVA

Variables of AR Experience	Type of Storytelling Narrative				F-test
	Storytelling without AR		Storytelling with AR		
	Mean	SD	Mean	SD	
The shopping experience with AR would make me feel connected to the brand in an enjoyable way	4.72	1.52	5.46	1.40	8.84**
It would feel like the products/characters of the story were actually there in the real world.	4.81	1.54	4.96	1.57	.32
During the AR experience, I would think about how valuable and worthy the fashion pieces are.	4.61	1.51	5.19	1.34	5.54*
I would say positive things about the AR experience to other people.	4.97	1.45	5.57	1.14	7.36**

*Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$*

MANOVA results demonstrated a statistically significant main effect of the type of storytelling narrative (without AR vs. with AR) on three variables of augmented reality experience scale, namely on: “The shopping experience with AR would make me feel connected to the brand in an enjoyable way.” ($M_{\text{Storytelling without AR}} = 4.72$, $SD = 1.52$ vs. $M_{\text{Storytelling with AR}} = 5.46$, $SD = 1.40$, $F(1, 136) = 8.84$, $p < .01$), “During the AR experience, I would think about how valuable and worthy the fashion pieces are.” ($M_{\text{Storytelling without AR}} = 4.61$, $SD = 1.51$ vs. $M_{\text{Storytelling with AR}} = 5.19$, $SD = 1.34$, $F(1, 136) = 5.54$, $p < .05$) and “I would say positive things about the AR experience to other people.” ($M_{\text{Storytelling without AR}} = 4.97$, $SD = 1.45$ vs. $M_{\text{Storytelling with AR}} = 5.57$, $SD = 1.14$, $F(1, 136) = 7.36$, $p < .01$).

In contrast, the variable “It would feel like the products/characters of the story were actually there in the real world.” was not found to be statistically significant between the two conditions: ($M_{\text{Storytelling without AR}} = 4.81$, $SD = 1.54$ vs. $M_{\text{Storytelling with AR}} = 4.96$, $SD = 1.57$, $F(1, 136) = .32$, $p = .57$) (see Table 22).

In summary, the findings indicate that storytelling with AR is evaluated more favourably in comparison to storytelling without AR, although the variable was exposed in a common block for all participants to answer. It's possible to consider that the aforementioned occurrence may be a result of a pre-existing experience with the technology, among individuals who were previously exposed to the condition of storytelling with AR. Furthermore, the study has revealed statistically significant main effects, particularly in relation to the enjoyment of connecting with a brand through the use of technology, a heightened perception of the value of fashion products, and an increased intention to engage in positive *word-of-mouth*, when experiencing a storytelling scenario with AR of a luxury fashion brand.

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