The means and ends of luxury value creation in cruise tourism: A cross-cultural comparison

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Abstract

China's consumer culture has been changing recently owing to the growth of the Chinese middle class, promotion of the Chinese cruise market, and Chinese consumers' emerging interest in pursuing luxury experiences. However, research on luxury consumption has traditionally focused on luxury goods; how luxury value can be created in luxury experience consumption, and what the outcome of luxury value creation may be, remains unknown. Taking cruise tourism as the research context, this study explored the links among cruise experience, luxury value and loyalty. Two survey rounds were conducted in Mainland China and the United States (N=1200). Results reveal a hierarchical structure of cruise experiences, offering a unique perspective compared with conventional investigations of the tourist experience. Moreover, the conceptual model in this study is highly robust across two cultures. The findings also highlight the prominent role of quality perception rather than agentic feeling, in forming consumer loyalty; thus, cruisers appear mostly rational in determining their loyalty.

Keywords

1. Introduction

Despite an optimistic outlook in the global luxury market, this market is facing various challenges due to changing market demands. First, luxury is shifting rapidly from 'having' to 'being,' as consumers are moving from owning luxury products to experiencing luxury services (Park, Reisinger, & Noh, 2010). Consumers' desire for experiences has given rise to the growing demand for luxury travel, thus calling for a better understanding of luxury travel experiences (Hung, Guillet, & Zhang, 2018; Amadeus, 2017). Second, the global increase in middle-class consumers has resulted in a marked trend of luxury brand dilution, wherein upscale items can enter the mainstream market at non-prohibitive prices (Lloyd & Luk, 2010; Amadeus, 2017). In light of these developments, unveiling the perceived luxury value from a mass perspective is imperative to building and maintaining customer loyalty. Third, although luxury demand seems to be weakening in the West, the desire for luxury is increasing in emerging economies such as China (Quach & Thaichon, 2017; Chadha & Husband, 2010). Chinese consumers contribute nearly a third of global luxury market expenditure (McKinsey Company, 2017). The power of China's consumers is expected to increase, and practitioners are keen to uncover the luxury-buying behavior of this lucrative group. However, our understanding of this new luxury market and its differences compared with other cultural groups is insufficient; more research on cross-cultural comparisons concerning luxury value creation through the mass tourist experience is warranted.

Cruise tourism provides an appropriate context in which to investigate the above-mentioned issues. Globally, the size and number of cruise ships are expanding as the number of passengers continues to grow. While the cruise market has been historically dominated by North American customers, cruising has expanded in Asia at an unprecedented rate (CLIA, 2017). China has emerged as the second-largest cruise industry source market in the world, hosting 2.1 million passengers in 2017. Such growth reflects the heightened taste for high-end travel options among Chinese middle-class tourists. Although most cruise lines in China are positioned as mass-market cruise lines, marketers have promoted cruise tourism as a luxury travel product. Mass-market cruise lines are striving to create luxury value (without transforming into luxury lines) by investing in innovations such as advanced technology, high-end facilities, unique dining services, abundant entertainment programs, and custom-designed experiential tours (Lyu, Hu, Hung, & Mao, 2017). For instance, Royal Caribbean has been sending its best and newest ships to China, which can offer up to 4,000 passengers the option to ride bumper cars, participate in simulated skydiving, and take in breathtaking scenery from a room that extends 300 feet above the ocean (Quartz, 2016). Similar to luxury

cruise lines, mass cruise lines can generate a sense of luxury based on consumers' subjective evaluations (Lyu et al., 2017). However, limited empirical work has explored the predictors and outcomes of perceived luxury value for cruise travelers (Hwang & Hyun, 2016). In addition, such studies have tended to focus on individual countries, particularly those in the West.

Therefore, this research aims to (1) investigate the influences of cruise experiences on perceived luxury value; (2) investigate the influence of luxury value on tourist loyalty toward cruise tourism; (3) compare the relationships among cruise experience, luxury value, and loyalty in cruise tourism between Chinese and American tourists; and (4) compare the relationships among cruise experience, luxury value, and loyalty in cruise tourism between first-time and repeat passengers. The results of this study contribute substantially to hospitality theory and practice. First, this study explores the consumption of luxury services in the context of cruise experiences by proposing and testing a hierarchical experience model. Second, this study examines perceived luxury value from the mass perspective and demonstrates relationships between cruise experience, luxury value, and loyalty toward cruise tourism. Third, this study enhances our understanding of China as a new luxury market, therefore enabling cruise management personnel to develop better strategies to profit from the country's rapidly growing and competitive tourism sector.

2. Literature Review

2.1. Luxury value perceptions and their impacts on loyalty

Perceived value is defined as "a consumer's overall assessment of the utility of a product (or service) based on perceptions of what is received and what is given" (Zeithaml, 1988). Compared with general travel products, the appeal of luxury travel may lie in its ability to retain the luxury value of customers' travel experiences (Nueno & Quelch, 1998; Chadha & Husband, 2006), namely because luxury travel products tend to be of high quality (Rucker & Galinsky, 2009) and carry symbolic significance for self-expression (Veblen, 1899). High price and superior quality are common traits of luxury travel (Shukla & Purani, 2012). The signaling motivation of luxury travel can be explained by social comparison theory (Locke, 2003; Wood, 1996). Psychologists have found that people feel good when making downward rather than upward comparisons. Luxury products are positioned around a wealthy, upper-class segment, which enables consumers to signal a high social status. Thus, these products stimulate downward comparison accompanied by a boost in agentic feelings (e.g., feeling

superior to others). The luxury value that customers derive from travel can possess two main features: functional (high-quality perceptions) and emotional (agentic feelings).

Research has illustrated the importance of luxury value in tourist loyalty, which refers to tourists' intentions to revisit a destination and their willingness to recommend it (Chi & Qu, 2008). Perceived quality in terms of accommodations, food, service, and design have been identified as excellent predictors of repurchase intention and brand prestige (Hwang & Han, 2016; Kwortnik, 2008; Teye & Paris, 2010). The considerable influence of agentic feelings in motivating consumers to purchase luxury travel has also been highlighted (Hung & Petrick, 2011; Josiam, Huang, Spears, Kennon, & Bahulkar, 2009). Feeling superior to others is particularly important to tourist loyalty toward luxury travel; upscale tourists who emphasize status are more likely to seek to distinguish themselves from others by purchasing luxury brands (Thye, 2000). On the basis of the aforementioned literature, the following hypotheses are proposed:

H1. Quality perceptions positively influence on loyalty toward cruise tourism.

H2. Agentic feelings positively influence on loyalty toward cruise tourism.

2.2. Cruise experience

The tourism literature has long recognized the experiential nature of tourism activities (MacCannell, 1976). As a subjective mental state, the tourist experience has been conceptualized as a quest for meaning or value (Przeclawski, 2013; Fesenmaier & Zheng, 2017). Recently, empirical research based on theory-embedded models has emerged to construct and measure the underlying dimensions of tourist experiences. According to Pine and Gilmore (1998), consumer experiences can be classified into four types according to their positions on two axes: participation (passive/active) and involvement (absorption/immersion). The resultant forms of consumer experiences are entertainment (passive/absorption), education (active/absorption), escapism (active/immersion), and esthetics (passive/immersion). An entertainment experience refers to tourists participating in an event as observers or listeners (Pine & Gilmore, 1998). Education experiences capture what tourists learn from travel and how it changes their perspective (Petrick, Tonner, & Quinn, 2006; Qu & Ping, 1999). An esthetics experience describes the way tourists interpret and respond to esthetic cues in their travel environments (Kirillova, Fu, Lehto, & Cai, 2014). Escapism experiences help tourists break free from their everyday lives and immerse themselves in a different world (Oh, Fiore, & Jeoung, 2007).

These four consumer experiences comprise a useful lens for examining the tourist experience, and several empirical studies have demonstrated their validity in the cruise context (Hosany & Witham, 2010; Hwang & Han, 2016; Hwang & Hyun, 2015). However, Pine and Gilmore's model interpreted consumer experience from a horizontal and static point of view, without considering the dynamic interplay of experiential components (Richards & Wilson, 2006; Hung, 2018). In recognizing the central role of escapism in experience evolvement, Park, Oh, and Park (2010) found that escapism experiences carry psychological benefits derived from satisfactory education, entertainment, and esthetics experiences. In other words, whereas entertainment, esthetics, and education experiences can be fulfilled by destination offerings (e.g., top-notch entertainment shows, luxury gala dinners, art exhibitions, and novel ports of call), escapism experiences are more likely to result from engaging with other experiential dimensions. This pattern coincides with the hierarchical experience model recently proposed by Hung (2018) in which various levels of the cruising experience were identified (i.e., direct experience, levitated experience, and ultimate experience) and built upon one another. Escapism is a key feature of levitated experience, which is an outcome of internalizing the initial experience of cruising and follows from cruisers' interactions with vacation features such as physical attributes of the cruise ship, services, convenience, contact with nature, and ports of call. Despite the proposed vertical experience model, this viewpoint has not yet been statistically tested, especially in the context of luxury and cruise tourism. Indeed, escapism experiences have long been considered a key dimension of tourist experiences (Crompton, 1979; Iso-Ahola, 1982; Pizam, 2010). The unique nature of escapism experiences is revealed by the concept of liminal space, defined as a place of unknown and a borderland between the mundane and the extraordinary (Turner, 1974; Preston-Whyte, 2004). As a transitional stage different from everyday spaces, a cruise can be construed as a liminal space with promises of novelty, privilege, and fantasy (Yarnal & Kerstetter, 2005). Tourists behave and feel differently during cruise vacations. Furthermore, cruises offer tourists a total escapism experience, such as Vegas-style onboard entertainment, luxurious pampering treatments, quality food and beverages, awe-inspiring esthetics, and exotic destinations (Hosany & Witham, 2010). Therefore, it is plausible to examine tourist experiences from a vertical perspective and treat escapism as an advanced level of experience compared with other experience dimensions. Accordingly, we hypothesize that entertainment, education, and esthetic experiences positively influence escapism experiences in cruise tourism.

H3. Entertainment experiences positively influence escapism experiences.

H4. Education experiences positively influence escapism experiences.

H5. Esthetics experiences positively influence escapism experiences.

2.3. Escapism experiences and luxury value

The extent to which a product creates appropriate experiences for customers determines value perceptions of the product (Smith & Colgate, 2007). This relationship can be explained by the stimulus–organism–response (SOR) model in environmental psychology (Mehrabian & Russell, 1974). The SOR model posits that the environment is a stimulus (S) containing cues that combine to affect people's internal evaluations (O), which in turn create approach or avoidance responses (R). This model has been widely used to investigate consumer experiences and their consequences (Vieira, 2013; Peng & Kim, 2014). In the context of cruise travel, cruise space and activities are stimuli in the travel environment (S) that inform passengers' travel experiences (O). These stimuli tend to shape the perceived value of cruise travel, which is the approach response (R). Despite the importance of escapism experiences in travel, few studies have examined the link between escapism experiences and luxury value. One exception is Hwang and Hyun (2016), who discovered that escapism experiences are an important antecedent of perceived luxury value; however, their study focused solely on American travelers. The understanding of luxury value formation toward cruise travel across Asian markets is lacking. Cruises have become a new mode of travel in Asia, helping people to "get away from it all" (Hung, 2018). With megaships entering China, cruise vacations have offered Chinese guests a superior overseas travel product and introduced a new standard of innovation and excellence in tourism. In addition, the modern and upscale vacation amenities offered on a cruise are often in stark contrast with day-to-day life in China. Such experiences can be used to stand out and may affect tourists' self-concept, signaling social status, power, and wealth (Berger & Ward, 2010). Therefore, cruises offer passengers opportunities to engage in high-quality leisure and form distinctive social identities, which should enhance perceived luxury value (Hwang & Hyun, 2016; Kwortnik, 2006). Accordingly, we propose the following hypothesis:

H6. Escapism experiences positively influence luxury value.

2.4. Cross-cultural comparisons of cruise travel behaviors

Over the last few decades, a growing body of literature has focused on cruise travel behavior; however, insufficient attention has been given to market diversity in terms of geography, demography, culture, and consumption patterns. Many empirical studies have focused on single countries, especially in Western contexts, limiting the applicability of

findings in cross-cultural contexts. The Chinese cruise market profile is similar to the American market in terms of education and household income, although Chinese travelers tend to be younger than American travelers (RCI, 2013). Regarding motivations, Chinese travelers share similarities with their Western counterparts, such as desires for relaxation and an escape from their daily routine. Furthermore, Chinese cruise travelers place great importance on spending time with family and friends (Fan & Hsu, 2014). These patterns may be due to the cultural values of the two nations (i.e., collectivism and individualism) (Mok & Defranco, 2000). Research on cruise services has highlighted the importance of facility-based environmental cues for Chinese cruisers (Lyu et al., 2017). Considering that most Chinese passengers are first-timers, the vastness of megaships is likely to inspire awe and extravagance. In terms of onboard spending patterns, Chinese passengers are more interested in shopping and gambling, whereas Western passengers prefer bars and clubs (Lyu et al., 2017). In an overview of the extant cruise literature, Hung, Wang, Guillet and Liu (2018) found that out of 62 cruise studies published in the top six tourism and hospitality journals, USA was the dominant research location with as many as 40 papers; only one paper focused on cruise tourism in Mainland China despite the rapid growth of the tourism category in this region and its prominent role in Asia Pacific cruise development (CLIA, 2018). A cross-cultural study of China as an emerging market and USA as a mature market will enhance understanding of the dynamics of these two prominent cruise markets. The following hypothesis is proposed in light of the existing literature:

H7. Cruisers' nationality (Chinese vs. American) moderates the relationships among cruise experience, luxury value, and loyalty in cruise tourism.

2.5. Comparison of first-time and repeat tourists

Although tourists may return to a favored destination, their experiences can never be duplicated exactly (Lehto, O'Leary, & Morrison, 2004). Research has acknowledged differences in travel behaviors between first-time and repeat tourists (Morais & Lin, 2010; Lau & Mckercher, 2004). Distinctions include motivations, pre-trip decision-making and planning (Petrick, Li, & Park, 2007; Fuchs & Reichel, 2011), on-site experiences, consumption patterns (Petrick, 2004b; Su & Swanson, 2017), and post-trip evaluations (Huang & Hsu, 2009). However, study results have been somewhat inconsistent (Li et al., 2008). For travel motivation, repeat tourists are more likely to seek relaxation and social needs, whereas first-time tourists are mainly interested in variety and sightseeing (Lehto et al., 2004). In terms of experience, repeat tourists tend to focus more on activity choice sets and

in-depth experiences than new travelers (Oppermann, 1997; Lau & Mckercher, 2004). In addition, repeat visitors are more easily affected by emotional aspects of experiences in a destination compared with new arrivals (Asperen, Rooij, & Dijkmans, 2017). First-time visitors' intentions to patronize a destination are mainly informed by destination image, whereas repeat visitors are primarily driven by destination attachment (Morais & Lin, 2010). Results from a survey of cruise line passengers revealed that quality is the best predictor of repurchase intentions for first-time tourists, whereas perceived value is the best predictor for repeat visitors (Petrick, 2004a). Such differences are thought to be related to "cumulative inertia" (McGinnis, 1968), implying that future revisit behavior is more guaranteed for repeat travelers. Given findings from the literature, the following hypothesis is proposed:

H8. Previous experiences on cruises (first-time vs. repeat passengers) moderate relationships among cruise experience, luxury value, and loyalty in cruise tourism.

2.6. Proposed model

On the basis of this theoretical and empirical background, Figure 1 presents a conceptual model incorporating the eight aforementioned hypotheses.

[Figure 1 near here]

3. Methodology

An online survey was conducted in Mainland China and the United States. For the survey in Mainland China, 800 respondents were included (200 each from Beijing, Shanghai, Guangzhou, and Shenzhen). Locations were chosen based on their top economic positions in the country and city competitiveness. The survey in the United States included 400 respondents. The sample in Mainland China was larger due to the project's overall focus on the Chinese market; thus, a larger budget was allocated for data collection in China due to project requirements. Nevertheless, the sample in the United States was deemed sufficient based on McNamara's (1992) suggestion of using a 384-person sample for any population size. Only respondents with cruising experiences were included in this study given the research purpose. In addition, to assess participants' cruise experiences within a reasonable time frame for memory recall, all participants had taken a cruise vacation within the past 12 months. As cruises are relatively expensive, all respondents were also expected to earn above-average income in their respective cities to match the sample with cruise lines' target market. All participants were required to be 25 years old or older to exclude students and underaged individuals and to include only those with financial viability.

The questionnaire was designed by the research team and incorporated several variables

of interest. Cruising experience was assessed using Hosany and Witham's (2010) measure, which was developed by Oh et al. (2007) based on Pine and Gilmore's (1998) experience economy concept. The measure was tested among cruisers with satisfactory reliability and validity (Oh et al., 2007). The construct of luxury value consisted of two dimensions: agentic feelings and quality perceptions. We captured agentic feelings using three items adopted from Locke (2003) and measured quality perceptions with two items adopted from Fuchs and Diamantopoulos (2012). A 4-item scale was utilized to measure cruiser loyalty, which was modified by Hung and Petrick (2011). Evaluation of study constructs is described in Table III. All items were rated on a 7-point Likert scale with responses ranging from 1 to 7, anchored by strongly disagree and strongly agree. Demographic information, such as age, gender, and educational background, was also collected in each survey.

Survey questions were first presented in English and later translated to Chinese by bilingual researchers proficient in each language. The questionnaire was preliminarily tested on 37 Chinese respondents to refine questions and estimate the completion time. Some revisions were made after the pilot test based on respondents' feedback. Changes mainly concerned the order and wording of questions to enhance the flow of the survey and ensure the meaning of questions was conveyed accurately. The revised questionnaire was subsequently distributed by a reputable survey company with offices in both China and the United States to eligible members in the database The survey company was chosen because of its membership scale and esteemed market research reputation.

Random sampling was performed with qualified members registered in the survey company's database. Two survey rounds were conducted; the first-round survey served as a pilot to test reliability of the measurement scales, and the second-round survey was used to collect main data for hypotheses and model testing. The same sampling criteria were applied in both rounds to match respondents with the target cruise market. In total, 400 usable surveys were collected in China during the first round. Reliability tests revealed that the Cronbach's alpha of all measures was .6 or above (Table 1), considered acceptable at the pilot stage (Netemeyer, Bearden, & Sharma, 2003; Hung & Petrick, 2010). Therefore, the original measures were not modified, and the same set of measures was included in the second-round survey.

[Table 1 near here]

Various statistical methods were employed to examine relationships among the proposed constructs. Demographic information of the sample was summarized using frequencies in SPSS 19.0. Following the two-step procedure proposed by Anderson and Gerbing (1988),

confirmatory factor analysis (CFA) was used to identify the validity of measurement items, and structural equation modeling (SEM) was performed to examine the model fit; each step was completed in Amos 21.0. We did not perform exploratory factor analysis because all latent constructs and measurement items were drawn from prior studies and proven to be acceptable, reliable, and valid.

4. Results

4.1. Respondent demographics

As shown in Table 2, respondents were nearly equally split between men (57.2%) and women (42.8%). The average age of respondents was 35.12 and ranged from 25–70 years old. Most respondents were married with children (81.6%) and employed full-time (84.3%). The majority of respondents (84.9%) held either a university or graduate degree. Regarding cruise frequency, more than half of all respondents (78.4%) were repeat passengers on a cruise vessel, and 21.6% were first-time passengers.

[Table 2 near here]

4.2. Scale validity and reliability

Table 3 summarizes the factor loadings of the constructs. All factor loadings for experience, luxury value, and loyalty were above 0.60, suggesting that these items were reliable indicators of the constructs. In determining the reliability of a construct, a composite reliability (CR) coefficient of 0.70 or above was considered acceptable (Hair et al., 1998). Our results showed that all CR values greatly exceeded the minimum threshold of 0.70, indicating acceptable internal consistency among measurement items. Average variance extracted (AVE) values were then calculated, all of which were above the suggested cutoff of 0.50 (Hair et al., 1998), ranging from 0.68 to 0.82; thus, convergent validity was acceptable. Table 4 lists the bivariate correlations between latent variables. Their squared values were generally smaller than their corresponding AVE values, implying that the model demonstrated adequate discriminant validity (Fornell & Larcker, 1981).

CFA was conducted with the validity sample and revealed the following goodness-of-fit indices: CMIN/DF of 5.820 (χ^2 = 1478.349; df = 254, p < 0.001), NFI of 0.929, CFI of 0.941, and RMSEA of 0.063. The indicators each therefore demonstrated a satisfactory model fit (Hu and Bentler, 1999).

[Table 3 near here]

[Table 4 near here]

4.3. Structural model analysis

This study examines relationships among hierarchical experience, luxury value, and attitudinal loyalty in cruise tourism. Our hypotheses were based on previous studies. The proposed model was tested using SEM after conducting a curve estimation for all relationships. The result of the SEM analysis exhibited a fair model fit, as shown in Figure 2: DMIN/DF = 6.129, NFI = 0.923, TLI = 0.925, CFI = 0.934, and RMSEA = 0.065. These results provide significant support for six out of the seven proposed hypotheses at $p < .01$, except for the path from agentic feeling to attitudinal loyalty. Education, esthetics, and entertainment experiences proved to be significant antecedents of escapism experience and explained 86.7% of the variance. Quality perception was found to exert a significant mediating effect between escapism experience and attitudinal loyalty of Chinese cruisers, explaining 70% of the variance in the latter. Although agentic feeling was significantly affected by escapism experience with 77.6% of its variance explained, it was not a statistically reliable predictor of attitudinal loyalty.

[Figure 2 near here]

4.4. Group comparisons

Invariance tests were used to test the moderating effect of nationality on the relationships among cruise experience, luxury value, and loyalty in cruise tourism. Four nested models were tested in this study: (a) unconstrained, (b) measurement weights, (c) structural weights, and (d) structural covariances. After each test, goodness-of-fit indices were inspected to observe the effects of the imposed constraints.

In terms of nationality, as revealed in Table 1, the chi-square difference test results for all three models were significant ($p < 0.001$), indicating that the imposed constraints significantly impaired each model's fit to the data. Structural models were tested separately on the two groups to compare parameter estimates; results are shown in Table 6. Education and entertainment experiences exerted significant effects on escapism experience, which is a significant antecedent of agentic feeling and quality perception. Consequently, loyalty was found to be the consequence of the latter. No differences were identified between Chinese and American cruise passengers in the path relations presented above. Furthermore, the path from esthetics experience to escapism experience was heterogeneous. A statistically significant influence of esthetics experience to upper escapism experience was found only in Chinese travelers, not American travelers.

Table 5 also presents the test results of the group comparison of previous cruise experiences. Two out of the three models were significant ($p < 0.05$), namely the structural weights and structural covariances. Results of separate tests of the structural models are presented in Table 6. Significant differences were observed in the path from education experience to escapism experience and that from esthetics experience to escapism experience. Specifically, the former was found to be statistically significant in the repeat-passenger groups only and the latter among first-time passengers only.

[Table 5 near here]

[Table 6 near here]

5. Discussion

The objective of this study was to examine potential psychological predictors and outcomes of perceived luxury value in the context of cruise tourism. Supporting our expectations, the findings illustrate the interplay between cruise experience dimensions and highlight the role of escapism experience in luxury value creation. Our results also demonstrate that tourists with high perceptions of luxury value reported increased attitudinal loyalty toward cruise tourism. In addition, similarities and differences were found in the cruise experiences of Chinese and American tourists. The remainder of this section discusses the major contributions of the study.

First, this study extends Pine and Gilmore's (1998) experience theory within the context of cruise tourism. Our study found that cruise travel experiences can be interpreted by the 4E model (escapism, education, entertainment, and esthetics experience), thereby validating the structural dimensions of consumer experiences. Nevertheless, as our measurement scale was mainly based on Pine and Gilmore's (1998) experience framework, a context-specific measurement scale for cruising could be developed from scratch without presumptions around cruising structure, particularly with reference to Chinese cruisers, who constitute a new market in cruise tourism. In addition, previous studies on consumer experiences regarded the four types of experiences as dimensional, without interactions with one another. However, in this study, entertainment, education, and esthetics experiences were considered antecedents of escapism experience and explained 86.7% of its variance. This finding coincides with Park, Oh, and Park's (2010) idea that escapism is an advanced level of experience emanating from satisfactory education, entertainment, and esthetics experiences. Our result can also be explained by Quan and Wang (2004), who suggested that tourism experiences consisted of two parts: a "peak experience," which is distinct from tourists' daily lives, and a "supporting

consumer experience" such as entertainment. Similarly, Qu and Ping (1999) framed tourists' escapism experiences as a summative state of goal achievement in cruise tourism and a performance dimension of a destination. Furthermore, entertainment experience was found to have the strongest positive effect on escapism experience, followed by education and esthetics experiences. This result is consistent with several studies, implying that consumers seek immersive entertainment experiences that promote escapism (Park et al., 2010). From 20 photo-interviews with Chinese cruisers, Hung (2018) developed a hierarchical experience model that provides an alternative perspective on cruising experiences. Additional effort should be devoted to testing which experience structure best suits Chinese cruisers. Nevertheless, this study partially substantiates the hierarchical structure of cruising experiences.

Second, this study enhances the understanding of intricate mechanisms that form luxury value and subsequent customer loyalty. Results showed that escapism experiences provide cruise travelers with agentic feelings and signals of product quality, both of which are central to the appeal of luxury travel. Previous studies have suggested that the tourist experience is an important explanatory factor in the evaluation of perceived value (Oh et al., 2007). For example, Song, Lee, Park, Hwang and Reisinger (2014) reported that escapism experience is a key predictor of functional and emotional values. In this regard, our findings support the literature and extend it by revealing the positive effects of cruise travelers' escapism experiences on luxury value. Furthermore, the present study reveals that quality perceptions positively determine loyalty toward cruise tourism, whereas agentic feelings do not affect loyalty. In other words, repurchase intention around cruise travel originates from the perceived quality of a cruise product rather than the social symbolic meaning of cruising. Aligned with previous literature, this study indicates that for new luxury or mass luxury products, quality reigns as a top factor in luxury value (Lloyd & Luk, 2010). This study also implies that as cruise travel becomes more accessible to Chinese tourists, it will evolve into a less status-relevant but high-quality tourism product.

Third, the present study points out similarities and differences between Chinese and American cruisers in terms of the predictors and outcomes of luxury value. Overall, Chinese and American cruisers appear more similar than different, reflecting the robustness of the model across cultures. One significant structural difference was identified between the two groups: the link between esthetics experience and escapism experience was significant for Chinese but not for American travelers. One explanation for this finding is that compared with American cruisers, Chinese cruisers assign high importance to the esthetic features of

cruise lines as a key factor influencing their overall evaluation of a cruise experience. Park et al. (2010) demonstrated the same relationship in a sample of Korean film festival attendants. Esthetic experience refers to tourists' immersion in a destination environment without affecting or altering its present state (Oh et al., 2007). In an esthetics experience, tourists passively enjoy a destination's appeal. Many sightseeing tourist activities represent such experiences. Cruising typically includes onboard and land experiences; however, the current measurement scale of cruising experience evaluated onboard experiences only, without taking shore excursions into account. Therefore, future studies should incorporate measurement scale development using empirical data to establish a context-specific measure of cruising experiences.

Fourth, this study highlights the difference between first-time and repeat passengers in partaking in cruising experiences. Whereas first-time passengers focus on esthetic experiences, education experiences are more meaningful to repeat passengers in their pursuit of escapism in cruising. This finding coincides with observations from Atsmon, Ducarme, Magni, & Wu (2012) regarding luxury consumption; specifically, new entrants prefer more conspicuous consumption, and experienced luxury shoppers enjoy low-key consumption. This result provides further support to the unique needs and pursuits of travelers with varying extents of prior experience, as suggested in previous studies.

6. Managerial Implications

The results of this study have important practical implications. Cruise lines may employ the hierarchical framework to understand the nature of cruise experiences and design tailored strategies. A total escapism experience offers a promising strategy for marketers, as consumers in this study considered this experiential form an antecedent of luxury value. Entertainment was found to be the most influential predictor of escapism experience; thus, cruise liners should focus on offering appealing and innovative entertainment services. The Sky Pad virtual reality trampoline on Royal Caribbean cruises and Broadway-caliber production shows on Princess Cruises are proof of the significance of entertainment in creating escapism experiences. Education was the second most important predictor of the escapism experience. Travel is truly a type of global education that entails tourists' enthusiasm and active participation (Pine & Gilmore, 1998). Cruise lines should consider hosting themed educational events and programs for art, literature, sports, and music among other forms of entertainment. For example, Costa Cruises launched the Juventus Academy, where youngsters can hone their skills in training sessions and matches led by professionally

trained Juventus coaches. Novel ports of call should also be promoted where travelers can see and learn about different cultures. Esthetics is another important dimension in predicting escapism experience; therefore, cruise liners should create and maintain esthetically pleasing environments.

The results of this study also serve as a warning regarding the loyalty management of mass luxury cruise lines, some of which emphasize conspicuous consumption to ensure that cruisers experience agentic feelings and status elevation. Instead, the influence of quality perception on loyalty implies that the cruise industry should continually strive to provide high-quality products in all aspects. For instance, cabins should be outfitted with high-quality beds, mattresses, and pillows. Well-designed ship facilities should include cutting-edge equipment, and food storage facilities should be carefully managed to maintain product freshness. To provide more personalized services, cruise ships should have high staff-to-guest ratios.

To a certain extent, our findings indicate that Chinese and American cruisers differ in their evaluations of cruise experiences. Cruise management should therefore consider the diverse needs of cruisers from different backgrounds and create more tailored products. Esthetics experience is more relevant for forming an escapism experience among Chinese tourists. Thus, cruise lines serving Chinese patrons should pay more attention to placemaking, which involves ideal space activation with esthetic diversity to evoke different moods around the ship and establish an effective social platform with a balance of interaction and seclusion. These efforts parallel current trends in boutique or lifestyle hotel concepts that leverage art, architecture, and general design elements as differentiators. In addition, as Chinese tourists place high importance on shore excursions (Hung, 2018)—an aspect currently absent from cruising experience measures—cruise lines should highlight unique port destinations through awe-inspiring itineraries.

7. Conclusion

This study adopts customer-dominant logic to examine the role of luxury value in the cruise tourism context and understand the importance of cruise experiences within consumers' value creation process. This research fills a gap in the literature by conducting cross-cultural comparisons between Chinese and American cruise tourists. Thus, findings contribute to the tourism and hospitality field by generating new knowledge about how consumers create luxury value and develop loyalty in the mass luxury travel experience. The key findings and implications of this research suggest that delivering an overall escapism

experience is pivotal for cruise visitors in creating luxury value and developing loyalty toward cruise tourism.

However, the results of the present study are limited by several factors. First, this study focused exclusively on cruise tourism, which restricts the generalizability of the structural model. Future studies could test the model on different tourism venues, such as golf or wine tourism destinations. Second, although this study identified experiential differences between Chinese and American cruise tourists, little is known about the mechanisms underlying cultural differences. Future research could employ qualitative methods to validate our results. Third, the measurement scales used in this study have room for improvement. Our assessment of luxury value was based on a two-dimensional model; subsequent research could include additional aspects of luxury, such as uniqueness and scarcity. The high correlation between experience and luxury value suggests some degree of overlap in the constructs; thus, future investigations should consider using different measures.

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Table 1

Reliability of measurement scales with pilot test data

Measurement scales	Cronbach's alpha
Education experience	*.793*
I learned a lot during this cruise.	
The experience made me more knowledgeable.	
It was a real learning experience.	
It stimulated my curiosity to learn new things.	
Esthetics experience	*.769*
In general, the setting of the ship was attractive.	
In general, the setting of the ships pays close attention to design details.	
It was pleasant just being here.	
I felt a real sense of harmony.	
Entertainment experience	*.841*
The onboard activities were amusing.	
The entertainment was captivating.	
Onboard activities were entertaining.	
Activities onboard were fun.	
Escapism experience	*.809*
I felt I played a different character here.	
The experience let me imagine being someone else.	
I completely escaped from my daily routine.	
I felt like I was in a different time or place.	
Agentic feeling	*.876*
I felt better off than others via cruise travel.	
I felt I had high status via cruise travel.	
I could signal more prestige via cruise travel.	
Quality perception	*.596*
My perception toward the cruise brand is (from generic to luxury).	
My perception toward the quality of the cruise product design is (from low to high).	
Tourist attitudinal loyalty	*.844*
I'll say positive things about cruising to other people.	
I'll intend to cruise in the next 3 years.	
I'll recommend cruising to others.	
I'll encourage friends and relatives to go on a cruise.	

Table 2

Respondent demographics

Variables	CN (N = 800)		US (N = 400)	
	n	%	*n*	%
Gender				
Male	432	54.0	254	63.5
Female	368	46.0	146	36.5
Age				
Under 31	297	37.1	95	23.8
31–45	437	54.6	248	62.0
46–60	64	8.0	34	8.5
Over 60	2	0.3	23	5.7
Job status				
Full-time employed	735	91.9	276	69.0
Part-time employed	50	6.3	82	20.5
Full-time homemaker	9	1.1	18	4.5
Retired	5	0.6	23	5.8
Other	1	0.1	1	0.2
Education				
High school and below	19	2.4	22	5.5
Diploma	115	14.4	25	6.2
Bachelor	578	72.2	101	25.3
Master and above	88	11.0	252	63.0
Marital status				
Married without kids	78	9.8	20	5.0
Married with kids	630	78.8	349	87.3
Single	91	11.3	12	3.0
Other	1	0.1	19	4.7
Past experience on cruise				
Only once	250	31.3	9	2.2
More than once	550	68.7	391	97.8

Note: CN refers to Chinese samples; US refers to American samples.

Table 3

Confirmatory factor analysis for measurement model

Items	Factor loading	Mean	SD	CR	AVE
Education experience					
I learned a lot during this cruise.	.86	5.84	1.060	.91	.72
The experience made me more knowledgeable.	.85	5.94	1.014		
It was a real learning experience.	.86	5.75	1.074		
It stimulated my curiosity to learn new things.	.83	5.85	1.069		
Esthetics experience					
In general, the setting of the ship was attractive.	.83	5.97	.958	.90	.69
In general, the setting of the ships pays close attention to design details.	.85	5.90	.976		
It was pleasant just being here.	.82	5.91	.991		
I felt a real sense of harmony.	.83	5.85	1.019		
Entertainment experience					
The onboard activities were amusing.	.83	5.99	.993	.91	.72
The entertainment was captivating.	.85	5.92	1.004		
Onboard activities were entertaining.	.87	5.97	.955		
Activities onboard were fun.	.85	5.95	.944		
Escapism experience					
I felt I played a different character here.	.85	5.58	1.264	.89	.68
The experience let me imagine being someone else.	.86	5.59	1.282		
I completely escaped from my daily routine.	.73	5.87	1.047		
I felt like I was in a different time or place.	.85	5.76	1.132		
Agentic feeling					
I felt better off than others via cruise travel.	.88	5.63	1.191	.93	.82
I felt I had high status via cruise travel.	.93	5.45	1.314		
I could signal more prestige via cruise travel.	.91	5.47	1.329		
Quality perception					
My perception toward the cruise brand is (from generic to luxury).	.89	5.61	.989	.88	.79
My perception toward the quality of the cruise product design is (from low to high).	.89	5.92	.889		
Tourist attitudinal loyalty					
I'll say positive things about cruising to other people.	.87	5.99	1.004	.91	.72
I'll intend to cruise in the next 3 years.	.77	6.01	1.031		
I'll recommend cruising to others.	.89	6.01	.990		
I'll encourage friends and relatives to go on a cruise.	.86	6.07	.950		

Table 4

Squared correlation matrix and AVE

	EDU	EST	ENT	ESC	AGF	QLP	LOY
EDU	**.72**						
EST	.51	**.69**					
ENT	.56	.63	**.72**				
ESC	.52	.48	.52	**.68**			
AGF	.35	.28	.33	.50	**.82**		
QLP	.28	.32	.36	.29	.22	**.79**	
LOY	.38	.43	.49	.29	.21	.32	**.72**

Notes: [1]Diagonal and bold numbers represent the AVE for each construct; and off-diagonal numbers represent squared correlation values between constructs. All correlations are significant at the 0.01 level (2-tailed). [2]EDU = education experience; EST = esthetics experience; ENT = entertainment experience; ESC = escapism experience; AGF = agentic feeling; QLP = quality perception; LOY = loyalty.

Table 5

Invariance tests for group comparison

Model	χ^2	df	$\Delta\chi^2$	Δdf	p	RMSEA	IFI	CFI
Group comparison of nationality								
Unconstrained	2331.363	530				.053	.913	.913
Measurement weights	2491.344	548	159.980	18	.000	.054	.906	.906
Structural weights	2558.918	555	67.575	7	.000	.055	.903	.903
Structural covariances	2654.987	561	96.069	6	.000	.056	.899	.899
CN group ($N = 800$)	898.862	264				.055	.954	.954
US group ($N = 400$)	1233.432	264				.096	.860	.859
Group comparison of past experience on cruise								
Unconstrained	1987.427	528				.048	.927	.926
Measurement weights	2013.424	546	25.997	18	.100	.047	.926	.926
Structural weights	2030.697	553	17.273	7	.016	.047	.926	.925
Structural covariances	2054.066	559	23.369	6	.001	.047	.925	.924
First-timers ($n = 259$)	564.907	264				.066	.940	.939
Repeat visitors ($n = 941$)	1422.135	264				.068	.922	.922

Note: CN = Chinese group; US = American group

Table 6

Path analysis for group comparison of nationality and past cruise experiences

Path	CN	US	FP	RP
Education experience → Escapism experience	√ **	√ ***	×	√ ***
Esthetics experience → Escapism experience	√ **	×	√ ***	×
Entertainment experience → Escapism experience	√ **	√ ***	√ *	√ ***
Escapism experience → Agentic feeling	√ ***	√ ***	√ ***	√ ***
Escapism experience → Quality perception	√ ***	√ ***	√ ***	√ ***
Agentic feeling → Loyalty	×	×	×	×
Quality perception → Loyalty	√ ***	√ ***	√ ***	√ ***

Note: √ = significant; × = not significant. *** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$.
CN = Chinese group; US = American group; FP = first-time passengers; RP = repeat passengers.
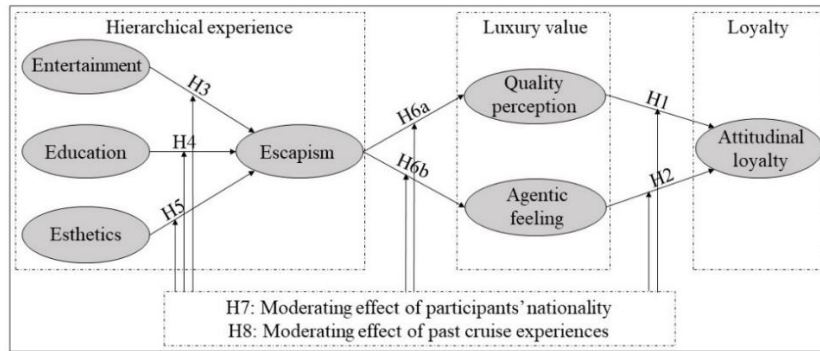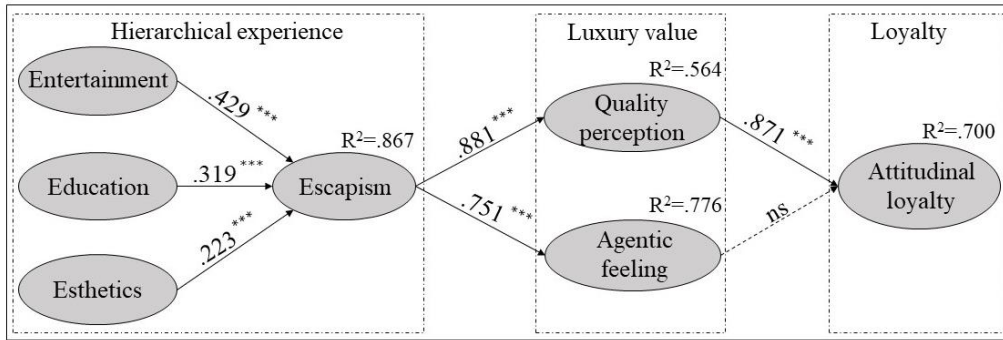
Figure 1. Proposed model

Note: $*** p < 0.001; ** p < 0.01; * p < 0.05.$

Figure II. Structural path coefficients