THE RELATIONSHIP BETWEEN CUSTOMER EXPERIENCES AND CUSTOMER LOYALTY

(A case study CJ CGV Hung Vuong Plaza, Ho Chi Minh City, Vietnam)

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PANEL OF EXAMINERS
APPROVAL SHEET

The Panel of Examiners declares that the Skripsi entitled “THE RELATIONSHIP BETWEEN CUSTOMER EXPERIENCES AND CUSTOMER LOYALTY: A case study of CJ CGV Cinema Hung Vuong Plaza, Ho Chi Minh City, Vietnam” that was submitted by Nguyen Vu Thuc Doan majoring in Management from the Faculty of Business was assessed and approved to have passed the Oral Examinations on January 19th, 2015.

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This Skripsi entitled “THE RELATIONSHIP BETWEEN CUSTOMER EXPERIENCES AND CUSTOMER LOYALTY: A case study of CJ CGV Cinema Hung Vuong Plaza, Ho Chi Minh City, Vietnam” prepared and submitted by Nguyen Vu Thuc Doan in partial fulfillment of the requirements for the degree of Bachelor in the Faculty of Business has been reviewed and found to have satisfied the requirements for a Skripsi fit to be examined. I therefore recommend this Skripsi for Oral Defense.

Cikarang, Indonesia, January 5th, 2015

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DECLARATION OF ORIGINALITY

I declare that this Skripsi, entitled “THE RELATIONSHIP BETWEEN CUSTOMER EXPERIENCES AND CUSTOMER LOYALTY: A case study of CJ CGV Cinema Hung Vuong Plaza, Ho Chi Minh City, Vietnam” is, to the best of my knowledge and beliefs, an original piece of work that has not been submitted, either in a whole or in a part, to another university to obtain a degree.

Cikarang, Indonesia, January 5\textsuperscript{th}, 2015

Nguyen Vu Thuc Doan
ABSTRACT

This research is aimed to determine the relationship between customer experiences and customer’s loyalty in CGV Cinema Hung Vuong Plaza in Ho Chi Minh City, Vietnam. Non-probability design with convenience sampling technique was used to select the sample. The author used quantitative research methodology with multiple linear regression analysis method. The SPSS software was used as a tool to analyze the data. According to the findings, the result of F-test, customer experiences has significant relationship to customer loyalty in CGV Cinema-branch in Ho Chi Minh City, Vietnam or in the other words education experience, entertainment experience, esthetic experience and escapism experience simultaneously influence to customer loyalty. According to the t-test result, entertainment experience, esthetic experience and escapism experience partially influence to customer loyalty in CGV Cinema-branch in Ho Chi Minh City, Vietnam, meanwhile education experience has no significant relationship with customer’s loyalty. The coefficient of determination R² value of the regression model is 0.734 means 73.4% of the variation in customer loyalty as dependent variable is explained by the variation of independent variables education experience, entertainment experience, esthetic experience and escapism experience, whereas the other 26.6% is explained by other factors. CGV should focus more on customer loyalty programs, technology development in order to deliver the great and memorable customer experiences and build a long lasting customers’ loyalty.

Keywords: Customer experiences, education experience, entertainment experience, esthetic experience, escapism experience, customer loyalty.
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CHAPTER I
INTRODUCTION

1.1. Background of the study

In the early of 2000, the problem facing by Vietnamese film industry is less and less people go to cinema. The market is flooded with pirated video tapes. Television screens are filled with cheap, instant-noodle-like serials (Sreshthaputra, 2000). However, in 2003 Vietnam’s film industry is changing quickly, from an old state-run studio system into a more modern industry that began allowing private companies to make movies (Stocking, 2007). In 2006, several difficulties were basically solved. For example, some production companies upgraded their equipment; the stable investment of government for film production, which is about 15 billion Vietnam Dong or in value of 7 hundred thousand US Dollar; international collaboration expanded; and several Vietnamese films participated in international film festivals (Stocking, 2007).

In 2012, Vietnam has been considered to be a very potential film market, especially in Ha Noi and Ho Chi Minh City. According to Mr. Brian Hall- CEO of CJ CGV\(^1\) Co. Ltd Vietnam, average one theater in Vietnam will meet the demand for 450,000 people, meanwhile in the US; one theater will meet the needs of 5,000 people (Vi & Minh, 2014). It proved that Vietnam will become a very potential market that the investors can’t wait to invest in. Vietnam has more than 220 movies theaters. Revenue from film industry increased around 20 to 30 percent each year (VinaResearch, 2012). One of the researches of W&S Online Market Research in Vietnam showed that in Ho Chi Minh City, watching movies in cinema becomes one of the most popular and enjoyable for all ages. With 1,065 participants, every 10 people were surveyed, 5 will say they come to the movie theaters at least 1 time in 2 or 3 previous months.

\(^1\) CGV stands for C: Culture, G: Great, V: Vital
The rapid development in this film industry makes it becomes very competitive and enforces the service providers to ensure a great and memorable experience for the customer. There is the argument that the success of Starbucks is based on creating a distinctive customer experience (Michelli & Joseph, 2007). Toyota’s mission statement is to sustain profitable growth by providing the best customer experience and dealer support or Victoria’s Secret aim to provide customer a great experience across channels (Verhoef & N.Lemon, 2008). Additionally, a recent IBM report identifies customer experience as a key factor for companies to use in building loyalty to brands, channels and services (Badgett, Melody, Boyce, & Kleinberger, 2007). In a competitive environment, the services can be copied, while product quality levels are virtually the same, to gain the competitive advantage it can be done by creating a great customer experiences (Lemke, Wilson, & Clark, 2007). Similarity, CJ CGV Vietnam is now trying to get the loyalty from the customers by creating the memorable customer experiences.

After acquiring No.1 Multiplex cinema in Vietnam “Megastar” in 2011, CJ CGV has shown faster-than-expected growth and profit expansion: with 69 screens at nine multiplexes in operation, it occupied 51% of the nation’s multiplex market. However, at the beginning in 2014 CGV started to change the name “Megastar” to new brand “CJ CGV”, the customers still can’t familiar with the new name since CGV is hard to pronounce, not impressive and elegant like the old name “Megastar” (Thanh, 2014). In addition, the price CGV offered is more expensive compared to other cinema such as Lotte, Galazy, Cinebox, etc. According to the non-consolidate report of CGV financial statement, CGV Vietnam suffered a flat operating loss of W1.8 billion or 1.64 million US Dollar in the first quarter of 2014 (Kim, 2014).

The main focus of this research is about the relationship between customer experiences to customer loyalty because great customer experiences produce great business results and delivering a customer experience that the competitor can’t match (Springer, Azzarello, & Melton, 2011). According to the research of Oracle in Media and Entertainment, 52% of respondents say customers’ experiences
impact their willingness to be loyal advocates and 61% of them said they will switch the brands because of poor experiences. CGV Vietnam plans to open 30 cinemas by 2017, increases its exhibition to 55% and distributions to 70% (CGVpresentation, 2014). In order to achieve its goal, CGV has to build a rich, long-lasting customer relationship. Since features and price can be quickly matched by competitors, customer experience is becoming one of the primary drivers of differentiation and, ultimately, high performance.

Customer experience topic is solidifying its importance in terms of research; receive increasing attention from marketing academics. Moreover, the quality of the paper within the topics of customer experience is reasonably high, with 53% of the articles published in top quality journals (53% of journals include the general accepted levels journal, very good journals in each field and good journal for all research fields that are published in ISI²). The other 47% of journal is not ranked in the ISI website (Ferreira & Teixeira, 2013).

Therefore, the researcher was interest to conduct a research to examine whether creating memorable customer experiences in CJ CGV Vietnam will lead to customer loyalty or not. The research decided to give the title of this research as: “The relationship between customer experiences and customer loyalty: A case study of CJ CGV Cinema Hung Vuong Plaza in Ho Chi Minh City, Vietnam”.

1.2. Problem Identification

In non-consolidated terms, CJ CGV posted a 27.8% year over year decline in operating profit. In the first quarter 2014, operating profit margin fell to 8.3% due to higher costs (labor, rent and building maintenance) and increased concession costs (resulting from rising grain prices) (Kim C.-K., 2014). The Vietnamese subsidiary means CJ CGV Vietnam also suffered a flat operating loss of W1.8 billion or 1.64 million US Dollar.

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² ISI: Web of Knowledge formerly is an academic citation indexing and search service, which is combined with web linking and is provided by Thomson Reuters
In 2017, it plans to open 30 cinemas in Vietnam and increase exhibition to 55%, distribution to 70%. However the increasing of the competitors are Lotte Cinemas and Galaxy, Cinebox, etc. also become big problem for CGV to get the audiences since CGV offers the higher price compare to its competitors. The number of Lotte Cinemas in 2014 is 14; and this number will not stop increasing, the purpose of Lotte is to increase the number of cinemas to be 80 with 600 projection rooms. Galaxy cinemas also received a large amount of investment from Golden Screen Cinemas Malaysia- one of the biggest cinemas in Malaysia. Therefore, the development of Galaxy cinemas will make the other competitor become a new threat (Ngoc, 2014). CGV, with increasing in cinema operation yearly, should not only attract new customers come but also maintain the loyalty of present customers by building a strong customer experiences (CGVpresentation, 2014).

According to Mr. Theodore T.Y. Kim- Cinema Innovation Advisor of CGV Korea: “People still want to go out and enjoy special experiences with their friends and family”; CGV Korea offered multiple entertainment options under one cinema roof by: “Featuring different culture and entertainment at movie theaters
can provide the customers with a refreshing experience beyond just watching movies” (Fuchs, 2013). The key CJ CGV’s successful growth in the Chinese market is its ability to be differentiated from other multiplexes by providing memorable customer experiences with three key word “Cultureplex”, “ScreenX” and “Co-existent cooperation” (Sang-joon, 2014). According to Mrs. Ha Thanh-Country sale manager of CGV Vietnam “Creating memorable customer experience becomes the main strategy to make loyalty customers in CGV”. The successful achievement of CGV Korea and CGV China made CGV Vietnam learns and follows to improve their customer experiences and create great, new and memorable experiences.

In addition, the publication activities on “customer experience” and related concepts have been increasing, mainly in the most recent years (2008-2012), which have achieved broad geographic influence (Ferreira & Teixeira, 2013). Management (17.3%) and business (16.9%) are the subject areas that have been the most influenced by the seminal paper on customer experience. In 19 subject areas with more than 400 journals, it nearly 78 articles about customers experiences in management, 76 articles in areas of business, follow by tourism, sport, leisure and hospitality articles with 56 articles. This figure also expresses the lack of research of customer experiences in field of media and entertainment. Therefore, the research aims to fulfill this gap to contribute to the large amount of research on the customer experience.

1.3. Statement of the problem

Based on the theory of Pine and Gilmore (1999) about customer experiences, the paper addressed to provide the analysis of the relationship between customer experiences and customer loyalty.  

Significantly, it shed to answer the following questions:

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3 Some journals encompass more than one subject areas
1. Is there any significant relationship between education experience and customer loyalty?
2. Is there any significant relationship between entertainment experience and customer loyalty?
3. Is there any significant relationship between esthetic experience and customer loyalty?
4. Is there any significant relationship between escapism experience and customer loyalty?
5. Is there any significant relationship between customer experiences (education experience, entertainment experience, esthetic experience, escapism experience) and customer loyalty?

1.4. Research objectives

The objectives of this research are:

1. To know the relationship between education experience and customer loyalty
2. To know the relationship between entertainment experience and customer loyalty
3. To know the relationship between esthetic experience and customer loyalty
4. To know the relationship between escapism experience and customer loyalty
5. To know the relationship between customer experiences (education experience, entertainment experience, esthetic experience and escapism experience) and customers loyalty

1.5. Definition of terms

Customer experiences: a customer experience is an interaction between an organization and a customer. It is a blend of an organization’s physical performance, the sense stimulated, and emotions evoked, each intuitively
measures against customer expectations across all moments of contact (Shaw, 2005)

**Customer loyalty**: A loyal customer is one who values the relationship with the company enough to make the company a preferred supplier. Loyal customers don’t switch for small variations in price or service, they provide honest and constructive feedback, they consolidate the bulk of their category purchasers with the company, they never abuse company personnel, and they provide enthusiastic referrals. (Pizam, 2010)

**Education experience**: one of the realms in experience economy. Education experiences increases the customer's skills and enhance his/her knowledge through active participation in the experience.

**Entertainment experience**: Entailing watching the activities and/or performance of others. The customer is not actively involved in the creation of the entertainment, but the mind is actively engaged during appreciation of the event.

**Escapism experience**: Escapist experience requires that the customer actively participate in the event of a real or virtual environment. The customer shapes or contributes to the experience, which offers the customer a way of taking on a new business.

**Esthetic experience**: Entailing customer enjoyment of an enriched, unique physical design. The customer enjoys passively appreciating or “just being in a setting” of the business.

### 1.6. Scope and limitation

The theoretical framework adopted from previous research of Ali, Hussain and Ragavan, 2014 which examined the effects of customers experience on both memories and loyalty in Malaysian resort. This research only focuses on the effect of customer experiences to customer loyalty because the main concentration of CGV Vietnam’s strategy now is creating memorable customer experiences to get
loyalty customers. The other factors that can affect customer loyalty are considered to be constant.

Dimensions of customer experiences will be applied in this research are education, entertainment, escapism and esthetic experience which is adapted from Pine and Gilmore (1999); however, there are other dimensions about customer experiences that will not be mentioned in this research.

1.7. Research Benefit

The researcher hope this research can contribute

1.7.1. To the researcher

This research not only fulfills the requirement to be graduated from President University but also it’s become a chance for her to recall all knowledge that she has learn in the areas of Management and also she can implement the knowledge into the real cases. Moreover, the research can have better knowledge about the customer experience management strategy of CJ CGV Vietnam.

1.7.2. To CJ CGV

The researcher hopes this research can help CJ CGV Vietnam well understand about their strengths and weaknesses in managing customer experiences. From that they can create customer loyalty and have a better strategy for future.

1.7.3. To the future researchers

This research can become the material for the future researchers who are interest in strategic management of company and marketing. Based on the research, they can conduct their own in different period of time and different companies.
CHAPTER II
LITERATURE REVIEW

2.1. Theoretical review

Customers nowadays want more than just high quality goods and services; they want value from positive, engaging, memorable experiences along with high quality goods and services (Oh & Jeong, 2007). In their Experience Economy framework, Pine and Gilmore (1999) explained that sources of economic growth in the U.S. have shifted from extracting raw materials, called commodities, from processing the commodities to making goods, then to offering services, and now to staging positive, engaging memorable experiences. According to Pine and Gilmore (1999), there are four dimension of customer experience differentiated by the level and form of customer involvement in business offerings. Consumers are willing to pay a high price for experiences and experience production becomes very profitable. Scholars posit customer experience as a key determinant of customer satisfaction and loyalty. Lewis & Palmer believed that experience has a more significant impact on customer loyalty and word-of-mouth than customer satisfaction (Lewis & N.& Palmer, 2008).

In the literature review, the researcher will develop a theory from explaining customer experience, four dimensions of customer experiences which are education experience, entertainment experience, esthetic experience and escapism experience. Dimensions of each experience will be explained. The second part is customer loyalty definition, type of customer loyalty, loyalty programs and dimension of customer loyalty. The third part, the researcher will explain about the relationship between customer experience and customer loyalty that has already examined by the previous research.
2.1.1. Customer experiences

The concept of the customer experience has entered the marketing lexicon in recent year and has now been accepted by many executives as an integral component of the firm’s value proposition (Kandampully, 2011). Marketers came to the point where they realized that striving for mere customer satisfaction might not be the panacea to create customer loyalty as it was expected to be (Gurski, 2013). The customers will tend to switch to another brand that they satisfy. It requires company to reset strategies: “Provide not only tangible products, but also unforgettable experiences”.

1. Customer experiences definition

The concept of customer experience comes from the book “Experience Economy” by Pine and Gilmore which was published in 1999. The writers have the definition of experience as the chance that appears after commodities, goods, and services. There has been a lot of attention paid in recent years to the customer experience and it represents an important contribution to an expanded view of how relationships develop (Peppers & Rogers, 2010). Customer experience can be defined as perceptions, feelings, and thoughts that customers have when they encounter product and brands in the marketplace and engage in consumption activities as well as the memory of such experiences (Schmitt, 2010). It is an intentional effort on the part of the company to develop and maintain good experience which is differentiated from the competition, consistent at every touch point and most importantly valued by the customer (Joshi, Majumdar, & Malhotra, 2014). Experiences came from an interaction with learning environment and personal construction of knowledge occurs through the interaction between the individual’s knowledge schemes and his or her experiences with the environment (Arroio, 2010). According to Kandampully opinion “Customer experience encompasses every aspect of a company’s offering- the quality of customer care, of course, but also advertising, packaging, product and service features, ease of use, and reliability (Kandampully, 2011). In the opinion of
Gurski customer experience is a method of creating a differential advantage for establishing customer loyalty (Gurski, 2013).

2. **Dimensions of customer experiences**

According to O’sullivan and Spangler an experience involves the participation and involvement of the individual in the consumption; a change in knowledge, skill, memory or emotion (O'Sullivan & Spangler, 1998). Pine and Gilmore (1999) proposed that experiences can be characterized based on two dimensions - the level of customer participation and the environmental relationship level that exits (Pine & Gilmore, 1999).

![Figure 2.1: The four realms of an experience](Source: Pine II and Gilmore, 1999, p.30)

*The level of customer participation* ranges from passive participation; in which customers don’t affect the performance at all, such participants who experience the event as observers or listeners; to active participation where the customer becomes engaged and plays an active part in creating performance or event leads the experience (Donnelly, 2009). *The environmental relationship* refers to the level of connection that is made between the customer and the event or experience and this varies from absorption, where the customer remains remote, to begin immersed, where the customer becomes consumed in the event.
The literature that has cited Pine and Gilmore’s article is of reasonable scientific “quality” as evaluated by the ISI impact factor in which the articles have been published \(^4\) (Ferreira & Teixeira, 2013). Figure 2.2 below shows that 117 articles were published in top-quality journals (AA-B), which represent 53% of total articles (222). A total of 222 articles that cited Pine and Gilmore’s article were published in journals indexed in Scopus Sci Verse. It proved that the literature of Pine and Gilmore is valuable, trust and was published as empirical, discursive and conceptual research. Therefore, this research will choose dimensions of Pine and Gilmore (1999) as the main dimensions of customer experience.

**Figure 2.2: The influence of Pine and Gilmore’s article by journal quality**

![Figure 2.2: The influence of Pine and Gilmore’s article by journal quality](image)

**Sources: (Ferreira & Teixeira, 2013)**

3. **4Es experiences (Education, Entertainment, Esthetic and Escapism experience)**

The experience economy offers four realms of experiential value to add to a business. The 4Es consists of Education, Esthetic, Escapist, and Entertainment experiences (Pine & Gilmore, 1999). The four experiences vary based on the

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\(^4\) Based on the work of Cruz and Teixeira (2010), journal rankings have been classified as: AA: generally accepted top-level journals, A: very good journals covering economics in general and the top journals in each field; B: good journals for all research fields; C: other journals indexed in ISI; NC: Journals not indexed in ISI. The cut offs value considered as followed: AA: > 3; A: >1.5; B: > 0.3; C: >0.1, and NC: journals that are not ranked (in ISI Web of Knowledge)
customer’s active or passive participation and on absorption or immersion in the experience. An experience is not necessarily solely related to one of the four dimensions. Even if one dimension is emphasized, the experience will often have elements of all four dimensions (Mehmetoglu & M. & Engen, 2011). It is when the customers perceive that they feel, learn, and become immersed by just being there, or do something actively, that all the senses become involved and the experience feels meaningful or extraordinary (Boswijk, Thikssen, & Peelen, 2007)

a)  Educational experiences

Education represents an experience that is absorbed as it happens but also requires active participation such as ski schools and diving (Mehmetoglu & M. & Engen, 2011). Educational experiences involve more active participation in seeking knowledge or enhanced skills. In an online setting, searching actively for information can produce an educational experience. Visitors are expected to increase knowledge and skills in educational events through actively engaging the mind and the body. Educational experiences inherently result in a sense of pleasure, driven by consumers’ pursuit for novelty. Consumers enjoy browsing to obtain information about products; in general, without the goal of purchasing a specific product (Amold & Reynolds, 2003). An education experience actively engages the mind of the consumers intrigues them and appeals to their desire to “learn something new”. Ultimately, consumers should be left with the impression that “I felt I have learnt something”

b)  Entertainment experiences

Entertainment experience involves observation of performance, lead to positive consumer response. In the other words, entertainment experiences are passively absorbed by people via their senses (Bhalla & Anuraag.S, 2010). Entertainment requires that the offerings catch and occupy customer’s attention and readiness. The entertainment experience occurs commonly when customers passively observe activities and/or performances of others including listing to music, watching movies, etc. (Oh & Jeong, 2007). Entertainment is probably one of the
oldest forms of experience and usually involves a passive involvement of the individual.

c) **Esthetic experience**

The esthetics dimension refers to consumers’ interpretation of the physical environment around them (Hosany & Witham, 2009). In esthetic experience, consumers enjoy being passively immersed in an attractive physical or computer-mediated environment. Consumer experiences are generated by physical environment and website design influence pleasure and arousal. The esthetic dimension also involves passive participation, but with a greater depth and immersion with respect to what is seen and experiences. For examples visiting a museum or experiencing the breathtaking scenery of Niagara Falls (Mehmetoglu & Engen, 2011).

d) **Escapist experiences**

An escapist experience can be defined as the extent to which an individual is completely engrossed and absorbed in the activity. Escapist experiences are highly immersive and require active participation. (Hosany & Witham, 2009) Escapist experience offer much deeper immersion for an individual. The person partaking in such an experience becomes completely immersed, actively involved and wants to do activities (Bhalla & Anuraag.S, 2010). Escapism happens when the participant is affecting the actual performances in the real or virtual environment for example, by rafting or paling in casino (Hosany & Witham, 2012). Escapist experience does influence customer’s emotions and satisfaction levels (Mehmetoglu & Engen, 2011).

4. **Dimensions of 4Es experiences**

According to Pine and Gilmore, each experience includes entertainment, educational, escapist and esthetic experience will have two dimensions. The four experiences vary based on the customer’s active or passive participation and on absorption or immersion in the experience. Active- passive participation entails
the level of customer involvement in creation of the experience (Oh & Jeong, 2007). The customer can actively participate in a product trial or passively watch a product demonstration performed by a staff member. Absorption is “occupying customers’ attention by bringing the experience into the mind” and immersion “becoming physically or virtually a part of the experience itself” (Pine & Gilmore, 1999).

Active participation is “where customers personally affect the performance or event that yields the experience”, passive participation is where customers do not directly affect or influence the performance (Pine & Gilmore, 1999). Connecting consumers on a continuum of immersion or absorption, immersion is described as becoming physically or virtually part of the event or performance itself while absorption is engaging the attention of the customers mined.

Passive participation of the customer in an experience offered by the business characterizes the Entertainment and Esthetic dimensions, while active participation characterizes Educational and Escapism experiences. The customer who passively participates in an experiential activity or setting does not directly affect or influence these passively participates in an experiential offering, whereas an active participant will personally affect these activities and settings. The customer typically “absorbs” Entertainment and Educational experiences and “immerses” in Esthetic and Escapist experiences.

2.1.2. Customer loyalty

1. Customer loyalty definition

A loyal customer is one who values the relationship with the company enough to make the company a preferred supplier. Loyal customers don’t switch for small variations in price or service, they provide honest and constructive feedback, they consolidate the bulk of their category purchasers with the company, they never abuse company personnel, and they provide enthusiastic referrals (Reichheld, Kurt, & Kurt, 2002). With the increasing competition in market, customer loyalty
has become a decisive factor in long-term business profits. At its high, customer loyalty connotes the high entry barriers for the competitors to enter the market, significantly contributes to reduction in marketing costs (Bello, 2012).

Developing customer loyalty is not a question of making “un-loyal” customers loyal. Some customer will never be loyal to the company or the competitor. However, the important is to make sure that the company can keep existing customers loyal by giving them more reasons to stay loyal (Brink & Berndt, 2008). In Skrobot opinion, loyalty is not link with repeated purchases, because if customers’ income increase they are able and willing to stay by supplier of goods and don’t go to cheaper competitor. Since they are satisfied, get something in return (economic value) they have more familiar incentive to stay and maybe because they like the firm (Skrobot, 2011). Loyalty as a word of mouth indicator of human behavior, loyal and satisfied customers are able to tell their friends, family, and colleagues about products and companies. Customer acting as a reference is willing to have for the companies. They take their own risk with recommending products or goods.

1. **Types of customer loyalty**

   a. **No loyalty**

   For several reasons, customers do not develop loyalty to certain products or services, since both repeat patronage and relative attachment are low. Generally speaking business should avoid targeting no loyalty buyers because they will never be loyal customers. However, some marketers believe that if a reasonably frequent need for a product/s services exits, potential efforts may increase the relative attachment, and thus customers may switch to another loyalty segment (Grigoroudis & Siskos, 2010).

   b. **Inertia loyalty**

   A low level of attachment coupled with high repeat purchase producer’s inertia loyalty. This customer buys out of habit. It is the “because we have always used
it” or “because it is convenient” type of purchase. In other words, non-attitudinal situational factors are the primary reason for buying. This buyer feels some degree of satisfaction with the company or at least no real dissatisfaction. Thus it is possible to turn inertia loyalty into a higher form of loyalty by courting the customer and increasing the product/service differentiation (Biswas, 2011).

c. **Latent loyalty**

Latent loyalty describes customers who feel positively toward a brand but for a variety of reason, do not buy it (Baran & Galka, 2013). Latent loyalty represents the influence of situational factors or social influences on buying decisions. Despite having a high relative attitude, customers in this category may not purchase a company’s products and services often. Customers with latent loyalty are characterized with low level of repeat patronage despite holding a strong attitudinal preference towards the company. To convert latent loyalty into true loyalty, a company needs to identify the issues faced by its customers and find out ways to tackle them (Rai, 2013).

d. **Premium loyalty**

The most favorable position is signified by repeat patronage based on a strong relative attitude towards the retailer (Zentes, Morschett, & Klein, 2011). True loyalty always encompasses both attitudinal and behavioral loyalty. Attitudinal loyalty comprises the favorable; potentially convert beliefs and attitudes a customer holds about the brand or company, whereas behavioral loyalty refers to overt repeat buying behavior (Krafft & Mantrala, 2010). It is the preferred type of loyalty for all customers and any business. Premium loyalty is achieved when the company has developed and communicated a proposition that clearly has long-term benefits for the customer, and when the customer modifies his/her behavior to remain loyal over time (Grigoroudis & Siskos, 2010).
2. Loyalty programs

According to Broekhuizen & Peelen (1997) loyalty programs are designed to improve customer’s satisfaction and commitment (Zakaria & Ab.Rahman, 2013). Loyalty programs are the programs that reward customers, for their business and encourage repeat business (Group, 2010). Dowing and Uncles (1997) opine that loyalty programs are important in enhancement of the overall value of the product or service as they motivate loyal buyers to make their next purchases (Bose & RAO, 2011). Although a loyalty programs are often costly for firms to initiate and maintain, it also shows the firm’s commitment to establishing a long term relationship with its customers (Lui, 2007).

3. Dimensions of customer loyalty

The conceptualization and measurement of the loyalty concept become more and more complex. According to Jones and Taylor, customer loyalty can be measured into three dimensions which are: behavioral, attitudinal and cognitive (Jones & Taylor, 2007).
a. The behavioral approach

The behavioral approach is related to consumer’s brand loyalty and has been operationally characterized as sequence purchase, proportion of patronage or probability of purchase. This loyalty measurement does not attempt to explain the factors that affect customer loyalty (H., Tsiotsou, & Goldsmith, 2012). Early research efforts focused on behavioral aspects related to brand loyalty constructed as a subset of repeat purchasing and intention to re-purchase (Newlands & Saee, 2009). A company adopting this approach as a basis of loyalty building practices will concentrate solely upon increasing the frequency of revisits by the customers as well as the amount of repurchase made by them. The typical outcomes of behavioral loyalty are positive word-of-mouth and cooperation, as well as a negligible orientation towards switching behavior (Rai, 2013). The behavioral approach has been used by simply measuring behavioral variables to predict a future customers’ purchasing behavior.

Behavioral variables: the behavioral measures of loyalty include purchase frequency, word of mouth, cooperation, and amount of resources invested such as time and money (Rai, 2013).

b. The attitudinal approach

Attitudinal dimension refers to favorable customer intention to repurchase and recommend. It suggests loyalty to be a state of mind, where the customer is considered loyal to a brand or a company if he exhibits a positive and preferential attitude toward it (RAI, 2014). The attitudinal measurements of loyalty use attitudinal data to reflect the emotional and psychological attachment inherent in loyalty. The attitudinal measurements are concerned with the sense of loyalty, engagement, and allegiance (Carev, 2008).

Attitudinal variables: According to Rai (2014), the attitudinal measures of customers’ loyalty include trust, emotional connection and switching cost. Trust as one’s confidence in an exchange partner’s dependability and honesty or the
willingness to rely on an exchange partner one has confident in. Emotional connection involves linking the partner, taking pleasures in the partnership, and experiencing a sense of belongingness to the company. Switching cost has been defined as the time, effort, and expense involved in switching from company to another.

c. The cognitive approach

Cognitive approach basically refers to customer’s belief in the superiority of a particular brand over others (Rai, 2013). It explains loyalty as the conscious of various aspects of a brand or the rewards and benefits of re-patronage intentions.

Cognitive variables: the cognitive measures of loyalty include securing a place on top of mind, being first choice of customer, price tolerance, special consideration among the options available, recognition and identification with the service provider.

2.1.3. The relationship between customer experiences and customer loyalty

Customer experiences were found to have a greater total effect on loyalty intentions and a significant higher positive impact on word-of-mouth behavior than customer satisfaction (Klaus, 2011).

The literature suggests that customer experiences have a relationship with loyalty (Carbone, 2004). Rowley found that the customer and loyalty were inextricably related through quality and satisfaction. With the purpose to examine the relationship between customer experience and customer loyalty within hotel sector in the South East of Ireland. Donnelly (2009) found that there is a significant relationship between customer experience and loyalty. Loyalty-building is found in the customer’s experience with the product or service; hence it is perceived that a fundamental key to build customer loyalty is the successful management of each individual customer’s experience. (Donnelly, 2009), Tung
and Ritchie (2011) stated that a hedonic and entertaining experience that can enhance knowledge of the guests can end up with positive memories and positive behaviors such as revisits and recommendations to friends and family etc. (Tung & Richie, 2011). Oh (2007), Hosany and Witham (2010) also observed a significant relationship between the 4Es and positive memories and loyal behavior of guests in bed, breakfast and cruise ship industry (Oh & Jeong, 2007); (Hosany & Witham, 2010). Results from the study of “Memorable customer experience: examining the effects of customers experience on memories and loyalty in Malaysian resort hotels” indicated that customer experiences with their four dimensions can develop memories of consumers which can ultimately influence their loyalty behaviors (Ali, Hussain, & Ragavan, 2014). The study which supports Pine and Gilmore’s model of four dimensions of experiences stated that the dimensions of education and entertainment do not affect the visitor’s level of satisfaction whereas the dimensions of escapism and esthetics do so in the case of the Ice Music Festival (Mehmetoglu & Engen, 2011).

2.2. Previous Research

Table 2.1: Previous researches

<table>
<thead>
<tr>
<th>No</th>
<th>Year</th>
<th>Author</th>
<th>Title</th>
<th>Key Finding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2014</td>
<td>Faizan Ali; Kashif Hussain; Neethiahnanthan Ari Ragavan</td>
<td>Memorable customer experience: examining the effects of customers experience on memories and loyalty in Malaysian</td>
<td>The study aimed to assets how guests’ memories operate together with multiple dimensions of their experience at resort hotels to develop their loyalty. Structural equation modeling was used to test the hypotheses and the findings revealed that all</td>
</tr>
<tr>
<td>2</td>
<td>2014</td>
<td>Prof. Sujata Joshi, Arnab Majumdar, Archit Malhotra</td>
<td>Enhancing Customer Experience using business intelligence tools with specific emphasis on the Indian DTH Industry.</td>
<td>The research findings based on the satisfaction loyalty grid show that on receiving better experience customers migrate from the vulnerable category to the loyal and satisfied category. This conveys a strong message to the managers that the vulnerable segment needs to be catered so as to increase their experience levels and win their loyalty to make them more valuable to the business, increase the customer base, spread a positive word of mouth and in turn exchange business performance.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>3</td>
<td>2014</td>
<td>Saba Fatma</td>
<td>Antecedents and consequences</td>
<td>The research shows the evolution the concept of customer experience in</td>
</tr>
<tr>
<td>4</td>
<td>2011</td>
<td>Mehmet Mehmetoglu; Marit Engen</td>
<td>Pine and Gilmore’s concept of experience economy and its dimensions: an empirical examination in tourism</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
</tbody>
</table>

The research indicated that Pine and Gilmore’s model can further understanding of the experience market. The finding show that different experiential dimensions influence the visitor’s overall satisfaction in different contexts. Dimensions of escapism have a significant effect on the visitors’ overall satisfaction in the case of the Ice Music Festival. The dimension of education significantly influences the visitors’ satisfaction at the Maibaugen Museum.

Of customer experience management—A literature Review and Research Agenda

Academic literature and the importance of moments of truth. It has highlighted the antecedent which shape customer experience through extensive review of existing literature. Lastly the major consequences are also defined: customer satisfaction, customer loyalty and customer equity.
<table>
<thead>
<tr>
<th>No.</th>
<th>Year</th>
<th>Author(s)</th>
<th>Title</th>
<th>Abstract</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.</td>
<td>2009</td>
<td>Martina Donnelly</td>
<td>Building Customer Loyalty: A customer experience based approach in a tourism context</td>
<td>The main practical implication is that it provides best practice guidelines for building customer loyalty through the customer experience. Indeed, for destination managers it highlights the importance of focusing on each of the experience clues- functional, mechanic and humanic- in order to create the total customer experience, a key determinant in building customer loyalty.</td>
</tr>
<tr>
<td>6.</td>
<td>2009</td>
<td>Sameer Hosany and Mark Witham</td>
<td>Dimensions of Cruiser’s experiences, satisfaction and intention to recommend</td>
<td>Cruisers’ experiences can be represented in terms of four dimensions. Esthetics was the main determinant of experiential outcomes. The entertainment dimension was the second strongest determinant of the outcome variables. Escapism was the least important dimension in estimating memory, arousal satisfaction and intention to recommend. Overall, the four dimensions of cruisers’</td>
</tr>
</tbody>
</table>
2.3. Theoretical Framework

Figure 2.4: Theoretical framework

Source: Adopted from Faizan Ali; Kashif Hussain; Neethiahnanthan Ari Ragavan 2014
### Table 2.2: Operation definition

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
<th>Dimension</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education experience $X_1$</td>
<td>The participant actively participates but in absorption</td>
<td>Absorption, Active participation</td>
<td>(Ali, Hussain, &amp; Ragavan, 2014)</td>
</tr>
<tr>
<td>Entertainment experience $X_2$</td>
<td>Developed when passive absorption is observed by the customer such as watching movies, performance</td>
<td>Absorption, Passive participation</td>
<td>(Oh &amp; Jeong, 2007)</td>
</tr>
<tr>
<td>Esthetic experience $X_3$</td>
<td>Consumer’s interpretation of the physical environment around them</td>
<td>Passive participation, Immersion</td>
<td>(Hosany &amp; Witham, 2012)</td>
</tr>
<tr>
<td>Escapism experience $X_4$</td>
<td>Happen when the participant is affecting the actual performance in the real or virtual environment</td>
<td>Immersion, Active participation</td>
<td>(Hosany &amp; Witham, 2009)</td>
</tr>
<tr>
<td>Customer loyalty $Y$</td>
<td>Customer loyalty in CGV Vietnam</td>
<td>Behavioral approach, Attitudinal approach, Cognitive approach</td>
<td>(RAI, 2014)</td>
</tr>
</tbody>
</table>

Source: Self - constructed
2.5. Hypothesis

Based on the problem statement, there are four independent variables and one dependent variable will be tested and evaluated.

$H_{01}: \beta_1 = 0$ There is no significant relationship between education experience and customer loyalty

$H_{a1}: \beta_1 \neq 0$ There is significant relationship between education experiences and customer loyalty

$H_{02}: \beta_2 = 0$ There is no significant relationship between entertainment experience and customer loyalty

$H_{a2}: \beta_2 \neq 0$ There is significant relationship between entertainment experiences and customer loyalty

$H_{03}: \beta_3 = 0$ There is no significant relationship between esthetic experience and customer loyalty

$H_{a3}: \beta_3 \neq 0$ There is significant relationship between esthetic experiences and customer loyalty

$H_{04}: \beta_4 = 0$ There is no significant relationship between escapism experience and customer loyalty

$H_{a4}: \beta_4 \neq 0$ There is significant relationship between escapism experiences and customer loyalty

$H_{05}: \beta_1 = \beta_2 = \beta_3 = \beta_4 = 0$ There is no significant relationship between customer experience (education experience, entertainment experience, esthetic experience escapism experience) and customer loyalty

$H_{a5}: \text{At least } \beta_i \neq 0$ There is significant relationship between customer experiences (education experience, entertainment experience, esthetic experience escapism experience) and customer loyalty.
CHAPTER III
METHODOLOGY

3.1. Research Design

A research design specifies the methods and procedures for conducting a particular study. A research design is not just a work plan. A work plan details what has to be done to complete the project but the work plan will flow from the project’s research design (Beri, 2008).

In order to conduct the research, there are two kinds of method can be used: qualitative and quantitative. Denzin and Lincoln (2005) defined qualitative research is a situated activity that locates the observer in the world, qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them (Merriam, 2009). Creswell offered “Qualitative research is complex, involving fieldwork for prolonged periods of time, collecting words and pictures, analyzing this information inductively while focusing on participant views, and writing about the process using expressive and persuasive language (Creswell, 1998; Luton, 2010). Quantitative research is explaining phenomena by collecting numerical data that are analyzed using mathematically based methods (in particular statistics) (Gunderson, 2000; Muijs, 2011). All quantitative research approaches summarize results numerically. This research draws on a principle of scientific realism: there is a single reality that can be described by numbers. While all quantitative approaches collect and analyze numbers, quantitative research is often classified as either nonexperimental or experimental. Experimental research is designed to determine cause-effect relationships. Nonexperimental research uses numbers to describe preexisting groups or to determine whether a relationship exists between variables (Marguerite G. Lodico, 2010).

According to the research objectives to explain effect of independent variables (variable used to predict) to dependent variable (variable to be predicted) which is
the analysis of relationship between customer experiences includes: education experience, entertainment experience, esthetic experience and escapism experience toward customer loyalty. Quantitative method will be used to develop and employ mathematical models, theories and hypotheses pertaining to phenomena. In order to test the hypothesis, the research will use multiple regression analysis to analyze the relationship between variables. By using regression analysis, it also helps to predict the value of one variable to another variable. The hypotheses will be tested using SPSS 20.0 application software which will make the process of calculation and testing faster and easier.

3.2. Sampling Design

A sample design is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure the researcher would adopt in selecting items for the sample. Sample design may as well lay down the number of items to include in the sample i.e., the size of sample. Sample design is determined before data are collected (Kumar, 2008). In the other hands, sampling is indispensable technique of behavioral research; the research work cannot be undertaken without use of sampling. The study of the total population is not possible and it is also impracticable. The practical limitation: cost, time, and other factors which are usually operative in the situation, stand in the way of studying the total population. The concept of sampling has been introduced with a view to making the research findings economical and accurate (Singh & Bajpai, 2008).

There are three different types of sampling: non-probability sampling, probability sampling and mix sampling. However, in this research because the number of elements in a population is either unknown or cannot be individually identified, the researcher will use non-probability designs with convenience sampling. Convenience sampling is used when population elements are selected for the inclusion in the sample based on the ease of access that is the sample is selected looking at the ease or convenience of researcher (Mukul & Deepa, 2011).
3.2.1. Population

Sampling decisions should consider both sampling design and the sample size or population (Sekaran & Bougie, 2010). Population means the entire mass of observations, which is the parent group from which a sample is to be formed. The sample observations provide only an estimate of the population characteristics. In research methodology population means the characteristics of a specific group (Singh & Bajpai, 2008).

The target populations chosen for this research are CGV customers in Ho Chi Minh city, Vietnam, people who have been in CGV cinemas, both male and female. Those customers are classified from the ages of 16 until 30 above based on the research of watching films’ trend at cinemas in Ho Chi Minh City that those ages of customers who are the most frequent come to the cinemas (vinaresearch, 2012).

3.2.2. Margin of error

The margin of error indicates the reliability of the inference and can be reliably estimated using just two inputs: the size of the sample and the required level of confidence (Hughes & Hayhoe, 2009). It determines how close the results obtained from sample are compared to the survey of the entire population (Clow & James, 2013). The most common confidence level that researchers use is 95% and willing to take a 5% risk that the interval does not actually include the true value (Jessica Utts, 2006). The higher the confidence level, the wider the confidence interval has to be. A 99% confidence level requires a wider confidence interval than a 95% confidence level. In social science research, a 95% confidence level, which implies that there is only 5% probability that the findings may not be correct is accepted as conventional, and is usually referred to as a significance level of 0.05. The researcher used the 0.05 percentage margin of error in which means that the level of error will be 5% and the confidence level is 95%
Sample size calculation:

\[ n = \frac{z^2 \times p \times q}{E^2} \]

Source: (Black, 2011)

where

- \( p \) = population proportion
- \( q = 1 - q \)
- \( E \) = margin of error
- \( n \) = sample size

Based on the result of pre-test that collected from 30 respondents, there are 3 people haven’t come to CGV. Therefore the researcher assumes the proportion of people comes to CGV cinemas is 90%, confident level is 95%, and hence margin of error is 0.05.

\[ n = \frac{1.96^2 \times 0.9 \times (1-0.9)}{0.05^2} = 138 \approx 140 \text{ respondents} \]

3.3. Research Instrument

3.3.1. Independent variables

Independent variables are those the researcher puts into the experiment and manipulates (Cargan, 2007) Independent variables refer to the factors that the researchers are interested in studying or the possible “cause” of the change in the dependent variable. The term “independent” is used to suggest that the variable is independent of a participant’s behavior (Lazar, Feng, & Hochheiser, 2010). In this research, the independent variable is customer experiences (education experience, entertainment experience, esthetic experience, escapism experience). By measuring those four independent variables, this study will try to determine factors influencing customers’ loyalty.
3.2.1. Dependent variable

The variable that is measured to determine the effect of the treatment is the dependent variable. The dependent variable is not manipulated but rather serves as the indicator of the effect of the treatment (Blankenship, 2010). A dependent variable is the variable that is presumed to be influenced by one or more independent variables (Johnson & Christensen, 2013). The theoretical model of the problem should also guide the selection of dependent variables in order to assess those factors that the researcher intends to impact as a result of intervention (Pequegnat, Stover, & Boyce, 2010). In this research the variables consist of 24 questions which spread into 4 independent variables and 1 dependent variable.

3.2.2. Measurement of variables

Each variable will be measured separately by the level of agreement of the respondents. The most popular agreement scale is Likert scale. The likert scale is a technique presents respondents with a series of attitude dimensions, for each of which they are asked whether, and how strongly, they agree or disagree, using one of a number of positions on five-point scale (Brace, 2009).

<table>
<thead>
<tr>
<th>Likert scale</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>2</td>
<td>Agree</td>
</tr>
<tr>
<td>3</td>
<td>Neutral</td>
</tr>
<tr>
<td>4</td>
<td>Disagree</td>
</tr>
<tr>
<td>5</td>
<td>Strongly disagree</td>
</tr>
</tbody>
</table>

Source: (Brace, 2009)
Based on the score above, we can divide them into five intervals

Table 3.2: Intervals interpretation

<table>
<thead>
<tr>
<th>Intervals</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0 – 1.79</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>1.80 – 2.59</td>
<td>Agree</td>
</tr>
<tr>
<td>2.60 – 3.39</td>
<td>Neutral</td>
</tr>
<tr>
<td>3.40 – 4.29</td>
<td>Disagree</td>
</tr>
<tr>
<td>4.20 – 4.99</td>
<td>Strongly Disagree</td>
</tr>
</tbody>
</table>

Source: Self-constructed

3.4. Validity and Reliability

3.4.1. Validity

Validity is concerned with whether or not the instrument measure what it is supposed to measure. It is defined as “referring to appropriateness, correctness, meaningfulness and usefulness of the specific inferences researchers make based on the data they collect (Woodrow, 2014) Validity refers to the appropriateness and accuracy of coding or measurement (Vogt, Gardner, & Haeffele, 2012). The validity test helps the researcher to ensure that question in questionnaire is appropriate.

To interpret the correlation coefficient, it is important to calculate the coefficient of determination. The coefficient of determination is a measure of the proportion of the variance in one variable that is accounted for by another variable. The coefficient of determination tells us how much of the variation in weight is accounted for by variation in height (Jackson, 2011).
Formula for Pearson’ Product-Moment Correlation Coefficient

\[
\gamma = \frac{N \sum XY - (\sum X)(\sum Y)}{\sqrt{N \sum X^2 - (\sum X)^2} \sqrt{N \sum Y^2 - (\sum Y)^2}}
\]

Source: Jackson, 2011

Where

n = the number of paired observation

\(\sum X\) = the X variable summed

\(\sum Y\) = the Y variable summed

\(\sum X^2\) = the X variable squared and the squares summed

\((\sum X)^2\) = the X variable summed and the sum squared

\(\sum Y^2\) = the Y variable squared and the squares summed

\((\sum Y)^2\) = the Y variable summed and the sum squared

\(\sum XY\) = the sum of the product of X and Y

3.4.2. Reliability

The reliability of a measure refers to the extent to which it is free from random error (Stangor, 2010). The alpha coefficient (Cronbach alpha) was used in order to measure the internal consistency of the instruments for the present study (Woodrow, 2014). A good level of reliability means that the research instrument produces the same data time after time on each occasion that it is used, and that any variation in the results obtained through using the instrument is due entirely to variations in the thing being measured. None of the variation is due to fluctuations caused by the volatile nature of the research instrument itself. Therefore, questionnaire is said to be reliable if it is consistent and this is generally deemed to be a good thing as far as research is concerned (Denscombe, 2007).
A popular method for measuring the internal consistency reliability of a group of items is the Cronbach’s alpha coefficient. Cronbach’s alpha values will be high when the correlation between the respective questionnaire items is high.

\[ \alpha = \frac{kr}{1+kr-r} \]

Source: Johnson & Christensen, 2013

where

\[ \alpha = \text{coefficient alpha} \]

\[ k = \text{the number of questionnaire} \]

\[ r = \text{the average correlation between the questions.} \]

Table 3.3: Interpretation of Cronbach’s Alpha value

<table>
<thead>
<tr>
<th>Cronbach’s alpha value</th>
<th>Internal consistency</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.9 ≤ α ≤ 1.0</td>
<td>Excellent</td>
</tr>
<tr>
<td>0.8 ≤ α &lt; 0.9</td>
<td>Good</td>
</tr>
<tr>
<td>0.7 ≤ α &lt; 0.8</td>
<td>Acceptable</td>
</tr>
<tr>
<td>0.6 ≤ α &lt; 0.7</td>
<td>Questionable</td>
</tr>
<tr>
<td>0.5 ≤ α &lt; 0.6</td>
<td>Poor</td>
</tr>
<tr>
<td>α &lt; 0.5</td>
<td>Unacceptable</td>
</tr>
</tbody>
</table>

Source: (Mwape & Mumba, 2012)

3.5. Data Collection Procedure

Primary data is data that has not been collected before. In other words, it did not previously exist. It’s collected to address a specific problem (Wiid & Diggines, 2009). In other words, the primary data are those which are collected afresh and for the first time, and thus happen to be original in character (Kothari, 2006).
There are varieties of methods that may be used to collect information. The methods usually adopted for collecting primary data are: direct personal interview, questionnaires, interview by enumerators, telephone interview. In this research, the researcher will use questionnaire and direct person interview to collect the information.

**Questionnaire**

The questionnaire represents one part of the survey process. The role of the questionnaire is to elicit the information that will enable the researcher to answer the objectives of the survey. To do this, the questionnaire must not only collect the data required, but collect it in the most accurate way possible. Collecting accurate data means getting the most accurate responses, so a key objective in writing the questionnaire is to help the respondents provide them (Brace, 2013).

The questionnaire was constructed based on the literature reviews and previous research. It consists of two parts. The first part is the background information and second part is explores the respondent’ susceptibility toward the customer experiences and customer loyalty.

The first part consists of question related to general information: Age, Gender, Occupation, Income/month, and Education. The second part, the items for education experience, entertainment experience, esthetic experience, escapism experience and customer loyalty describe specially statements for each dimensions. It consists of 24 statements which all are measured on a 5 point Likert scale

The questionnaire is designed as below:

<table>
<thead>
<tr>
<th>No.</th>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

![Table](image)
<table>
<thead>
<tr>
<th>No</th>
<th>Question</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education experiences</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td>Watching movies in CGV made me have more knowledge (history, tourism, geographic, etc.)</td>
<td>Adopted from (Ali, Hussain, &amp; Ragavan, 2014)</td>
</tr>
<tr>
<td>Q2</td>
<td>Watching movies in CGV stimulates my curiosity to find out another culture (language, music, social, etc.)</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>Watching movies in CGV is a real excited learning experiences</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>I have learned a lot after I watch movies in CGV.</td>
<td></td>
</tr>
<tr>
<td>Q5</td>
<td>I can tell to my friends or the others about the detail of movie’s content</td>
<td></td>
</tr>
<tr>
<td><strong>Entertainment experience</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q6</td>
<td>Watching movies in CGV was amusing</td>
<td>Adopted from (Quadri, 2012)</td>
</tr>
<tr>
<td>Q7</td>
<td>Watching movies in CGV made me totally captivated</td>
<td></td>
</tr>
<tr>
<td>Q8</td>
<td>Watching movies in CGV was entertaining</td>
<td></td>
</tr>
<tr>
<td>Q9</td>
<td>I really enjoyed watching movies in CGV</td>
<td></td>
</tr>
<tr>
<td><strong>Esthetic experience</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q10</td>
<td>The layout of the projection rooms and lobby of CGV is harmony</td>
<td>Adopted from (Hosany &amp; Witham, 2009)</td>
</tr>
<tr>
<td>Q11</td>
<td>The design of facilities (chairs, glass, pop- corn contents, electric tablet, etc.) in CGV creates the attention to design detail</td>
<td></td>
</tr>
<tr>
<td>Q12</td>
<td>The setting of posters, standees, exhibits to promote the showing movies in CGV is attractive and innovative</td>
<td></td>
</tr>
<tr>
<td>Q13</td>
<td>The arrangement ticker’s order, pop- corn factory,</td>
<td></td>
</tr>
<tr>
<td>Question</td>
<td>Response</td>
<td></td>
</tr>
<tr>
<td>----------</td>
<td>----------</td>
<td></td>
</tr>
<tr>
<td>Q14</td>
<td>The combination between color, sound system and lighting system in CGV is nice and unique</td>
<td></td>
</tr>
<tr>
<td>Q15</td>
<td>Watching movies in CGV makes me feel like I was living in a different time</td>
<td></td>
</tr>
<tr>
<td>Q16</td>
<td>Watching movies in CGV made me feel I played a different character here</td>
<td></td>
</tr>
<tr>
<td>Q17</td>
<td>Watching movies here let me imagine being someone else</td>
<td></td>
</tr>
<tr>
<td>Q18</td>
<td>Watching movies in CGV made me totally forgot about my daily routine</td>
<td></td>
</tr>
<tr>
<td>Q19</td>
<td>Watching movies in CGV made me completely escaped from reality</td>
<td></td>
</tr>
<tr>
<td>Q20</td>
<td>I will recommend CGV to others</td>
<td></td>
</tr>
<tr>
<td>Q21</td>
<td>I will definitely come back to CGV again</td>
<td></td>
</tr>
<tr>
<td>Q22</td>
<td>CGV is my first choice when I want to go the cinema</td>
<td></td>
</tr>
<tr>
<td>Q23</td>
<td>I will encourage others to come to CGV.</td>
<td></td>
</tr>
<tr>
<td>Q24</td>
<td>I am willing to pay more and spend time to watch movie in CGV</td>
<td></td>
</tr>
</tbody>
</table>

**Escapism experience**

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
</table>

**Customer Loyalty**

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
</table>

**3.6. Hypothesis Testing**

**3.6.1. Multiple regression analysis**

Multiple regression analysis enables us to predict the value of a dependent variable based on the values of a set of at least two dependent variables. It often used to identify which variables in a larger set of variables are the best predictors.
of another variable instead of being used to test a specific hypothesis about the set of variables (Rubin, 2012). In this research, multiple regression focus on the relationship between a dependent variable and 4 independent variables. In addition, multiple regression analysis is also used for predicting, forecasting and understanding which among the independent variables are related to the dependent variables and to explore the forms of these relationships.

Referring to the research objectives to examine how significance the correlations between education experience, entertainment experience, esthetic experience, escapism experience and customer loyalty. The underlying multiple regression models will be:

\[ y = b_0 + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + e \]

**Source:** (Anderson, Sweeney, Williams, Camm, & Cochran, 2014)

Where,  
- \( y \) = Customer loyalty  
- \( x_1 \) = Education experience  
- \( x_2 \) = Entertainment experience  
- \( x_3 \) = Esthetic experience  
- \( x_4 \) = Escapism experience  
- \( b_0 \) = Intercept / constant (value of Y when X=0)  
- \( b_{1,2,3,4} \) = Regression coefficient of the \( i^{th} \) independent variable  
- \( e \) = Random Error

### 3.6.2. Classical assumption test

#### 1. Normality test

Normality tests can help the researcher understand the data, especially when similar results occur in many experiments. The best way to evaluate how far data is: to look at a graph and see if the distribution deviates grossly from a bell-shaped normal distribution (Athanasiou, Debas, & Darzi, 2010). This test can be done by producing histograms for the residual as well as normal probability plots, in order
to inspect the distribution of the residual values. The normality test can be viewed in the graph of Normal Probability Plot (NPP) of the Regression Standardized Residual. It shows that points of data form a linear pattern or spread approximate to linear line.

2. **Multicollinearity Test**

Multicollinearity is a condition that arises when two or more predictor variables are highly correlated with each other (Whitley & Kite, 2012). Multicollinearity refers to the correlation among three or more independent variables. When multicollinearity exits, the values of regression coefficient for the correlated variable may fluctuate drastically (Kamaruddin, 2013). The existence of multicollinearity inflates the variances of the parameter estimates. Multicollinearity has a greater influence in small and moderate sample sizes. (Kamaruddin, 2013). Multicollinearity among the set of indicators for a variables may, however, lead to negative weight even in situations of positive correlation between an item and the construct (Worm, 2011). Multicollinearity does not affect the multiple regression equation’s ability to predict the dependent variable. However, it might show unexpected results on the relationship between each independent variables and the dependent variable.

There are many methods to detect the presence of multicollinearity, in this research the writer would like to do a test on the variables with the measurement of the Variance Inflation Factor (VIF). The value of VIF is from 1 to $\infty$. VIF value is greater than 10, indicates multicollinearity and it is considered unsatisfactory, indicating that the independent variable should be removed from the analysis and if VIF values is smaller than 10 indicates there is no multicollinearity.

3. **Heteroscedasticity test**

Heteroscedasticity occurs when the variance of the error term is not constant over all observations and is a violation of assumption. The most common test for Heteroscedasticity is a visual inspection of the residuals. The residuals are plotted
on a graph against the independent variable that is suspected of causing Heteroscedasticity. If the absolute magnitude of the residuals appears on average to be the same regardless of the value of the independent variable, then there probably is no Heteroscedasticity. If there magnitude seems related to the value of the independent variable, then a more formal test is indicated (Miller & Yang, 2007)

4. **Autocorrelation test**

Autocorrelation is so common in time-series models that one should always test for it. The most widely used test is Durbin- Watson test (Miller & Yang, 2007). There are three situations. First, the errors may be positively related (called positive autocorrelation). This means that if taking observations ordered according to time, positive errors are typically followed by positive errors and that negative errors are typically followed by negative errors. If on the other hand, positive errors are commonly followed by negative errors and vice-versa. Negative autocorrelation is less common than positive autocorrelation but also occurs. If no systematic pattern of errors occurs, this has no autocorrelation (Mooi & Sarstedt, 2011) These Durbin- Watson values are used to test a null hypothesis of no autocorrelation. The Value of Durbin- Watson is from 0 to 4. Depending on the calculated Durbin- Watson test statistic values, compare it from output and value of d from the table (Durbin- Watson table), it can be drawn there different conclusions.

If: DW < dL  \(\rightarrow\) positive correlation 

If: dL ≤ DW ≤ dU  \(\rightarrow\) no conclusion 

If: dU < DW < 4 – dU \(\rightarrow\) no autocorrelation

If: 4- dU ≤ DW ≤ 4- dL \(\rightarrow\) no conclusion 

If: DW > 4- dL \(\rightarrow\) negative correlation

3.6.3. **Measuring the Variability of the Regression Model**
1. **Coefficient of Determination** (R²)

In the multiple regression model, the coefficient of multiple determination $R^2$ represents the proportion of variant in Y that is explained by the independent variables $X_1$ and $X_2$ in the multiple regression equation. The coefficient of determination is a summary measure that tells how well the sample regression line fits the data. Statistically, it measures how many percentage variation of Y variable explained by the repressors jointly. The $r^2$ value can range from a low of 0 to a high 1 ($0 \leq r^2 \leq 1$).

If $R^2 = 0$, indicating that X explains 0% of the variability in Y.

If $R^2 = 1$, indicating that every point in the sample were on the regression line (meaning all errors are 0). In the other words, 100% of the variability in Y could be explained by the regression equation. In developing regression equation, a good model will have an $R^2$ value close to 1.

2. **Coefficient of Correlation** (R)

Coefficient of Correlation measures the degree of association between Y and X variables. In other words, it expresses the degree of strength of the linear relationship. Designate $r$ is often referred to as Pearson’s $r$ and as the Pearson product – moment correlation coefficient.

The result of $r$ can be stated at any number between +1 and -1. The value of $r$ is the square root of $r^2$. It is negative if the slope is negative, and it is positive if the slope is positive.

3.6.4. **Testing the hypothesis**

Before examining the different techniques available for analyzing data, it is essential to understand the process of hypothesis testing and its key principles such as P – value is and what is meant by “statistic significant”. P – Value is the probability of obtaining the study results (or results more extreme) if the null hypothesis is true. Its value can vary between 0 and 1 (Gerrish & Lacey, 2010). A
“small” P – value, close to 0, indicates that the results obtained are unlikely when the null hypothesis is true and the null hypothesis is rejected. Alternatively, if the P-value is large, then the results obtained are likely when the null hypothesis is true and the null hypothesis is not rejected.

Table 3.4: Statistical significance

<table>
<thead>
<tr>
<th>Statistical significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>We say our results are statistically significant if the P-value is less than the significance level (α) set at 5% or 0.05</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>P ≤ 0.05</th>
<th>P &gt; 0.05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result is</td>
<td>Statistically significant</td>
</tr>
<tr>
<td>Decide</td>
<td>That there is sufficient evidence to reject the null hypothesis and accept the alternative hypothesis</td>
</tr>
</tbody>
</table>

Source: (Gerrish & Lacey, 2010)

1. **F-test (Regression model)**

F-test is used to test whether a group of variables (independent variables: education experience, entertainment experience, esthetic experience, escapism experience and customer loyalty) in the model are jointly significant. If the significance level for the F-test is low (significance level α used is 0.05), reject H₀ and accepted Hₐ

Hypothesis test:

\[ H₀: b₁ = b₂ = b₃ = b₄ = \ldots = bₖ = 0 \]

\[ Hₐ: \text{At least there is a } bᵢ \neq 0 \]

Where \( k \) = number of independent variable.

Significant \( F \geq 0.05 \rightarrow \) accept \( H₀ \rightarrow \) the independent variables jointly have no significant effect to the dependent variable.
Significant $F < 0.05 \rightarrow$ reject $H_0 \rightarrow$ the independent variables jointly have significant effect to the dependent variable.

2. **T-test (coefficient of regression)**

T-test is used to check the significance of individual regression coefficients in the multiple linear regression models. In other words, the t-test is applied to determine the partial relationship between each independent variable and the dependent variable.

If significant $T \geq 0.05 \rightarrow$ accept $H_0$, it means the independent variable has no significant effect to the dependent variable

If significant $T < 0.05 \rightarrow$ reject $H_0$, it means the independent variable has significant effect to the independent variable.
CHAPTER IV
ANALYSIS AND INTERPRETATION

4.1. Company profile

4.1.1. History of organization

CJ CGV is the largest multiplex cinema chain in South Korea and also has branches in China, United States, Indonesia and Vietnam. CGV stands for C-Cultural, G-Great and V-Vital. With the meaning that CGV will bring to customers real experiences, not only entertainment but also take part as the media center to promote Asian culture to all over the world.

CGV opened the first multiplex in Ganbyeon in 1998. It merged CJ Golden Village and renamed the company to CJ CGV. In December 2004, it became the first theater chain listed on the Korea Stock Exchange.

CGV exceeded an aggregated total of 100 million viewers in 2004. It opened its first digital movies in 2006, SMART PLEX in 2008, 4D PLEX in 2009 and Cine City in 2011. It opened eight sites in China and one in Los Angeles. In 2011, CJ CGV bought 92% shares of Envoy Media Partner (EMP) which hold 80% capital in MEGASTAR MEDIA, the less 20% belongs to PHUONG NAM COMPANY. After completing the transaction, EMP becomes one of the subsidiary company under CJ- CGV. It took over major cinema chain in Vietnam 2013 and changed the name MEGASTAR into CGV from now. CGV had 101 million visitors within one year.

Timeline:

In 1998: opened the 1st multiplex in Korea
In 2000: Opened the first Korea’s Premium Cinema Gold Glass
In 2005: An exclusive contract with IMAX in Korea
In 2006: opened CGV Daning, the 1st CGV in China

In 2010: Opened CGV LA, the 1st CGV in US

The same year 2011: Won Global Achievement Award at CinemaCon

In 2013: No.1 in K- BPI (Korea Brand Power Index) for 11 consecutive years.

4.1.2. Products and services

4DX is the world’s first 4D theaters satisfying all five senses. 4DX technology will bring customers experiences beyond 3D, it reproduced environment from movies with seats and environment effect in accordance with scene.

Starium is the world’s largest digital theater with powerful sound. It will provide the mega sized digital screen, maximizes 3S (Screen, Sound and Seat).

Screen X is world’s first multi projection screen with panorama screen on all three sides; it’s the innovative new advertisement media which can add more profit for media sales.

Veatbox provides sound-sensitive vibrating seat with exceptional acoustic quality. The seat will respond to sound in the movies.

Imax: Maximized Visual, Sound, Dynamic. It maximized screen size that human eyes can perceive and the sound is maximized realism.

Sweet box: provides premium double seats for couples with no armrest and high partition for cozy and special

Sound X: maximized surround sound system- 3D sound with 84 spearkers on the back, walls, ceilings. It is sensitive delivers of sound’s Direction & distance. All seats are sweet spot where the best sound is available.

The private cinema: private party venue for special occasions. It is the premium screens with prestige leather couch, B& W Speaker. It provides luxurious lounge
for various gathering & parties and flexible space use for gathering in different size and nature.

**Gold class** is premium cinema experience with upscale lounge. Giving the premium services inspired by first class Airline

**CINE de CHEF:** prestigious cinema combined with fine dining. Restaurant serves with top chef’s gourmet course. It’s the world top 10 cinemas.

### 4.1.3. Organization growth and trends

CGV expands to every corner of the world. Its goal is to become “CGV to all over the world, Global No.1 Cultureplex by 2020” CGV will expand its brand into many countries around the world like Malaysia, Thailand, Philippines, Myanmar, India, Turkey, Mexico, Brazil, etc. beside Korea its home market, US the No.1 Asian Culture Hub, China No.1 Premium Cinema Brand and Vietnam No.1 Entertainment Lifestyle provider.

**Figure 4.1: CGV Global expansion**

![Source: CGV](image)
CGV in Vietnam is undisputed No.1 in Exhibition and Distribution Markets. Until now, market share for CGV is 55%, however, its percentage will increase 20% by 2017 with the exclusive contract with major Hollywood studios. The number of theaters is increasing rapidly, CGV is now launching 2 more CGV cinema in Vung Tau city- one of the most favorite tourist place in Vietnam and Quy Nhon city. Its aim is to cover every 64 cities and province in Vietnam. From now, the number of theater is 14, screen are more than 90 with the number of seat is 12,582. CGV in Vietnam is one of the best cinema provide with best facility and services includes 3D screening, 4DX, Dolby Atmos Sound, Sweetbox. Spreading Korea Contents by organizing Korean Film Festival, Korean Stars come to Vietnam to promote movies and cinemas; Organizing meaningful CSR programs: Vietnamese Film Festival in Korea, TOTO film making class for children, Happy Smile and Film Festival for young students.

4.2. Data Analysis

4.2.1. Validity test

According to Shepherd and Wiklund (2009) based on the correlation coefficient, the concurrent validity is determined as follows high \((r \geq 0.5)\), moderate \((0.3-0.5)\), low \((r = 0.1-0.3)\) and no \((r \leq 0.1)\) (Brännback, Carsrud, & Kiviluoto, 2013). In this research, with 2- tailed testing, \(\alpha = 0.05\), \(n = 30\) respondents, the critical value of \(r = 0.361\). The validity test is presented as follows:

<table>
<thead>
<tr>
<th>No</th>
<th>Statement</th>
<th>(r) compute value</th>
<th>(R) critical value</th>
<th>Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Education experience (X1)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.1: Validity test
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Score</th>
<th>Level</th>
<th>Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Watching movies in CGV made me have more knowledge (history, tourism, geographic, etc.)</td>
<td>0.827</td>
<td>0.361</td>
<td>Valid</td>
</tr>
<tr>
<td>2</td>
<td>Watching movies in CGV stimulates my curiosity to find out another culture (language, music, social, etc.)</td>
<td>0.811</td>
<td>0.361</td>
<td>Valid</td>
</tr>
<tr>
<td>3</td>
<td>Watching movies in CGV is a real excited learning experiences</td>
<td>0.853</td>
<td>0.361</td>
<td>Valid</td>
</tr>
<tr>
<td>4</td>
<td>I have learned a lot after I watch movies in CGV.</td>
<td>0.730</td>
<td>0.361</td>
<td>Valid</td>
</tr>
<tr>
<td>5</td>
<td>I can tell to my friends or the others about the detail of movie’s content</td>
<td>0.389</td>
<td>0.361</td>
<td>Valid</td>
</tr>
</tbody>
</table>

**Entertainment experience (X2)**

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Score</th>
<th>Level</th>
<th>Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Watching movies in CGV was amusing</td>
<td>0.832</td>
<td>0.361</td>
<td>Valid</td>
</tr>
<tr>
<td>7</td>
<td>Watching movies in CGV made me totally captivated</td>
<td>0.875</td>
<td>0.361</td>
<td>Valid</td>
</tr>
<tr>
<td>8</td>
<td>Watching movies in CGV was entertaining</td>
<td>0.572</td>
<td>0.361</td>
<td>Valid</td>
</tr>
<tr>
<td>9</td>
<td>I really enjoyed watching movies in CGV</td>
<td>0.579</td>
<td>0.361</td>
<td>Valid</td>
</tr>
</tbody>
</table>

**Esthetic experience (X3)**

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Score</th>
<th>Level</th>
<th>Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>The layout of the projection rooms and lobby of CGV is harmony</td>
<td>0.833</td>
<td>0.361</td>
<td>Valid</td>
</tr>
<tr>
<td>11</td>
<td>The design of facilities (chairs, glass, pop-corn contents, electric tablet, etc.) in CGV creates the attention to design detail</td>
<td>0.771</td>
<td>0.361</td>
<td>Valid</td>
</tr>
<tr>
<td>12</td>
<td>The setting of posters, standees, exhibits to promote the showing movies in CGV is attractive and innovative</td>
<td>0.810</td>
<td>0.361</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>---</td>
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<td>---</td>
<td></td>
</tr>
<tr>
<td><strong>13</strong></td>
<td>The arrangement ticker’s order, popcorn factory, F&amp;B and waiting areas in CGV are logic and aesthetic</td>
<td>0.690</td>
<td>0.361</td>
<td>Valid</td>
</tr>
<tr>
<td><strong>14</strong></td>
<td>The combination between color, sound system and lighting system in CGV is nice and unique</td>
<td>0.810</td>
<td>0.361</td>
<td>Valid</td>
</tr>
</tbody>
</table>

**Escapism experience (X4)**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>15</strong></td>
<td>Watching movies in CGV makes me feel like I was living in a different time</td>
<td>0.640</td>
<td>0.361</td>
</tr>
<tr>
<td><strong>16</strong></td>
<td>Watching movies in CGV made me feel I played a different character here</td>
<td>0.912</td>
<td>0.361</td>
</tr>
<tr>
<td><strong>17</strong></td>
<td>Watching movies here let me imagine being someone else</td>
<td>0.903</td>
<td>0.361</td>
</tr>
<tr>
<td><strong>18</strong></td>
<td>Watching movies in CGV made me totally forgot about my daily routine</td>
<td>0.867</td>
<td>0.361</td>
</tr>
<tr>
<td><strong>19</strong></td>
<td>Watching movies in CGV made me completely escaped from reality</td>
<td>0.786</td>
<td>0.361</td>
</tr>
</tbody>
</table>

**Customer Loyalty (Y)**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>20</strong></td>
<td>I will recommend CGV to others</td>
<td>0.675</td>
<td>0.361</td>
</tr>
<tr>
<td><strong>21</strong></td>
<td>I will definitely come back to CGV again</td>
<td>0.627</td>
<td>0.361</td>
</tr>
<tr>
<td><strong>22</strong></td>
<td>CGV is my first choice when I want to go the cinema</td>
<td>0.684</td>
<td>0.361</td>
</tr>
<tr>
<td><strong>23</strong></td>
<td>I will encourage others to come to CGV.</td>
<td>0.748</td>
<td>0.361</td>
</tr>
<tr>
<td><strong>24</strong></td>
<td>I am willing to pay more and spend time to watch movie in CGV</td>
<td>0.717</td>
<td>0.361</td>
</tr>
</tbody>
</table>

**Source:** Data processing result SPSS 20.0
In this survey, the researcher used 30 respondents as sample for validity test. Table 4.1 above shows from 24 statements with r value is higher than 0.361. Therefore all the statement in the questionnaire is valid.

4.2.2. Reliability test

Cronbach alpha ranges from 0 to 1, and in the social sciences, values at or above 0.7 is desirable but values well above 0.9 may not be desirable as the scale is likely to be too narrow in focus (Andrew, Pedersen, & McEvoy, 2011). Moreover, if the Cronbach’s alpha is less than 0.6 the variable is not reliable. The computed Alpha values for the research variables are shown in the table below.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach’s Alpha</th>
<th>Cronbach’s Alpha Standard</th>
<th>N of items</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALL VARIABLES</td>
<td>0.894</td>
<td>0.6</td>
<td>24</td>
<td>Reliable</td>
</tr>
<tr>
<td>Education experience (X1)</td>
<td>0.781</td>
<td>0.6</td>
<td>5</td>
<td>Reliable</td>
</tr>
<tr>
<td>Entertainment experience (X2)</td>
<td>0.689</td>
<td>0.6</td>
<td>4</td>
<td>Reliable</td>
</tr>
<tr>
<td>Esthetic experience (X3)</td>
<td>0.838</td>
<td>0.6</td>
<td>5</td>
<td>Reliable</td>
</tr>
<tr>
<td>Escapism experience (X4)</td>
<td>0.883</td>
<td>0.6</td>
<td>5</td>
<td>Reliable</td>
</tr>
<tr>
<td>Customer loyalty (Y)</td>
<td>0.704</td>
<td>0.6</td>
<td>5</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Source: Data processing result SPSS 20.0
4.2.3. Descriptive statistic

1. Respondents’ profile

Age

Figure 4.2: Frequency Distribution on the Age of Respondents (%)

Source: Primary data

Based on the data above, the most distribution percentage belongs to the age of 20-24 with 59%, the range of 16-19 dominated to 24%, continue with the age of 25-29 is 12% and the age above 30 is 5% from the distribution. Therefore, the age which come to CGV the most in this research is from 20-24 years old.

Gender
Figure 4.3: Frequency Distribution on the Gender of Respondents (%)

Source: Primary data

The distribution of male is 54% with 75 people and female is 46% with 65 people in the total of 140 respondents. This percentage shows that male go to CGV more than female.

Occupation

Figure 4.4: Frequency Distribution on the Occupation of Respondents (%)

Source: Primary data
The figure 4.4 below shows that most of the survey’s respondents are students with 69%, following with employee with 19%, government official is 4% in the total of 140 respondents. Business owner, unemployment and manager are the lowest with 1 and 2%.

Income

**Figure 4.5: Frequency Distribution on the Income of Respondents (%)**

![Income Distribution Chart]

**Source: Primary Data**

The figure above shows that the most frequent distribution income level of respondents in this research is lower than 1,500,000 Vietnam Dong (VND) with 36%. 26% is the percentage of respondents who have income from 1,500,000-3,000,000 VND. The level income of 3,000,000 – 4,500,000 VND distributed 14% and 10% for the level income of 4,500,000 – 7,500,000 VND. Respondents who have level of income from 7,500,000- 15,000,000 VND are 8% and the last is who has income upper than 15,000,000 VND is 6%.
**Education**

**Figure 4.6: Frequency Distribution on the Education of Respondents (%)**

The figure shows the percentage of distribution in education of the respondents. The highest percentage of education level of respondent is university bachelor degree with 53%. The runner up is coming with college associate with 24% and senior high school with 18%. The percentage of master degree, vocational degree and short term training certificate is low with 3% and 1%.

**Source: Primary data**

Number of respondents has come to CGV cinema Hung Vuong Plaza, Ho Chi Minh City at least one time.

When the respondents were asked have they come to CGV cinemas at least one, 91% of the respondents say “Yes” and only 9% say “No”. It means that 91% of the respondents have already experienced with CGV cinemas.
Figure 4.7: Percentage of respondents come to CGV cinema

Source: Primary data

2. Respondent Responses Result

Based on the questionnaires, the respondent’s assessment refers to the education experience, entertainment experience, esthetic experience and escapism experience.

Respondent responses assessing education experience (X1)

Table 4.3: Descriptive statistic for education experience

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q7</td>
<td>140</td>
<td>1.00</td>
<td>5.00</td>
<td>2.4286</td>
<td>.95317</td>
</tr>
<tr>
<td>Q8</td>
<td>140</td>
<td>1.00</td>
<td>5.00</td>
<td>2.4000</td>
<td>.87161</td>
</tr>
<tr>
<td>Q9</td>
<td>140</td>
<td>1.00</td>
<td>5.00</td>
<td>2.4571</td>
<td>.91645</td>
</tr>
<tr>
<td>Q10</td>
<td>140</td>
<td>1.00</td>
<td>5.00</td>
<td>2.5214</td>
<td>.81768</td>
</tr>
<tr>
<td>Q11</td>
<td>140</td>
<td>1.00</td>
<td>4.00</td>
<td>2.1357</td>
<td>.77933</td>
</tr>
<tr>
<td>Average Mean</td>
<td>140</td>
<td>1.00</td>
<td>4.40</td>
<td>2.3886</td>
<td>.65865</td>
</tr>
</tbody>
</table>

Source: Data processing SPSS 20.0
The table shows the respondents’ responses to five statements about their susceptibility towards education experience in CGV Cinema. Based on the result, the level of their susceptibility toward their education experience was within the range from 2.1 to 2.5, which mean most of the respondents agree to be susceptible to the education experience.

**Respondent responses assessing entertainment experience (X2)**

Table 4.4: Descriptive statistic for entertainment experience

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q12</td>
<td>140</td>
<td>1.00</td>
<td>4.00</td>
<td>2.0429</td>
<td>.69811</td>
</tr>
<tr>
<td>Q13</td>
<td>140</td>
<td>1.00</td>
<td>5.00</td>
<td>2.4643</td>
<td>.85167</td>
</tr>
<tr>
<td>Q14</td>
<td>140</td>
<td>1.00</td>
<td>3.00</td>
<td>2.0143</td>
<td>.63456</td>
</tr>
<tr>
<td>Q15</td>
<td>140</td>
<td>1.00</td>
<td>3.00</td>
<td>2.0500</td>
<td>.70277</td>
</tr>
<tr>
<td>Average Mean</td>
<td>140</td>
<td>1.00</td>
<td>3.25</td>
<td>2.1429</td>
<td>.53236</td>
</tr>
</tbody>
</table>

**Source: Data processing SPSS 20.0**

The table shows the respondents’ responses to four statements about their susceptibility towards entertainment experience in CGV Cinema. Based on the result, the level of their susceptibility toward their entertainment experience was within the range from 2.0 to 2.4 which mean most of the respondents agree to be susceptible to the entertainment experience.

**Respondent responses assessing esthetic experience (X3)**

Table 4.5: Descriptive statistic for esthetic experience

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q16</td>
<td>140</td>
<td>1.00</td>
<td>4.00</td>
<td>2.1714</td>
<td>.73888</td>
</tr>
<tr>
<td>Q17</td>
<td>140</td>
<td>1.00</td>
<td>4.00</td>
<td>2.2214</td>
<td>.74975</td>
</tr>
<tr>
<td>Q18</td>
<td>140</td>
<td>1.00</td>
<td>4.00</td>
<td>2.1357</td>
<td>.73171</td>
</tr>
<tr>
<td>Q19</td>
<td>140</td>
<td>1.00</td>
<td>4.00</td>
<td>2.2857</td>
<td>.78002</td>
</tr>
<tr>
<td>Q20</td>
<td>140</td>
<td>1.00</td>
<td>5.00</td>
<td>2.1500</td>
<td>.92856</td>
</tr>
<tr>
<td>Average Mean</td>
<td>140</td>
<td>1.00</td>
<td>3.60</td>
<td>2.1929</td>
<td>.60521</td>
</tr>
</tbody>
</table>

**Source: Data processing SPSS 20.0**
The table shows the respondents’ responses to five statements about their susceptibility towards esthetic experience in CGV Cinema. Based on the result, the level of their susceptibility toward their esthetic experience was within the range from 2.13 to 2.28 which mean most of the respondents agree to be susceptible to the esthetic experience.

**Respondent responses assessing escapism experience (X4)**

<table>
<thead>
<tr>
<th>Table 4.6: Descriptive statistic for escapism experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q21</td>
</tr>
<tr>
<td>Q22</td>
</tr>
<tr>
<td>Q23</td>
</tr>
<tr>
<td>Q24</td>
</tr>
<tr>
<td>Q25</td>
</tr>
<tr>
<td>Average Mean</td>
</tr>
</tbody>
</table>

Source: Data processing SPSS 20.0

The table shows the respondents’ responses to five statements about their susceptibility towards escapism experience in CGV Cinema. Based on the result, the level of their susceptibility toward their escapism experience was within the range from 2.6 to 3.0 which mean the susceptibility toward escapism experience was neutral.

**Respondent responses assessing customer loyalty (Y)**

<table>
<thead>
<tr>
<th>Table 4.7: Descriptive statistic for customer loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q26</td>
</tr>
<tr>
<td>Q27</td>
</tr>
<tr>
<td>Q28</td>
</tr>
<tr>
<td>Q29</td>
</tr>
<tr>
<td>Q30</td>
</tr>
<tr>
<td>Average Mean</td>
</tr>
</tbody>
</table>
The table shows the respondents’ responses to five statements about their susceptibility towards loyalty in CGV Cinema. Based on the result, the level of their susceptibility toward their loyalty was within the range from 1.9 to 2.2 which mean most of the respondents agree to be susceptible to the loyalty in CGV. However, in the last question that “I willing to pay more and spend more time to watch movie in CGV”, the mean is 2.8, the respondents tend to be neutral with this statement.

4.2.4. Classical assumption test result

1. Normality test

The normal distribution is the most widely used family of statistical distributions on which many statistical tests are based. A researcher can assess for the normality of variables in several ways. To say a variable is normally distributed indicates that the distribution of observation for that variable follows the normal distribution (Salkind, 2010). Normality can be assessed visually using various charts and graphs, especially the P-P plots, histogram, Q-Q plots, boxplot, etc. (Rovai, Baker, & Ponton, 2013)
Figure 4.8: Normal P-P plot of Regression Standard Residual

Source: Data Processing Result of SPSS 20.0

Figure 4.8 shows that the actual data plot which is represented by the dots is spreading approximately surrounding the diagonal direction of the line, it means that the distribution is normal.

Figure 4.9: Histogram- Regression Standardized Residual

Source: Data Processing Result of SPSS 20.0
Figure 4.9 shows the curve was formed a proper bell shape in the center, either skewed to the left or the rights. It means that the data have variation of value make it normally distributed which can be used to approximate various discrete probability distributions and eligible to conduct research.

1. Multicollinearity test

Multicollinearity refers to the correlation among four independent variables. In this research with four independent variables, collinear variables do not provide unique information and it becomes difficult to separate the effect of independent variables on the dependent variable. The analysis of variance inflation factor (VIF) measures how much a variable contributes to the standard error in the regression. These measures explained the degree to which each independent variable is explained by the other independent variable (Kamaruddin, 2013).

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
<th>B</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td>.090</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education experience</td>
<td></td>
<td>.114</td>
<td>.300</td>
<td>3.335</td>
</tr>
<tr>
<td>Entertainment experience</td>
<td></td>
<td>.266</td>
<td>.276</td>
<td>3.622</td>
</tr>
<tr>
<td>Esthetic experience</td>
<td></td>
<td>.377</td>
<td>.453</td>
<td>2.208</td>
</tr>
<tr>
<td>Escapism experience</td>
<td></td>
<td>.163</td>
<td>.386</td>
<td>2.589</td>
</tr>
</tbody>
</table>

Source: Data processing result of SPSS 20.0

Table 4.8 shows all independent variables: education experience has VFF value at 3.335, entertainment experience has 3.622 at VFF value, esthetic experience is 2.208 and escapism experience has 2.589, which value are all below 10. Therefore, it is sage to conclude that there is no multicollinearity within the data of this study.
2. **Heteroskedasticity test**

Heteroskedasticity reflects inconstant error variance, which in turn may compromise the validity of significance tests and goodness-of-fit indicators. Specifically, the variance of residuals may vary with (expected) values of the dependent variable and/or with individual explanatory variables (Farag, 2009).

**Figure 4.10: Scatter Plot for Heteroskedasticity test**

![Scatter Plot for Heteroskedasticity test](image)

Source: Data processing result of SPSS 20.0

Figure 4.10 shows that the pattern of the pilot is spread randomly without any systematic pattern between two variables. It means there is no heteroskedasticity.

3. **Autocorrelation test (Durbin – Watson)**

Autocorrelation test occurs to test the correlation between the variables from the observation data in the time series. A good regression model should not show any existence of autocorrelation. Autocorrelation test can be determined by the value of Durbin- Watson method. The table below shows the result of autocorrelation test
Table 4.9 shows the value of Durbin- Watson in this model is 1.995, given the number of sample (n= 140), the independent variable (k)= 4, with the significant level (α)= 0.05, Durbin Watson table show the dL is equal to 1.6656 and dU is 1.7830. Since the value of Durbin- Watson result (DW) is 1.995 in the area of no autocorrelation in the data used (dU: 1.7830 and 4-dU: 2.217). Therefore, the result of autocorrelation test fulfills the requirement of classic assumptions. As a consequence, the result of regression model is considered as valid to be constructed with the t-test and F-test may give accurate which can be used to predict the value of dependent variable toward particular independent variable.

### 4.2.5. Multiple linear regression model

According to the calculation of regression analysis shown on the table 4 previously, the equation above can be constructed as follows:

\[
y = 0.09 + 0.114 \, x_1 + 0.266 \, x_2 + 0.377 \, x_3 + 0.163 \, x_4 + e
\]

Where

- y: customer loyalty
- x₁: Education experience
- x₂: Entertainment experience
- x₃: Esthetic experience
- x₄: Escapism experience
- e: Random error
This equation can be explained as follow:

The value of constant ($b_0$) is 0.09 which show the value of customer loyalty when value of education experience, entertainment experience, esthetic experience and escapism experience is zero.

The value of coefficient ($b_1, b_2, b_3, b_4$) is simultaneously is 0.114; 0.226; 0.377; 0.163 give the sign of the positive relationship between education experience, entertainment experience, esthetic experience and escapism experience. Mean if value of these experience increase, customer loyalty also increase. Esthetic is the most dominant factors that affect to customer loyalty.

4.2.6. Measuring the variability of regression model

A regression equation can be developed for any variables X and Y, even random numbers. There are two ways to know that the model is actually helpful in predicting Y based on X.

1. **Coefficient of Determination ($R^2$)**

The coefficient of determination ($R^2$) is a measure of the proportion of variation in $y$ that is explained by the regression line, using $x$ as the explanatory variable (Brase & Brase, 2013). The coefficient of determination provides a measure between zero and one, the coefficient of determination can be used for relationships that have two or more independent variable (Anderson, Sweeney, Williams, Camm, & Cochran, 2014).

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.857a</td>
<td>.734</td>
<td>.726</td>
</tr>
</tbody>
</table>

*Source: Data Processing Result of SPSS 20.0*
The table 4.10 shows that the coefficient determination $R^2$ value of the regression model is 0.734. It means that 73.4% of the variation in customer loyalty as dependent variable is explained by the variation of independent variables education experience, entertainment experience, esthetic experience and escapist experience, whereas the other 26.6% is explained by other factors.

2. Coefficient of correlation

The coefficient correlation shows the correlation of independent variables education experience, entertainment experience, esthetic experience and escapist experience to customer loyalty as dependent variable.

**Table 4.11: Coefficient of Correlation**

<table>
<thead>
<tr>
<th></th>
<th>Education experience</th>
<th>Entertainment experience</th>
<th>Esthetic Experience</th>
<th>Escapism Experience</th>
<th>Customer Loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education Experience</strong></td>
<td><strong>Pearson Correlation</strong></td>
<td>1</td>
<td>.803**</td>
<td>.645**</td>
<td>.740**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>140</td>
<td>140</td>
<td>140</td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td><strong>Entertainment Experience</strong></td>
<td><strong>Pearson Correlation</strong></td>
<td>.803**</td>
<td>1</td>
<td>.714**</td>
<td>.723**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>140</td>
<td>140</td>
<td>140</td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td><strong>Esthetic Experience</strong></td>
<td><strong>Pearson Correlation</strong></td>
<td>.645**</td>
<td>.714**</td>
<td>1</td>
<td>.645**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>140</td>
<td>140</td>
<td>140</td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td><strong>Escapism Experience</strong></td>
<td><strong>Pearson Correlation</strong></td>
<td>.740**</td>
<td>.723**</td>
<td>.645**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>140</td>
<td>140</td>
<td>140</td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td><strong>Customer Loyalty</strong></td>
<td><strong>Pearson Correlation</strong></td>
<td>.728**</td>
<td>.774**</td>
<td>.774**</td>
<td>.732**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>140</td>
<td>140</td>
<td>140</td>
<td>140</td>
<td>140</td>
</tr>
</tbody>
</table>

Source: Data processing result of SPSS 20.0
The coefficient of correlation in this research is analyzed with Pearson Correlation method. The coefficient of correlation measures the strength of a linear relationship between two variables. Table 4.10 of Pearson correlation shows the strength of linear relationship between X and Y variables. The table states that education experience has positive correlation with customer loyalty with the value of 0.728. Similarity with entertainment experience, esthetic experience and escapism experience, the Pearson correlation between entertainment experience and customer loyalty is 0.774, between esthetic experience and customer loyalty is 0.774 and between escapism experience and customer loyalty is 0.732.

4.2.7. Hypothesis Testing Result

This research uses multiple linear regression analysis because the model has two variables. The hypothesis testing is conducted through F-test and t-test. The effect of independent variable individually toward dependent variable will be used the partial t-test. F-test will be used to test the influences of all independent variables to dependent variable simultaneously. Each independent variable is significant if p-value is less than 0.05.

1. F-test (Simultaneously test)

F-test is conducted to test whether all independent variables have simultaneous affect the dependent variables.

Given the hypothesis:

\[ H_0: b_1 = b_2 = b_3 = b_4 = 0 \] There is no significant correlation between customer experiences (education experience, entertainment experience, esthetic experience and escapism experience toward customer loyalty simultaneously).

\[ H_a: \text{at least one } b_i \neq 0 \] There is significant correlation between customer experiences (education experience, entertainment experience, esthetic experience and escapism experience toward customer loyalty simultaneously).
ANOVA table shows the value of F calculation. If the probability value is < 0.05, H0 is rejected which mean education experience, entertainment experience, esthetic experience and escapism experience can influence the customer loyalty.

Table 4.12: F-test

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>74,099</td>
<td>4</td>
<td>18,525</td>
<td>93,018</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>26,885</td>
<td>135</td>
<td>199</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100,984</td>
<td>139</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer loyalty
b. Predictors: (Constant), Escapism experience, Esthetic experience, Education experience, Entertainment experience

Source: Data processing result of SPSS 20.0

From the output of F-test in ANOVA, it shows that F calculated is 93.018 with the Sig value of 0.000 < 0.05, therefore the null hypothesis $H_0$ is rejected and the alternative hypothesis $H_a$ is accepted.

2. T-test (Partial test)

The T-test is conducted in order to test the significant of each independent variables towards the dependent variable which mean to examine whether education experience, entertainment experience, esthetic experience and escapism experience individually influence customer loyalty.

Hypotheses used are

**Education experience and customer loyalty:**

$H_{01}: b_1 = 0$ (there is no significant correlation between education experience and customer loyalty)

$H_{a1}: b_1 \neq 0$ (there is significant correlation between education experience and customer loyalty)
Entertainment experience and customer loyalty

H\(_{02}\): \(b_2 = 0\) (there is no significant correlation between entertainment experience and customer loyalty)

H\(_{a2}\): \(b_2 \neq 0\) (there is significant correlation between entertainment experience and customer loyalty)

Esthetic experience and customer loyalty

H\(_{03}\): \(b_3 = 0\) (there is no significant correlation between esthetic experience and customer loyalty)

H\(_{a3}\): \(b_3 \neq 0\) (there is significant correlation between esthetic experience and customer loyalty)

Escapism experience and customer loyalty

H\(_{04}\): \(b_4 = 0\) (there is no significant correlation between escapism experience and customer loyalty)

H\(_{a4}\): \(b_4 \neq 0\) (there is significant correlation between escapism experience and customer loyalty)

Table 4.13: t-test

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.090</td>
<td>.107</td>
<td>.841</td>
<td>.402</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education experience</td>
<td>.114</td>
<td>.075</td>
<td>.124</td>
<td>1.526</td>
</tr>
<tr>
<td>Entertainment experience</td>
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<td>.091</td>
<td>.249</td>
<td>2.942</td>
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<tr>
<td>Esthetic experience</td>
<td>.377</td>
<td>.066</td>
<td>.376</td>
<td>5.703</td>
</tr>
<tr>
<td>Escapism experience</td>
<td>.163</td>
<td>.053</td>
<td>.218</td>
<td>3.054</td>
</tr>
</tbody>
</table>

Source: Data processing result SPSS 20.0
The hypothesis t–test results are as follow

**Regression test of education experience**

Table 4.9 shows the output of t–test, education experience (X1) has a significant (sig) value of 0.129 which is greater than p–value 0.05. It means that education experience has no significant correlation toward the customer loyalty. It means we accept \( H_0 \) and reject \( H_a \).

**Regression of entertainment experience**

The second independent variable (X2) to be tested is entertainment experience can be seen from the table 4.9 that the significant (sig) value is 0.004 which is smaller than p–value 0.05. This result means that entertainment experience has significant correlation toward customer loyalty. Therefore we reject null hypothesis \( H_0 \) and accept alternative hypothesis \( H_a \).

**Regression of esthetic experience**

The third independent variable (X3) is esthetic experience. From the table 4.9, the significant (sig) value is 0.000 which is far below the p–value of 0.05. So, it can be concluded that there is a significant relationship between esthetic experience and customer loyalty. One again, we accept \( H_a \) and reject \( H_0 \).

**Regression of escapism experience**

The last independent variable (X4) is escapism experience. It is showed in the table 4.9 that the significant (sig) value of escapism experience is 0.003 is also below the p–value of 0.05. Hence, there is a significant relationship between escapism experience and customer loyalty. Rejecting \( H_0 \) and accepting \( H_a \).

### 4.3. Interpretation of Result

From the result of regression analysis in this study, the table 4.6 shows the value of \( R^2 \) is 0.734 which means 73.4% of the variation in customer loyalty as
dependent variable is explained by the variation of independent variables education experience, entertainment experience, esthetic experience and escapism experience, whereas the other 26.6% is explained by other variables that are not included in the regression model.

In term of simultaneous influent (F-test) the data analysis shoes that both independent variables has significant correlation toward the dependent variable. The F calculated is in the value of 93.018 with the significant (Sig) value of 0.000 which was far below the p-value of 0.05. It means that despite the t-test, education experience do not affect customer’s loyalty. However, these four experiences as customer experiences can be used as a tool to measure customer’s loyalty.

After being acquainted the simultaneous influence of the education experience, entertainment experience, esthetic experience and escapism experience toward customer loyalty, data was processed to t-test which test the partial influent from each variable. Different results from each variable were obtained and elaborated as follow:

**Education experience and customer loyalty**

The probability value of education experience and customer loyalty is 0.129 which is higher than 0.05 has indicated there is insignificant correlation between education experience and customer loyalty in CGV Vietnam. With education experiences, customers will increase their skills and knowledge, either general or specific. However, most of movies showed in cinema are in nature of entertaining and commercial rather than educating. According to a survey of watching movies’ tendency in Ho Chi Minh City, with 555 participants, 71.2% of the respondents said “Comedy”, Action movies and “adventures” are the most favorite movies they choose when come to cinema. None of respondents will choose an education movie when they come to cinema (vinaresearch, 2012). Top ten highest-grossing films in all of decades also belong to these types of movies; even these movies bring a message of humanity, love, conveying history, culture and educated
people to do the right things. The education element is considered as the subsidiary elements in these commercial movies nowadays. The main purposes of these movies are creating entertainment, excitement and enjoyment toward customers.

In Vietnam, the number of education movies is not much. Most of them even have a large amount of investment from government, directed by professional and talent directors; famous actors, still got failure when premiered. One of the biggest failures of education movie in Vietnam is “Song cùng lịch sự”, got the investment of 1 million US Dollar, they have to cancel the projection because there are only 2 or 3 audiences in each cinema. Explaining the failure of these movies, Ms. Nguyen Thi Hong Ngat- director of Cinema department “the PR, marketing strategy of these education movies is not effective, private cinemas not always agree to project these kinds of movies because they take into account the business problem when screening of the film and the young generation nowadays want to watch movie that make them relax and entertain rather than education”. (Tri, 2014).

Most of the respondents in this research are from young generation with 24% of them are 16- 19 and 59% are 20-24. Therefore, when they tend to choose a movie that can entertain and make them feel relax rather than a movie with education purpose and if only experienced the education experience in watching movie in CGV will not make a loyal customer. In addition, education experiences only happen if the customers absorb the events and actively participate in the mind and or body. It depends on the willingness of customers to “learn something new” and also it has curiously motived them desire to learn something.

In the other researches, when examining the concepts of experiences economy in tourism, the findings of Mehmet and Marit showed more specifically that the dimensions of education and entertainment do not affect the visitor’s level of satisfaction whereas the dimensions of escapism and esthetics do so in the case of the Ice Music Festival. The findings thus imply that experiences need to be
created and staged depending on their associated contexts. For instance, since the Ice Music Festival emphasizes esthetics, music and nature in its promotional message, we should expect the dimension of esthetics to influence the visitor’s satisfaction (Mehmetoglu & M. & Engen, 2011).

It can be explained why the respondents in this research thinks education experiences will not make them be a loyal customer because the weaknesses in PR and marketing strategy of education movies in Vietnam, the famous private cinemas have to consider about cost of projecting unprofitable movies only with education purpose, young generation in Vietnam are indifferent with movies in nature of high education purpose and the education elements in these commercial movies nowadays are just an subsidiary and may not create the education effect to customers.

**Entertainment experience and customer loyalty**

According to the result of F-test and t-test, entertainment experience influences customer's loyalty and is significant towards CGV cinema customer’s loyalty. The t-value of entertainment experience is 2.942 which means that increase in entertainment experience will influence to increase customer’s loyalty. The influence of entertainment experience is significant since the significance level of this variable is 0.004 which is less than 0.05.

CGV’s customers considered entertainment experiences as an important and significant factor that can affect to their loyalty. The entertainment experience occurs commonly when a customer passively observe the movies. Most of the customers want to entertain through watching movies. Especially, CGV is the exclusive distributors of famous movies production such as DreamWorks Animation, Universal, etc. so they can have the advantages when project these blockbuster movies. The numbers of movies are increased and updated continuously that make customers have lots of choices of watching movies. In addition, CGV is one of the most modern cinemas in Vietnam with the
development in technology in sound, screen, effect of 4DX, IMAX, sound X that make customers more entertain and enjoy when watching movies. Therefore, they tend to become loyal customers to CGV cinema.

The entertainment dimension was the second strongest determinant of the outcome variables in the study of Hosany: the dimensions of cruisers’ experience, satisfaction and intention to recommend. However, this finding contrasts with Oh et al., (2007) study, wherein entertainment was not a statistically significant contributor of satisfaction, arousal, memory and overall quality. A plausible explanation could be that while cruising offer a radically different entertaining experience. Entertainment is an integral part of a cruise vacation and cruise ships provide a “distinctive, safe and comfortable play space” (Hosany & Witham, 2010).

**Esthetic experience and customer loyalty**

The probability of esthetic experience is 0.000 which is far smaller than 0.05 has proved that there is significant correlation between esthetic experience and customer loyalty. Moreover, the parametric coefficient of esthetic experience is 5.703 which mean it has positive correlation with customer loyalty.

The esthetics dimension refers to consumer’s interpretation of the physical environment around them. Bitner (1992) classified physical environment in terms of three dimensions: “ambient conditions”, “spatial layout and functionality” and “sign, symbols and artifacts” (Hosany & Witham, 2010). CGV cinemas have the international standard of projection rooms. The design is inspired by the sumptuous cinematography Avenue Broadway in New York. The combination with the color, lighting systems, music are united and luxurious follow the design and style of CGV Korea. In addition, the setting of posters, standees, promoting exhibits in CGV is attractive and innovative, under copyright of famous Hollywood studios. CGV cinema becomes an ideal place to hang out with friends and family. In CGV, esthetic element is appreciated, that make CGV become
unite and the best cinemas in Vietnam. It also encourages creating premium loyal customers.

In the research of tourism development along the Chautauqua- Lake Eric Wine Trail found out that the esthetic dimension prevailed as the strongest dimension. Esthetics dominated the visitor’s experience and explained the greatest proportion of the tourist’s future behavioral intentions (Donnelly, 2009).

**Escapism experience and customer loyalty**

The probability value of escapism experience is 0.003 which is smaller than 0.05 that means there is significant correlation between escapism experience and customer loyalty. The parametric coefficient of escapism experience is 3.054 which mean when escapism experience increase 1%, customer loyalty will increase 3%.

In CGV Vietnam, with the development in projection technology: IMAX can maximize screen size that human eyes can perceive, sound for maximize realism; 4DX is the world’s first 4D theater that satisfying all give senses which can reproduce environment from movies, seats and environment effect in accordance with scene. Sound X can maximize surround sound system- 3D sound. The combination of technology in projecting movies that make customers totally immerse in the movies and make them fell real that they engage into the movies, be the part or character of it. The effect of technology also creates the excitement and escapism for the customers. They can imagine being someone else; it can be a princess, superman or favorable cartoon characters. Sometimes, watching movies that make people escape from reality, and forget about daily routine. Therefore, when watching movies in CGV, audience can have escapism experiences and with the modern development technology, CGV will make their customers definitely come back again, willing to pay more to enjoy such an incredible experience and become first choice in all of cinemas in Vietnam. Experience of the guests can be much more memorable if the service delivery and performance integrates the
CHAPTER V
CONCLUSION AND RECOMMENDATION

5.1. Conclusion

The purpose of the study is to identify whether there is a relationship between customer experiences and customer loyalty. The research has answered the statement of problems and given the forecasting model of customer loyalty.

1. **Is there any significant relationship between education experience and customer loyalty?**

Based on the result of t – test, the p – value of education experience is 0.129 which is greater than 0.05. The result means education experience partially has no significant correlation toward customer loyalty.

2. **Is there any significant relationship between entertainment experience and customer loyalty?**

The p – value of entertainment experience as the second independent variable is 0.004 which is less than 0.05. This result means entertainment experience has significant correlation toward customer’s loyalty. The Pearson correlation value between entertainment experience and customer’s loyalty is 0.774; it means entertainment experience has a positive correlation with customer loyalty.

3. **Is there any significant relationship between esthetic experience and customer loyalty?**

Esthetic experience as the third independent variable has the p – value is 0.000 which is much lower than 0.05. It can be concluded that esthetic experience has significant correlation toward customer’s loyalty. Moreover, esthetic experience is
proven has a strong positive correlation with customer loyalty with the value of 0.774.

4. **Is there any significant relationship between escapism experience and customer’s loyalty?**

The p-value of escapism experience is 0.003 also lower than 0.05. Therefore, escapism experience also has significant correlation toward customer’s loyalty. In the table of coefficient of correlation, escapism experience is proven has a strong positive correlation with customer loyalty with the value of 0.732.

5. **Is there any significant relationship between customer experiences (education experience, entertainment experience, esthetic experience and escapism experience) and customer loyalty?**

According to the F-test result which can be seen in chapter IV, all the independent variables: education experience (X1), entertainment experience (X2), esthetic experience (X3) and escapism experience (X4) simultaneously influence to customer loyalty in CGV cinema Hung Vuong Plaza in Ho Chi Minh City. The score of significant value for this test is 0.000 which is far smaller than 0.05, so the null hypothesis $H_0$ is rejected and alternative hypothesis $H_a$ is accepted. In the other words, customer experiences significant relationship with customer loyalty.

5.2. **Recommendation**

5.2.1. **For CGV Vietnam**

In order to differentiate CGV Vietnam with its competitors, CGV should develop customer loyalty program to increase education experience, entertainment experience, esthetic experience and escapism experience.

**To increase education experience:** CGV can consider about education advertisement through restroom media. The advertisement brings education
meaning, inspired people to do right things or enhance knowledge of audiences in specific manner. In addition, CGV can use the pre-show during the time waiting movies are projected, as the way to increase education experience to customers. Continuously organizing Vietnamese film festival or international film festival, providing Kid’s library with children’s books, tablet and PCs

**To increase entertainment experience:** CGV should provide convenience and time saving for audience in information search and ticket purchasing through not only service desk as the traditional ticket purchasing but also through application on mobile phone, one click menu on website and ticket machine. Continuously organizing Vietnamese film festival and Korean film festivals which will be projected free for those missed a chance to watch these movies when it premiered. CGV customers can increase the level of entertainment experiences, hence, develop and create added values for CGV Vietnam’s loyalty audiences.

**To increase esthetic experience:** CGV should develop the concession by providing attractive variable concession menu (more flavors, movie combo, etc.) to enhance cinema experience. Branding on cups (sell as a new media product to increase media revenue and PR opportunity. CGV Vietnam also needs to develop a kid’s corners to children play there, movie art exhibition, cine shop. Creating lobby technology tools and celebrating lobby events. Therefore, the customers can increase their esthetic experiences.

**To increase escapism experience:** CGV also can develop variable cinema types such as the private cinema (private party venue for special occasions with premium screens with prestige leather couch, luxurious lounge for various gathering & parties, flexible space use for gathering in different and nature), Gold glass (premium cinema experience with upscale lounge), CINE de CHEF (prestigious cinema combined with fine dining) provide restaurant with top chef’s gourmet course and premium cinema with VIP services. Customers when experience these services can also enhance esthetic and escapism experiences.
Developing loyalty programs: CGV should provide convenience for VIPs and Celebs to visit cinemas through VIPs/ Celebrity Premium Card (or CJ Only One Card) which is the PR’s opportunities for CGV branding. CJ Only One Card is the combination of conveniences such as: communication convenience, travel convenience, shopping convenience, entertainment convenience, education convenience and food convenience. CGV can become partners with different brands (KFC, Parkson Plaza Shopping Center, Vietnam Airlines, CJ E&M Entertainment, CJ Home Shopping, Tour les Jour, etc.).

CGV may put the targeting on latent loyalty customers, since, CGV’s customers have a positive toward CGV’s brand, but they still afraid about the price is higher than other cinemas. Therefore, they didn’t come to CGV regularly. CGV needs to identify the issues faced by its customers and find out ways to tackle them such as ticket promotion on week days, discount for ID student’s card, giving free vouchers and developing CJ one card for loyalty programs, etc.

5.2.2. For future researcher

The focus of this research was on developing a measurement scale for the four realms of experience. Each dimension of experience may be further elaborated into meaningful sub dimensions. The future research would be clarified how the four experience dimensions are linked to customers’ experiences outcome that has been conceptualized in the media and entertainment industry. According to Pine and Gilmore (1999) education experience require active participation, such that consumers play a key role in determining their overall experience. Results indicate that education dimension was not significant related to customer’s loyalty. Thus it is possible that customer involvement might have influenced the magnitude of the relationship between the dimension of experiences and loyalty. Further research should replicate the study under different levels of involvement (high and low). Finally, this research has sought to understand the dimensions of customer experiences using an existing measurement model. Future studies could
develop other items to capture other attributes/ aspects of the customer experience.
REFERENCES

Books


**Journal articles**


**Reports**


**Websites**

http://www.filmjournal.com/filmjournal/content_display/news-and-features/features/cinemas/e3i7686b7df79d6070328cc49d693302b6c


Questionnaire

The analysis of relationship between customer experiences and customer loyalty - the case study of CJ CGV Cinema Ho Chi Minh City, Vietnam

Dear Sir/ Mam

I, an international business student, am undertaking a research project to identify the impact of customer experience to customer loyalty. I hope that you can complete the short following questionnaire. It should take no longer than 5 minutes. Your respondent will be very valuable to me.

Should you have any comments or question, you are welcome to contact me at: 0838 786 355 79 or email: nguyenvuthucdoan@gmail.com

Yours sincerely,

Section A – Background information

<table>
<thead>
<tr>
<th>Q1</th>
<th>Age</th>
<th>16-19</th>
<th>20-24</th>
<th>&gt;30</th>
</tr>
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<tbody>
<tr>
<td>Q2</td>
<td>Gender</td>
<td>Male</td>
<td>Female</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>Occupation</td>
<td>Student</td>
<td>Employee</td>
<td>Government official</td>
</tr>
<tr>
<td>Q4</td>
<td>Income/month</td>
<td>&lt;1,500,000 VND</td>
<td>&gt;1,500,000 – 3,000,000 VND</td>
<td>&gt;3,000,000 – 4,500,000 VND</td>
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<tr>
<td>Q5</td>
<td>Education</td>
<td>Senior High school</td>
<td>Short-term training certificate</td>
<td>Vocational Degree</td>
</tr>
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</table>

Section B - This section explores your susceptibility toward the customer experiences and customer loyalty

| Q6 | Have you come to CGV Hung Vuong Plaza, Ho Chi Minh city Vietnam before? | Yes | No |

If the answer is Yes for question 6, please continue the following questions.
<table>
<thead>
<tr>
<th>Education experience</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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</thead>
<tbody>
<tr>
<td>Q7 Watching movies in CGV made me have more knowledge (history, tourism, geographic, etc.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q8 Watching movies in CGV stimulates my curiosity to find out another culture (language, music, social, etc.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q9 Watching movies in CGV is a real excited learning experiences</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q10 I have learned a lot after I watch movies in CGV.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q11 I can tell to my friends or the others about the detail of movie’s content</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Entertainment experience | | | | | |
| Q12 Watching movies in CGV was amusing | | | | | |
| Q13 Watching movies in CGV made me totally captivated | | | | | |
| Q14 Watching movies in CGV was entertaining | | | | | |
| Q15 I really enjoyed watching movies in CGV | | | | | |

<p>| Esthetic experience | | | | | |
| Q16 The layout of the projection rooms and lobby of CGV is harmony | | | | | |
| Q17 The design of facilities (chairs, glass, pop-corn contents, electric tablet, etc.) in CGV creates the attention to design detail | | | | | |
| Q18 The setting of posters, standees, exhibits to promote the showing movies in CGV is attractive and innovative | | | | | |
| Q19 The arrangement ticker’s order, pop-corn factory, F&amp;B and waiting areas in CGV are logic and aesthetic | | | | | |
| Q20 The combination between | | | | | |</p>
<table>
<thead>
<tr>
<th>Escapism experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q21 Watching movies in CGV makes me feel like I was living in a different time</td>
</tr>
<tr>
<td>Q22 Watching movies in CGV made me feel I played a different character here</td>
</tr>
<tr>
<td>Q23 Watching movies here let me imagine being someone else</td>
</tr>
<tr>
<td>Q24 Watching movies in CGV made me totally forgot about my daily routine</td>
</tr>
<tr>
<td>Q25 Watching movies in CGV made me completely escaped from reality</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Customer loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q26 I will recommend CGV to others</td>
</tr>
<tr>
<td>Q27 I will definitely come back to CGV again</td>
</tr>
<tr>
<td>Q28 CGV is my first choice when I want to go the cinema</td>
</tr>
<tr>
<td>Q29 I will encourage others to come to CGV.</td>
</tr>
<tr>
<td>Q30 I am willing to pay more and spend time to watch movie in CGV</td>
</tr>
</tbody>
</table>
Figure 2.1: Frequency of age come to cinemas

Source: (vina research, 2012)

HOUSEHOLD INCOME CLASSIFICATION

Household Income Band (HIB) Classification System Overview.
This classification system is based on gross monthly income.

<table>
<thead>
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</tr>
<tr>
<td>A4</td>
<td>75,000,000 - 149,999,999</td>
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<tr>
<td>A3</td>
<td>45,000,000 - 74,999,999</td>
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<td>A2</td>
<td>30,000,000 - 44,999,999</td>
</tr>
<tr>
<td>A1</td>
<td>15,000,000 - 29,999,999</td>
</tr>
<tr>
<td>A</td>
<td>15,000,000 or higher</td>
</tr>
<tr>
<td>B</td>
<td>7,500,000 - 14,999,999</td>
</tr>
<tr>
<td>C</td>
<td>4,500,000 - 7,499,999</td>
</tr>
<tr>
<td>D</td>
<td>3,000,000 - 4,499,999</td>
</tr>
<tr>
<td>E</td>
<td>1,500,000 - 2,999,999</td>
</tr>
<tr>
<td>F</td>
<td>0 - 1,499,999</td>
</tr>
</tbody>
</table>

Figure 5.1: Household Income Classification

Source: (Nielsen, 2013)