

FACTORS THAT INFLUENCE GENERATION Y'S  
CINEMATIC EXPERIENCE TOWARDS THE SELECTION OF  
CINEMA IN MALAYSIA

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DECLARATION

We hereby declare that:

- (1) This undergraduate research project is the end result of our own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.
- (2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.
- (3) Equal contribution has been made by each group member in completing the research project.
- (4) The word count of this research report is 22, 399 words.

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## LIST OF ABBREVIATIONS

GSC	Golden Screen Cinema
TGV	Tanjung Golden Village
MBO	MCAT Box Office
LFS	Lotus Five Star
SPSS	Statistical Package for the Social Sciences
CEM	Customer Experience Management

## PREFACE

First of all, this research study is a compulsory requirement for the academic studies of “Bachelor of International Business (HONS)” in UTAR. This research study targets to develop the intellectual interest and critical thinking among the undergraduates apart from their regular responsibilities. Besides, this research study also prohibits the integration of research capability and application of the theoretical elements into group written, oral and discussion ability.

The topic for this research study is **Factors that Influence Generation Y's Cinematic Experience towards the Selection of Cinema in Malaysia**. The research study is conducted due to the fact that in Malaysia, there is very limited research studies conducted on moviegoer's cinematic experience which will create an impact towards customer delight and customer loyalty. Furthermore, the emerging customer services relating customer experience in the cinema industry further boost the attractiveness of this research study.

This study is conducted to investigate the significant relationship of the factors that affect Generation Y's cinematic experience towards the selection of cinema in Malaysia. It explicitly addresses the prominence of customer experience as local cinema industry attempts to convene those needs. Hence, this study can assist the cinema and movie entertainment operators as well as marketers in assessing their progress in creating customer delightfulness and increasing customer loyalty.

## ABSTRACT

The cinema and movies entertainment industry play an important role in providing moviegoers the means of escapism from the daily hustle and bustle. As Generation Y's are entering into their prime spending years with extensive viewing habits, cinema operators need to be well-equipped with good products and services to prevent customers from losing interest in cinema entertainment. Hence, the main concern of cinema entertainment companies would always be enriching moviegoer's boundless cinematic experience to enormously conserve loyal customers. Customer's delightfulness of being more than satisfied towards the company's services and retaining loyal customers tend to be more essential in reflecting a company's profit and sustainability. Thus, this generates the attention of researchers to investigate the key factors that affect Generation Y's cinematic experience towards the selection of cinema in Malaysia.

As such, the main purpose of this study aims to determine the significant factors that influence Generation Y's cinematic experience towards the selection of cinema in Malaysia. The data for this study was collected by using 200 forms of printed survey questionnaires which were distributed personally in random to 200 moviegoers from GSC, TGV, MBO and LFS cinemas. The version of 23<sup>rd</sup> Statistical Package for Social Sciences (SPSS) is being utilized to analyze the data collected from the printed survey questionnaires in this study. In addition, a few recommendations are presented to propose beneficial suggestions and call for further studies in this field.

**Keywords:** Cinema, selection criteria, customer experiences, entertainment, loyalty, movies.



## **CHAPTER 1: RESEARCH OVERVIEW**

### **1.0 Introduction**

Traditionally, Malaysia has not known to have the greatest cinemas nor outshine in the movie industry, yet it is known to have one of the fastest growing cinema infrastructure in the Asian region. As a developing and middle-income country with an increased population to approximately 32.0 million comprising citizens and noncitizens (Department of Statistics Malaysia, 2017), it has undergone a self-transformation since the 1970s from being a producer of raw materials into an emerging multi-sector economy country. With a window of opportunity on new financial and cultural initiatives, the Southeast Asian nation is focusing into becoming a film industry hub for the entire region. Without much realization, the numbers of cinema screens in Malaysia have escalated from just having 287 screens 5 years ago to having more than 750 cinema screens currently (Ieconomics, 2017).

Nonetheless, according to Adam Fogelson, the former chairman of Universal Pictures who now runs STX Entertainment's film unit, the amount of movie theatre attendance has shown a tremendous decline as more and more people are not excited about a specific movie and lesser people would plan in advance to watch a particular movie (The New York Times, 2016). Besides, the advancement of internet and technology have made movie attendants being spoiled with choices by following the broader trend of other comparative ease subscription-based platforms such as Netflix and Iflix which is easy, convenient and cheaper (Business Insider Intelligence, 2016). As such, cinema operators in Malaysia must be alert on this issue by understanding the importance of enhancing customer's cinematic experience in order to make a reverse towards the movie entertainment industry from going into such declining state.

The topic of discussion for this research study is to examine the cinematic experience of Generation Y which will create an impact towards customer delight and customer loyalty in Malaysia. Problems statement will be stated to enhance our research motive. This is followed by the research objective and research questions with the purpose to clearly indicate the goal of the current research study. Furthermore, the hypotheses of the study will be stated as result predicted by the researchers. It is followed by the significant of study and chapter layout. Lastly, the conclusion will summarize the overall content for this particular overview chapter.

## **1.1 Research Background**

Generally, this research study is carried out to focus mainly on the experiences of moviegoers which is based on the formation of the cinema selection criteria. It is necessary for cinema operators to understand the concept and philosophy of experiential marketing where it plays an important role in providing holistic experiences to consumers at the right place and time. The mentioned experience involves engagement, which is deem appealing to consumers rationally to elicit logical thought and simultaneously connecting with consumers emotionally through personal and meaningful experiences. Thus, in this research, researchers aim to understand the cinematic experiences of Generation Y which will create an impact towards customer delight and customer loyalty in Malaysia.

### **1.1.1 Cinema Industry in Malaysia**

The first cinema that started operating in Malaysia was the Coliseum Theatre built in year 1920. It is located at the capital of the country which is Kuala Lumpur at Jalan Tunku Abdul Rahman. Back in that time, most of the movies premiering in the Coliseum Theatre are Indian movies. However, the theatre ceased its operation in 2006 and years later, the Malaysian government transformed it into a cultural centre. Currently, it is owned by Lotus Five Star Cinema (M) Sdn Bhd and has been rebranded as LFS Coliseum Cineplex.

In recent years, the Malaysian cinema industry is getting more intense in competition as the cinema chains continue to expand rapidly. Though there are only a few pioneer cinema operators (refer to Table 1.1) in Malaysia, those cinema operators are striving to reach to more customers throughout Malaysia by expanding the number of screens available. Besides these large cinema operators, there are also smaller cinema operators running their business in smaller scale. Currently, Malaysia has 155 cinemas operating throughout the country with more than 800 screens and over 150,000 seats available. According to the official website of Golden Screen Cinema Sdn Bhd (GSC), owning the largest cinema chain in Malaysia, it has been recorded that the company received a total admission of over 32 million customers nationwide in 2016, whopping 41% of the industry's total admission of 68 million. GSC believe that there are great potential to grow the cinema business in Malaysia where in this case, it has stimulate MCAT Box Office Sdn Bhd (MBO) to expand aggressively in order to boost movie going experience in Malaysia.

Table 1.1: List of Pioneer Cinema Operators in Malaysia (as of July, 2017)

<b>Cinema Operator Company</b>	<b>Number of Screens</b>
Golden Screen Cinema Sdn Bhd (GSC)	318
TGV Cinemas Sdn Bhd (TGV)	268
MCAT Box Office Sdn Bhd (MBO)	207
Lotus Five Star Cinema (M) Sdn. Bhd. (LFS)	108

Source: Developed for the research

Referring to the report from The Economic Contribution of the Film and Television Industries in Malaysia which is prepared by Oxford Economies, the film and TV industries in Malaysia have directly contributed to an estimated of RM2.9 billion to the Malaysian economy, which is about 0.3% of the total national gross domestic product (GDP) (The Star, 2014). Adding onto the fact, Malaysia's theatrical box office revenue grew from RM602 million in 2011 to RM609 million in 2012 which had shown a steady gain in cinema admissions (IFTA Marketplace Review Malaysia, 2013). Needless to say, the productivity of cinema industry in Malaysia can be seen as well above the national average though Malaysia is a relatively small player in this industry due to its relatively small market and population as well as the varied and fragmented cinema audience as a multicultural society.

For the purpose of keeping the industry to be well capitalized, cinema operators must be well alert on the competition from film and movies substitution such as addictive TV programmes, DVD culture and legal or illegal online streaming or downloading platforms. On the view of subscription-based platforms such as Netflix and Iflix which are getting popular have become a threat to cinemas as movies became available online, adding on with the ability to stream for an unlimited amount of movies for a

lower cost. With that being the case, cinema exhibitors need to uphold the industry by focusing to foster delightful cinematic experience for moviegoers. Cinema operators have to be conscious towards the importance of those value-added impact which will help in creating indulgence cinematic experience for moviegoers which in turn give rise to moviegoers to be loyal towards opting to watch movies in any cinemas in Malaysia instead of other alternatives.

### **1.1.2 Marketing Perspective in Cinema**

Today in the era of globalization, it can be seen that cinema marketers are thinking out of the box in order to inspire wonders and amuse customers to retain loyalty. Low prices and innovative products or services are not sufficient to captivate customers, needless to contemplate on surviving in the competitive service industry (Medrano et al, 2016). To boost cinematic experience, cinema operators have to know that customer experience is deduced as the sentiment interaction between an organization's products or services with a customer. Therefore, it is necessary for cinema marketers to prioritize the element of customer experience so as to emerge as a vital strategy in the cinema service industry in order to create and retain loyal customers.

In view of the technology advancement (Forrester, 2015), cinema has now been using new technological capabilities and organizational change to create different experiences to adapt the varying customer needs - consumer choose when and how they interact with businesses. For instance, GSC and TGV have developed a user-friendly mobile application that enable customers to purchase movie tickets and be well-informed with promotional packages available via online without the constraint of time and location. Moreover, cinemas are now engaging moviegoers in social media platforms through

different channels such as Facebook, YouTube, Instagram and WeChat. The direct line of communicating with customers in loyalty membership program is also one of the pivotal means. In short, marketers in the cinema industry must stay involved to look beyond possibilities by adding value to the customer experience so customers will remain loyal as well as will refer to others.

According to Marian El Bacha, the Director of Operations in MBO Cinema, she mentioned that Malaysia is being a competitive market and so public's well favored cinema operators have to be creative in delivering a pleasant customer services, loyalty programmes, concession offers and during seasonal period. Cinema marketers make up various deals and offers to attract customers with noteworthy pricing strategy which includes offering complimentary popcorn and drinks, early bird discounts, complimentary movie tickets for birthdays of regular patrons as well as online movie ticket sales services where marketers believe such deals could keep faithful customers.

### **1.1.3 Customer Experience**

Wen (2009) stated that in the present circumstances, the world's social economy has been reforming from being a commodity and service economy in the past to the present-day experience economy age. According to Meyer and Schwager (2007), they drew an inference by stating that in the new horizon of experience economy age, customer experience is acting as a new blueprint especially when globalization has no more boundaries. Customers cannot cease from being judgmental towards products, services and brands based on their own assemble of experiences on a day to day basis.

Currently, companies whom focusing their attention on providing services are offering unforgettable customer experience as their crucial tool in order to improve the company's brand loyalty. Based on the Collins English Dictionary (2011), experience can be explained as a particular incident and feeling that a person had undergone previously. Pine and Gilmore (1999a) articulate that experience can be different and unique depending on each individual as not everyone undergone the same level of experience. Experiences which are not memorable shall not be remembered over a period of time which in turn do not generate customer loyalty (Pine and Gilmore, 1999b).

A research conducted by Fi Stuart (2006) revealed experiences that are being fixed in the mind of customers can nourish the relationship between customer and the service provider, improves servicing brand loyalty thus increasing company's revenue. As a result, companies who are service providers such as cinema operators should actively transfer distinctive, consistent and positive experience to moviegoers. For instance, Jerry Bowen, a 30 year old veteran CBS News stated that people go to the movies to escape their everyday reality. That being the case, it is important that the whole process of gaining cinematic experience has to be enjoyable. In addition where the global cost of living has been increasing gradually, cinema marketers are engaging moviegoers with the best cinematic experiences via affordable prices, exclusive contents and premium yet fun movie-going experience (The Malay Mail, 2015). Needless to say, customers' positive experiences in cinema will cause feelings of delight that in turn motivate customers to share this positive experience with others such as family and friends which dictates customer loyalty.

### **1.1.4 Research on Moviegoers Attaining Cinematic Experience**

In recent years, the movie-going experience has been enriched to a greater height since the establishment of more revolutionary facilities and supreme cinema services which have enhanced the quality of one's movie experience. Cinema conglomerates in Malaysia such as GSC, TGV and MBO continue to make huge investments in new technology and innovation to offer more immersive experiences to their audiences. It is believed that the diverse and engaging cinematic experience would excites the sentiment of moviegoers and thus transforming them into the vicinity of being a loyal customer to any cinemas in Malaysia.

To cite an instance, cinemas' amenity has been revolutionized with creatively designed stadium-style cushioned seating and luxury recliners with vastly improved sight lines. Besides, premium large-format screens together with digital projectors and audio system such as those in IMAX theatres have elevated the overall quality of the movie presentation. What is more, the upgraded food concessions and cinema mobile applications development have lured moviegoers to watch movies in the cinema more frequently.

James Combs stated in his book publication of *Magical Suspension: The Movies as a Fun Experience* (2015) that the achievement of an enjoyable cinematic experience is more than getting moviegoers to look at and see motions combined with watching and following storied action but instead it is inclusively a ludenic creation and experiential recreation which collaboratively activates the unique feelings. Movie theatres bring an immersive experience which streaming cannot put up where this is the sensation that millennials crave. According to National CineMedia, members of this generation are 50% more likely to claim movies as a passion. They are also most likely to buy tickets ahead of time and nearly 90% aim to arrive at



the theatre early where these episodes evidently shows the profound demand of cinema in Malaysia.

## **1.2 Problem Statement**

The presence of movie theatre started back in 1800's only showed motion pictures with little or no sound effect (Shaquilla A., 2016). Due to the technology advancement and never-ending changes of consumer preference, movie theatres continue to evolve. Different kind of products, added value services and various attractive marketing programs have been introduced to attract customer's visitation to create consumer loyalty in respective cinemas. Today, watching movie in the cinema has become one of the most common leisure activities among consumers especially the young adults known as Generation Y.

However, the phenomena seem to have changes in recent years. A discussion has been brought up by CEO of Netflix Reed Hastings and CEO of Alamo Drafthouse Cinema Tim League on whether or not Netflix is a threat to the theatrical movie experience (Ben Flanagan, 2017). Both of them have a different perspective on the cinema nowadays. Cinema theatre was once the only way for the people to watch a film. However, due to advancement of technologies, people started to change the way on how traditional film watching works. Distribution companies like Amazon Prime and Netflix started to bring a huge impact on the future of cinema theatre. Based on a theatrical statistic that is done by Motion Picture Association of America, tickets that are being sold has continued to decrease over the year especially from the younger generation (MPAA Report/Statistics, 2014). One of the reason highlighted was the wide range movie offer from Video on Demand platforms. Customer can now find movies in VOD libraries range from international to local film whereby this has become of the major reason that change the way how people watch film (Roshan, 2016). Moreover, these video streaming services not just delivering demanding movie

to people, it also allows viewer to choose what and when to watch instead of choosing within scheduled film (Amanda L., 2017). Despite online streaming platform booming recently, critical factors that contribute to customer experience should be determined by the cinema theatre in order to secure their market share by retaining the loyalty of customer towards selecting a cinema as movie entertainment. Therefore, it is important for cinema operators to identify the factors that able to create customer delight and customer loyalty in order to reduce the threat by online streaming platform.

Furthermore, changes of younger generation's consumption pattern also one of the reasons that contribute to the falls of cinema theatre. Based on Rick Ferguson, the amount of Generation Y population is respectively more as compared to those of baby boomers. On top of that, baby boomers are starting to retire where marketers are required to start paying attention to Generation Y (Aimia, 2011). However, triggering Generation Y's loyalty towards the cinema is not easy. A research has been carry out by NewsCred which showing Generation Y value quality instead of quantity where the most important driver towards them are having a good product instead of brand trust and recognition. This study have eventually raise an issue where how cinema can create a good product experience for Generation Y which leading them to be loyal. Researcher has failed to explain how Generation Y should be targeted and thus increase their loyalty. Besides that, Generation Y has started to drift away the old entertainment consumption patterns, and increasing the use of video streaming provided by several movie streaming platforms (Tero K, 2015). This issue has bring a huge challenge to cinema theatre typically during this era whereby smartphone are widely use in daily life. In order to overcome issue above, cinema theatre need to understand the cinematic experiences of Generation Y based on the formation of cinema selection criteria which will create an impact towards customer delight and customer loyalty in Malaysia. In other words, cinema operators should understand the criteria that affect customer delight of cinema going experience especially Generation Y to attract and increase more of them to visit the cinema.

In short, cinema operators are having challenges on losing large amount of customers due to the changes of the technology and customer preference. The use of other alternatives to replace cinema movie entertainment has persistently bringing threats to cinema operators. In the worst scenario, cinema operators may face elimination in the long run due to the consistent loss of customer equity. Therefore, cinema operators should take a well concern on the issue and develop a well marketing strategy to safeguard cinema movie entertainment as well as cease the problem from disseminating.

### **1.3 Research Objective**

Researchers came into consensus on the objective of conducting this research study in order to resolve the issues as brought up on the above problem statement. A general objective will be formed and then it will be further developed into specific objectives for investigation.

#### **1.3.1 General Objective**

The primary purpose of carrying out this research is to identify the factors from the marketing perspective which acts as the cinema selection criteria which is considered by Generation Y and the selection outcome from the experience gained from the cinema service in Malaysia. It attempts to study the factors including service quality, location, atmosphere and price which will create an impact towards customer delight and customer loyalty on the selection of cinema in Malaysia.

### **1.3.2 Specific Objectives**

The specific objectives for the current research study are as follows:

1. To determine whether is there a significant positive relationship between service quality and the experience on the cinema entertainment in Malaysia.
2. To discuss on whether is there a significant positive relationship between location and the experience on the cinema entertainment in Malaysia.
3. To understand whether is there a significant positive relationship between atmosphere and the experience on the cinema entertainment in Malaysia.
4. To understand whether is there a significant positive relationship between price and the experience on the cinema entertainment in Malaysia.
5. To determine whether is there a significant positive relationship between customer experience and customer delight towards the cinema entertainment in Malaysia.
6. To discuss on whether is there a significant positive relationship between customer delight and customer loyalty which delivers an outcome from the experience of cinema service in Malaysia.

## 1.4 Research Question

The questions for this research study are as follows:

1. Is there any significant positive relationship between service quality and Generation Y's cinematic experience towards the selection of cinema in Malaysia?
2. Is there any significant positive relationship between location and Generation Y's cinematic experience towards the selection of cinema in Malaysia?
3. Is there any significant positive relationship between atmosphere and Generation Y's cinematic experience towards the selection of cinema in Malaysia?
4. Is there any significant positive relationship between price and Generation Y's cinematic experience towards the selection of cinema in Malaysia?
5. Is there any significant positive relationship between customer experience and customer delight towards the selection of cinema in Malaysia?
6. Is there any significant positive relationship between customer delight and customer loyalty towards the selection of cinema in Malaysia?

## **1.5 Hypotheses of the Study (for quantitative research)**

### **Hypothesis 1**

H1: There is a significant positive relationship between service quality and customer experience.

### **Hypothesis 2**

H2: There is a significant positive relationship between location and customer experience.

### **Hypothesis 3**

H3: There is a significant positive relationship between atmosphere and customer experience.

### **Hypothesis 4**

H4: There is a significant positive relationship between price and customer experience.

### **Hypothesis 5**

H5: There is a significant positive relationship between customer experience and customer delight.

### **Hypothesis 6**

H6: There is a significant positive relationship between customer delight and customer loyalty.

## 1.6 Significance of the Study

In this research, researchers aimed to examine the factors (service quality, location, atmosphere and price) from the marketing perspective which acts as the cinema selection criteria that will affect Generation Y's cinematic experience and selection of cinema in Malaysia. This research may contribute towards a better understanding and insights for the Malaysian cinema entertainment providers on how to drive customers' loyalty to select their cinema by reinforcing the factor variables which has a significant relationship with customer delight and customer loyalty.

In the first place, the extent of online movie streaming and downloading platforms such as Netflix has led to a decline in millennial's cinema attendance. It is taken into much concern that the Malaysian cinema industry might collapse and vanish if the situation is not being curbed in a decent manner. On that account, researchers are eager to work out a formulation to stimulate the awareness and initiatives of local cinema operators to overturn the condition by studying the factor variables that would affect Generation Y's cinematic experience and how the movie going experience promotes customer loyalty.

Apart from that, Generation Y's way of consumption has been a huge deciding factors in the cinema movie entertainment. Due to the appearance of other movie entertainment platforms, Generation Y has started to drift away from their conventional entertainment consumption patterns. This has been causing a radical impact to cinema operators as Generation Y will be the primary target population for cinema movie entertainment in the coming years. With the contribution of this research, cinema operators will be able to be preamped on the significant factors that influence Generation Y's cinematic experience on movie entertainment in order to make a start on proactive methods to subside such declining state. Not to forget, cinema operators are able to understand on how to capture Generation Y's loyalty towards movie theatre entertainment by delivering the utmost delight services and spectacular cinematic experience.

Leaving aside the above, movies entertainment are all about capturing and experiencing the era created, the feelings shown, the visuals presented and the music blended in the best possible way for best quality available. Not to forget that cinematic experiences and film are one of the key socializing activators by acting as a common factor amongst moviegoers when visiting to theatre has historically being a culture and shared entertainment. Adding on, the modern movie entertainments have been recreating cinema theatre experiences to be exhilarating as moviegoers shared the same emotions. The collective effort of entertaining and enjoyable experience will definitely foster customer loyalty in terms of revisiting the respective cinema.

For all of its shortcomings, researchers would like to conduct this research study to figure those cinematic experience of Generation Y which will create an impact towards customer delight and customer loyalty in Malaysian cinemas. Researchers are confident that this study can serve as a reference note for local cinema entertainment companies as well as the local government to formulate a finer marketing strategy and services in order to amplify the country's entertainment industry to be on par internationally.



## **1.7 Chapters Layout**

There is a total consisting of 5 chapters in this research. Each chapter has a connection between one and another so as to complete the entire research study. The overall reviews of all the 5 chapters are stated as below.

### **1.7.1 Chapter 1**

Research Overview: Readers will get a concise understanding regarding the thorough research study by getting the clear picture in this initial section chapter. The research foundation and problem statement will also be traced in this part of the research study report. There will be also parts composing the objective of the study, research inquiries to be addressed and hypotheses which will be tested. Readers will also get to comprehend the clarification of significance of the study in this particular chapter.

### **1.7.2 Chapter 2**

Literature Review: This chapter comprises a comprehensive review on the data and thoughts from past researchers that are accessible on any databases. In this chapter, we will build a theoretical framework basis for the research by using applicable journals and articles to expose the current research issues. Additionally, this chapter gives a firm base to build up a good conceptual or theoretical system to continue with further processes and testing.

### **1.7.3 Chapter 3**

Methodology: In this chapter, depiction of researchers' approach which intended on how the research is being conducted in terms of research design, data collection methods, sampling design, operational meanings of develops, measurement scales and methods of data analysis us shown.

### **1.7.4 Chapter 4**

Data Analysis: The analyses and patterns of the research outcome that are being generated which are interrelated to the research questions and hypotheses will be shown and discussed in this section. All data that are being generated from respondents are being tested and interpreted through an arrangement of analysis that includes descriptive analysis, scale measurement and inferential analysis.

### **1.7.5 Chapter 5**

Discussion, Conclusion and Implications: This chapter will be used to summarize the context of the entire research study. It consists of the discussion on the major findings to validate the research objective and hypotheses with the summary of statistical analysis. Managerial implications and several recommendations will be suggested by researchers to provide helpful and supportive conviction for further and future research.

## **1.8 Conclusion**

In a nutshell, researchers have introduced the cinema industry as well as the importance of his research study, research overview, problem statement, foundation of research objectives, research questions and hypotheses. In the following chapter, researchers will provide a clearer picture of the study through past relevant researches that was done by other researchers.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.0 Introduction**

This chapter consists of the literature review collected from various journals available either online or library sourcing. All the related secondary data have been studied and analyzed to support the research being conducted. This chapter begins with the reviews of the factor variables namely service quality, location, atmosphere and price, which is followed by the study of customer experience, customer delight as well as customer loyalty. It continues with theoretical framework and hypotheses development which are related for this research study. The final section for this chapter is conclusion that concludes the main idea for chapter two.

### **2.1 Review of Literature**

This topic evaluates the various variables that influence the selection outcome from the experience gained from the cinema service in Malaysia which will create an impact towards the customer delight and customer loyalty of a cinema. Secondary data such as journals, published reports and database are being analyzed to support the research conducted.

### 2.1.1 Service Quality

According to Amy (2004), it stated that the definition of service quality has been well documented since 1984 by Gronroos whereby researcher define it simply by a judgement that being perceived by customer after comparing their expectation with the service that they received. Amy (2004) also has highlighted that service quality was an attitude that relate to satisfaction. Besides that, service quality also can be defined as the organization's ability to fulfil the customer expectation (Parassuraman et al., 1998). It is used to measure the gap between the expectations of a customer toward a service perceived (Zeithaml et al., 1990).

In order to measure service quality, Parasuraman, Zeithaml and Berry have developed the SERVQUAL model and its measurement scale way earlier in 1988 (Katherine N and Peter C., 2016). Initially, Parasuraman et al. (1988) has developed ten determinants in the study of SERVQUAL. However, it has been revised into five scale item known as assurance, responsiveness, reliability, empathy and tangible. The development of SERVQUAL has been widely used in comparing the difference between customer's expectations before service received and experiences after the actual service encountered.

Each measurement scale in SERVQUAL is used in determine the quality of different service dimension. **Assurance** is defined as the ability of staff members to provide confidence to customer by providing competency, credibility and trustability services. According to Mubbsher and Mariam (2014), assurance is developed by the level of courtesy and knowledge that employees perceived in delivering services as well as their ability to build trust and confidence with customer. On the other hand, **responsiveness** refers to the degree of willingness towards a staff to provide assistance and prompt services. Based on Peyman and Abedin (2014), the term of responsibility is

defined as the time the customer needed to wait before customer receives the services. They also highlighted that customers are more likely to be satisfied whenever the duration of time is shorten.

**Empathy** refers to the extent of caring provided by staff to each individual customer. Mubbsher and Mariam (2014) defined empathy as the ability of employee to take care customer by giving them attention in a much individual level. It also involves listening or understanding to customer's problem and effectively addressing their demand and concerns. In the context of service quality, the **tangible** is defined as the present of physical existence while services were being provided. It can be refer to the present of information and Communication technology (ICT) equipment, physical facilities and appearance such as lighting, air conditioning and seats arrangement (Mubbster and Mariam, 2014). Lastly, **reliability** is defined as the ability to perform services as promised by service provider. According to Mubbster and Mariam (2014), they defined reliability as the ability to provide consistent and truthful service by service provider. This is because customer always desires trustable services that they are able to rely on. Reliability indeed is the most important factor among five of the scale items (Zeithaml et al., 2006).

Service quality is an important strategy for cinema to differentiate itself from the competitors. An excellent service quality is able to help company create value and act as a competitive advantage for company in competing with its competitors, allowing the company to generate greater sales, enhance company's image as well as retain customers through providing an excellent service quality that will have a significant impact on the customer's cinematic experience (Taleghani et al., 2011).

### 2.1.2 Location

Location can be explained as a point of contact whereby customers will be able to access their desired product or service. Location is the “physical space occupied by a shop which act as a catchment area of a shop and undergoes intense economic and commercial activities” (Mendes and Themindo, 2004). Store location is known as a trade area which is a contiguous geographic area that accounts for the majority of a store's sales and customers. According to Gupta and Kaur (2006), they stated that the location of a store and the distance that customer must travel are basic criteria in their store choice decision. However, the customer selection of location is generally affected by several factors. Accessibility, store assortment and parking facilities are known to be major contributors in the determination of a customer's selection of store choice (Sinha & Banerjee, 2004).

**Accessibility** has been well defined as the ease with which a customer may get into and out of a site (Levy & Weitz, 2004). The factors affecting the accessibility of a location include road patterns, road conditions and barriers. Customers can travel to a location easily with the existence of freeways. Moreover, the road condition of the trading area such as the congestion level, numbers of traffic light will also affect customers' effort to reach the destination. Levy, Weitz, & Pandit (2012) also mentioned that customers tend to patronize places where there is a minimized driving time and driving difficulties encountered and always avoid heavily congested areas. Besides, for people who do not own cars, closeness to mass transportation is especially important to them. The availability of public transit allows people to reach the location with an ease.

According to Rajagopal (2009), customers tend to be more favorable to patronize malls which provide a variety of store assortments than malls with less store assortment. This is because patronizing a mall with greater store assortment is likely to satisfy customer's needs as customers are looking for ease and convenience in shopping. Malls that offer a wide assortment of stores and merchandise available in a single location are likely to be perceived more favorably than malls that do not offer such variety (Nicholls et al., 2002). In other words, customers will be attracted to patronize a mall which provides variety of store assortments and hence catch up a movie at the mall too.

In addition, Levy, Weitz, & Pandit (2012) stated that the sufficiency of parking facilities is very important and firm should not be ignored in assessing a location. In evaluating a shopping center, the amount and quality of parking facilities is critical as it will influence the customer's decision choice in patronage. Lack of parking spaces will causes customer to be reluctant or discouraged from patronizing the mall as they will be facing hard time in searching for a parking space (Hagman 2006). According to Coleman (2006), "parking is typically the first and last impression patrons have of a mall". As such, convenient parking has been found to serve as a key component of retail center image and retail center patronage (Reimers, 2013).

"A good site location is the key to a store's success because it attracts consumers by offering them convenience and easy accessibility to products or services they desired, which significantly influences customers' decision in patronizing the store" (Levy, Weitz, & Pandit, 2012). (Severin et al. (2001) and Yilmaz (2004) concluded that consumer's choice of decision is often based on the convenience of location. Adding to that, Ailawadi and Keller (2004) also mentioned that a convenient location is one of the most important attributes that puts a retail store into customer's consideration set. Reimers and Clulows (2004) defined convenience as an ease to use, favorable to comfort or savings of trouble. According to Bagdare (2013), when the



obstacle to the undertaking of an activity are reduced or eliminated, convenience is formed. In visiting a retail store, customers contend with two fundamental costs which are time and effort (Seiders et al., 2007). Therefore, he concluded that store convenience consists of all those attributes mentioned above that minimize the time and effort involved in patronizing a store.

### **2.1.3 Atmosphere**

Most of the journals define atmosphere as it comes from the surrounding. In detail, retail atmospheric refers to anything inside a store that is designed to affect buying intention through consumer's attitude and perception (Nur Aina Abdul Jalila et al., 2015). According to Jin Qiuyu (2015), the influence of atmospherics in marketing contexts is based on the outlet which means the design of an environment that able to stimulate emotional and perceptual responses in consumers and affects their behavior. Thus, atmospheric variables can act as stimuli in proving cognitive effects towards the consumer which, in turn, affect behavioral response.

Atmospheric stimuli play a vital role in customer experience. Bitner (1992) identified three dimensions of atmospherics, SERVICESCAPE include ambient conditions, spatial layout and functionality, signs, symbols and artifacts. However, there are a number of scholars who have recommended more aspects in atmospherics dimension. Turley & Milliman (2004) distinguished the stimulus of store atmosphere constitutes five variables, namely exterior, general interior, store layout, interior display as well as human variable.

The first variable of store physical outlet is **exterior**. Exterior atmospherics include marquee, display windows, entrance of the store, building architecture, surrounding and car park facilities. It consists of a variety of means which are at the outer side of the premise and it able to attract customer to patronize (Turley & Milliman, 2004). A nice exterior components able to create competitive advantage (Tudor & Catalin, 2008), in the sense that customers attracted by the exterior of a retail store will want to visit or revisit the store, to purchase more often in a certain location towards the brand of the respective services company.

General **interiors** refers to the coordination of the decorative elements of the structural space, including color schemes, fittings, furnishings, flooring, lighting, sound, temperature and cleanliness (Turley & Milliman, 2004). Wakefield and Blodgett (2005) explained that interior design as the internal decorative design of the physical service environment which customers evaluates when they enter the premise either consciously or unconsciously (Simpheh et al., 2011) and this evaluation able to influence the customer's attitudes towards the service outlet (Khan, 2012). However, colour is the most visible element of interior design (Usman et al., 2016). For example, blue and purple are belong to cool colors categories which able to create more relaxed and comfortable environment and decrease stress level on consumers (Liu & Jang, 2009).

**Store layout** refers to the facilities of the service outlet are arranged in order to be more efficient and effective, not only in process, but also in achieving the overall organizational goal. Store layout is important in cinema because it influences the comfort of customers. Store layout and functionality visualize ways in which aisles, seats, hallways and walkways, food service line, toilets, and the entrants and exits are designed and organized in service settings (Nur Aina Abdul Jalil et al., 2016). Due to customers of cinema spend more hours while being entertained, seating arrangement and comfort are often being

considered (Usman et al., 2016). Therefore, seating arrangement, especially the space between seats are important criteria for customers in ensuring comfort. If they are forced to sit too close to one another, customers may feel physically or psychologically uncomfortable (Baker & Pearce, 2002).

Based on Turley & Milliman (2004), **interior display** consists of signs, symbols, wall decorations, posters, product display and other physical stuffs that act as signal to connect with consumers. Further explanation has been done by Tudor & Catalin (2008) where interior display means several of elements formed the atmosphere of a service. It has the role of transferring company's image allowing customers to orientate themselves and showing rules to be followed. In cinema context, customer first enter cinema were try to find information they need such as time schedule of movies, showing movies, blockbusters and so on. Customers who are unable to receive a clear message on the poster display and signage that fail to communicate with them, customers will feel confused which will cause confusion and frustration.

Based on Turley & Milliman (2004), **human variable** should also be considered on atmospheric perception. They explained that consumer, employee and privacy are categorized under human variable category whereby consumer is explained in terms of their characteristics and crowding or density level while employee is in terms of their personnel characteristics and uniform. They further explained that the human variable has two areas which are the influence of other consumers and the influence of employees on purchasing behavior. Nevertheless, consumer's physical appearance is not easy to control in the cinema industry, only employees' appearance, number and gender were used to access the human variable (Jin Qiuyu, 2015). Interactions between the customers and employees are not under tangible attributes, thus, they are not considered as the elements of human variables in the context of cinema.

Atmosphere stimuli can affect consumers in various ways, for example, it able to stimulate arousal level and pleasure in terms of emotion (Noorliyana Ramlee, Ismail Said, 2014). Moreover, Solomon (2008) claimed that the elements of a store atmosphere has connection with human perception and sensory factors whereby the human senses include vision, hearing, olfaction, palate and tact able to bring positive and negative feelings and emotion to consumer experience. With well-arranged atmosphere elements used, it is able to create positive effects on consumer behavior. Therefore, sensory appeals act as a tool in the retail store for provision customer experiences. Not only that, image of the store can be increase and able to differentiate itself from the competitors, thus, create brand value and competitive advantage.

#### **2.1.4 Price**

Kotler & Keller (2012) stated that price is one of the critical elements in the marketing mix that produces revenue. According to the Business Dictionary (2017) regarding the general definition of price, it is known as a value that will purchase a finite quantity, weight or other measure of a good or services. It is understood that price shows the monetary value towards a product or service whereby customers need to pay in order to own the item (Kotler and Bernard, 2005). Nonetheless from the marketer's perspective, price is what the company thinks their product is worth to customer at that time. Price is the foremost purchase stimulus as it has the role to cause an effect towards consumer purchase decisions by determining the way how it is being perceived and valued (Rosa & Rodan, 2011).

With reference to that, price played a significant role whereby it influences the way consumer behaves such as perception and purchase behavior (Monroe, 2003). If there is a serving indicator of monetary sacrifice, price is playing a

negative role (Kukar-Kinney, Ridgway and Monroe, 2012), thus, it provoked a negative relationship between price and consumer's **willingness-to-pay (price sensitivity)**. The higher consumer perceived price as to be, the greater the loss in terms of monetary for consumers which leads to lower purchase intentions (Hee & Darren, 2006). According to T. Li and Z. Meshkova (2013), willingness-to-pay encompasses individual's maximum willingness to pay for availing a particular service or for consumption of a particular product. It consists of the consumer's likelihood to shop, buy products and recommend the store to others. Evidently, certain buyers have the positive thought that they will gain more in other terms if they purchase something in a higher price than the norm. For instance in the cinema context, seats that are furthest away from the screen costs more than those in the front which is the most preferred slots by audiences as it is believed that it could provide better view and movie-watching experience. It is believed that some moviegoers are willing to pay for a higher amount of movie ticket price in order to intensify their cinematic experience.

On the other hand, another critical role that will affect customer purchasing decisions is **value-for-money**. The UK's National Audit Office (NAO) (2012) defined value-for-money as the optimal use of resources to achieve intended outcomes, while the Organisation for Economic CO-operation and Development (OECD) (2012) refer value-for-money as being the ideal amalgam of cost and quality in order to meet consumer's requirement. It is assess by using 4 fundamental criteria which includes economy, efficiency, effectiveness and equity (Independent Commission for Aid Impact, 2011). Many see 'value-for-money' as being something more significant than just a cost or price. Consumers want to feel that the whole experience has been of valued regardless of whether the price is high or low is not as relevant as the consumer perception of value (Ian Golding, 2013). This is due to value-for-money typically involves the relative level of a service provider (Cheng et al., 2008). To cite an instance, a movie ticket or any other promotional packages

available in the cinema due to consumers weighing the significance of value-for-money packages.

**Price-quality** is also one of the measurements for price in the cinema context. Price and quality are closely related as stated by Zeithaml and Bitner (2000) whereby they remarked that price is able to create a crucial effect on consumers towards the perception of value, quality and satisfaction especially on businesses dealing with providing services. This is due to most services are intangible and are difficult to judge before consumers trying on it, while price is frequently relied on as a surrogate indicator that will influence quality expectations and perceptions. Good pricing strategies can be beneficial for consumers and can lead to increased business and revenues for businesses, enhancing customer experience, more customer satisfaction, long-term customer relationships and even customer loyalty (Gelb 2010). To support further, Zeithaml (1998) expressed that customers equate price and quality in an uncommon manner. Cheng et al. (2008) mentioned 2 ways whereby price perception can be seen as which **price reasonableness** being the key that direct how should customers perceive price while relating it to the competitors. It is a usual belief from customers that services with the finest quality will be having a higher price than those of modest quality services (Chittyet et al., 2007). Many researchers ought that customer satisfaction and delight is strongly being influenced by the consumer perception towards price (Cheng et al., 2008). One of the notable cause that made customers switch from product to product is the issue of high, unreasonable and unreliable pricing policies (Peng & Wang, 2006). The interrelation of price and quality is less likely to convince customers that high valued products definitely contain the finest quality. Recent marketing research suggests that customer experience and knowledge are strongly related (Schwarz and Xu, 2011). Thus, a consumer's previous experience with a product should have an impact on their knowledge of the price of that product just like in the cinema context relating ticket pricing, promotional packages as well as merchandises.

Therefore, previous experience with a product should only have an impact on consumers' price knowledge of services and not goods.

According to Lisa Sigler (2016) whom is the Senior Manager of Content Marketing at Clarabridge, price is a kind of touchpoint and acting as a place where a customer's emotion and logical decision interact with the brand. The impression that pricing left for consumers can create positive or negative sentiment and can lead to loyalty or churn. **Perceived-value pricing** can be understood whereby customers adopt their past experiences to judge the pricing of a certain products or services without much realization because it involves the expectation based on the previous experiences that created a certain perceptions and recollection of that experience (Lisa, 2016). For instance, high price will result in a higher expectation on the product or services offered by the cinema. It also influences how customers perceive their experiences, whether they will be happy or frustrated, treated fairly or ripped off. However, the operator often made pricing decisions that lead to negative customer experience even though they name customer experience as a strategic priority. This is because pricing decisions are often made without the benefit of customer experience insights. Therefore, cinema operators need to have a better understanding on pricing impact in their customers' experiences as it is a key part that will leads to customer satisfaction and loyalty.

### **2.1.5 Customer Experience**

Meyer & Schwager (2007) asserted "Customer experience is the internal and subjective response customers have to any direct or indirect contact with a company. Direct contact generally occurs in the course of purchase, use, and service and is usually initiated by the customer. Indirect contact most often

involves unplanned encounters with representatives of a company's products, services or brands". Conversely, Ismail et al. (2011) defined customer experience is formed through active involvement with the firm pre, during and post consumption by having emotion provoked, sensation felt, knowledge gained and skills acquired. The experience is the memory and emotion that customers evoke when they are involved in service consumption process (Walter, Edvardsson, & Öström, 2010). As cinema industry is service oriented, offering more interactive experience becomes particularly important.

The role of customer experience is to "drive brand success by creating a brand-based customer experience which is differentiated from its competitors and for which consumers are willing to pay". Favorable customer experience helps firm to deliver revenue, profitability and growth (Frow & Payne, 2007). Besides, favorable experience generally leads to positive Word of Mouth communication and subsequently leads to repurchasing behavior (Klaus & Maklan, 2012) while unfavorable experience leads to brand switching and negative Word of Mouth communication. According to Gentile, Spiller, & Noci (2007), he proposed six components of customer experience, including sensorial, emotional, cognitive pragmatic, lifestyle and relational component. In this research study, the related components of customer experience involve are sensory and emotional.

Lindstorm (2005) stated that information gathered through the human senses will form emotions in the customers' mind. Hulten, Broweus, & Dijk (2009) further support the statement with the foundation of "sensory experience" was formed by the interaction of human five senses namely smell, sound, sight, taste and touch which contribute to the establishment of an experience. Consumers are motivated to enhance their purchasing behavior, trace their interest and allow emotional responses to dominate their rational thinking by the help of sensory stimuli (Lindstorm, 2005).



The moods and emotions generated during the consumption period are known as emotional experience (Schmitt, 1999). Yang and He (2011) asserted that “the emotional experience will generate effective experience, ranging from a little positive moods and progress to a strong emotion of joy and satisfaction that attached to a brand”. Amir et al. (2012) stated that strong brand switching behavior often occurred when customer experienced negative emotional responses towards the brand. When the customer emotional connection is strong towards a brand, it tends to be more attached with the brand and is more highly associated with their loyalty in the near future. In general, offering an unforgettable customer experience has become a crucial too for cinema operator to compete in the intense market.

### **2.1.6 Customer Delight**

Intense competitive service industry has provided consumers numerous types of option available which will affect in high switching behavior. Service providers should be more aggressive in attracting customers with more creative ways, retain and build stronger relationship with customers. Thus, customer satisfaction is the main aim for every business because customer satisfaction able to lead loyalty such as repeat purchase and raise profits (Kim, Li & Brymer, 2016). Some of the studies question whether satisfied customers are to remain loyal to a particular product, service or brand (Skogland and Siguaw, 2004) and customer delight also begun to gain attention from certain researches. Customer delight is beyond satisfaction and may create greater loyalty or attractive attitudinal or behavioural states (Hicks et al., 2005). According to Torres and Kline (2006), customer delight is the key to achieve customer loyalty through providing exclusive experience for the customers. Customer delight is important for service industry as it can be one of the

important factors for profitability, added value and competitive advantage (Oliver and Rust, 1997).

The concept of customer delight is supported by limited studies and literature defining it. In the past, Watson and Tellegen (1985) defined delight as “a combination of high pleasure (joy, elation) and high activation or surprise as one of the second level emotions”. Customer delight can be explained when customer receives an unexpected value of a product or service and generated a positive emotional reaction (Berman, 2005). Customers intend to repeat purchase a certain product or service when there are memorable emotional responses that drive the overall feeling of the mixture of surprise and happiness, which has exceeds the key criteria of having a delightful customer experience (Berman, 2005). In previous research studies, delight is somehow related to satisfaction but it is constructively separate and more corresponded with positive Word of Mouth, loyal customers and benefits business (Torres and Kline, 2006). Customer delight is the most probable factor that will influence the future customer behavior in a general sense (McNeilly and Barr, 2006).

### **2.1.7 Customer Loyalty**

Based on Ali et al. (2016), customer loyalty is always an essential part involve in literature which related to service marketing. They also highlighted that customer loyalty has been studied in different industries because loyal customer actually bring advantage to firm such as increase the frequency of visits, giving positive Word of Mouth and even help firm in occupying large amount of customer's budget. Customer loyalty is defined as a strong commitment of customer to involve in the repurchase event consistently over time despite influences from marketing efforts and factors that may cause

switching behavior (Hui and Maliiga, 2013). Customer loyalty also refer to the feeling of association towards a brand and serves as a drive in motivates customer to repeat purchase (Mubbsher and Mariam, 2014).

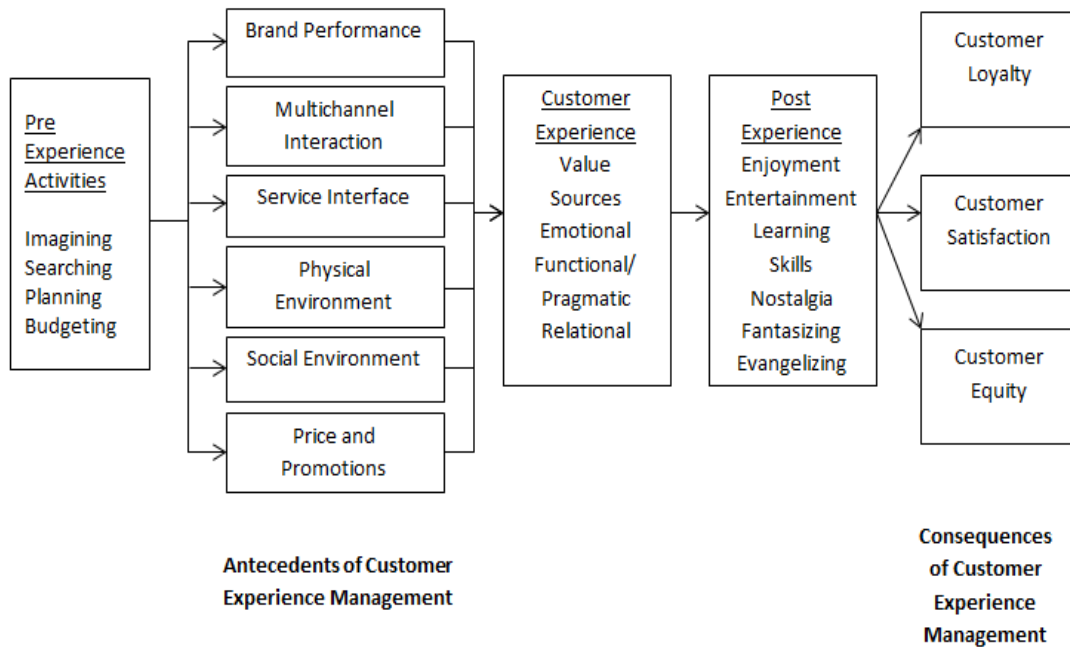
According to Oliver (1997), customer loyalty was discussed based on four different stage, comprising cognitive, affective, conative and action loyalty. However, some scholar has classified this four stages of customer loyalty into two dimensions. There are attitudinal and behavior dimension (Faizan, Won and Jun, 2016). Both dimensions have been widely used by researcher in measuring customer loyalty in different industry. Attitudinal dimension is defined as customer's favorable tendency towards a service compared to service offered by other firm (Vinita, 2015). It also refers to customer's intention to repurchase and spreading positive Word of Mouth is consider a good sign of customer loyalty (Hamad and Naintara, 2014). IN general, attitudinal dimension examines customer loyalty by the cognitive and psychological disposition of customer such as favorable attitude, stated preference as well as having goodwill towards particular brand (Hui and Malliga, 2013).

However, behavior dimension refers to the present of customer's strong commitment to purchase product or service despite the availability of substitution in the market (Vinita, 2015). According to Faizan and Won (2016), they highlighted that behavioral dimension is the repurchase frequency and repeat patronize consistency. Therefore, behavioral dimension view customer loyalty as a behavior whereby loyal customers will purchase the same brand systematically (Hui and Malliga, 2013). Meanwhile, the outcome of behavioral aspect are not necessary stick to behavior of repurchase intention whereby customer loyalty also characterized in terms of Word of Mouth and recommendation of the organization (Asghar, Ali, Seyed and Khaled, 2011).

Haman & Naintara (2014) stated that there is a significant relationship between satisfaction and customer loyalty. Besides that, they also highlighted that a higher service quality will eventually leads to a higher repurchase intention. According to Stephanie and Malliga (2017), previous studies have demonstrated how customer perceived value brings a positive impact on customer satisfaction and leads to customer loyalty in a different context. If perceived value from the services is higher than customer satisfaction or cost, they may be more satisfied and willing to involve in the repurchase event. However, if customer's perceived satisfaction or cost is higher than the benefit received, they are more likely to switch the brands (El-Adly and Eid, 2016).

## 2.2 Review of Theoretical Models

Figure 2.1 Relevant Theoretical Model Framework



Source: Antecedents and Consequences of Customer Experience Management – A literature Review and Research Agenda (Fatma, 2014)

Based on the theoretical model above, it shows the antecedents and consequences of Customer Experience Management (CEM). In this model, the author have reviewed the process of the customer experience management which consists of six antecedents of CEM that affect the customer experience in leading to three possible consequences. The main objective of the study was to identify the factors that create customer experience and the consequences of customer experience.

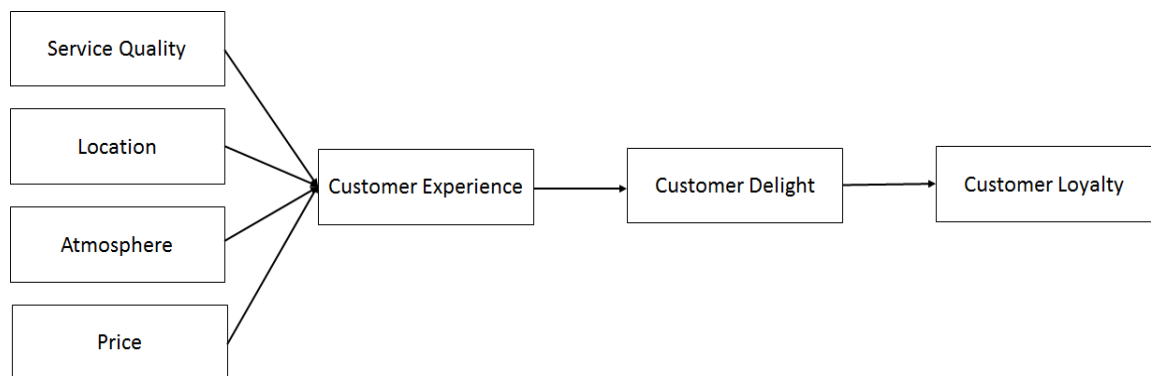
Before customer experience occurs, customer will be involved in pre experience activities. They include imagining, searching, planning and budgeting the product or service. During the study, the author had determined a total of seven independent variable that affect customer experience which include brand performance, multi-channel interaction, service interfere, physical environment, social environments as

well as price and promotions. Besides that, the author also determined three consequences of CEM that occurs when difference customer experience outcome encountered, namely customer loyalty, customer satisfaction and customer equity. Although this model had clearly shown the process of CEM, it was difficult to be adopted because of the complexity of the theoretical model. Therefore, a new proposed framework has been then developed in this research study.

## 2.3 Proposed Theoretical/Conceptual Framework

The following conceptual model is being developed and proposed by researchers based on the review of previous significant research.

Figure 2.2: Proposed conceptual Framework



Source: Developed for the research

Figure 2.2 depicts the proposed conceptual framework that serves as the guideline for this study. It is used to examine the relationship among the independent variables and dependent variable. Service quality, location, atmosphere and price are the four formations of cinema selection criteria. The relationship between the four respective cinema selection criteria and customer experience, the relationship between customer

experience and customer delight, the relationship between customer delight and customer loyalty that leads to the outcome from the experience of cinema service are studied in this research study. There were 6 hypotheses were being developed to test the relationship between the variables.

## **2.4 Hypothesis Development**

### **2.4.1 The relationship between service quality and customer experience**

Based on Walter et al. (2010), experience occurs when customer involve in the service consumption. Therefore, the outcomes of the customer experience are heavily depends on the quality of service that customer received. According to Anthony Wong (2013), he has suggested that in order to create good service experience to the customer, service delivery process should be embedded with customer experience in every point.

Newman and Patel (2004) argued that customers will evaluate the service that encountered. When customer encountered good service, they will share their positive experience with other by Word of Mouth which may increase the customer loyalty in future. Besides that, Hu and Jasper (2006) explained that store is able to instill customer a good perception on the brand and its product when good customer service are being delivered. On top of that, Taleghani et al (2011) also highlighted that constantly providing good quality of service that will impact customer experience is the key factor for firms to create competitive advantage.

Therefore, the current study posits the following hypothesis:  
H1: There is a positive relationship between service quality and customer experience

#### **2.4.2 The relationship between location and customer experience**

It is known that location can be explained as a point of contact whereby customers will be able to access their desired product or service. The important considerations in terms of location are accessibility, store assortment and parking facility (Kim and Jin, 2001). According to the research carried out by Michael et al. (2003), a strategic location can provide customers with a convenience experience which will impact on customer delight and hence influence on customer purchase intention. However, the previous research was carried out to study in the second service type which consists of moderately standardized service like banks. Since the researchers are currently studying in the cinema context which is categorized as third service type with highly standardized service, a strategic location was seemed to be more important in gaining customer's cinematic experience.

Chang and Tu (2005) mentioned that customer loyalty and satisfaction are directly linked to strategic location that provides convenience experience. Adding to that, location is one of the crucial factors that cinema operators have to understand clearly because it can affect the customer experience and it will further influence customer delight which will leads to customer loyalty.

Therefore, the current study proposes the following hypothesis:  
H2: There is a positive relationship between location and customer experience



### **2.4.3 The relationship between atmosphere and customer experience**

Previous research has highlighted the importance of atmosphere in influencing customer experience in service settings (Heide and Gronhaug, 2006). According to the study of Githiti (2016), environment can affect customer's emotion, whether positively or negatively which influences expectation and impression. Shen, C. H., Tsuifang, H. (2011) has also supported that store atmosphere that customer located in have the ability to stimulate cognitive valuation. Customers experience and perceive atmospheric stimuli, collecting and obtaining all the clues in their mind to form impressions. The stimulus in store atmosphere will provide important information to customers. Customer will then infer the information of the retail store according to this information (Baker et al., 2002).

Githiri (2016) stated that atmosphere has a direct indicator of customer experience. Aspects of the exterior and interior design as well as the ambient factors are likely to influence customer experience in terms of their perceptions and feelings. Hence, researchers will take a broader view on atmospheric construct linked to customer's cinematic experience in this research study.

Therefore, the current study posits the following hypotheses:  
H3: there is a positive relationship between atmosphere and customer experience.

#### **2.4.4 The relationship between price and customer experience**

Kotler and Bernard (2005) managed to define price as being a value in terms of money that is attached onto a product or service which will denote the sum of money or cash that is being paid by customers. The product price and quality of the received product is then translated as the value given to the product.

Meanwhile, Saba (2014) argued that there is a direct relationship between pricing effect and the customer experience. On top of that, he also highlighted that company are decreasing their value offered when they are focusing on price reducing and ignore the customer's sensitivity of experience. Problems such as disorganized of store and relatively long waiting time for services may have overweighed the customer's consideration for price. However, the delivered value to customer is in terms of monetary value but not experience, which means it is just a monetary value that people used to pay where it has least direct influence on customer experience.

Therefore, the current study suggests the following hypothesis:  
H4: There is a positive relationship between price and customer experience

#### **2.4.5 The relationship between customer experience and customer delight**

The importance of customer delight has been emphasized since delivering the best possible service is no longer sufficient for customer satisfaction. Customers only get delighted when they received extraordinary service experience (Kao et al., 2016). Many studies investigated that customer delight demonstrates a stronger emotional state that satisfaction and customer has

experienced pleasure, excitement and enjoyment (Berman, 2005). Delight has been shown to be more powerful than satisfaction on customer's psychological, emotional and behavioral responding to their experience.

Based on the research done by Torres et al. (2014), key drivers in contributing to customer delight are evaluation with different components of an experience that customers has gained and remarkably impact on the overall evaluation. Furthermore, customer experience came from the organizational interactions with the customers in terms of service, price, product, environment and etc (Kao et al., 2016). Thus, outstanding customer experience created by the organization is able to instill strong emotional connection with the customers.

Therefore, the current study suggests the following hypothesis:  
H5: There is a positive relationship between customer experience and customer delight.

#### **2.4.6 The relationship between customer delight and customer loyalty**

Although researchers had proven that customer delight is very important towards creating customer loyalty (Berman, 2005), studies on the relationship between customer delight and customer loyalty are still limited. Kim (2016) argued on satisfaction whereby it actually brings greater influence to customer loyalty as compared to delight. Moreover, satisfied customer is more likely to create loyal behaviour (Samaan, 2015). Meanwhile, Dennis and Siegfried (2016) found that customer delight instead is the most important factor that influences customer loyalty. They also stated that customer delight is separated from satisfaction but it is parallel to the direct effect of customer satisfaction. According to Berman (2005), satisfaction alone does not translate

into the outcome of loyalty. Firm is required to achieve a total satisfaction with an even amount of delightful in order to achieve customer loyalty.

Based on Faizan and Kim (2016), positive emotions such as delight and joy are able to bring a significant impact on customer loyalty by instilling memory to customer thus creating cognitive operations.

Therefore, the current study posits the following hypotheses:  
H6: There is a positive relationship between customer delight and customer loyalty.

## **2.5 Conclusion**

It is clearly seen that this chapter two outlines the literature reviews that are related to all the variables as stated in the proposed theoretical framework. The relationship between the four factors variable of cinema selection criteria (service quality, location, atmosphere and price) and customer experience is examined in this study. Furthermore, the relationship between customer experience and customer delight as well as customer loyalty are further discussed. Various secondary data has been found to support this research study and ease the understanding of the research. Researchers will converse the research methodology that will be used in this study on the following chapter.

## **CHAPTER 3: METHODOLOGY**

### **3.0 Introduction**

Research methodology is a systematic analysis of a method applied in a study. It is to solve a problem which is a science of study on how to carry out a research study. In this chapter, researchers had identified and explained the procedures and channels adopted to collect relevant information for this research topic. All of the information collected were very important as it provides a better understanding and clear ideas to the readers about the researcher's' research title. There were few sections have been discussed under this chapter which include data collection methods, sampling design, research and construct instrument, data processing and analyzing technique. The aim of this study is to identify the factors from the marketing perspective which acts as the selection criteria to be considered by Generation Y and the selection outcome such as customer delight and customer loyalty from the experience gained from the cinema service in Malaysia. It attempts to study the factors including service quality, location, atmosphere and price which influence the customer experience towards customer delight and customer loyalty on the selection of cinema in Malaysia. In this research study, researchers had adopted quantitative survey technique to gather useful information through questionnaire which is distributed to movie-goers who had past accumulated cinematic experience within the age of 21 to 35 as of year 2017. Besides, researchers communicated with the respondents through face-to-face communication as well.

Before questionnaires were distributed to the respondents, proofreading were carried out to identify potential mistakes that might occurred such as grammar, sentence structure and punctuation. Moreover, on data analysis, a version twenty-third Statistical Packages for Social Science (SPSS) was used to analyze the data collected from survey.

### **3.1 Research Design**

Research design is defined as the framework that established to seek answers to research questions. According to Zikmund et al. (2012), research design plays the role of "planning, structuring and executing" the research in order to maximize the "validity of the findings". Research design provides directions to research study and data collection from the underlying philosophical assumptions. Generally, research design is the way to find out the method and procedures in data analyzing and data collecting (Saundedrs, Lewis and Thornhill, 2012).

In this research project, the research approach will be deductive approach. According to Wilson (2010), deductive approach emphasized "developing a hypothesis or hypotheses based on existing theory, and then designing a research strategy to test the hypothesis". Deductive approach characteristic includes quantitative data collected that are used to investigate statistically about the relationship between both independent and dependent variables. It is to collect data and examine the hypotheses as well as to meet research objectives. Quantitative method is specific in surveying and experimenting as it developed upon existing theories (Leedy and Ormrod, 2001). In other word, quantitative research is the research that consists of numerical data that could be converted into statistical reading (Slevitch, 2011).

In order to analyze a huge number of data from the respondents, quantitative research data collection was conducted in this research. About 200 copies of survey questionnaires were distributed to movie-goers who had past accumulated cinematic experience in various cinemas located within the Klang Valley area aged between 21-35 in October 2017 to test the significance of variables that affect Generation Y's loyalty towards the selection of cinema in Malaysia.

## **3.2 Data Collection Methods**

Data collection is defined as the process of collecting and measuring information from target audiences that enable researchers to answer relevant questions and evaluate the outcomes. It is important to all research study whereby researchers need to collect the data to analyze and interpret In order to create final fact and statistics. There are two main sources of data that is being collected for this research, namely primary data and secondary data. The primary data is the original data that were being collected for the main research purpose whereas secondary data is the data originally collected for a different research purposes and is reused to an apply into current research questions (Hox and Boeijie, 2005).

### **3.2.1 Primary Data**

Primary data was adopted in this research study as it provides the most up-to-date and relevant information that needed to address current research problem on hand. By using survey questionnaire, the information collected is more reliable as it has not been published yet and has not been changed or altered by human beings (Saunders, 2012). In this research, the source of primary data was mainly collected through distributing survey questionnaires personally and directly to respondents who had past accumulated cinematic experience by researchers at various cinema outlets in Klang Valley. Although collection of primary data is costly and time consuming compared to secondary data, but it can provide latest, reliable and relevant opinions from targeted respondents.

### **3.2.2 Secondary Data**

Secondary data refers to researchers used a data collected by other researchers through journal, articles, magazines and so on. In contrast, secondary data is much easier to obtain required information for the research than primary data. Besides that, secondary data is a cost-efficient and effective way to collect a data. It provides a means of convenient to the researcher to collect and analyze data. Generally, those data has a pre-established degree of validity and reliability data for the researchers used to support hypothesis of this study. While secondary data analysis is a flexible approach which can be used in several ways as to collect and evaluate primary data (Doolan & Froelicher, 2009). The source of secondary data that has been used in this research study includes journal, articles and related reference books.

## **3.3 Sampling Design**

Sampling is refers to a selection process whereby a suitable sample is chosen from big population (Saunders, Lewis & Thornhill, 2009). Researchers gathered information from the specific group of people, location and time in order to collect data that can provide insights for the study. Sampling design consists of three processes including target population determination as well as deciding on sampling technique and size.

### **3.3.1 Target Population**

Target population is referred to a specific group of the population that can provide useful data and information for the research project (Saunders et al,



2009). In this research study, the targeted sample is the Generation Y who falls between ages of 21 years old to 35 years old as of year 2017 which had past accumulated cinema going experience were suitable to participate in this research topic. Furthermore, by accessing into their experience and perception about the independent variables of service quality, location, atmosphere and price towards cinema, this enables researchers to run the study more accurately.

### **3.3.2 Sampling Technique**

According to Saunders et al (2009), sampling technique is defined as a method adopted to collect sample from the population. Researchers had selected non-probability sampling technique under this research study. Based on Castillo (2009), non-probability sampling is a sampling technique that all the individuals in the population do not stand an equal chance to be selected as the respondents. There are four types of sampling technique under non-probability sampling which are reliance on available subject, purposive sampling, quota sampling and snowball sampling (Babbie, 2013).

As for this research study, purposive sampling have been adopted in which the respondents are selected from a group of Generation Y which had past accumulated experience in visiting a cinema in Malaysia. Copies of 200 survey questionnaires were distributed by visiting various cinema outlets in Klang Valley to individuals who are believed to be relevant to this research study. The reason researchers choose cinema to distribute survey questionnaires is because it is easier to reach moviegoers. As a result, researchers are able to obtain useful and significant information that can be contributed to this research study.

### **3.3.3 Sampling Size**

Sampling size is chosen to represent an entire population. According to Sekaran and Bougie (2013), sample is more reliable than the entire population because of lesser error and fatigue. The sample size of this research study is 200 where 200 sets of survey questionnaires were distributed to 200 targeted respondents. Besides, response rate is 100% by ensuring the respondent fully completed the survey questionnaires and to be return to researchers.

## **3.4 Research Instrument**

The questionnaire is being distributed by personal approach method from researchers because it is found to be more efficient in collection of responses or data, especially when dealing with a huge sample size prior to quantitative analysis (Saunders et al., 2012). Researchers collect primary data from the targeted respondents, as such Generation Y. Furthermore, questionnaire is one of the most widely used data collection method within the survey strategy as each of the respondents were asked to answer the same set of questionnaires. In this research study, the questionnaires was set by referring to related journals and been modified under the guidance of supervisor.

In the questionnaire design, we used the fixed-alternative questions which allow respondents to answer easily and time-conserving. There were two sections in the questionnaire, Part A and Part B. In order to make sure the target respondents can answer the questionnaire with a better understanding on the objective of this research study, questions mentioned under Part B are questions that are associated with the independent and dependent variables of this research. On the other hand, Part A of the questionnaire is related to demographic profile of the target respondents which include gender, occupation, income level and etc.

In Part B, all the items are measured in Seven Point Likert scale, ranging from 1 to 7 where 1= Strongly Disagree and 7=Strongly Agree. The reason we used Seven Point Likert scale rating is to ensure the reliability of the results. The data collected from the questionnaire was keyed into the Statistical Package for the Social Sciences (SPSS) software to test the reliability of questionnaire.

### 3.5 Construct Measurement

Measurement is a task for characterizing an object or event which can be compared with other similar object or event. In order to design a reliability measurement, we constructed our measurement by analyzing the measurement of several prior studies. The table below showed the measurement of the variables of this research and sources used to design the questionnaire. The reason is to ensure the reliability of the result of this research.

Table 3.1 Construct Measurement

Variables	Items	Source(s)
<b>Service Quality</b>	<p><b>Tangible:</b></p> <ol style="list-style-type: none"> <li>1. The cinema hall/theater is clean.</li> <li>2. The cinema's equipment enhances my cinematic experience.</li> <li>3. The cinema staffs are neat in their appearance.</li> </ol> <p><b>Responsiveness:</b></p> <ol style="list-style-type: none"> <li>4. The cinema staffs respond immediately when complaints are</li> </ol>	Atilla Akbaba (2006), Yuen and Chan (2010)

	<p>made.</p> <p>5. The cinema staffs provide me the prompt service.</p> <p>6. The cinema staffs are always willing to help me on my problems.</p> <p>7. The cinema staffs are never too busy to respond to my request.</p> <p><b>Reliability:</b></p> <p>8. The cinema staffs is sympathetic and reassuring when I am facing issues.</p> <p>9. The cinema staffs provide their service as promised.</p> <p><b>Assurance:</b></p> <p>10. The cinema staffs are knowledgeable about their services.</p> <p>11. The cinema staffs are able to solve my problem.</p> <p>12. The cinema staffs are very helpful.</p> <p>13. The cinema staffs give a warm welcome to me.</p> <p>14. Behavior of the cinema's staffs instills confidence in me towards their company.</p> <p><b>Empathy:</b></p> <p>15. The cinema staffs listen carefully to my needs.</p> <p>16. The cinema staffs give me individual</p>	
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	<p>attention.</p> <p>17. The cinema's operating hours are flexible to me.</p> <p>18. The cinema staffs understand my specific needs.</p>	
<b>Location</b>	<ol style="list-style-type: none"> <li>1. I prefer to select the cinema locate at the main highway.</li> <li>2. I prefer to select the cinema locate closer to my home.</li> <li>3. I prefer to select the cinema locate at the way from work place.</li> <li>4. I prefer the choice of cinema which have low traffic congestion in that area.</li> <li>5. The travel modes available affect my choice of a cinema location.</li> <li>6. I prefer the choice of cinema location which have convenient parking.</li> <li>7. I prefer the choice of cinema location which have wide range of store assortment</li> </ol>	<p>Hackett and Foxall (1994), Rousseau et al. (2014)</p>
<b>Atmosphere</b>	<p><b>Exterior:</b></p> <ol style="list-style-type: none"> <li>1. The cinema architecture design is attractive.</li> </ol> <p><b>General Interior:</b></p> <ol style="list-style-type: none"> <li>2. The temperature of the cinema</li> </ol>	<p>Wakefield and Blodgett (2005), Vanja Bogicevic (2014)</p>

	<p>hall/theater is comfortable.</p> <ol style="list-style-type: none"> <li>3. The color scheme of the cinema is comfortable and relax.</li> <li>4. The lighting in the cinema hall/theater is comfortable and relax.</li> <li>5. The cinema maintain clean walkway, toilet and cinema hall/theater.</li> </ol> <p><b>Store Layout:</b></p> <ol style="list-style-type: none"> <li>6. Spacing between seats in the cinema hall/theater are comfortable.</li> <li>7. The customer flow of ticketing and food counters of the cinema are appropriately arranged.</li> </ol> <p><b>Interior Display:</b></p> <ol style="list-style-type: none"> <li>8. The signage of entrance and exit are clearly shown.</li> <li>9. The display and time of showing films are clearly shown.</li> <li>10. The signage of cinema hall/theater and number of seats are clearly shown.</li> </ol>	
<p><b>Price</b></p>	<ol style="list-style-type: none"> <li>1. The movie ticket price is reasonable and affordable.</li> <li>2. I am willing to pay for an increased price of movie ticket to enhance my movie experience.</li> <li>3. I like to be aware of looking at all possible options before buying a movie ticket and promotional</li> </ol>	<p>Han and Kim (2009), Oh (2000)</p>

	<p>packages.</p> <p>4. I often survey more than one cinema in order to find the best price of movie ticket.</p>	
<p><b>Customer Experience (Sensory Experience)</b></p>	<p><b>Visual:</b></p> <p>1. The cinema facilities and materials have visual impression of feeling.</p> <p>2. The cinema hall/theater was clean and pleasant.</p> <p><b>Sound:</b></p> <p>3. The cinema's background music makes me felt relaxed and comfortable.</p> <p><b>Touch:</b></p> <p>4. The cinema hall/theater temperature and lighting makes me felt comfortable.</p> <p>5. There was enough comfortable seating space.</p> <p><b>Taste:</b></p> <p>6. The quality of food and beverage is fresh, good quality and have nice appearance.</p> <p>7. There are a variety of food choices.</p>	<p>Sweeney and Soutar (2001), Pullman and Gross (2004)</p>

	<p><b>Smell:</b></p> <p>8. The cinema hall/theater has relaxing and pleasant scent.</p>	
<p><b>Customer Experience (Emotional Experience)</b></p>	<p>1. My cinema movie experience was enjoyable.</p> <p>2. My cinema movie experience was relaxing.</p> <p>3. My cinema movie experience was entertaining.</p> <p>4. My cinema movie experience was comfortable.</p> <p>5. The overall experience with the cinema was favourable and memorable.</p>	<p>Sweeney and Soutar (2001), Pullman and Gross (2004)</p>
<p><b>Customer Delight</b></p>	<p>1. I am satisfied and delighted with my visitation to this cinema.</p> <p>2. I am satisfied and delighted with the cinema's service experience.</p> <p>3. I feel that my experience with this cinema has been enjoyable.</p> <p>4. If I had the chance to choose again, I would select this cinema for another upcoming movie.</p>	<p>Oliver (1997), Taylor and Baker (1994)</p>
<p><b>Customer Loyalty</b></p>	<p><b>Attitudinal:</b></p> <p>1. I would say positive things about the cinema to other people.</p> <p>2. I will encourage friends and relatives</p>	<p>Siddiqi (2013), Mc Leodc (2014)</p>



	<p style="text-align: center;">to watch movie at cinema.</p> <p><b>Behavioural:</b></p> <ol style="list-style-type: none"> <li>3. I intend to continue watch movies at this cinema.</li> <li>4. Even if my close friends recommended another mode of movie platform, my preference for cinema would not change.</li> <li>5. It would be difficult to change by beliefs about cinemas.</li> </ol>	
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Source: Developed for the research

### 3.6 Data Processing

Data processing is referred to a series of processes done on data collected with the purpose of classifying, retrieving and altering the data to useful and meaning information. It is a data preparation processes before analysis can be done. It consists of few processes which are checking, editing, coding, transcribing and specifying uncommon data before proceed to data analysis. Researchers need to take note that before proceed to data processing, they need to ensure that all the survey forms have been filled up correctly and without errors.

### **3.6.1 Data Checking**

Data checking is referred to a process used to measure the accuracy and potential error found in the data. An example of data checking is to examine the survey form whether the questionnaire can provide useful data for this research study. Researchers had carried out proofreading before distributing the questionnaire to the target respondents. Proofreading was done by experienced proofreaders who are proficiency in English. Proofreaders examined the questionnaire to figure out any grammar mistakes and sentence structures.

### **3.6.2 Data Editing**

Data editing is referred to the process whereby any data collected which contain error or not suitable will be edited before the data can be generated into meaningful information. The reason for data editing is to ensure that the data provided by the respondents are complete and useful for the objective of the research study.

### **3.6.3 Data Coding**

Data coding refers to the process by using numerical number to demonstrate a particular behavior. A version of 23<sup>rd</sup> Statistical Package for Social Science (SPSS) computer program was used to analyze the data collected. For instance, under Part B of the questionnaire, the gender of the respondents was labeled as 1 and 2 for male and female respectively.

### **3.6.4 Data Transcribing**

Transcribe has the meaning of “to write” in Latin word. Date transcribing refers to the process of transfer all the information collected from the questionnaire into the computer system. Once all the data were transferred to the computer, researchers carried out data analysis by using version 23<sup>rd</sup> SPSS computer program.

## **3.7 Data Analysis**

Data analysis is defined as the means of comprehending logical reasoning of the collected data from the respondents (Zikmund et al., 2010). It means that data collected from the respondents will be undergoing a series of steps to transform raw data into useful information. In this research, SPSS version 23.0 was used by the researchers to generate statistical figure for descriptive analysis, reliability test and inferential analysis to interpret in the following chapter.

### **3.7.1 Descriptive Analysis**

According to Zikmund (2010), descriptive analysis defined as elementary transformation of data by describing the basic characteristics such as distribution, tendency and its variability. In descriptive statistics, statistics such as mean, mode, median, range, variance and standard deviation are widely used by researches.

After data collections have been done, researches will then calculate the frequency for respective element and convert the information into table and chart. Calculation of frequency allows researcher to identify the number of

times occur in various subcategories. Besides that, researcher will measure the central of tendency by depending on the mean, mode and median. Descriptive statistic also involves measurement of dispersion. Due to the variability that involve in a set of observations, a measure of dispersion such as variance and standard deviation also important in measuring the amount of scatter in a data set.

### **3.7.2 Scale Measurement**

In order to assess the reliability of data collected, three types of scale measurement is being used which includes nominal scale, interval scale and ratio scale.

A nominal scale allows the researcher to assign subjects to certain categories and group based on the characteristics of the variables. For instance, respondent will be categorized into male and female in the research. Besides that, an interval scale allows researchers to perform certain arithmetical operation on data collected. It basically aids researchers in measuring the distance between any two points of scale. During data analysis, researchers had used Likert scale under this research study. The use of likert scale is to examine how strongly respondents agree the statement. In part D of the questionnaire, a seven point Likert scale was used for the respondent to answer the questions. The seven point Likert scale was measured from 1 to 7 which represented the strongly disagree to strongly agree.

On the other hand, ratio scale is being used to overcome arbitrary origin point of interval scale. It not only uses to measure the magnitude of the differences between points but also taps the proportion in the differences. Ratio scale has a true zero to represent variables that are absence for the measurement. For

example, the frequencies of going to cinema in a month in average are being differentiated into more than 4 times, 3-4 times, 1-2 times more than never.

### **3.7.3 Reliability Test**

The Reliability of measure can be tested based on the consistency and the stability. Uma and Roger (2013) stated that Cronbach's alpha can be used to measure the reliability and ensuring the consistency of the data collection. Cronbach's alpha refers to a reliability coefficient that allows researcher to determine how well the items in a set are positively correlated to each other. It being computed by using average inter-correlations among the items which used to measure concept. That means the closer Cronbach's alpha to 1, the higher the internal consistency reliability. In contrast, lower value indicates poor stability and consistency between items of heterogeneous.

During the data analysis process, the 23<sup>rd</sup> version of SPSS is used in order to test the consistency and stability of item incurred in independent variable, moderating variable as well as the dependent variable. They include service quality, price, atmosphere, location, customer experience, customer delight and customer loyalty of cinema selection.

Table 3.2 Ranges of Cronbach's Alpha Value

Alpha Coefficient Range	Strength of Association
< 0.6	Poor
0.6 - < 0.7	Moderate
0.7 - < 0.8	Good
0.8 - < 0.9	Very Good
0.9	Excellent

Source: Zikmund et al., (2010)

### **3.7.4 Inferential Analysis**

The main purpose of inferential analysis is to use the scores to make a statement about the characteristic of the population (Robert, 2008). Inferential analysis can provide more answers to the researchers compared with descriptive analysis.

#### **3.7.4.1 Pearson Correlation Analysis**

Based on Uma and Roger (2013), they explained that Pearson's correlation analysis indicates the point out the strength and significance of the bivariate relationship among variables. These mean that the value of correlation are derived by assess the variation of a variable as another variable are vary in the same time. The values are range from -1 to +1. To

determine the relationship between the dependent variable towards each individual independent variable, Pearson's correlation analysis is being adopted by researchers in this research study.

Table 3.3 Ranges of Pearson Correlation Value

Range of $r_s$	Strength of Correlation
Below 0.16	Very low
0.16 - 0.29	Weak to low
0.30 – 0.49	Moderate to low
0.50 – 0.69	Moderate
0.70 – 0.89	Strong
0.90 – 1.00	Very strong

Source: Uma and Roger (2013)

#### **3.7.4.2 Multiple Regression Analysis**

Multiple regression analysis is a common and adaptable data analytic system. According to Cohen, Cohen, West and Aiken (2013), it is a system used to study the relationship and factors of interest between the dependent variable and independent variables. The relationship between the variables can be simple and complex depends on the situation. It can be straight line, curvilinear, general, conditional and combination of all these possible patterns. Multiple regression analysis is widely applicable to the hypotheses developed in the research study that related to social

science, health science, education and business. Researchers would want to figure out the extent of variation produced by independent variables on the dependent variable.  $r$  will be measuring the relationship between dependent variable and one independent variable while  $r^2$  is used to measure the relationship between dependent variable and multiple independent variables.

The multiple regression framework is computed as followed:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + \dots$$

Where  $Y$  = dependent variable

$X$  = independent variable

$a$  = constant value

$b$  = coefficient

Under this model,  $r$  is used to measure the relationship between dependent variable and one independent variable while  $r^2$  is used to measure the relationship between dependent variable and multiple independent variables. The value of  $r^2$  is between 0 and 1 with 0 represents no relationship while 1 has a positive relationship between independent variables and dependent variable. By using multiple independent variables, researchers can further understand the research topic and make accurate predictions.

On the other hand,  $r^2$  is used to measure the variation of the dependent variable that caused by the independent variables. However,  $r^2$  is derived from the Pearson Correlation Coefficient by squaring the  $r$  value (Zou, Tuncali, & Silverman, 2003).  $r^2$  has a range from 0 to 1 which indicates that a value approximately to 1 has a greater variance to account by the model. For instance,  $r^2$  with a value of 0.80 means that 80% of the data variation can be explained by the model.



### 3.7.4.3 Simple Regression Analysis

Simple regression analysis is a statistical method that used to summarize and study the linear relationship between two continuous variables. The dependent variable is also refers as outcome or response variable while independent variable is regarded as explanatory or predictor variable. Based on George and Alan (2003) book of Introduction to Linear Regression Analysis, the simple linear regression model is as followed:

$$Y = b_0 + b_1X + \varepsilon$$

Where     Y = Dependent variable  
           b<sub>0</sub>= Y-interception  
           b<sub>1</sub>= Gradient of regression line  
           x = Independent variable  
           ε = Random error component

The parameter b<sub>0</sub> and b<sub>1</sub> are referred as regression coefficient. The random error component is always assumed with a mean of zero and constant variance in the simple linear regression. It can be measure through least square estimation, maximum likelihood estimation, and confidence interval analysis. According to Altman et al (1983), confidence interval is a helpful tool to interpret the significance of the differences. Confidence interval analysis method is used under this research study to determine the quality of prediction of value of Y at the chosen value of independent variable.

### **3.8 Conclusion**

To sum up, the methodology chapter gives an overview to the readers about the research methodology starting from research design, data collection method, sampling design, research instrument, construct instrument, data processing to data analysis. The 23<sup>rd</sup> SPSS version of computer software is used to analyze the data which has been collected from all 200 respondents mainly from all over Klang Valley area. Researchers will make a detail discussion about the statistical analysis and interpretation of the hypotheses in the next chapter.

## **CHAPTER 4: DATA ANALYSIS**

### **4.0 Introduction**

The results of the survey questionnaire collected from 200 respondents was analyzed in this chapter. Statistical Package for Social Science (SPSS) version 23 was used to further investigate the data collected. There were three sections under this chapter which were descriptive analysis, scale measurement and inferential analysis.

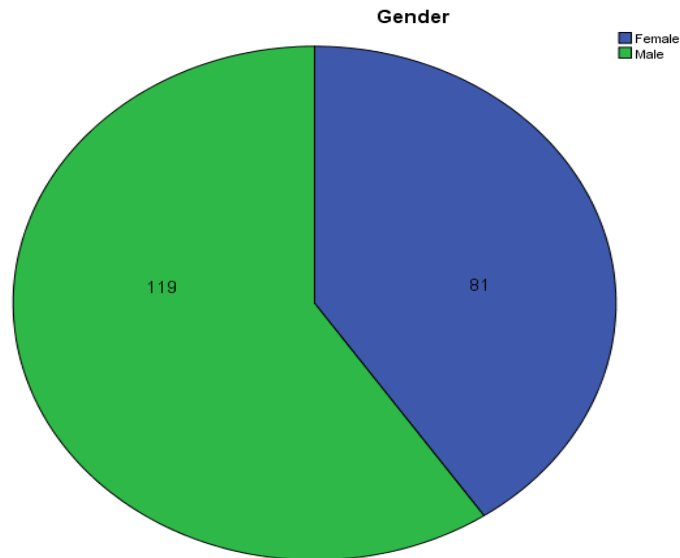
### **4.1 Descriptive Analysis**

This section described the transformation of collected data into a form that allowed researchers to understand better, interpret, rearrange, order, and manipulate data to generate useful descriptive information.

#### **4.1.1 Respondent Demographic Profile**

Section B of the survey questionnaire was designed to collect demographic information of the respondents including the gender, age, occupation, income level, importance of movies entertainment, frequency of going cinema in a month as well as cinema visited the most.

Figure 4.1: Gender of the Respondents



Source: Developed for the research

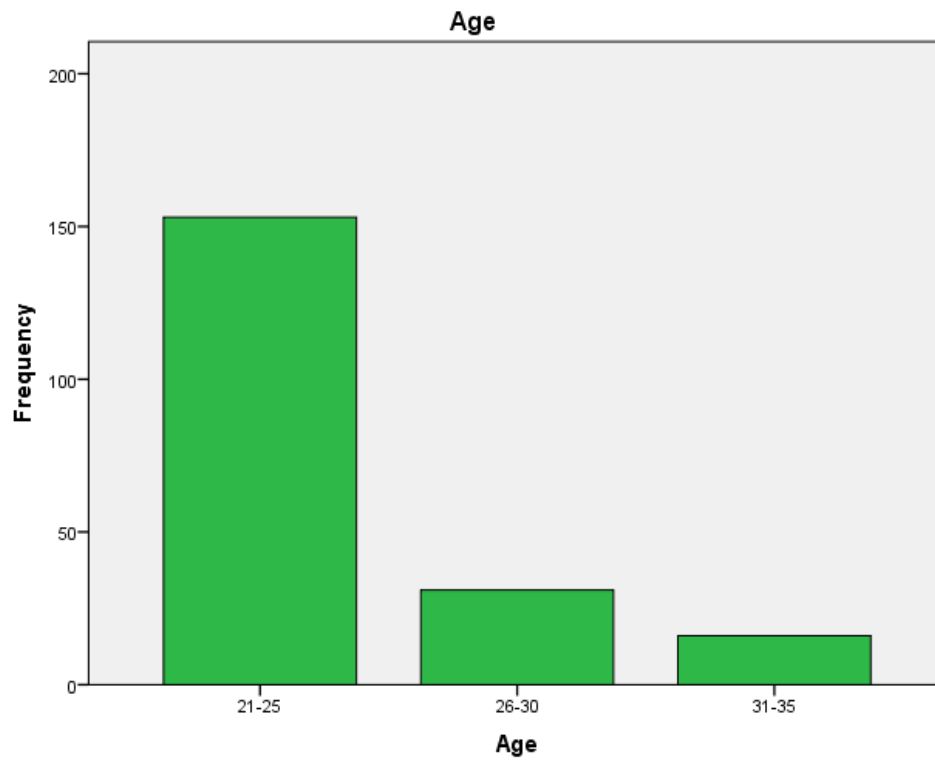
Table 4.1: Gender of the Respondents

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	81	40.5	40.5	40.5
	Male	119	59.5	59.5	100.0
	Total	200	100.0	100.0	

Source: Developed for the research

Figure 4.1 and Table 4.1 depicted the gender of the 200 respondents who had conducted the survey questionnaire. From the result, the respondents consisted of 59.5% of male and 40.5% of female.

Figure 4.2: Respondents' Age Group



Source: Developed for the research

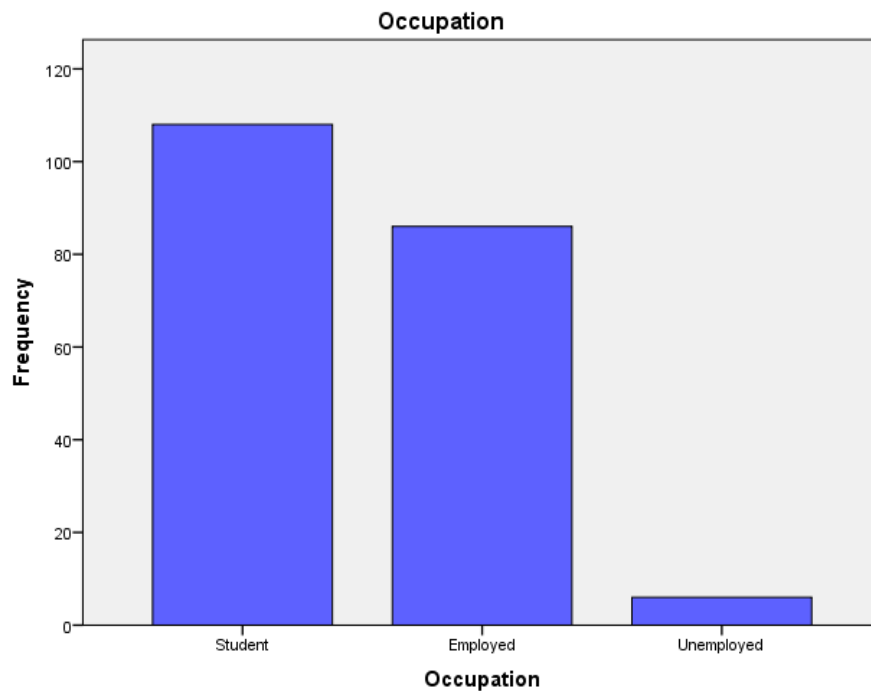
Table 4.2: Respondents' Age Group

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-25	153	76.5	76.5	76.5
	26-30	31	15.5	15.5	92.0
	31-35	16	8.0	8.0	100.0
	Total	200	100.0	100.0	

Source: Developed for the research

Figure 4.2 and Table 4.2 showed the age group of the respondents. Generation Y has the age range from 21 to 35 as of year 2017. All of the respondents were among the age group of 21 to 25 years old which constituted the highest percentage of 76.5%, or equivalent to 153 respondents. It was followed by age group between 26-30 years old with the percentage of 15.5% or 31 respondents. The least respondents were from the age group from 31 to 35 which comes with a total of 16 respondents, equivalent to 8%.

Figure 4.3: Occupation of Respondents



Source: Developed for the research

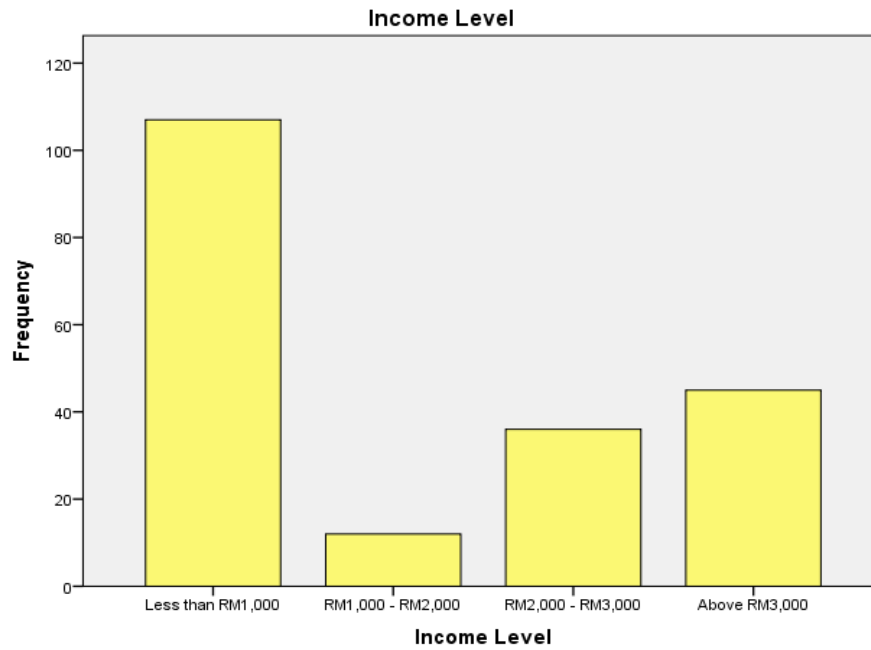
Table 4.3: Occupation of Respondents

		<b>Occupation</b>			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	108	54.0	54.0	54.0
	Employed	86	43.0	43.0	97.0
	Unemployed	6	3.0	3.0	100.0
	Total	200	100.0	100.0	

Source: Developed for the research

Based on the Figure 4.3 and Table 4.3, most of the respondents were students, with a percentage of 54% (108 respondents), followed by those respondents who are employed, with a frequency of 86 respondent, or equivalent to 43%. The unemployed respondents contributed the least group, which were 3.0% (6 respondents) only.

Figure 4.4: Income Level of Respondents



Source: Developed for the research

Table 4.4: Income Level of Respondents

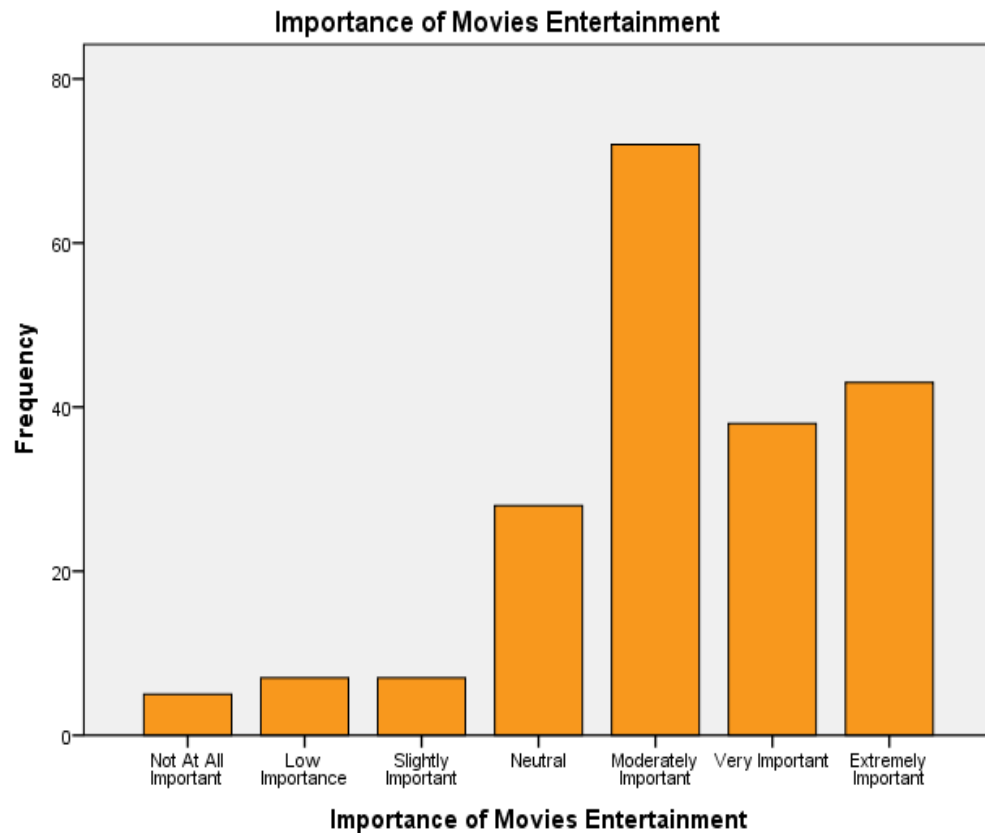
		Income Level			Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Less than RM1,000	107	53.5	53.5	53.5
	RM1,000 - RM2,000	12	6.0	6.0	59.5
	RM2,000 - RM3,000	36	18.0	18.0	77.5
	Above RM3,000	45	22.5	22.5	100.0
Total		200	100.0	100.0	

Source: Developed for the research



Based on Figure 4.4 and Table 4.4, 107 of the respondents earned their income less than RM1,000 (53.5%). Besides that, there were 12 respondents (6%) have the income level of RM1,000-RM2,000 which formed the least group, while another 36 respondents (18%) earned an income level of RM2,000-RM3,000. On the other hand, it is found that 45 respondents earned above an income level of RM3,000 which constitutes of 22.5% of the total 200 respondents who participated in the survey.

**Figure 4.5: Importance of Movies Entertainment**



Source: Developed for the research

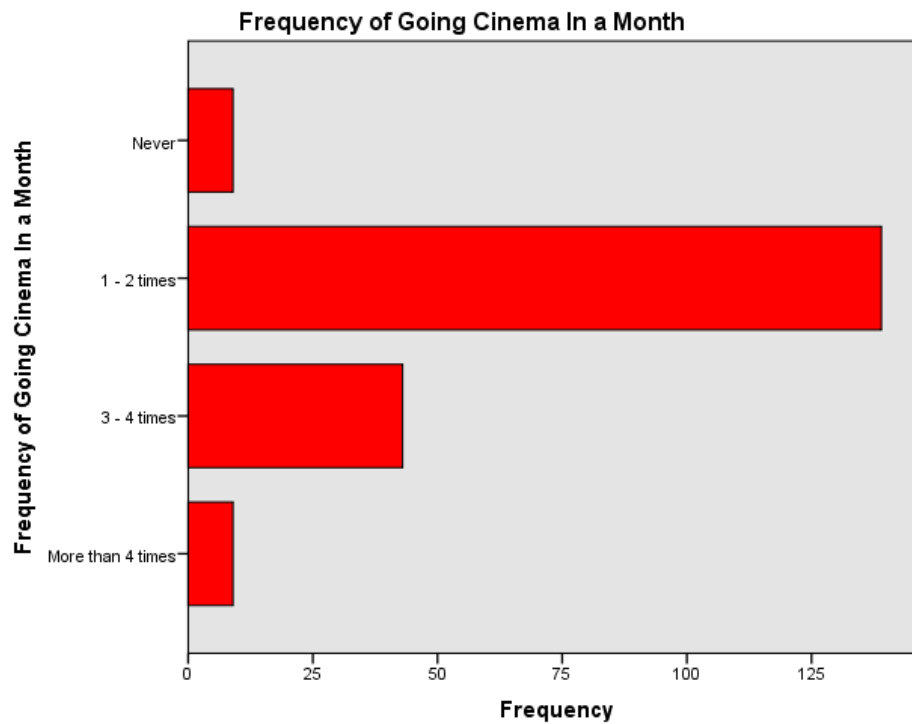
Table 4.5: Importance of Movies Entertainment

		<b>Importance of Movies Entertainment</b>			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not At All Important	5	2.5	2.5	2.5
	Low Importance	7	3.5	3.5	6.0
	Slightly Important	7	3.5	3.5	9.5
	Neutral	28	14.0	14.0	23.5
	Moderately Important	72	36.0	36.0	59.5
	Very Important	38	19.0	19.0	78.5
	Extremely Important	43	21.5	21.5	100.0
	Total	200	100.0	100.0	

Source: Developed for the research

According to Figure 4.5 and Table 4.5, there were 43 respondents (21.5%) deemed that movies entertainment is extremely important to their daily life while 5 respondents (2.5%) thought that movies entertainment is not important at all. 72 respondents (36%) felt that movies entertainment were moderately important for them.

Figure 4.6: Frequency of Going Cinema In a Month



Source: Developed for the research

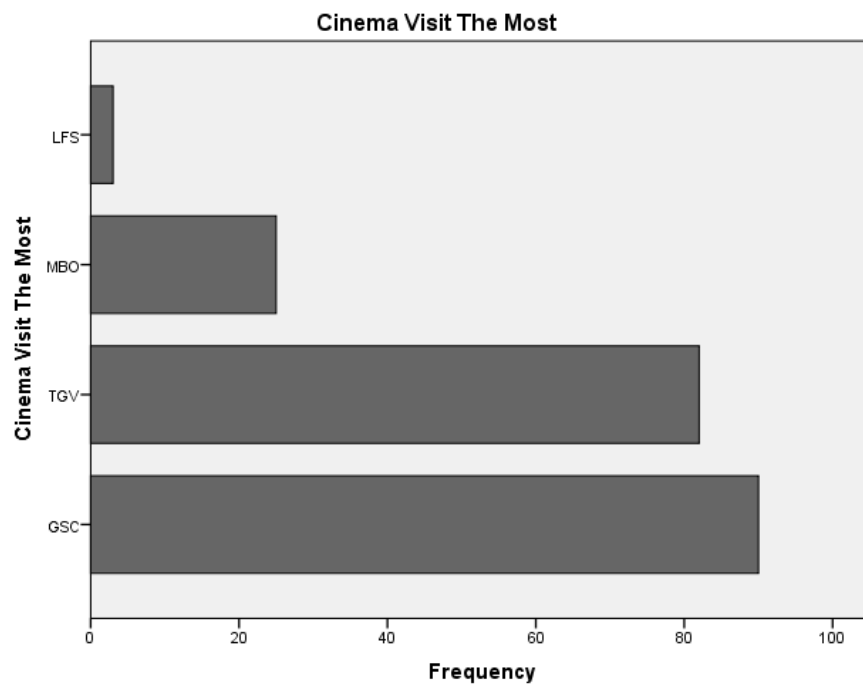
Table 4.6: Frequency of Going Cinema In a Month

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid More than 4 times	9	4.5	4.5	4.5
3 - 4 times	43	21.5	21.5	26.0
1 - 2 times	139	69.5	69.5	95.5
Never	9	4.5	4.5	100.0
Total	200	100.0	100.0	

Source: Developed for the research

As referred to Figure 4.6 and Table 4.6, there were 69.5%, or 139 respondents goes to cinema for around 1 to 2 times in a month. On the other hand, 43 out of 200 respondents (21.5%) visited cinema on about 3 to 4 times in a month while an equivalent of 9 respondents (4.5%) visited to cinema for more than 4 times in a month and never visited to cinema before and it is their first visit respectively.

Figure 4.7: Most Favoured Cinema



Source: Developed for the research

Table 4.7: Most Favoured Cinema

**Most Favoured Cinema**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	GSC	90	45.0	45.0	45.0
	TGV	82	41.0	41.0	86.0
	MBO	25	12.5	12.5	98.5
	LFS	3	1.5	1.5	100.0
	Total	200	100.0	100.0	

Source: Developed for the research

According to Figure 4.7 and Table 4.7, most of the respondents favored GSC Cinemas which constitutes of 90 respondents (45%) where TGV Cinemas is the second favored cinema to visit among Malaysians with 82 respondents recorded (41%). MBO managed to win the heart of 25 respondents as their favored cinema to watch movies, with a number of 25 respondents (12.5%) recorded. The least favored cinema goes to LFS Cinema where only 3 respondents or 1.5% out of 200 respondents were recorded.

### 4.1.2 Central Tendencies Measurement of Constructs

Table 4.8: Table of Measurement of Constructs

**Central Tendencies Measurement of Constructs**

		Service Quality	Location	Atmosphere	Price	Customer Experience	Customer Delight	Customer Loyalty
N	Valid	200	200	200	200	200	200	200
	Missing	0	0	0	0	0	0	0
	Mean	5.2764	5.4143	5.5310	5.2325	5.4085	5.0450	5.4688
	Std. Deviation	0.914065	1.00537	0.90999	1.06318	0.89013	1.02950	0.92561
	Range	6.00	6.00	6.00	6.00	6.00	6.00	6.00

Source: Developed for the research

Based on the Table 4.8, the mean value for service quality, location, atmosphere, price, customer experience, customer satisfaction and delight as well as customer loyalty were within 5, which represented a somewhat agree or moderately important in the seven point Likert scale. This showed that most of the respondents were somewhat agreed or moderately felt important that these variables could affect their loyalty towards the selection of cinema in Malaysia. However, the atmosphere had the highest mean among the variables which was 5.5310. This indicated that most of the respondents select their preferred cinema to watch movies because of the cinema operator's atmosphere.

## 4.2 Scale Measurement

The result of reliability analysis of each constructs was showed in the following section. The purpose of conducting scale measurement is to ensure the reliability of instrument used and the appropriate testing of hypotheses.

### 4.2.1 Reliability Analysis

Table 4.9: Summary of Reliability Test

No	Variables	Cronbach's Alpha	Number of Items
1	Service Quality	0.957	18
2	Location	0.742	7
3	Atmosphere	0.911	10
4	Price	0.727	4
5	Customer Experience	0.931	13
6	Customer Delight	0.940	4
7	Customer Loyalty	0.851	5

Source: Developed for the research

The reliability test of each variable was presented in Table 4.9. According to the acceptable rule of Cronbach's alpha, alpha value that is more than or equal to 0.7 is an acceptable value, however alpha value which is less than 0.7 and more than or equal to 0.6 is questionable, while less than 0.5 is unacceptable. Reliability is an alternative to study the ability of an instrument to measure consistently. The value of Cronbach's alpha will increase if the items in a test are correlated with each other (Tavakol & Dennick, 2011).

It was observed that service quality had the highest Cronbach's alpha coefficient of 0.957 which was more than 0.7 and nearest to 1. Hence it is an acceptable value, and 18 items was applied to define it. For location which had captured a 0.742 of Cronbach's alpha with 7 items indicated that it is within the reliability range. Moreover, atmosphere, customer experience as well as customer delight scored a 0.911, 0.931 and 0.940 respectively which indicated that it has a high reliability, with 10, 13 and 4 items were used to measure accordingly. Price had the lowest Cronbach's alpha value among the 4 variable which is 0.727 with 4 items were measured under this variable. Besides, customer loyalty managed to obtain a Cronbach's alpha coefficient of 0.851 with 5 items was used to measure under this variable. From the result, it could be concluded that all these 7 variables were useful determinants in this research study as all the Cronbach's alpha values were more than 0.7 and close to 1.



### 4.3 Inferential Analysis

According to Burns and Bush (2000), inferential analysis is a method used by researchers to draw general conditions about the sampling data. It is used to make inference about the data collected. Under this section, researchers carried out the normality data analysis before proceed to multiple regression analysis and simple regression analysis.

#### 4.3.1 Pearson Correlation Analysis

Table 4.10 Pearson Correlation

		Customer Experience
Service Quality	Pearson Correlation	.712**
	Sig. (2-tailed)	.000
	N	200
Location	Pearson Correlation	.404**
	Sig. (2-tailed)	.000
	N	200
Atmosphere	Pearson Correlation	.801**
	Sig. (2-tailed)	.000
	N	200
Price	Pearson Correlation	.395**
	Sig. (2-tailed)	.000
	N	200
		Customer Delight
Customer Experience	Pearson Correlation	.615**
	Sig. (2-tailed)	.000
	N	200
		Customer Loyalty

Customer Delight	Pearson Correlation	.688**
	Sig. (2-tailed)	.000
	N	200

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Developed for the research

According to the table above, the correlation of each independent variable (service quality, location, atmosphere and price) is significant at 0.05 levels, two-tailed towards customer experience. The value of the relationship in between service quality and customer experience is 0.712, while location and price are 0.404 and 0.395 respectively. The value of atmosphere had shown the strongest relationship with customer experience ( $r=0.801$ ), followed by service quality ( $r=0.712$ ), location ( $r=0.404$ ) and lastly price( $r=0.395$ ). Besides, the correlation between customer experience and customer delight is 0.615, while the correlation between customer delight and customer loyalty is 0.688.

### 4.3.2 Multiple Regression Analysis

Multiple regression analysis between the dependent variable (customer experience) and independent variables (service quality, location, atmosphere and price) that affect Generation Y's loyalty towards the selection of cinema in Malaysia was shown in the following table:

Table 4.11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.712 <sup>a</sup>	.507	.497	.54203

a. Predictors: (Constant), Service Quality, Location, Atmosphere, Price

Source: Developed for the search

Based on Table 4.11, the R square for the multiple regressions was 0.507, equal to 50.7%. It indicated that 50.7% of the variation in customer experience of respondents could be explained by the variables in service quality, location, atmosphere and price.

Table 4.12: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	58.901	4	14.725	50.121	.000 <sup>b</sup>
	Residual	57.290	195	.294		
	Total	116.190	199			

a. Dependent Variable: Customer Experience

b. Predictors: (Constant), Service Quality, Location, Atmosphere, Price

Source: Developed for the research

Table 4.12 showed that the F-value for multiple regressions was 50.121, with significant value of 0.00. It could be concluded that this model had significant effect in this research study as the significant value (0.00) was less than the critical value of alpha,  $\alpha$  (0.05). According to the regression model, the four predictors namely service quality, location, atmosphere and price have played their role in demonstrating the variation in customer experience.

Table 4.13: Summary of Regression Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.834	.322		5.700	.000
Service Quality	.255	.057	.305	4.438	.000
Location	.158	.050	.171	3.192	.002
Atmosphere	.398	.059	.474	6.697	.000
Price	-.137	.042	-.191	-3.294	.001

a. Dependent Variable: Customer Experience

Source: Developed for the research

There is a significant relationship between independent variables (service quality, location, atmosphere and price) and dependent variable (customer experience) at the significant level of p value < 0.05. In between all the four independent variables, atmosphere has the strongest influence for Generation Y experience where standardized beta is equal to 0.474. Hence, atmosphere is an important factor that affects customer experience. The factor that has the second strongest influence on Generation Y experience is service quality (r = 0.305) and followed by location (r = 0.171). However, price (r = - 0.191) is the weakest among all for Generation Y experience.

Based on Table 4.13, the following linear equation is formed:

$$\text{Cinema Selection} = 1.834 + 0.255 (\text{service quality}) + 0.158 (\text{location}) + 0.398 (\text{atmosphere}) - 0.137 (\text{price})$$

According to the equation above, regression coefficient in service quality is 0.255. This indicates customer experience will rise 0.255 units when service quality rise one unit while the others are remained. Moreover, the regression coefficient of location is 0.158. This can be deduced as the customer experience will rise 0.158 units as location rise one unit while others remained. According to the coefficient beta, the regression coefficient of atmosphere is the highest with 0.398 and this means customer experience will rise 0.398 units as atmosphere rise one unit while the other remain constant. However, the regression coefficient of price is negative 0.137 which means that customer experience will decline by 0.137 units when price incline one unit while others is remained.

### 4.3.3 Simple Regression Analysis

#### 1. Customer Experience & Customer Delight

Table 4.14: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.615 <sup>a</sup>	.379	.375	.81362

a. Predictors: (Constant), Customer Experience

Source: Developed for the research

Based on Table 4.14, the R square for the simple regression was 0.379, or 37.9%. It indicated that 37.9% of the variation in customer delight was influenced by customer experience of respondents.

Table 4.15: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	79.842	1	79.842	120.611	.000 <sup>b</sup>
	Residual	131.073	198	.662		
	Total	210.915	199			

a. Dependent Variable: Customer Delight

b. Predictors: (Constant), Customer Experience

Source: Developed for the research

Table 4.15 demonstrated that the F-value for the simple regression was 120.611, with significant value of 0.00. It could be concluded that the model had a significant effect in this research study as the significant value (0.00) was less than critical value of alpha,  $\alpha$  (0.05). Customer experience had a significant effect toward the customer delight of Generation Y.

Table 4.16: Summary of Regression Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.196	.355		3.369	.001
Customer Experience	.712	.065	.615	10.982	.000

a. Dependent Variable: Customer Delight

Source: Developed for the research

According to Table 4.16, customer experience had positive correlation with customer delight. The reason was due to the p-value of 0.00 for customer experience, which was lower than critical value of alpha,  $\alpha = 0.05$ .

## 2. Customer Delight & Customer Loyalty

Table 4.17: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.688 <sup>a</sup>	.474	.471	.67311

a. Predictors: (Constant), Customer Delight

Source: Developed for the research

Based on Table 4.17, the R square for the simple regression was 0.474, or 47.4%. It indicated that 47.4% of the variation in customer loyalty was affected by customer delight of respondents.

Table 4.18: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	80.783	1	80.783	178.300	.000 <sup>b</sup>
Residual	89.709	198	.453		
Total	170.492	199			

a. Dependent Variable: Customer Loyalty

b. Predictors: (Constant), Customer Delight

Source: Developed for the research

Table 4.18 demonstrated that the F-value for the simple regression was 178.300, with significant value of 0.00. It could be concluded that the model had a significant effect in this research study as the significant value (0.00) was less than critical value of alpha,  $\alpha$  (0.05). Customer delight had a significant effect toward the customer loyalty of Generation Y to select cinema for movies entertainment.

Table 4.19: Summary of Regression Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.346	.239		9.834	.000
Customer Delight	.619	.046	.688	13.353	.000

a. Dependent Variable: Customer Loyalty

Source: Developed for the research

According to Table 4.19, customer delight had positive correlation with customer loyalty. The reason was due to the p-value of 0.00 for customer delight, which was lower than critical value of alpha,  $\alpha = 0.05$ .



### 4.3.4 Hypothesis Testing

#### **Hypothesis 1:**

H0: There is no relationship between service quality and customer experience.

H1: There is a positive relationship between service quality and customer experience.

Reject H0, if  $p < 0.05$

According to Table 4.13, the significant value of service quality is 0.000, which is below p-value of 0.05. Thus, do reject H0, which indicates that there is a positive relationship between service quality and customer experience.

#### **Hypothesis 2**

H0: There is no relationship between location and customer experience.

H2: There is a positive relationship between location and customer experience.

Reject H0, if  $p < 0.05$

According to Table 4.13, the significant value of location is 0.002, which is below p-value of 0.05. Thus, do reject H0, which indicates that there is a positive relationship between location and customer experience.

**Hypothesis 3**

H0: There is no relationship between atmosphere and customer experience.

H3: There is a positive relationship between atmosphere and customer experience.

Reject H0, if  $p < 0.05$

According to Table 4.13, the significant value of atmosphere is 0.000, which is below p-value of 0.05. Thus, do reject H0, which indicates that there is a positive relationship between atmosphere and customer experience.

**Hypothesis 4**

H0: There is no relationship between price and customer experience.

H4: There is a positive relationship between price and customer experience.

Reject H0, if  $p < 0.05$

According to Table 4.13, the significant value of price is 0.001, which is below p-value of 0.05. Thus, do reject H0, which indicates that there is a positive relationship between price and customer experience.

**Hypothesis 5**

H0: There is no relationship between customer experience and customer delight.

H5: There is a positive relationship between customer experience and customer delight.

Reject H0, if  $p < 0.05$

According to Table 4.13, the significant value of customer experience is 0.000, which is below p-value of 0.05. Thus, do reject H<sub>0</sub>, which indicates that there is a positive relationship customer experience and customer delight.

### **Hypothesis 6**

H<sub>0</sub>: There is no relationship between customer delight and customer loyalty.

H<sub>6</sub>: There is a positive relationship between customer delight and customer loyalty.

Reject H<sub>0</sub>, if  $p < 0.05$

According to Table 4.13, the significant value of customer delight is 0.000, which is below p-value of 0.05. Thus, do reject H<sub>0</sub>, which indicates that there is a positive relationship between customer delight and customer loyalty.

## **4.4 Conclusion**

In this chapter, descriptive analysis was conducted to investigate and determine the demographic profile of the target respondents. Reliability test of the seven constructs was done to determine the validity and reliability of the questionnaire. Pearson correlation analysis was done. Furthermore, multiple regression analysis between one dependent variable and few independent variables and simple regression analysis between one dependent variable and one independent variable was done to examine the relationship between the variables.

## **CHAPTER 5: DISCUSSION, CONCLUSION AND IMPLICATIONS**

### **5.0 Introduction**

Based on the research that has been done as well as those data which are being collected and analyzed, this chapter shall be used to discuss on the significance of the findings, conclusion and also the implications towards the study. The topics included summary of statistical analysis, major findings, managerial implications, limitations on this research study, recommendations for future research and conclusion.

### **5.1 Summary of Statistical**

All the summary of descriptive analysis, scale measurement and inferential analyses presented in the previous data analysis chapter will be further deliberated in this chapter.

#### **5.1.1 Descriptive Analysis**

##### **5.1.1.1 Respondents Demographic Profile**

According to the respondent's demographic, the personal details are categorized as gender, age, occupation level, income level, importance of movies entertainment, frequency of going cinema and favoured cinema.

Based on the results, majority of the respondents are male, which consists of 59 % of the total respondents, and the largest age group are between 21-25 years old (82%). In addition, 54% of the total respondent are students, and most of the respondent's income level are below RM1,000 (53.5%). Besides, 36% of respondents rated that movies entertainment are moderately important and 69.5% of the respondents went to the cinema 1-2 times in a month. Furthermore, the respondent's most favoured cinema is Golden Screen Cinema (GSC) which consists of 45%.

### **5.1.2 Scale Measurement**

Scale measurement is tested and identified by using reliability test in Statistical Packages for Social Science (SPSS). Among the seven constructs, service quality has the highest Cronbach's alpha which is 0.957, followed by 0.940 for customer delight, 0.931 for customer experience, 0.911 for atmosphere, 0.851 for customer loyalty, 0.742 for location and 0.727 for price. All of the seven constructs have Cronbach's alpha value of more than 0.7 which indicates that the constructs have genuine, superb and justifiable value.

### **5.1.3 Inferential Analysis**

Pearson correlation analysis, multiple regression analysis and simple regression analysis are carried under this section.

#### **5.1.3.1 Pearson Correlation Analysis**

It has been known that Pearson's Correlation is used to measure the relationship of independent variables (service quality, location, atmosphere and price) and other factor variables (customer experience, customer delight and customer loyalty). The result shows that all independent variables have significant positive relationship with customer experience at significant level of 0.00. As a result, atmosphere has the strongest positive relationship with customer experience ( $r = 0.801$ ) among all the independent variables. Then followed by service quality ( $r = 0.712$ ), location ( $r = 0.404$ ) and price ( $r = 0.395$ ). Additionally, the correlation between customer experience and customer delight is 0.615, while the correlation between customer delight and customer loyalty is 0.688. In short, the Pearson correlation coefficient analysis for all the constructs are considered good as the results are in between -1 and 1.

#### **5.1.3.2 Multiple Regression Analysis**

The multiple regression test has been conducted in the previous chapter in order to examine the underlying relationships between independent variables (service quality, location, atmosphere and price) and other factor variables (customer experience, customer delight and customer loyalty).

From the results of multiple regression shown in Table 4.11, R square is 0.507 which indicated that 50.7 % of the variation in the customer experience of respondents could be explained by the variables in service quality, location, atmosphere and price. According to the table, an equation has been developed as shown below:

$$\text{Cinema Selection} = 1.834 + 0.255 (\text{service quality}) + 0.158 (\text{location}) + 0.398 (\text{atmosphere}) - 0.137 (\text{price})$$

By referring to Table 4.13, there is a significant relationship between service quality, location, atmosphere and price, four independent variables have an indicative relationship between dependent variable. Based on the equation formed, atmosphere is (0.398) followed by service quality (0.255), location (0.158), and price (-0.137).

Besides that, among all the independent variables, atmosphere has the strongest impact on the cinema selection which standardized beta is 0.474. Thus, atmosphere is an important predictor of cinema selection and followed by service quality (0.305), location (0.171) and price (-0.191). Four hypotheses have been tested out and all of the hypothesis in this research study were supported with significant level less than 0.05. As a result, H1, H2, H3, H4 were supported.

### **5.1.3.3 Simple Regression Analysis**

On a side note, simple regression analysis is referred as a bivariate regression which is a statistical analysis between one dependent variable and one independent variable. The result shown that there is a significant positive relationship between customer experience and customer delight as well as customer delight and customer loyalty at significant level of 0.000, standardized beta of 0.615 and 0.688 respectively. Therefore, H5 and H6 were supported.



## 5.2 Data Analysis

Table 5.1: The Summary and Hypothesis Results of Factors that Influence Generation Y's Cinematic Experience towards the Selection of Cinema in Malaysia

Hypothesis	Result (p-value)	Determination
H1: There is a positive relationship between service quality and customer experience.	0.000 ( $p < 0.05$ )	Supported
H2: There is a positive relationship between location and customer experience.	0.002 ( $p < 0.05$ )	Supported
H3: There is a positive relationship between atmosphere and customer experience.	0.000 ( $p < 0.005$ )	Supported
H4: There is a positive relationship between price and customer experience.	0.001 ( $p < 0.005$ )	Supported
H5: There is a positive relationship between customer experience and customer delight.	0.000 ( $p < 0.005$ )	Supported
H6: There is a positive relationship between customer delight and customer loyalty.	0.000 ( $p < 0.005$ )	Supported

### 5.2.1 Service Quality

H1: There is a significant positive relationship between service quality and customer experience.

Based on the result done on previous chapter, service quality (Pearson's correlations = 0.712;  $\beta = 0.255$  with  $p < 0.05$ ) is the second highest contributor to customer experience among generation Y since its significant of regression (p-value) is 0.00. Therefore, research findings are supported whereby service quality has play a significant role in influence generation Y's customer experience. Service Quality is very important to service industry to especially for cinema operator as it could increase the delightfulness of the customer which indeed may become a loyal customer.

In order to improve the customer experience, assessment of whether service delivered conforms customer expectation need to be conduct often. It is very important that service business operators to examine the service quality delivered often to ensure service quality improve and better access to customer satisfaction (Parikshat & Eddy, 2015). Service quality includes indicators such as the quality of the cinema equipment and product knowledge of the staff. The variability of product and service offer by cinema theatre makes it vital for the employee to be knowledgeable and be confident when fulfill customer needs and wants by accurately discussing product and service with the customer.

Besides that, the increasing of other movies entertainment has driven cinema operators to compete intensively. According to Luoh and Tsaur (2011), customer-driven quality management has becoming the considered method for performance improving. In order to compete successfully, a cinema are required to measure the service quality that provides to the customer in a

consistent basis. This allows cinema operator to identify areas that required improvement. For instance, area such as environment of cinema theatre as it will creates a special experience by coordinating movies with decorations, suitable ambience, presentation, service way and entertainment, employees' professionalism, which basically entails the knowledge that an individual has about a certain field.

### **5.2.2 Location**

H2: There is a positive relationship between location and customer experience.

The results in previous chapter illustrated that location (Pearson's correlations = 0.404;  $\beta = 0.158$  with  $p < 0.05$ ) was significantly influenced the customer experience (p-value = 0.002). Thus, there is enough statistical evidence to prove that location will influence customer experience as mentioned in Chapter 2. Based on the research findings, a strategic location is very important to a retail's success as it able to attract customers by providing them convenience and easy accessibility to reach products or services, which brings a great impact on customers' experience and purchasing behaviour (Levy et al., 2012). Therefore, H2 is supported.

Location is one of the factors that cinema operators have to understand clearly because it can affect the customer's experience and it will further influence their satisfaction and delight which will leads to customer loyalty. Location is one of the concerns of the cinema goers. According to Mendes and Themindo (2004), store location is the physical space that experiences intense economic and commercial activities in a shop. It acts as a catchment area which the shop owners occupy.

Bagdare (2013) stated that convenience take place when there is neither limitless boundary nor obstacle in the process of conducting an activity. Customers contend with two fundamental costs which are time and effort (Seiders et al., 2007). Therefore, he defined that store convenience consists of all those attributes mentioned above that minimize the time and effort involved in patronizing a store. Therefore, our result is consistent with the past literatures and it can lead to a positive customer experience. When there is a strategic cinema location, customers can minimize the time and effort involved in visiting the cinema which will provide convenience experience to them.

### **5.2.3 Atmosphere**

H3: There is a positive relationship between atmosphere and customer experience.

The atmosphere (Pearson's correlations = 0.801;  $\beta = 0.474$  with  $p < 0.05$ ) is the highest contributor to customer experience among Generation Y since its significant of regression (p value) is 0.00. Therefore, atmosphere is the most critical factor among the independent variables. Based on the research finding, there are strong evidence to prove that atmosphere has a significant impact on customer experience. An array of store environment able to influence the subjective experience of customers including customer's pleasure and arousal (Salomao & Edvan, 2014). Specifically, environmental stimuli such as the lighting and design of cinema can influence the emotional stage of customer which in turn drives to a customer decision.

Chen (2014), customers will have a stronger sense of customer experience when the atmosphere is better and it will lead to a higher level of perception of customer value which subsequently enhances the customer voluntary performance. In other words, customer will be more loyal and thus willing to revisit to the cinema which they have good experience. Therefore, good atmospheres are very important for cinema operator because an enjoyable and encouraging atmosphere can refine customer experience and their perceptions of customer value will lead to an increase of future revisit.

In order to maintain the provision of cinematic experience, attention must be paid by focusing on their feelings and interaction with the moviegoers in creating unique experiential atmosphere. It allows cinema operators to enhance the enjoyment and excitement of moviegoers thus maintaining good customer relations. Cinema operator are required to take a in depth exploration in how to provide a good atmosphere and actively create various atmospheric experience so that customer are able to differentiate the value provided, thereby sharpening a strong competitive edge.

#### **5.2.4 Price**

H4: There is a positive relationship between price and customer experience.

The results in previous chapter illustrated that price (Pearson's correlations = 0.395;  $\beta = -0.137$  with  $p < 0.05$ ) significantly influenced the customer experience (p-value =0.001). Thus, there is enough statistical evidence to prove that price will influence customer experience but with a weak significant positive relationship between price and customer experience among the four cinema selection criteria. Therefore, H4 is supported.

Based on the research findings, Kotler and Bernard (2005) explained that price shows the monetary value towards a product or service whereby customers need to pay in order to own the item. In this case, it can be seen that price is being the weakest significance among the other three cinema selection criteria probably due to being in the service-related industry. This is because Generation Y value quality at the same time they tend to be more price sensitive as compared to others. Adding onto that, the amount of price of a product or service will least affect the customer experience especially in the context of cinema entertainment because price is perceived as a monetary value that people used to pay in order to get the service.

Price and customer experience often came into collision in customer's journey. Nonetheless, emotionally connected customers will still decide to purchase the product even when they perceive that the attached price is not worth on a product. Therefore, the promotion and packages offered by the cinema should be done widely in order to get Generation Y to be attracted.

### **5.2.5 Customer Experience**

H5: There is a positive relationship between customer experience and customer delight.

The results in previous chapter illustrated that customer experience (Pearson's correlations = 0.615;  $\beta = 0.712$  with  $p < 0.05$ ) was significantly influenced the customer delight (p-value = 0.000). Thus, there is enough statistical evidence to prove that customer experience will influence customer delight as mentioned in Chapter 2. Therefore, H5 is supported.

In daily life, customers often judge a kind of goods or services, a brand or even a company by their own experiences. Therefore, Meyer and Schwager (2007) come to terms that in this fresh skyline of the experience economy, customer experience may act as a new weapon in such competition. As cinema is involved in the experiential service industry, cinema operators need to take customer experience importantly because it has a positive impact on customer delight.

Collins English Dictionary (2011) explains that experience is an incident and feeling that a person has undergone previously. In the report from McKinsey (2014) illustrate that customer satisfaction can potentially being increased by 20% especially if the company put focus on magnifying satisfaction throughout the entire customer service journey. Essentially, in order to improve customer satisfaction, focus should be on the whole customer experience. Therefore, our result is consistent with the past literatures and it can lead to a positive customer delight. When there is a positive customer experience, customers tend to be more satisfied and delighted with the product or services offered when visiting a cinema.

### **5.2.6 Customer Delight**

H6: There is a positive relationship between customer delight and customer loyalty.

The results in previous chapter illustrated that customer delight (Pearson's correlations = 0.688;  $\beta = 0.619$  with  $p < 0.05$ ) was significantly influenced the customer loyalty (p-value =0.000). Thus, there is enough statistical evidence to prove that customer delight are influenced customer

Loyalty in Chapter 2. Based on the research findings, customer delight was defined as behaviour beyond customer's satisfaction which indeed will produce greater attractive attitude or behaviour states known as loyalty. Therefore, H6 is supported.

Based on Ali & Kim (2016), delight will produces an emotional bonds between the service provider and the customer whereby it will eventually provide a positive psychological benefits. While cinema operators are able to create various opportunities for better customer experiences that ensure customer delight, customer are more likely to gain positive experience and emotions. These delightful services may trigger and encourage them to visit the cinema theatre where they had delight experience.

According to Berman (2005), a delightful customer brings loyalty and share positive feedback to others based on their experiences. On top of that, advantage of serving good delight service also allows cinema operator to reduce the costs of marketing and gain strategic advantage through positive word of mouth, lower advertising cost and increasing in brand equity. Therefore, it is important that cinema theatre to deliver the right product and service that delight the customer.

### **5.3 Managerial Implication**

The core objective of this research is to understand the cinematic experience of Generation Y based on the formation of cinema selection criteria which will create an impact towards customer delight and customer loyalty in Malaysia. Based on the results of this research study, the service quality, location and atmosphere can significantly affect Generation Y's cinema selection decision. However, the price is the variable that demonstrated negative relationship with customer experience.



There are several managerial implications by which cinema operators in Malaysia can adopt in order to improve their service quality by enhancing moviegoers' cinematic experience which can lead to customer delight and customer loyalty towards a particular cinema. In the service quality context, managers can consider to use a quality framework for development of their crew team. This is mainly used to identify the training needs for each individual member of customer support team, for instance, by accessing the quality of phone and email communication. However, a quality framework takes this assessment one step further by scheduling and tracking their teams development through coaching, e-Learning and group training. In this way, when customers receive good service quality from the cinema operator, they will be more than blissful and willing to return to the same cinema to obtain another pleasant cinematic experience which customers would also be loyal, thus, tend to share a positive word-of-mouth to friends and relatives on the experience gained.

Besides, the results of this research study can also be used for the formulation of a cinema entertainment service provider's competitive strategy whereby a strategic location is one of the utmost important criteria for choosing a cinema to watch movies. Cinema operators competing against one and another with more convenient locations may need to consider of reinforcing other sources of competitive advantages. For instance, cinema branch with less convenient locations may choose to emphasize other service attributes such as quality, reputation or price in an attempt to raise the overall delightful cinematic experience level, thus reducing the potential impact of a competitor's convenient location by creating a sense of loyalty towards the most well versed cinema. Cinema operators need to understand what moviegoers care about when they are in the process of gaining cinematic experience in the particular cinema. It is important to note that the cinema location should provide an ease for customer to reach by providing easy accessibility, sufficient parking facilities and a wide variety of store assortments so that customers feel handy for visiting the certain cinema which it eventually create loyalty towards the particular cinema outlet and brand.

On the other hand, managers of cinemas should strive to stimulate moviegoers with positive emotional reactions of cinematic experiences by ensuring the atmosphere within the cinemas are well-designed and relaxed. Managers have to focus on employing design in an effective manner to make customers feel comfortable which may result in customers' loyal behavior by using customers actively in the process of designing their cinema service. For example, using customer focus groups may contribute to the service-development process which may lead to bridging the gap between customers' expectations and their experiences. A service-development approach whereby customers take an active part in the process of service design may help to ensure that managers develop customer services that are more successful. Managers need to ensure that the promise of a positive experience is being upheld and that the customer can experience a certain level of superior service surrounding the cinema atmosphere which is the key to ensure customers enjoy the cinematic experience which in turn will lead to loyalty.

Price is a variable that depicted weak relationship with the customer experience when visiting a cinema. In other words, the sales of movie ticket is greatly influenced by price because when price increases, customer experience decreases, customer satisfaction decreases and customer will not be loyal in watching movie in the cinema. Instead, unsatisfied moviegoers will seek for other alternatives such as online streaming platform. Managers are advised to determine its optimal pricing and marketing strategy in their marketing communication plan in order to target price sensitive group of customers to retain loyal customers.

## 5.4 Limitations of the Study

It is inevitable that most researchers will face certain limitations when conducting a research study. Thus, it is important for researchers to state and make an emphasis on those limitations in order to provide a heads up to future researchers so that they are aware on the uncontrollable circumstances when conducting such similar research in the future.

The initial ideology of the proposed framework is found to be rather complex, hence, causing the lack in accuracy of the theoretical framework model where it created a manoeuvre and diversion from the actual measuring outcome of the research, which is customer loyalty. This leads to different level of acceptance towards the research framework from different researchers with the regards of having technical error made by current researchers. In this research specifically, the seven items on the proposed framework are deemed to be factor variables. Unexpectedly, it developed a controversy towards the understanding of readers regarding those variables of independent, moderating and dependent which leads to confusion in comprehending the actual concept of the research study.

Additionally, researchers conducted this research quantitatively by personal approach and distribution of carefully designed questionnaire to moviegoers in various cinemas located within Klang Valley. It is found that even though researchers have reminded respondents to keep their mind on past accumulated cinematic experience gained while attempting to the questionnaire provided, yet it is unavoidable for respondents to make comparison on current cinematic experience gained with previous accumulated cinematic experience. Moreover, there are also tendency of respondents using only existing cinematic experience in providing feedback on the questionnaire provided. This leads to inaccuracy and inexactness towards the result that were being collected and generated whereby researchers might not get the verifiable and precise outcome.

On top of that, it is found that the measuring outcome of customer loyalty has lack of certainty as the four cinema selection criteria (service quality, location, atmosphere, price) that researchers retrieved from readings of journals and articles might only be the consumer preference towards the services that a cinema operator supposed to come up with. Customers develop preference towards a brand or product/service when one brand or product/service consistently provides a pleasant experience for a customer, for such instance, cinema selection criteria which is not equivalent or related to customer loyalty. Thus, researchers faced hiccups in reaffirming to readers that the experiences of movie-goers which is based on the formation of the cinema selection criteria will create an impact towards customer delight and customer loyalty in Malaysia, whereby customer loyalty is recognized as the accomplishment of customer experience management.

## 5.5 Recommendation for Future Research

Researchers managed to gather several practical and rational recommendations on the limitations obtained from the current research study in order to minimize the effect as well as to enhance the quality and reliability of this research for a greater extent of an investigation in near future.

As such, an advanced and improved research framework should be developed to reduce the complexity of the model. In this scenario, future studies could consider to incorporate moderating variable into the model framework for a better improved research study in near future. For instance, researchers can adopt customer experience or customer delight as the mediating or moderating variable in the proposed research framework which acts as an intermediate in a casual sequence. It is important for researchers to be mindful that a mediator accounts for the relation between the predictor and the criterion as it explains how or why such external physical events take on or occur towards the consequence of customer loyalty from customer experience.

Besides, researchers may also revise the survey methodology by covering a wider range of moviegoers whereby it is not restricted to only Generation Y as well as collecting qualitative data such as adopting interview, participant observation and focus group. In this way, researchers can have a better grasp of control on the way of questioning respondents which can aid in minimizing the chances of respondents compare current cinematic experience gained or using existing cinematic experience to attempt those questions. Furthermore, researchers can also observe respondents' emotion and responses which are useful for researchers to get more in depth information for the research study. The number of respondents can be increased from 200 to 1000 people in order to obtain more accurate and reliable data collection for further research.

On a side note, the study of experiential marketing and customer delight are being a new construct of increasing interests in the business and marketing ideology which is yet to be discovered further and reinforce on its concept. It is recommended that researchers can further develop their understanding and research towards the relationship between customer experience and customer delight which is deemed to be the new concept in satisfaction research, before conducting research that include customer delight as one of the component.

## **5.6 Conclusion**

As a conclusion, the objective of this research has been achieved by understanding the cinematic experience of Generation Y based on the formation of cinema selection criteria which will create an impact towards customer delight and customer loyalty in Malaysia. Based on the result, most of the hypotheses developed under this research are valid. The service quality, location, price and atmosphere are the variables that have significant influence on customer experience, delight and loyalty when visiting cinema. Moreover, all variables have positive relationship on customer experience towards visiting cinema except price. In other words, price has negative relationship with customer experience as price increases, customer experience will decrease.

Besides that, the limitations faced by researchers while doing this research study have been identified and recommendations on how to solve all the limitations were provided under this chapter. This research study can act as a guideline and direction for researchers cinema operators to understand the relationship between those criterion in selecting cinema, customer experience, customer delight and customer loyalty in order to help cinema operators revive from the declining of cinema attendance and market share. Furthermore, this research can helps the cinema operators to better understand the entertainment industry in order to overcome threat of new entrants into the industry.

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APPENDICES

**Appendix 3.1: Questionnaire**



**Universiti Tunku Abdul Rahman (UTAR)  
Faculty of Accountancy and Management (FAM)  
Bachelor of International Business (HONS)  
UKMZ 3016 Research Project**

Dear Respondents,

We are students from Faculty of Accounting and Management, Universiti Tunku Abdul Rahman. We are currently conducting a survey which is entitled “Factors that influence Generation Y’s cinematic experience towards the selection of cinema in Malaysia. This survey is conducted to study the factors including service quality, location, atmosphere and price which influence the customer experience towards customer delight and customer loyalty on the selection of cinema in Malaysia.

The attached questionnaire will take about 15 minutes to complete. Your participation is completely on voluntarily basis and all the information given will only be used for academic purposes. Your participation is appreciated.

Students' details

<b>Name</b>	<b>Student ID</b>
1. Josephine Yong Pui Mun	1301595
2. Lau Shirley	1407454
3. Nesylia Lim E-Yun	1406357
4. Yap Chung Sheng	1407268



**Section A: Demographic Information**

The questions below are related to personal data. Please TICK (✓) the boxes which describes you.

Gender

- Male
- Female

Age

- 21 - 25
- 26 - 30
- 31 - 35

Occupation

- Student
- Employed
- Unemployed
- Other: \_\_\_\_\_

Income Level

- Less than RM1,000
- RM1,000 – RM2,000
- RM2,000 – RM3,000
- Above RM3,000

Importance of movies entertainment

- Extremely Important
- Very Important
- Moderately Important
- Neutral
- Slightly Important
- Low Importance
- Not At All Important

Frequency of going to cinema in a month on average

- More than 4 times
- 3 – 4 times
- 1 – 2 times
- Never

Which cinema do you visit the most?

- Golden Screen Cinemas (GSC)
- TGV Cinemas
- MCAT Box Office Cinemas (MBO)
- Lotus Five Star Cinemas (LFS)
- Other: \_\_\_\_\_

Do you tend to go to the cinema in any particular day(s) in a week? If yes, which day(s)? (You can choose more than 1 option.)

- Monday
- Tuesday
- Wednesday
- Thursday
- Friday
- Saturday
- Sunday

**Section B – Cinema Selection Criteria**

Based on the following scale, to indicate how much you agree with the following statements. Tick your response.

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree

**Service Quality**

Statement	1	2	3	4	5	6	7
1. The cinema hall/theater is clean.							
2. The cinema's equipment enhance my cinematic experience.							
3. The cinema staffs are neat in their appearance.							
4. The cinema staffs respond immediately when complaints are made.							
5. The cinema staffs provide me the prompt service.							
6. The cinema staffs are always willing to help on my problems.							
7. The cinema staffs are never too busy to respond to my request.							
8. The cinema staffs are sympathetic and reassuring when I am facing issues.							
9. The cinema staffs provide their service as promised.							
10. The cinema staffs are knowledgeable about their services.							
11. The cinema staffs are able to solve my							

problem.							
12. The cinema staffs are very helpful.							
13. The cinema staffs give a warm welcome to me.							
14. Behavior of the cinema's staff instills confidence in me towards their company.							
15. The cinema staffs listen carefully to my needs.							
16. The cinema staffs give me individual attention.							
17. The cinema's operating hours are flexible to me.							
18. The cinema staffs understand my specific needs.							

Location

<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
1. I prefer to select the cinema locate at the main highway.							
2. I prefer to select the cinema locate closer to my home.							
3. I prefer to select the cinema locate at the way from work place.							
4. I prefer the choice of cinema which have low traffic congestion in that area.							
5. The travel modes available affect my choice of a cinema location.							
6. I prefer the choice of cinema location which have convenient parking.							
7. I prefer the choice of cinema location which have wide range of store assortment.							

Atmosphere

<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
1. The cinema architecture design is attractive.							
2. The temperature of the cinema hall/theater is comfortable.							
3. The colour scheme of the cinema is comfortable and relax.							
4. The lighting in the cinema hall/theatre is comfortable and relax.							
5. The cinema maintain clean walkway, toilet and cinema hall/theater.							
6. Spacing between seats in the cinema hall/theater are comfortable.							
7. The customer flow of ticketing and food counters of the cinema are appropriately arranged.							
8. The signage of entrance and exit are clearly shown.							
9. The display and time of showing films are clearly shown.							
10. The signage of cinema hall/theater and number of seats are clearly shown.							

Price

<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
1. The movie ticket price is reasonable and affordable.							
2. I am willing to pay for an increased price of movie ticket to enhance my movie experience.							
3. I like to be aware of looking at all possible options before buying a movie ticket and promotional packages.							
4. I often survey more than one cinema in order to find the best price of movie ticket.							

**Section C**

Please use the following scale to indicate how much you agree with the following statements. Tick your appropriate response.

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree

Customer Experience – Sensory Experience

Statement	1	2	3	4	5	6	7
1. The cinema facilities and materials have visual impression of feeling.							
2. The cinema hall/theater was clean and pleasant.							
3. The cinema's background music makes me felt relaxed and comfortable.							
4. The cinema hall/theater temperature and lighting makes me felt comfortable.							
5. There was enough comfortable seating space.							
6. The quality of food and beverage is fresh, good quality and have nice appearance.							
7. There are a variety of food choices.							
8. The cinema hall/theater have relaxing and pleasant scent.							

Customer Experience – Emotional Experience

Statement	1	2	3	4	5	6	7
1. My cinema movie experience was enjoyable.							
2. My cinema movie experience was relaxing.							
3. My cinema movie experience was entertaining.							
4. My cinema movie experience was comfortable.							



5. The overall experience with the cinema was favourable and memorable.							
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Customer Delight

<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
1. I am delighted with my visitation to this cinema.							
2. I am delighted with the cinema's service experience.							
3. I feel that my experience with this cinema has been enjoyable.							
4. If I had the chance to choose again, I would select this cinema for another upcoming movie.							

**Section D: Customer Loyalty**

Please use the following scale to indicate how much you agree with the following statements. Tick your appropriate response.

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree

Customer Loyalty

Statement	1	2	3	4	5	6	7
1. I would say positive things about the cinema to other people.							
2. I will encourage friends and relatives to watch movie at cinema.							
3. I intend to continue watch movies at this cinema.							
4. Even if my close friends recommended another mode of movie platform, my preference for cinema would not change.							
5. It would be difficult to change by beliefs about cinemas.							

**The End**

**Thank you for your participation!**

**Your information will be kept private and confidential.**

## Appendix 4.1: SPSS Output: Respondents Demographic Profile

### Frequency Table

#### Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Female	81	40.5	40.5	40.5
Male	119	59.5	59.5	100.0
Total	200	100.0	100.0	

#### Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 21-25	153	76.5	76.5	76.5
26-30	31	15.5	15.5	92.0
31-35	16	8.0	8.0	100.0
Total	200	100.0	100.0	

#### Occupation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Student	108	54.0	54.0	54.0
Employed	86	43.0	43.0	97.0
Unemployed	6	3.0	3.0	100.0
Total	200	100.0	100.0	

**Income Level**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than RM1,000	107	53.5	53.5	53.5
	RM1,000 - RM2,000	12	6.0	6.0	59.5
	RM2,000 - RM3,000	36	18.0	18.0	77.5
	Above RM3,000	45	22.5	22.5	100.0
	Total	200	100.0	100.0	

**Importance of Movies Entertainment**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not At All Important	5	2.5	2.5	2.5
	Low Importance	7	3.5	3.5	6.0
	Slightly Important	7	3.5	3.5	9.5
	Neutral	28	14.0	14.0	23.5
	Moderately Important	72	36.0	36.0	59.5
	Very Important	38	19.0	19.0	78.5
	Extremely Important	43	21.5	21.5	100.0
	Total	200	100.0	100.0	

**Frequency of Going Cinema In a Month**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	More than 4 times	9	4.5	4.5	4.5
	3 - 4 times	43	21.5	21.5	26.0
	1 - 2 times	139	69.5	69.5	95.5
	Never	9	4.5	4.5	100.0
	Total	200	100.0	100.0	

**Most Favoured Cinema**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	GSC	90	45.0	45.0	45.0
	TGV	82	41.0	41.0	86.0
	MBO	25	12.5	12.5	98.5
	LFS	3	1.5	1.5	100.0
	Total	200	100.0	100.0	

**Central Tendencies Measurement of Constructs**

	Service Quality	Location	Atmosphere	Price	Customer Experience	Customer Delight	Customer Loyalty
Valid	200	200	200	200	200	200	200
Missing	0	0	0	0	0	0	0
Mean	5.2764	5.4143	5.5310	5.2325	5.4085	5.0450	5.4688
Std. Deviation	0.914065	1.00537	0.90999	1.06318	0.89013	1.02950	0.92561
Range	6.00	6.00	6.00	6.00	6.00	6.00	6.00

## Appendix 4.2: SPSS Output: Reliability Test

### Scale: Service Quality

**Case Processing Summary**

		N	%
Cases	Valid	100	100.0
	Excluded <sup>a</sup>	0	.0
	Total	100	100.0

a. Listwise deletion based on all variables in the procedure.

Cronbach's Alpha	N of Items
.957	18

### Scale: Location

**Case Processing Summary**

		N	%
Cases	Valid	100	100.0
	Excluded <sup>a</sup>	0	.0
	Total	100	100.0

a. Listwise deletion based on all variables in the procedure.

Cronbach's Alpha	N of Items
.742	7

**Scale: Atmosphere**

**Case Processing Summary**

		N	%
Cases	Valid	100	100.0
	Excluded <sup>a</sup>	0	.0
	Total	100	100.0

a. Listwise deletion based on all variables in the procedure.

Cronbach's Alpha	N of Items
.911	10

**Scale: Price**

**Case Processing Summary**

		N	%
Cases	Valid	100	100.0
	Excluded <sup>a</sup>	0	.0
	Total	100	100.0

a. Listwise deletion based on all variables in the procedure.

Cronbach's Alpha	N of Items
.727	4

**Scale: Customer Experience**

**Case Processing Summary**

		N	%
Cases	Valid	100	68.0
	Excluded <sup>a</sup>	47	32.0
	Total	147	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.931	13

**Scale: Customer Delight**

**Case Processing Summary**

		N	%
Cases	Valid	100	68.0
	Excluded <sup>a</sup>	47	32.0
	Total	147	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.940	4



**Scale: Customer Loyalty**

**Case Processing Summary**

		N	%
Cases	Valid	100	68.0
	Excluded <sup>a</sup>	47	32.0
	Total	147	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.851	5

**Appendix 4.3: SPSS Output: Pearson Correlation Analysis**

**Correlations**

		Customer Experience
Service Quality	Pearson Correlation	.712**
	Sig. (2-tailed)	.000
	N	200
Location	Pearson Correlation	.404**
	Sig. (2-tailed)	.000
	N	200
Atmosphere	Pearson Correlation	.801**
	Sig. (2-tailed)	.000
	N	200
Price	Pearson Correlation	.395**
	Sig. (2-tailed)	.000
	N	200
		Customer Delight
Customer Experience	Pearson Correlation	.615**
	Sig. (2-tailed)	.000
	N	200
		Customer Loyalty
Customer Delight	Pearson Correlation	.688**
	Sig. (2-tailed)	.000
	N	200

\*\* . Correlation is significant at the 0.01 level (2-tailed).

## Appendix 4.4: SPSS Output: Multiple Regression Analysis

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.712 <sup>a</sup>	.507	.497	.54203

a. Predictors: (Constant), Service Quality, Location, Atmosphere, Price

### ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	58.901	4	14.725	50.121	.000 <sup>b</sup>
	Residual	57.290	195	.294		
	Total	116.190	199			

a. Dependent Variable: Customer Experience

b. Predictors: (Constant), Service Quality, Location, Atmosphere, Price

### Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.834	.322		5.700	.000
	Service Quality	.255	.057	.305	4.438	.000
	Location	.158	.050	.171	3.192	.002
	Atmosphere	.398	.059	.474	6.697	.000
	Price	-.137	.042	-.191	-3.294	.001

a. Dependent Variable: Customer Experience

## Appendix 4.5: SPSS Output: Simple Regression Analysis

### Scale: Customer Experience and Customer Delight

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.615 <sup>a</sup>	.379	.375	.81362

a. Predictors: (Constant), Customer Experience

#### ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	79.842	1	79.842	120.611	.000 <sup>b</sup>
	Residual	131.073	198	.662		
	Total	210.915	199			

a. Dependent Variable: Customer Delight

b. Predictors: (Constant), Customer Experience

#### Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.196	.355		3.369	.001
	Customer Experience	.712	.065	.615	10.982	.000

a. Dependent Variable: Customer Delight

**Scale: Customer Delight & Customer Loyalty**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.688 <sup>a</sup>	.474	.471	.67311

a. Predictors: (Constant), Customer Delight

**ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	80.783	1	80.783	178.300	.000 <sup>b</sup>
	Residual	89.709	198	.453		
	Total	170.492	199			

a. Dependent Variable: Customer Loyalty

b. Predictors: (Constant), Customer Delight

**Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.346	.239		9.834	.000
Customer Delight	.619	.046	.688	13.353	.000

a. Dependent Variable: Customer Loyalty