



**EXAMINING THE CUSTOMER EXPERIENCE TOWARDS  
BRAND LOYALTY: CASE STUDY OF STARBUCKS  
KUCHING**

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## **ABSTRACT**

As a retailer, for example like Starbucks, they have their own goals and aim to provide customers with a great experience in their store in order to increase the brand loyalty of the customer. The purpose of this study is to examining the customer experiences towards brand loyalty, a case study of Starbucks in Kuching. A total of 390 of respondents was carried out to answer the questionnaire. The result of analysis shows that, all the dimensions of customer experience; social environment, retail atmosphere, service interface, assortment, price and emotion value has relationship with the brand loyalty. The targeted respondent is young adults, the range age of 18 to 35 years old.

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# CHAPTER ONE

## INTRODUCTION

### 1.1 RESEARCH BACKGROUND

In this modern era, in order to survival in the economic climate and competitive retail business, it required more than just low prices and innovative products. The customer experience includes in every point of contact at which the customer interacts with the business, products or service. Making better customer experience appears than be one of the focal and main goals in today's retailing surroundings. Retailers around the world have grasped the idea of client experience administration, with numerous joining the thought into their statements of purpose (Verhoef et al., 2009). The successful experiences of Starbucks are unique, vital and can retain over a period of time beyond the ordinary customer. It is very hard to perceive (Liu et al., 2012). Generally, the marketing activities have concentrated on achievement in the item commercial center by inspecting the physical parts of items and administrations, for example, amount, quality, usefulness, accessibility, availability, conveyance and delivery, cost, price and customers support (Mascarenhas et al., 2001). Starbucks is very well-known company all over the world.

Starbucks is a universal coffee cafe chain established at Pike Place Market in Seattle, Washington, on March 30, 1971, by fellow benefactors' English instructor Jerry Baldwin, history educator Zev Siegl, and author Gordon Bowker. Basically, Starbucks offers a wide assortment of items including separated espresso; coffee pressurized to mixed espresso, diverse coffee based milk drinks, teas, sandwiches, plates of mixed greens and heated merchandise. Other than that, it also offers pressed away ground coffee, fermenting hardware, mugs and other coffee related gifts alongside music and books (Liu et al., 2012). The idea of loyalty has quite some time been respected by the marketing and advertising

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 INTRODUCTION

In this chapter, it will discuss in detail in the study of customer experiences towards brand loyalty of Starbucks. There have six determinants of customer experiences which are the social environment, service interface, retail atmosphere, emotion, assortment, and price. Other than that, this chapter also includes the appropriate literature that related and the conceptual framework underlying for the purpose of this study.

Berjaya Starbucks Coffee Company Sdn Bhd is operated coffee shop chain in Malaysia. The business organization has already established in 1988 in Malaysia. The first main store opens in Kuala Lumpur on 17th December 1998. It is an operates Starbucks branded espresso in Malaysia. By and large, the coffee shops offer a wide and tremendous assortment of bakery products, pastries, donut, sandwiches, cakes and muffin apart from the variety of beverages from coffees to the teas. The Berjaya Starbucks Coffee also provides the Frappuccino coffee drinks for their customer. Besides that, they also provide the bottle of juice which is orange, guava and strawberry flavor. As right now, the company operates 200 stores milestones at Malaysia in the year 2015, where they also extended to Sabah and Sarawak. Today, with more than 17400 stores in 60 nations, Starbucks is the head roaster and retailer of the specialty and fame about coffee in the world. Starbucks has grown not only to become the most favorite coffee place in Malaysians but also a productive of the communities across the country (Berjaya Food growth to be driven by Starbucks, 2016). In Sarawak itself, there have 12 stores of Starbucks which are 8 stores in Kuching, 3 stores in Miri and currently 1 new open store in Bintulu. For this study, the scope of the study