ARCADA

STARBUCKS LOYALTY REWARD APPLICATION IN VIETNAM
IDENTIFYING THE IMPACT OF THE APP ON STARBUCKS' CUSTOMERS IN VI-
ETNAM USING THE TECHNOLOGY ACCEPTANCE MODEL

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Abstract:

The subject of this research thesis involves the newly launched Starbucks' Application in Vietnam, a developing market, to see whether it can create an enhancing customer effect on Starbucks' customers.

Based on the theoretical framework and the research model, this research applies the Technology Acceptance Model with three major constructs Perceived Ease of Use, Perceived Usefulness and Enhanced Customer Experience. Four hypotheses were developed and tested with data obtained through questionnaire survey to determine the effect of the app on customers.

The results based on data analysis collected from 103 Vietnamese respondents (down to 84 after elimination) through online survey; and secondary data collected from other studies. The important findings of the research were PEOU and PU have strong effect on each other. However, there were no connection between each of these and both of them to enhancing the customer experience. The

possible reasons behind this might be the lack of functions in the Vietnamese version of the Starbucks App and the and lack of supported marketing programs to promote usage in Vietnam market. To sum up, this thesis provided several possible theoretical; managerial implications and recommendations for better results in the future.

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1. INTRODUCTION

In Vietnam, visiting a coffee shop or a themed café is not just simply to purchase a beverage, but it has become a popular hobby among Vietnamese young generation. People visit coffee shops to conversate, to hang out with friends, or even to work and enjoy the atmosphere around the shop, especially among the younger generation. This culture trend is an obvious explanation for the booming growth in coffee chain business in Vietnam the past decade. According to a report from Vietnam Economic News, the coffee chain business in Vietnam observes an increase of 7 per cent each year. There are enters of many giants into the market including Starbucks, Coffee Bean and Tea Leaves, Hard Rock cafe, etc. Starbucks Café, with only 49 stores, has earned approximately EUR 21.2M in 2018, after only 6 years of operation in Vietnam. Highland Café, a Viet-owned coffee chain, led the market with EUR 64.2M revenue in 2018. (GSOV, 2019)

In the emerging restaurant and café industry worldwide, the selling technique is no longer selling the commodity (for example food, coffee) but to sell the service and customer experience on top of the products. One of the most effective and popular marketing strategies in improving customer experience is establishing a loyalty reward application and Starbucks has possessed one of the most remarkable success with their platform, the Starbucks Application. This application allows customers to interact virtually with the stores, for examples, mobile pay for purchase, earn reward stars, and make orders even before arriving at the store. In 2018, two years after launching the 'Starbucks Rewards' loyalty programs (including Starbucks cards and Starbucks app), the company reported a significant growth of USD2.65 billion in revenue and 25 per cent more loyal customers earned through the program (16 million members) compared to 2017 (Oragui, 2018). In November 2018, Starbucks became the first company ever to launch a loyalty reward application in Vietnam market.

1.1 Background and motivation

In order to build a strong background for the research thesis, the author considers these key factors. First of all, according to Das (2018), the development of technology has tremendously affected Vietnamese consumer's purchasing decision in many aspects such as everyday shopping – for clothing, banking, etc. It is

strongly that the power of the internet has dramatically influenced the purchasing behaviors, spending power on leisure activities and guide personal, social interests. Second, according to a market research from Vietnam Briefing, the young generation (born from 1990 to 2010) in Vietnam was raised under the development of technology and the internet and growing up immersed in a digital atmosphere. This has enabled them to easily engage with the online world and catch on trends quickly. Third, Starbucks has become the first company to launch their own loyalty app in Vietnam market. Therefore, consider all the above-mentioned motives, it is essential to test the effectiveness in enhancing customer experience of the new Starbucks App in Vietnam market.

1.2 Research aim

The primary aim of this thesis is to try to identify the relationship between enhancing customer experience and the newly launched Starbucks app by applying the Technology Acceptance Model.

1.3 Research questions

On 23rd November 2018, Starbucks Vietnam officially introduced the Starbucks loyalty app for Android and Apple users. Starbucks app has achieved remarkable success in many countries over the world such as US, UK, India and Canada, etc., however, shall it be the same case for Vietnam? Despite fast-growing digitalization and coffee trend in the country amongst young adults and teenagers, loyalty reward app as well as Starbucks' digital culture are still unfamiliar concepts to many Vietnamese people, since there has not been any reportedly successful similar case study from the market. Will Starbucks loyalty reward app, once again, become the trendsetter for the loyalty reward app in Vietnam, and significantly enhance customer experience? The main purpose of this research thesis is to discover the impact of Starbucks loyalty app on customers in Vietnam using the TAM. The main research question of this thesis is

"Does the Starbucks app have an impact on improving customer experience on Starbucks' customers in Vietnam?"

followed by some minor research questions

- Do customers find the app easy to use?

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- Do customers find the app useful for their need?
- Do customers believe that their experience is enhanced because of this app?

1.4 Expected result, demarcation

This research expects to see a positive relationship between in customer experience and usage of the Starbucks loyalty reward app in Ho Chi Minh City, Vietnam. Due to the restriction in resources and contact with the market, the author is only able to investigate the target group of 18 to 44-year-old Starbucks customers who are living in Ho Chi Minh City (the biggest city in Vietnam), but not the rest of the country. The research does not take into the effect of other digital marketing channels or contents which Starbucks is using at the moment in Ho Chi Minh city market.

1.5 Thesis structure

As can be seen from Figure 2, the author starts the thesis by highlighting some of the coffee chain industry remarks and gives several reasonings why this topic is chosen. From there, the author forms the main and minor research questions of the thesis. In the theoretical chapter, the author defines some of the concepts that has been used throughout the research and introduces the development history of TAM in improving consumer experience through technology. In the methodology chapter, the author explains the choices of literature sources and usage, the rationale behind choosing quantitative approach, sample size and data analysis methods. Follow that is the empirical data and discussion chapters in which tests and result from data analysis are discussed and compared to other studies, respectively. Finally, the thesis ends with a conclusion some theoretical and managerial implications; and future recommendations for Starbucks loyalty app in Vietnam.
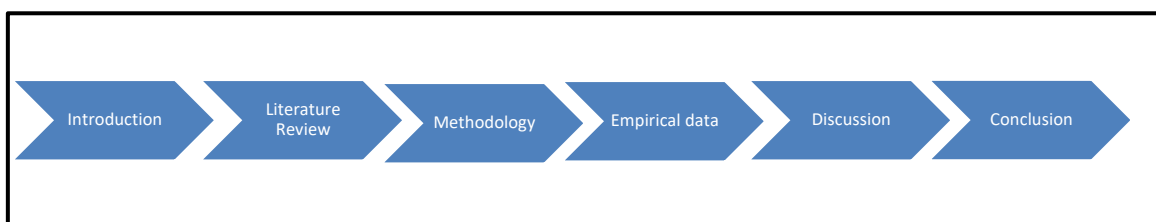

Introduction → Literature Review → Methodology → Empirical data → Discussion → Conclusion

Figure 1 Research thesis structure

1.6 Abbreviation list

Below is the list of all abbreviations used in research thesis.

TAM refers to the Technology Acceptance Model (Vankatesh & Davis, 2000)

PEOU refers to the construct Perceived Ease of Use (Vankatesh & Davis, 2000)

PU refers to the construct Perceived Usefulness (Vankatesh & Davis, 2000)

CX refers to the construct Enhanced Customer Experience

LPs refers to Loyalty Reward Programs (Henderson, et al., 2011)

1.7 History and development of Starbucks

Starbucks Corporation, founded in Seattle, Washington in 1971, is an American coffee company and coffee house chain. The first ever Starbucks store was opened in Seattle's Pike place markets in 1971 with the goal to provide coffee to surrounding restaurants and bars. In 1987, Starbucks Corporation was born as a result of merging of the two coffee shops called Giornale and Starbucks. By the end of 1988, Starbucks opened 17 more locations, entering the busiest cities of North America, Chicago and Vancouver. Later on, Starbucks took it further by expanding the Seattle headquarters and building a new roasting plant in 1990.

In 1995, the Starbucks brand name became even more popular as they inaugurated the 676th store and introduced more unique products in shop such as compact discs, books, etc. Starbucks had gradually progressed to 3300 stores opened worldwide ranging from England to China and Australia in just five years later. In 2009, Starbucks first time ever introduced the My Starbucks Rewards loyalty program and Starbucks Card mobile payment which improves customer service, cut the waiting lines and better and more efficient services.

In stores, Starbucks offers a variety of hot and cold drinks, whole-bean coffee, micro-ground instant coffee known as VIA, espresso, cafe latte, Frappuccino and also including tea products from Teavana. From June 2009, Starbucks launched new menu selling fresh salads, bakery goods without high fructose syrup or other artificial ingredients with the goal to attract health-conscious customers. Moreover, Starbucks sells a wide range of merchandises (cups, mugs, thermal bottles,

etc.) in many countries worldwide, some special edition as a highlight of the country where the store is located in.
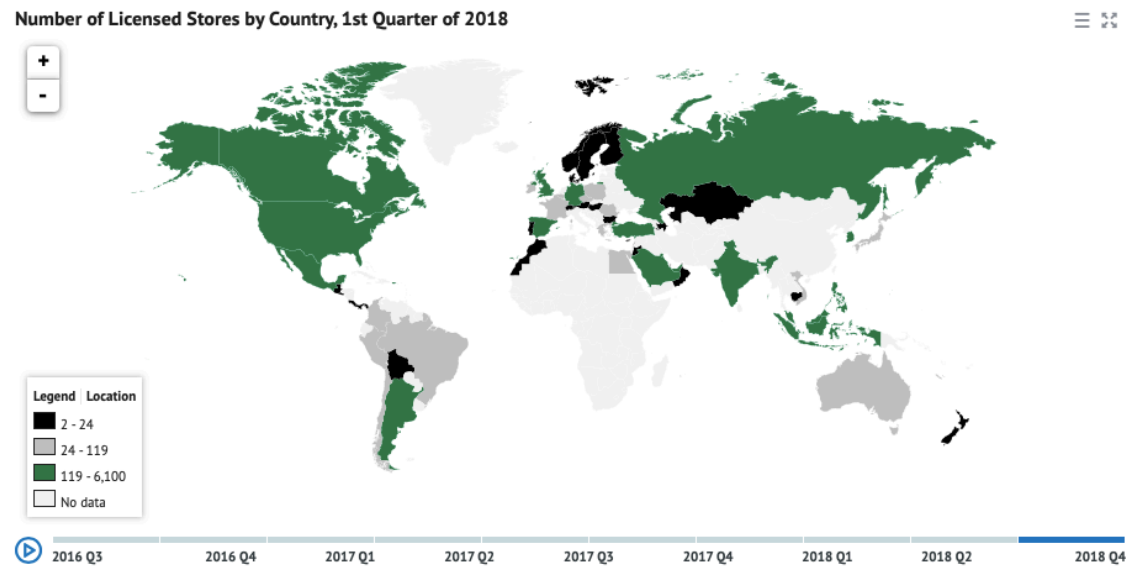
Figure 2 Number of Licensed Starbucks Stores by country in Q1 2018 (Starbucks, 2018)

The company was gradually adopting technology inside their system and innovating to enhance customer experience. In 2010, Starbucks signed a USD100 M deal with Compaq to provide free Wi-Fi services to meet the needs of customers who regularly visit their stores to work or study. In 2011, Starbucks launched the Starbucks loyalty rewards application which later achieved remarkable success. Reported in the early of 2019, the chain has owned over 30,000 stores located worldwide, Canada, Europe, China and many other Asian countries, including Vietnam (opened in 2009). (Denington, 2018)

2. THEORETICAL FRAMEWORK

In the first part of this chapter, relevant theories about loyalty reward programs are introduced including their definitions, typologies, goals and how they relate to customer satisfaction. The second part emphasizes on the Technology Acceptance Model, its development process, and how its derivatives from the original model are used in many other aspects. In this study, the model includes three constructs perceived ease of use, perceived usefulness and enhanced customer experience and how they are applied to answer the research questions in this thesis.

2.1 Loyalty reward programs (LPs)

First of all, it is essential to understand the concept of customer loyalty before looking into how LPs work. Customer loyalty is defined as a strongly held commitment to re-purchase or re-patronize a preferred product or service after the previous purchase. This results in a repetitive purchasing behavior of a same brand all over, despite any external factors or marketing influences. (Auka, 2012, p. 203)

The term LPs is defined as any marketing programs designed to interact and prolong the life-time value of current customers. It also helps promote a long-term relationship between a company and customers. It is a designed program with certain benefits to target a group of existing, potential customer, who satisfy the marketer's criteria and agree to join this group to earn these benefits. An ideal loyalty program often holds five elements including a customer data base, an enrollment process, rewarding systems, value-added benefits and customer recognition (Arantola, 2000). Although there are many similar terms such as reward programs, relationship marketing programs, and loyalty cards, the term "loyalty program" is used to encompass all these forms and conceptualizes LPs as marketing incentives used to prolong relationships between customer and companies (Henderson, et al., 2011, p. 256)

Customer loyalty programs are launched to increase and maintain customer loyalty. Loyalty program works as tools for establishing brand equity, it acts as one of the marketing channels that companies push out marketing activities to create long-term, mutual relationship with the potential customers, strengthen the company's position and maintain brand share in the market. The ultimate goal of LP is trying to implant the brand into the customer's brand repertoire. There are various mechanisms through which these programs achieve their goals, however one of the most popular ones that earns LPs its competitive advantage is the switching cost. Lemon et al (2001) stated that the customers are more likely to committed to a company when they have accumulated a certain amount of points and achieved already some rewards, or tiers from the company. Customers are not likely to switch other competitors unless they are offered with more appealing rewards, otherwise, they would not take the risk of losing all their accumulated

existing benefits. In this sense, LPs become a very competitive tool to maintain a strong link with customers, especially in industries with low or almost non-existing switching costs, for instance, restaurants, airlines, hospitality, etc. (Lemon, et al., 2001).

Nowadays, with the strong development of internet, e-commerce, and mobile payment, companies are emerging strongly into e-loyalty and loyalty mobile application and one of the most successful cases is Starbucks Rewards program launched in 2011. Starbucks has developed one of the most optimized loyalty programs for mobile phone users. The app successfully combines of both basic loyalty program functions such as accumulating reward points, earning rewards per purchase, achieving tiers, and digital functions such as mobile payment, creating music playlist with Spotify, mobile order. Starbucks offers "stars" (a term to describe the brand's reward points) to regular visit customers through the program called "Visit us again" which has been proved to bring significant effects in 2012. It is strongly believed that customer loyalty programs will continue to evolve to become even more flexible, individualized, customer-experience oriented, meaningful and competitive (McEachern, 2017).

2.1.1 Typologies of LPs

Different researchers have had different views on how to classify LPs depending upon their characteristics and how they work. Butscher (2003) arguued that a customer loyalty program can either be seen as open or limited. The open program does not require much efforts of customers to become membership. When a customer buys an item, he/she automatically signs him/herself up to be a member while the latter, limited program requires much more effort from customers in order to become a member. Customers have to enroll for membership by filling up forms, meeting certain criteria and sometimes, even have to pay a registering or loyalty fee to become a member. These members would then become a primary target group of the company since they show clear interest of wanting to participate in the LPs and earn certain benefits. Table 1 shows the essential differences between open and limited loyalty program. (Butscher, 2003, pp. 50-51)

Table 1 Key differences of open and limited loyalty program (Butscher, 2003)

Limited loyalty programme	Open loyalty programme
• Membership fee helps cover costs. • Membership prerequisite helps channel membership/focus on target groups. • Limited access makes membership more valuable. • Clearly defined membership structure makes communication more effective. • Membership prerequisite keeps number of members, and thus cost, down. • Database includes only members with an above-average interest in the product. • Membership payments raise expectations, so the loyalty programme management is constantly forced to improve value.	• A wider number of customers can be reached. • Database more complete. • Potential customers and competitors' customers can be reached more easily. • Completeness of database could, after further analysis, lead to segmentation and segment-specific communication. • Larger number of members helps to reach critical mass, which makes loyalty programme become more cost-effective sooner.

On the other hand, Berman (2006) has a different view on how to categorize LPs. Based on their different features and characteristics, he puts them into four major types. Type 1 works by applying or swiping the membership card at cashiers, shops, or self-checkout counters, members receive a certain discount for purchased products. Despite having advantages for low switching-cost products, this type of program allows all members to receive the similar benefit therefore it does not enhance the frequency and repeat of purchases and loyal behaviors of customers. (Berman, 2006, pp. 124-148)

Type 2 loyalty program allows customers to manage their loyalty rewards by themselves, by providing them a purchasing record or ticket for every purchase. After accumulating to a certain amount, members are able to use the points to redeem rewards (free products, merchandises or services). Some typical examples are members redeeming complimentary sandwich at Subway, or a free coffee at Starbucks. Despite giving more motivation to loyal customers, this program format is very easy to be imitated by other companies. Due to the simplicity in program structure, company's marketers might find it hard to communicate with their members and hard to keep track of customers' data. (Berman, 2006)

Type 3 rewards customers with loyalty points for previous item purchases and the rewards keeps increasing in regard to the tiers owned by customers. This

type of program is believed to enhance both customer's purchase frequency and volume. A very typical example of Type 3 is Hilton Honors program, in which the benefits that members receive is increasing depending on their tiers. Hilton also partners with other services such as airlines to make the rewards even more attractive. This program works effectively for businesses that are cooperated with several stakeholders, for instance, airlines, restaurants, cafes, car rental services, hotel chains, taxi, altogether to enhance accumulating loyalty points and also provides a wider selection of rewards and benefits to members. One of the most common limitations of type 3 is that the relationship between business and customer might not be quite bonding due to the similar message received by all the members in the same tier from marketers and loyalty program's sponsors. (Berman, 2006, p. 125)

Type 4 loyalty programs are an advanced version of type 3 based on the similar features; yet; they offer more of personalized communication and individualized promotions to their members. Using type 4 strategy usually requires marketers and sponsors to develop, maintain a complete database and also be able to manage complex interactions with their members (Berman, 2006, p. 126).

2.1.2 Goals of LPs

The first and most crucial goal of an effective loyalty program is to strengthen the relationship between business and customers. A well-designed LP enhances customer's interest in company's products or services, turning them into more loyal, longer-term customers of the company. The second goal is to attract new and potential customers through word-of-mouth and real benefits offered to customers. The process starts from loyalty program's members who have tried and received positive experience from loyalty program's activities and started to regularly discuss the program with others (friends, family, etc.). It creates a positive perception about the company and its loyalty programs in these new, potential customer's mind and lure them to join the program. (Butscher 2002, pp. 39-40; Berman 2006). The third goal of LPs is to collect and create a customer database for the business. Nowadays in the era of internet and digital marketing, it is essential for a company to own a detailed, regularly updated database. It allows companies to develop more specific, appealing, individualized marketing activities for their members. In fact, many companies have very detail access to

customer database, yet they are not optimizing it. Butscher (2002) states that a lot of enterprises in the hospitality industry own an enormous, highly detailed database about customer's bookings, spending, and frequency, yet barely any of these data are utilized for appropriate usage (more personalized customer service, or individualized marketing program). He also believes that companies will earn much better competitive advantages against other rivals if they know how to apply these data more professionally The final primary goal of a membership program is to provide information collected from customers to support R&D, market research, product and brand development and other departments. This enables the business to define the problems, search ideas and improvements, develop possible solutions to many issues. (Butscher 2002, p. 40)

2.1.3 The relationship between LPs and customer satisfaction

Customer satisfaction is an emergingly popular term and a complicated concept that has been researched and discussed by many scientists. Back in the year 2006, the keyword "customer satisfaction" received approximately 72,000,000 results when being put on Google search (Güngör, 2007, p. 13). Recently, the author conducted a search himself for the same term on Google.com and received 803,000,000 results in just 0.45 seconds (the term was searched on www.Google.com on 31/01/2020 by the author). Kotler (2000) believes that satisfaction is an individual's feelings of both being pleasured and disappointed as a result from the comparison of his/her own experience, perception and expectation (Kotler, 2000). The word satisfaction was created from two Latin words which are '*satis*' and '*facere*' which respectively mean that to be enough and to do or make. Hence, when put together in the term "customer satisfaction", it if referred to the response of customer fulfillment. (Oliver, 1997)

Malandrakis (2001) strongly believes that customer satisfaction is a truthful, dynamic parameter to measure a business, company or loyalty program owners. Kotler (2002) also states that, in the business aspect, companies achieve more desirable outcomes if they maintain a close, positive relationship with their customers. Kumar (2008) explains clearly in his research the effect of loyalty program on establishing and maintaining a bonding relationship with customers. He describes that when enrolling in the loyalty program, customers have the incentive to purchase more form the company. Loyalty program with clear structure and

appealing benefits encourages customer to repeat their purchase, prefer specific brand and bond the relationship with company and business (Kumar, 2008, pp. 319-327).

Figure 3 Customer Satisfaction Elements (Güngör, 2007, pp. 13-17)

In order to understand customers' satisfaction better, three crucial dimensions of it are introduced by Güngör (2007) including service quality, product quality and pricing followed by three sub dimensions of service quality: physical environment quality, outcome quality and interaction quality. Additionally, these three sub-elements are determined by a set of five factors called SERVQUAL: Reliabilities, empathies, tangibles, assurances and responsiveness. Figure 3 summarizes the core elements of customer's satisfaction while table 2 explains the dimensions of it (Güngör, 2007, pp. 13-17)

Table 2 Explanation of SERVQUAL (Güngör, 2007, p.15)

Dimensions of Service Quality (SERVQUAL) (Parasuraman, Zeithaml, & Berry, 1988; Zeithaml & Bitner, 2003)	
Responsiveness	Willingness to help customers and provide prompt service.
Assurance	Employees' knowledge and courtesy and their ability to inspire trust and confidence.
Empathy	Caring, individualized attention given to customers.
Tangibles	Appearance of Physical facilities, equipment, personnel, and written materials.
Reliability	Ability to perform the promised service dependably and accurately.

In a different research by (Robinette, et al., 2001), customer satisfaction have five different dimensions categorized into 2 different sets of value which are rational value consists of money and product dimensions and emotional value, consists of experience (relation), energy (convenient) and equity (trustworthy).

In another source of "The Discipline of Market Leaders", a customer's satisfaction is described by three valuable disciplines:

- Excellence in operation: providing convenient, reliable services and/or products to customers with a reasonable and competitive price for example, fast-food companies like KFC, McDonalds, Burger King, etc.

- Product leadership: providing the products and/or services that constantly redefine the distinguish quality, style or consuming methods in the market, for example Starbucks.

- Consumer intimacy: providing the best solutions for a normal product and/or service, for example, Koti Pizza delivered the solution for combining both fast-food and authentic home-made food. (Robinette, et al., 2001)

Additionally, there are other elements that have been proven to significantly affect customer's satisfaction such as product features, quality, pricing, conveniences, support services, reliability and the expert advice (Treacy & Wiersema, 1995).

2.2 Technology Acceptance Model (TAM)

With the rapid growth of information and communication technologies, and how they are integrated into individuals' life, the question whether users will accept or reject the technology still remains an interesting research topic. In the last few

decades, there have been a great number of models and theories addressing this question about technology acceptance by users. Technology Acceptance Model (TAM), originally developed and introduced by Fred Davis in 1985, is a valuable and highly cited model used to determine the behavioral intention of an individual to accept technology based on two determinants, perceived ease of use and perceived usefulness. At the very beginning of time when technology (computers, software, internet, etc.) started being a part of user's everyday life, there was an inevitable necessity for understanding the reasons with psychological explanations why one accepted or rejected a certain technology. TAM, derived from a psychology-based theory called the Theory of Reasonable Action (TRA) and the Theory of Planned Behavior (TPB), had developed and taken the leading role of explaining users' behaviors towards technology. In this model, Davis and Pennington (1989) introduced two important factors that determine an individual's intention to adopt a new technology which are perceived ease of use (PEOU) and perceived usefulness (PU). Perceived ease of use was defined as the degree to which an individual believes how effortless it takes to use a particular technology or system. Perceived usefulness is the extent to which an individual agrees that such information technology or system will improve their efficiency and productivity. It is empirically evident that the higher PU and PEOU are, the more likely to be accepted by user which lead to behavioral intention and actual use of the system. (Pennington & Davis, 1989)

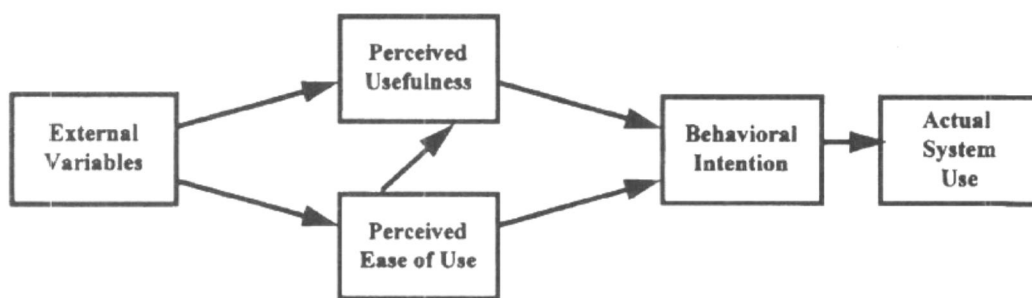*Figure 4 Theoretical model: inter-relationship between PEOU, PU and their impact on Behavioral Intenion and Actual System Use (Pennington & Davis, 1989)*

Although TAM was initially started out as a theory for technology used in the workplace (Vankatesh & Davis, 2000), it has been developed to explain many aspects of technology in life, and one of those was to determine the relationship

between technology and customer's behavior. Previous researches show that PU and PEOU have tremendous effect on customer satisfaction (Devaraj, et al., 2002) and loyalty intention (Cyr, et al., 2006). Individuals are likely to develop satisfactory and favorable feelings and hence, increase to purchase online more if they believe that the shopping system is effortless to use and improves their purchasing performance and effectiveness. Kumar (2013) has also successfully proved the positive effect of PU and PEOU on customer's satisfaction in using internet banking. In a study about adoption of new technology, Pagani (2014) discusses two major factors which influence a user's intention to adopt a new technology: PU and PEOU. The findings are quite amazing that, within the age group of 25 to 34, 31.1 per cent of respondents agree that PU is the most important factor regarding adopting new mobile service, followed by PEOU at second rank with 26.7 per cent. Based on these antecedents, the author strongly believes that TAM is an appropriate choice to determine the effect of the Starbucks loyalty app on customer experience and loyalty buying intention. Although these are very complicated, extended TAMs with many different variables, the author decides to focus on examining the effect of PU and PEOU solely in this research.

2.2.1 Perceived Ease of Use (PEOU)

Perceived ease of use was defined as the degree to which an individual believes how effortless it takes to use a particular technology or system (Pennington & Davis, 1989). The relationship between PEOU and customer experience has been proven in many studies. Chiu et al., (2009) opined in his study about online shopping that in online purchasing, PEOU causes shoppers to be more motivated, satisfied and thereby, continue to purchase more. Saade & Bahli (2004) suggested that PEOU is a good indicator to examine customer experience.

2.2.2 Perceived Usefulness (PU)

Perceived usefulness (PU) is the extent to which an individual agrees that such information technology or system will improve their efficiency and productivity (Pennington & Davis, 1989). According to Davis (1989), loyalty intentions are formed towards technology based significantly on a cognitive appraisal of how it will improve their performance. Bhattacherjee (2001), Babin & Babin (2001) suggest that customers are more likely to feel more favorable and satisfied, thus

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continue to use the system more when the usage is perceived to be useful, therefore, form stronger loyalty intention, and enhance customer experience.

2.3 Research model and hypotheses

The research model of this thesis (Figure 4) is based on the TAM (Vankatesh & Davis, 2000) and derived with some modifications. With the two essential factors perceived ease of use (PEOU) and perceived usefulness (PU), the author changed the dependent variable to enhanced customer experience (CX) in order to be consistent with the research question. Therefore, it is hypothesized that:

H1: Perceived ease of use is positively related to customer experience

H2: Perceived ease of use is positively related to Perceived usefulness

H3: Perceived usefulness is positively related to customer experience

H4: Perceived ease of use and perceived usefulness, together positively related to customer experience
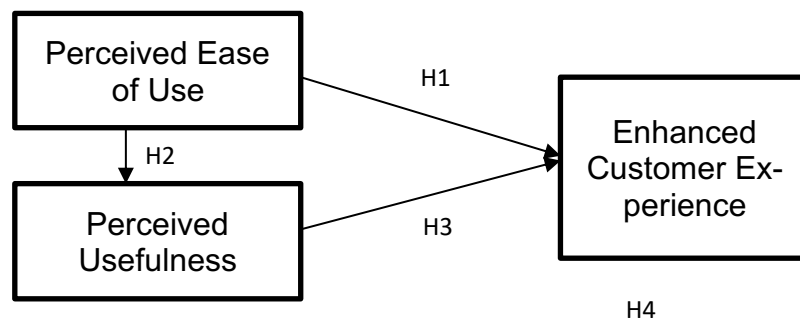

Figure 5 Research model: inter-relationship between PEOU, PU and their impact on enhanced customer experience (CX), a derived model from Takahashi et.al, (2013)

3. METHODOLOGY

This chapter discusses research methodologies used in this thesis. It begins with a literature review to sum up the conceptual foundation and ground used to develop this thesis. Then, the research approach and strategy selection will be rationally explained. After that, 3.3 introduces the process of forming the survey questionnaires and collecting data; and finally followed by the process of data filtering and data analysis method.

3.1 Literature review

The main research question of the thesis was basically to determine the impact of a e-loyalty reward application on its customers experience; thus, it was essential to discuss the literature behind it and how it works. Apparently, the theoretical foundation involves around the concept of loyalty reward program (Henderson, et al., 2011) and Technology Acceptance Model (Vankatesh & Davis, 2000) which were discussed in chapter 2. Most of the knowledge about the Starbucks company and the Starbucks app in the introduction, empirical and discussion chapter was secondary data collected from different studies in other market and several other sources.

3.2 Research method

The main objective of the thesis was to determine the impact of Starbucks' loyalty reward app on their customers in Vietnam. In order to provide a precise conclusion, the author has selected a quantitative approach for this research, more specifically the deductive reasoning strategy. According to Reynolds (1979), it is a process in which the researchers will develop some theoretical propositions and provide strong empirical evidence to prove them. First, a model will be developed from theories and some hypotheses will be created, accordingly. After that, data is collected to test the hypothesis and justify the legitimacy of the model. This research strategy enables researchers "to test their hypotheses and reply on objective measures to support their findings" (Wicks & Freeman, 1998)

3.3 Establishing survey

Survey is a well-known method for collecting primary data from the target population. In fact, it can be used to explain, describe or test a hypothesis, and analyze the relationships among particular constructs (Holden & Lynch, 2004). The

reason for choosing survey method for this research was because it was suitable and helpful of collecting data, provided that the research objectives needed quantitative data, and the sought information is well known to the respondents (Bryman & Bell, 2007). After carefully studying the research questions, the author had decided to choose a semi-structured online survey to collect data. The set of questions used to gather data were referred to those had been used by previous scientists in their research using TAM model and designed similarly to ensure correct information obtained. The survey was designed into four parts

   a. The first part of the questionnaire included four questions and asked about demographic background of the participants including their gender, age, if they were a Starbucks' customers and If they had ever experienced the Starbucks' loyalty app before.

   b. The second part, consisted of nine questions, dived deeper into their experience towards the Starbucks' app based on the Technology Acceptance Model in three aspects PEOU, PU and Customer experience towards the App.

An electronic link of the Google survey, with four parts consisting of 13 questions, was sent out to and expected at least 100 participants to answer. The survey was written in both English and Vietnamese in order to achieve the most correct information from participants. The main reasons for choosing Google Form to be the main platform of this survey were because of its ease of use, availability, cost-efficiency and both computer and mobile friendly interface. Furthermore, Google Form provided quick insights by showing results in many tables, charts and graphs, made it much easier for the author to analyze in the next step.

In the first part of the survey as aforementioned, the author focused on collecting demographic information of the participants. Specifically, in question 1, 3 & 4, quantitative variables were used to gather data from participants. When being asked about what their gender was, if they were a Starbucks customer, and if they had ever used Starbucks App before, the participants could choose from either 'male' or 'female' and 'yes' or 'no', respectively. In question 2, the author inserted five interval scales to identify the age-range of participants including under 18 years old, from 18 to 24 years old, 25 to 34 years old, 35 to 44 years old

and over 45 years old. Regarding the second part of the survey, the researcher used the five-point Likert Scale (Vankatesh & Davis, 2000), from 1 to 5 as 1= Strongly disagree, 2= Somewhat disagree, 3= Neutral, 4= Somewhat agree, 5= Strongly agree in order to better understand the participant's point of views and feelings towards the app and avoid neutral responses. Table 3 illustrates the set of questions related to their variables.

Table 3 Set of survey questions and references

Construct	Set of survey questions	Reference
Perceived Ease of Use (PEOU)	Q5: "I find it effortless to get the Starbucks app to achieve what you want to do (ordering, redeeming prizes, topping up balance, e.g.)?" Q6: "I find the interaction in the app clear and understandable" Q7: "I generally agree that the Starbucks app is easy to use"	(Wu & Wang, 2005, pp. 719-729)
Perceived Usefulness (PU)	Q8: "I am more informed about the new products and promotions by using the app" Q9: "I can order and purchase now faster than in the past before using this app" Q10: "I generally agree that the Starbucks app is useful for me as a customer"	(Chu, et al., 2009, pp. 353-358)
Intention of use (IU)	Q11: "I tend to use the app more regularly now whenever it comes to buying Starbucks"	(Kumar & Bhatt, 2018, p. 41)

| | Q12: "I think this app totally enhance my experience as a customer"

Q13: "I tend to buy more from Starbucks because of this app" | |
|---|---|---|

3.4 Data collection process

This part introduced the process of collecting data for the empirical study. First, the rationale between choosing sampling method will be discussed. After that, the author described in detail how survey was made, sent out. At the end, the author explained how the data were collected and filtered out for final use.

3.4.1 Sampling method

Determination of sampling method is an extremely necessary decision when carrying out the research since collecting useful data from every observation of the population seems impossible and also for the sake of being cost-effective and time saving (Henry, 1990). There are two most common sampling methods which are probability and non-probability. In this research context, the author decided to employ non-probability sampling style. In the specific order, quota sampling was prioritized first, followed by convenience sampling and judgement sampling. In this research, quota sampling was used when participants to the survey were filtered out by the author based on their demographics such as gender, age, and whether they were located in Ho Chi Minh City, Vietnam. Convenience sampling was used when the survey link was posted on Facebook's Starbucks group in Vietnam and judgement sampling was used when the survey was sent directly to the author's friends an acquaintances who were Starbucks' customers and users of the Starbucks App. Regarding the size of sample, Hair et al. (2009) suggested that if the model contains five or fewer components, the sample size has to reach at least 100 respondents.

3.4.2 Spreading out survey and documenting data process

The survey link was spread out using both online and offline means. Regarding online method, the author sent out the invitations mostly to Facebook groups including Starbucks Vietnam, Starbucks' Merchandises Collecting, Starbucks Cards Collector, Starbucks Lovers, and on the official Facebook fanpage of

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Starbucks Vietnam. On the other hand, author's friends, coworkers, acquaintances who he knew were a Starbucks customer were all invited to join the survey through direct message on WhatsApp or through emails. The author also spent five days visiting two of the busiest Starbucks locations in Ho Chi Minh City which are Starbucks New World (located at 76 Le Lai, District 1) and Starbucks Rex (located at 141 Nguyen Hue, District 1) to ask random customers to fill in the survey. The whole data collecting process started from November 2019 and finished at February 2020. The survey received 74 respondents from online and 26 from offline.

3.4.3 Sample selection criteria

There are several crucial conditions to be met in order for a survey result to stay in this data set. First, the respondent should be a regular Starbucks' customer which means that his/her response should be in either "Once a week", "Once per two weeks" and "Once per month". If the respondent had an answer of "Very Rarely", the result would be eliminated from the data set because that customer would not likely to order a product from Starbucks through the Starbucks App. Second, the respondent should have already experienced the Starbucks App. Apparently, those who gave a "No" answer to Question 4 of the survey were eliminated from this research. The final condition is that the respondent should age between 18 to 44 years old. According to a report from official government statistic report, those customers who were under 18 in Vietnam were not likely to earn an income less than USD 150 per month, hence would not likely be a customer of a higher-class segmented coffee chain (GSOV, 2019). Furthermore, according to a research about mobile phone usage in Vietnam, those who were above 45 years old were not likely to adopt new technologies into their daily purchasing activities, thus were also removed from this survey. (GSOV, 2019). After screening all the respondents upon the aforementioned conditions, 19 unqualified respondents were removed, and the sample remained at 84 qualified results. There were 2 special cases that the respondents were under 18 years old, however purchased at Starbucks weekly and also had experienced the app. Therefore, these two were still included in the data supposed that the final results would not be altered.

3.5 Measures

Reliability of scales is a crucial factor that needs to be checked when conducting study. One of the most highly appreciated indicators is the Cronbach's alpha co-efficient of internal consistency. It is highly suggested that the Cronbach's alpha coefficient of a scale should be greater than 0.7 (Pallant, 2011, p. 97)

the Cronbach's alpha of PEOU and PU were in great consistency 0.779 and 0.719, respectively, hence reliable. However, the alpha value of Customer experience was 0.55 which was unreliable for further tests. Therefore, it was important to look deeper inside the Customer Experience construct.

It was suggested in SPSS system that if the final alpha value (0.551) was smaller than the alpha after deleting that item (0.652), user may consider removing that item out of the construct in order to achieve a higher final alpha value. Therefore, in this situation, the first item "I tend to use the app more regularly now whenever it comes to buying Starbucks" of Customer Experience construct was removed to achieve higher Cronbach's value of 0.652 and maintain the internal consistency of the scale.

Table 4 Cronbach's alpha of Customer experience

Items in Customer Experience construct	Cronbach's alpha if Item deleted
I tend to use the app more regularly now whenever it comes to buying Starbucks	0.652
I think this app totally enhance my experience as a customer	0.204
I tend to buy more from Starbucks because of this app	0.442

It is quite a common issue for the final Cronbach's alpha to be under the acceptable threshold of 0.7 when having the small number of scale's items because Cronbach's alpha is rather sensitive to the number of items in the scale. In fact, very often that scales which have fewer than ten items receive a low Cronbach value (e.g 0.5). In this situation, it is better to consider the mean of the inter-item correlation and suggested acceptable range of 0.2 to 0.4 for inter-item correlation between items (Briggs and Cheek, 1986). From the results of SPSS, the inter-

item correlations are 0.323 and 0.298 which prove that the Customer Experience construct is reliable for further studies.

The composite score of each construct is also evenly distributed according to Figure 6, thus it is reliable to use correlation analysis.
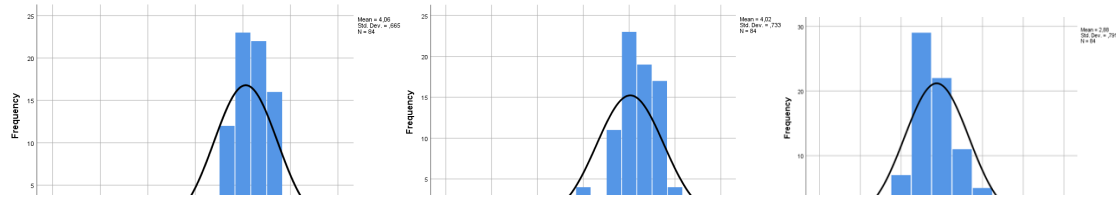

Figure 6 Distribution of means

4. EMPIRICAL DATA

This chapter presents all the empirical results and findings of the research. First, an overview of the Starbucks application will be introduced. Then, sample background information is discussed through descriptive statistics. After that, correlation analysis is used to determine the relationship between PEOU, and PU and standard multiple regression analysis is used to better understand the link between PEOU and customer experience; and PU and customer experience.

4.1 Overview of Starbucks Application

According to recent study, Starbucks has developed the most regularly used loyalty rewards app (48 per cent) amongst the list of world top restaurant chain competitors and the secret that keeps customers craving back for more is called 'digital engagement'. According to Maw (2018), Starbucks CFO, almost all of the company's sale growth has come from customers who are digitally engaged with the company and the Starbucks Rewards program. In the case study, Oragui (2018) points out four essential factors, that make Starbucks the "must have – must use" application of all time, are consumer-friendly design, appealing loyalty program, mobile purchasing and integration with other platforms and services. (Alba, 2015)

Appropriate core competencies and business strategy have contributed significantly to Starbucks' success. Starbucks' strategy is to focus strongly on creating a unique in-store ambience to make it the special third place after home and office. Starbucks' outlets are designed to provide a warm and comfortable feelings to visitors, either they are on their own or with a small group of friends or families.

Regarding the core competencies, Starbucks' experience principals involve in five important elements

• Make it your own: personalized experience is what Starbucks striving to achieve. Every store offers custom-made drinks to best fit customer's taste

• Everything matters; Starbucks does focus on all the details from store designs, customer service, food and beverage and even to the quality of the coffee beans. Every little detail is well put together to create a memorable customer experience

• Surprise and Delight: Starbucks' management team tries their best to impress customers by offering birthday presents, seasonal drinks and merchandise and loyalty program

• Embrace resistance: Starbucks is open to constructive opinions from customers and willing to change for better service

• Leave your mark: Starbucks cares not only for customers, but also to the community, environment and their employees, strives to achieve sustainable development (Michelli, 2007)

In November 2018, Starbucks officially introduced the Starbucks Card and App into Vietnam market to become the first company in Vietnam with a loyalty application. Despite being much simpler than the original version of U.S. Starbucks app, the Vietnamese version holds some basic key features

• Starbucks App allows customers to track Starbucks Rewards points, view past transactions and transfers balances from one card to another after fully registered their Starbucks Card.

• Store Locator: enables customers to find the closest stores, opening time and amenities

• Product information and promotion informs customers of seasonal beverages, promotions and hot trending drinks.

According Marques (2018), General Manager of Starbucks Vietnam, the Starbucks App and Starbucks Card are essential parts of the company's culture and with this technology, customers are promised a seamless in-store purchase experience. Registered Starbucks Card allows customers to top-up balance, pay cashless, easily earn and keep track through Starbucks App. The aim of this launch is to integrate Vietnam market into the international Starbucks culture,

provide a fast and convenient way to enjoy Starbucks and enhance customer experience towards Starbucks. (Marques, 2018)

4.1.1   User-friendly mobile experience

The consumer experience with the app is amazingly easy and personalized. Starbucks gradually adds personalization elements that pin your favorite order, your previous latest order on top of the page, and suggests users their other food or beverages that go best with their favorites. There is a geo-location function which allows user to find the closest Starbucks outlets, view the menu of each store and even make an order that is ready to pick-up when arrive.
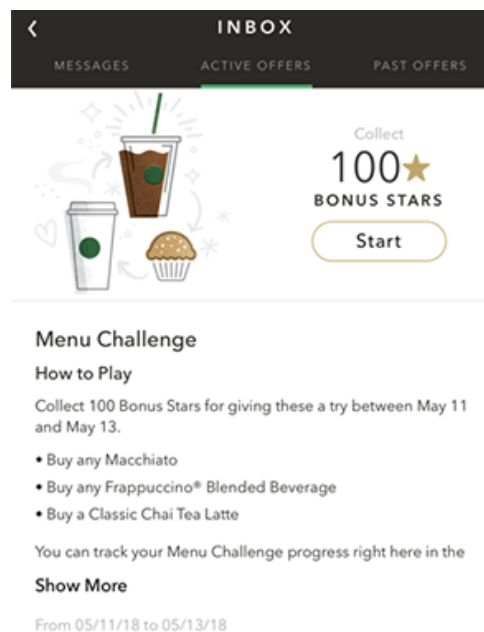
Figure 7 An example of an in-app mini-challenge that Starbucks offers to their customers (Starbucks, 2018)

To engage even deeper with customers, the app provides small challenges for Starbucks Rewards program members to earn them extra "stars" – Starbucks' name for its rewards points – and redeem complimentary food and beverages. From introducing new, seasonal products, campaign, promotion to menu layout, Starbucks strives to get the customers engaged and informed as much as possible without making it too overwhelming. (Boezi, 2016)

4.1.2 Integration with other platforms and services

Realizing what an important role music plays in connecting customers with brand and culture, Starbucks has connected digital streaming services to provide music for Starbucks App users. Starbucks has cooperated with Itunes to give out free tracks for purchasing at store. In 2016, Starbucks signed the deal with Spotify, an online music streaming service, to create a whole new digital music experience for Starbucks customer. Through the Starbucks App, customers can identify what songs are being played in stores, download and put them under a playlist in Spotify. This collaboration created a win-win situation for both parties when it increases both Starbucks App usage and sign-ups for Spotify (Harris, 2015).

Another successful collaboration in 2016 between Starbucks and Lyft, a ridesharing app, where Starbucks points were given out to customers using Lyft ridesharing services. By connecting Starbucks App account in Lyft App, riders earned stars for every ride booked and later redeemed them at Starbucks store when reached to certain amount of points. These digital integrations are clear evidences of how Starbucks has successfully built a digital ecosystem surrounding the brand, connecting loyalty program, mobile order and payment, content partnership into one simple, useful application and most importantly increase customer experience through digital. (Alba, 2015)

4.1.3 Smoothness in ordering and payment

Since launching the first beta, Starbucks App has become so popular amongst the U.S. The Mobile Order and Pay function allow customers to make an order and pay in advance before arriving at the store. It works a digital marketing channel which creates interest in customers by allowing them to see a list of food and beverages in advance, sends notification in the app or email. Starbucks has taken its digital interaction with customers to another level when integrated order function through Amazon's Alexa into Ford vehicles and expanded My Starbucks barista which enables customers to order via voice command and messaging.

To create a seamless payment, Starbucks encourages customers to top up and pay through a loyalty card (or "Starbucks card"). This card can be easily reloaded using cash, credit card, Apple Pay or Google Pay, or even with the balance of another Starbucks card. This card is connected digitally with the Starbucks App so customers can easily follow up with their stars balance and offers. Starbucks'

Mobile Pay and Order, offers a wide range of functionalities that enable customers to buy and pay with their easiest convenience, has encouraged better use of the Starbucks Loyalty program and greater sales. (Boezi, 2016)

4.1.4 The Starbucks Loyalty Rewards Program

The connection between the Starbucks Rewards program and the Starbucks App is an excellent example of how to make customer become more loyal to the brand. Customers receive 2 stars (or reward points) on the app for every dollar spent at Starbucks which later on they can use to redeem free drinks, refills, or merchandise from the store. Moreover, customers with the app can pay through their phone, order ahead to pick up on arrival, and schedule member events. To show that Starbucks cares, the program offers personalized customization based on previous orders and a free beverage as a birthday gift on the user's birthday. (Ferro, 2016)
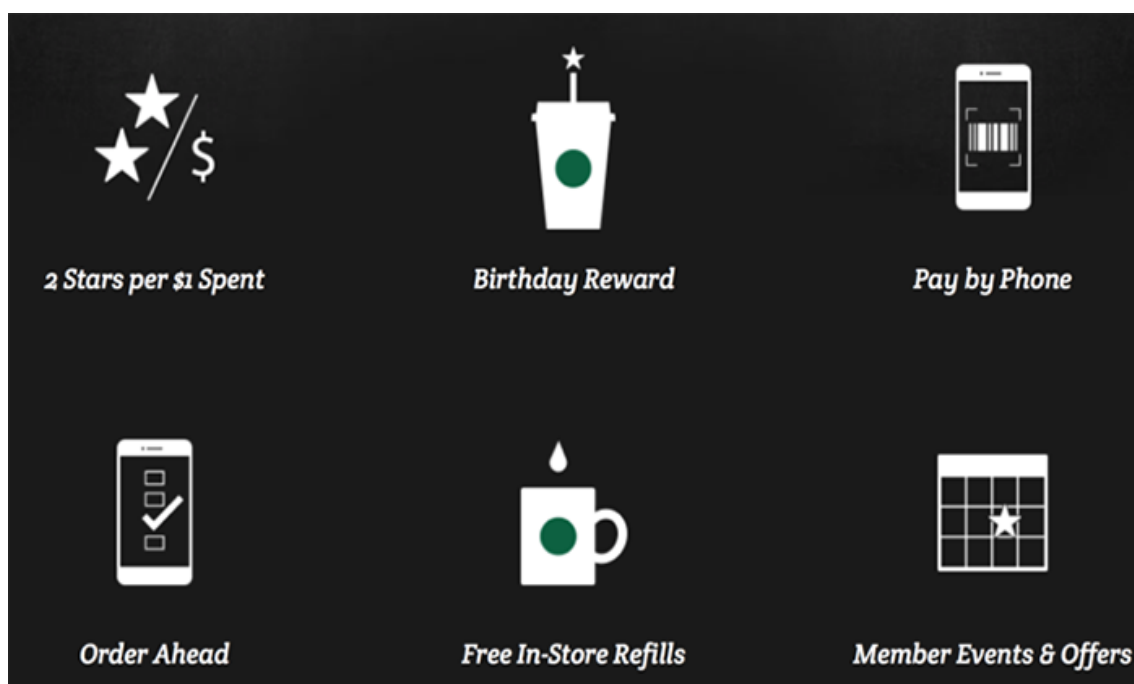
Figure 8 A capture of Starbucks App's menu (Starbucks, 2018)

As a result, Starbucks successfully strengthens the digital connection with more than 14.2 million U.S. rewards program members and an increase of 11% in loyalty program users in the second quarter of 2018. In some locations in the U.S., members of the rewards program are reported to spend even more, resulting in 39% increase in entire chain's sale. However, Starbucks does recognize that there is a favor-biased towards the reward program's members compared to

other regular customers who do not wish to join the program. Therefore, the chain is trying to work on offering mobile order and mobile pay options for non-loyalty customers, too. Furthermore, members of the loyalty programs are encouraged to constantly keep track of their purchases, as well as their stars' life span (which is one year for "Green" (or basic) level and six months for higher tier "Gold" level) for maximum benefits. Despite the shorter life, Gold member earns up to four stars per dollar spent. Therefore, the app constantly reminds users about the soon-expired stars, or how much stars they need to maintain Gold level. (Bowman, 2016)

4.2 Descriptive statistics

According to table 5 the number of male respondents was 52 (61.9 per cent), which was very much higher than the number of female (32, 38.1 per cent).

Table 5 Descriptive statistics

GENDER	N	%
Male	52	61.9
Female	32	38.1
Total	**84**	**100**
AGE	**N**	**%**
Under 18	2	2.4
18 – 24	29	34.5
25 – 34	44	52.4
35 – 44	9	10.7
Total	**84**	**100**
PURCHASING FREQUENCY	**N**	**%**
Once a week	19	22.6
Once per two weeks	58	69
Once a month	7	8.4
Total	**84**	**100**

Amongst the participants, those who aged from 25 to 34 years old accounted for more than half of the survey with 44 respondents (52.4 per cent), followed by those aged from 18 to 24 with 29 respondents (34.5 per cent). It can also be seen from Table 5 that these respondents regularly purchased at Starbucks. To be specific, 19 people (22.6 per cent) responded that they would shop at Starbucks at least Once per week and 58 people said they purchased once every 2 weeks (69 per cent).

4.3 Correlation Analysis

Table 6 provides information on means, standard deviations of the variables and the correlations between them. The means of PEOU and PU exceeded 4.0, indicating that customers found the app easy to use and useful when it came to buying Starbucks. Dependent variable Customer Experience's mean was below the midscale point, suggesting that customer did not believe that their experience

was enhanced through the Starbucks App. Two independent variables PEOU and PU showed positive correlation ($r = 0.607$, $p < 0.01$) lending support to *H2*. However, there showed no correlation between PEOU and PU towards the dependent variable Customer Experience ($p > 0.05$ for both results), therefore *H1* and *H3* were rejected. As a result, no regression analysis could be established therefore, *H4* were also consequently rejected because of rejected *H1* and *H3*.

Table 6 Correlation matrix

	Mean	**SD**	**Ease of Use**	**Usefulness**	**Customer Experience**
Ease of Use	4.06	0.665	1	0.607**	0.186
Usefulness	4.02	0.733	0.607**	1	0.196
Customer Experience	2.88	0.791	0.186	0.196	1

(**) – p-value < 0.01

Based on the previous calculations, Table 7 sums up the hypotheses testing results.

Table 7 Hypotheses testing results

Hypotheses		Results
H1	PEOU is positively related to CX	Rejected
H2	PEOU is positively related to PU	**Supported**
H3	PU is positively related to CX	Rejected
H4	PEOU and PU, together positively related to CX	Rejected

5. DISCUSSION

According to the previous chapter, results showed that the Starbucks App was perceived to be easy to use and quite useful for Starbucks' customers. However, the link between PEOU, PU and CX were barely supported, hence the app did not seem to succeed in improving the customer experience in Vietnam. In this part of the thesis, different aspects from several studies about the Starbucks app in other markets (US, UK and India), where it has succeeded, are compared to the findings of this research in order to figure out why the app did not seem to create a great customer experience effect in Vietnam.

The first obvious reason might be because the Starbucks app in Vietnam was still rudimental and lacks many essential functions. In the Vietnamese version, the app solely focused on the loyalty program (accumulating bonus points and redeeming prizes). Many other Starbucks app functions such as mobile paying, pre-ordering in advance and music streaming were clearly missing from this version. In a case study about Starbucks e-marketing strategies, mobile payment as well as other functions of the app were proven to create a holistic digital ecosystem which allowed customer to fully immersed in the digital experience of Starbucks. As a result, the relationship between customers and the company was greatly strengthened by adding more values to the company's service offering whilst creating a new, creative direct marketing channel between Starbucks and the customers (Cooper, 2010). According to Patel (2011), by enhancing mobile payment, companies are bringing a new way for customers to make purchases, changing their purchasing behaviors and introducing a more convenient way of paying. Eventually, even just by selling a cup of coffee, Starbucks are creating more values to the customer and enhancing their experience. In another research, Birchall (2011) pointed out that the mobile payment, pre order and in-app music streaming were the extensions of Starbucks' current marketing direction and had contributed greatly to the success of the company's digital growth. In 2012, Starbucks' implemented Starbucks mobile application in 6800 stores across the U.S. and witnessed a growth of 21 per cent in customer's mobile usage. This had created the opportunity for the company to fortify a stronger, longer relationship with its customers. (Birchall, 2011)

The second reason to consider is the lack of supporting marketing programs to enhance usage of the app. According to Brotman (2018), chief digital officer of Starbucks, the company planned on achieving 21 per cent of all purchasing transactions at Starbucks in U.S. occurred through the app by spending more budget on mobile marketing in 2016. After the significant success with the app in 2015, the coffee giant had positioned it as one of the company's core business strategies. Starting out in 2011, the company promoted the app mostly as a tool to improve its loyalty reward system, however in the next few years, the app has successfully developed into a full digital experience thanks to the effort of gaining customer flow into the app (Bloomberg, 2018). The company also communicates with customers through the app by sending messages about promotional offers. In 2017, Starbucks began to implement new mobile strategies, including recommendations of more purchases to customers based on their personal tastes, suggesting customized drinks for their tastes, partnering with other company such as Spotify, Netflix and Apply to promote extra services, to encourage more purchases through the app. (Gurski, 2014)

6. CONCLUSION

In conclusion, the main research question and 3 other sub questions were answered. From the final results of empirical data, it can be argued that the app was believed to be easy to use, and useful and these two constructs strongly correlate with each other. However, perceived ease of use and perceived usefulness did not establish a relationship with the dependent variable, customer experience, therefore the app did not significantly enhanced Starbucks' customer experience. Other findings from discussion chapter also pointed out the reasons for such a miss in Vietnam market. In this final part of thesis, different implications on theoretical and managerial are discussed. At the end, the author pointed out some notable limitations of this research and provided some suggestions for future studies.

6.1 Theoretical implications

Based solely on the comprehensive literature from previous studies about the Technology Acceptance Model, this research was conducted to examine the effect of the Starbucks Application on enhancing Starbucks' customer experience in Vietnam and examine the hypotheses through statistical methods.

The model employed in this research was derived from the original TAM by changing to Intention to Use construct into Enhanced Customer Experience, together with two crucial factors which are Perceived Ease of Use (PEOU) and Perceived Usefulness (PU) to examine how Starbucks' customers in Vietnam perceive this app. This study yielded an important finding that the app, despite having high perception about ease of use and usefulness, did not greatly contribute on improving customer experience. Another fact taken into consideration was that the app Vietnam was quite basic and did not possess the full functions as it was supposed to be in other markets therefore couldn't bring the full effect.

To some extent, the results from this study have contributed partly to the broad literature of technology adoption and customer experience in the perspective of a developing country where new technology is constantly growing and adopted in different aspects of life.

Finally, this model was effectively used in this study to examine the ease of use and usefulness in customer's perception. Hence, it could be an effective tool for business parties to explain and explore customer's perception on new application and technology.

6.2 Managerial implications

The results of this study, to some extent, has provided strategies for business professionals in understanding customer experience in the aspect of new technology. These findings benefit not only the Starbucks company running in Vietnam but also other businesses, companies, service providers, merchants in the customer service and restaurant industry. In the food and beverage industry where it is so highly competitive and has low or even no switching costs, staging experience is the crucial which helps businesses gain their competitive advantages and connect in longer term with customers. (Gurski, 2013)

Apparently, this study results in several outcomes. Nonetheless, the most valuable finding from this study that may influence managerial decisions is that despite being a highly potential market for reputable international brands, and having high technology-adopting rate, customers in Vietnam are still doubtful with the effect of the Starbucks App to improving their own experience. In fact, as mentioned in the Introduction, Starbucks App happens to be the first ever application to be

launched in the Vietnam's food and beverage market. Although the app has quite high perception on its ease of use and usefulness, the connection between these two factors with enhancing customer experience is weak. This study may be the precedent for Starbucks Vietnam to take a deeper dive into further research on how to improve the apps for most optimal effects on their customers which will be suggested in 6.4.

6.3 Research limitations and future suggestions

Although this study has tried to provide a better insight of the newly launched Starbucks app in Vietnam, there are some notable limitations to be considered. First of all, this study was conducted in Vietnam, a developing country with much smaller user group of the Starbucks app, thus it should be taken into consideration when applying these findings for other purposes. Second, the sample size of this study was rather small and narrowly focused in only Ho Chi Minh city customers, hence lack of representativeness for the whole Vietnam market. A study in the future should consider collecting a larger sample with more diverse locations of the country in order to get more accurate results. Third, at the time when the study was conducted, there was lack of several essential app features compared to the original version and supporting marketing programs were missing, too as mentioned in the discussion chapter. Thus, it resulted in not very positive effect on customer experience. It is highly suggested that this study should be conducted once again when the app has full functions as the original version. Final, customer experience is a broad spectrum and empirical study has shown that there are many sub-dimensions that altogether measure Customer experience quality, therefore let the alone the app is not enough to measure the enhancement of Starbucks app in Vietnam market. Gurski (2014) explained that customer experience quality is a co-existent of diverging conceptualization. Apparently, the measurement of customer experience quality consists of many sub-dimensions such as product quality, customer service, etc. and these dimensions together determine the value of customer experience. Therefore, in this research, examining alone the effect of the Starbucks App on enhancing Starbuck's customer experience is inadequate and cannot describe the whole spectrum of customer experience (Gurski, 2013). Thus, in order to fully measure customer

experience, more factors such as product quality, customer service, etc. should also be included in a future research.

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APPENDIX: Online survey

QUESTIONNAIRE ON THE STARBUCKS APPLICATION

(English version)

Dear participants,

Please kindly select the answer that most properly reflect your opinion on each questions

1. What is your gender ?
   o Male
   o Female

2. How old are you ?
   o Under 18
   o 18 - 24
   o 25 - 34
   o 35 - 44
   o Over 45

3. How often do you buy a Starbucks' product?
   o Once a week
   o Once per two weeks
   o Once a month
   o Very rarely

4. Have you ever experienced the Starbucks App before?
   o Yes
   o No

SELECT 1 TO 5 AS HOW MUCH YOU AGREE WITH THESE STATEMENTS

5. I find it effortless to get the Starbucks app to achieve what you want to do (ordering, redeeming prizes, topping up balance, e.g.)? *
   1) Strongly disagree

2) Disagree

3) Neutral

4) Agree

5) Strongly agree

6. I find the interaction in the app clear and easy to understand

   1) Strongly disagree

   2) Disagree

   3) Neutral

   4) Agree

   5) Strongly agree

7. I find the interaction in the app clear and easy to understand

   1) Strongly disagree

   2) Disagree

   3) Neutral

   4) Agree

   5) Strongly agree

8. I generally agree that the Starbucks app is easy to use

   1) Strongly disagree

   2) Disagree

   3) Neutral

   4) Agree

   5) Strongly agree

9. I am more informed about the new products and promotions by using the app

   1) Strongly disagree

   2) Disagree

   3) Neutral

   4) Agree

   5) Strongly agree

10. I can order and purchase now faster than in the past before using this app
    1) Strongly disagree
    2) Disagree
    3) Neutral
    4) Agree
    5) Strongly agree

11. I generally agree that the Starbucks app is useful for me as a customer
    1) Strongly disagree
    2) Disagree
    3) Neutral
    4) Agree
    5) Strongly agree

12. I tend to use the app more regularly now whenever it comes to buying Starbucks
    1) Strongly disagree
    2) Disagree
    3) Neutral
    4) Agree
    5) Strongly agree

13. I think this app totally enhance my experience as a customer
    1) Strongly disagree
    2) Disagree
    3) Neutral
    4) Agree
    5) Strongly agree

14. I tend to buy more from Starbucks because of this app
    1) Strongly disagree
    2) Disagree
    3) Neutral
    4) Agree
    5) Strongly agree