

INFLUENCE FACTORS OF CUSTOMER SATISFACTION IN COFFEE INDUSTRY IN KLANG VALLEY

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ABSTRACT

In recent years, the coffee industry is booming in Malaysia, it is imperative for local premium coffee shop entrepreneurs to understand the important attributes that motivate consumers to patronise coffee shops and have a competitive advantage to sustain their businesses. The research study was to examine the service and product quality (food & coffee) in relation to customer satisfaction with local premium coffee shop in Klang Valley. A quantitative study is conducting and a set of survey questionnaire was developed. The collection of data is through surveyed and completed by the respondents who had dining experiences at the local premium coffee shop in Klang Valley, Malaysia in aid to examine the survival factors of local premium coffee shop in Klang Valley.

Keywords: Customer Satisfaction, Service Quality, Product Quality, Local Premium Coffee Shop, Klang Valley.

INTRODUCTION

Coffee shops have certainly never been out-of-style as the culture of coffee drinking is increasing from year to year and became focus to the world of coffee industry. According to the International Coffee Organization (2014), the consumption has increased over the last 50 years, the global coffee exports are amounting to 11.6 million bags in May 2019, as compared with 9.71 million bags in May 2018. Urbanisation and busy lifestyles is one of the reason that caused the rising of coffee consumption in Malaysia. In Malaysia, coffee-drinking culture has been deeply deep-rooted among Malaysians for generations i.e. Old-style Hainanese coffee shops “kopitiam”, and Malay Indian restaurants, known as “mamaks”, reflect the strong Malaysian coffee drinking culture. The culture of consuming foreign coffee happen due to the influence of foreign residents that who reside and work in Malaysia in 2012 (Goi, 2013). Foreign café culture has notably changed and moulded the coffee shop culture in Malaysia.

PROBLEM STATEMENT

This study is crucial to help the local premium coffee shop to accomplish its objectives in term of satisfaction, profitability and loyalty. Loyalty derives from customer satisfaction as customers become loyal when they feel satisfied from the quality of the service or products provided by the companies. Furthermore, this study also helps the owner to increase the coffee shop patronage thru accomplishing customer satisfaction and used as guideline for the owner and researchers to enhance customer satisfaction in the future. The threat to an organization success is when dissatisfied customer withdraw for a substitute products or services (Mandina & Karisambudzi, 2016). Once they are able to meet the expectation of the customers, forming a loyal customer relationships and able to achieve customer satisfaction, they will easily gain a greater marketing share (Faraj Aldaihani and Ali, 2018). The formation of customer satisfaction is important as it can generate plenty benefits which includes providing a good basis for the repurchase intention and the creation of customer loyalty. In addition, the main drivers of a firm success are customer loyalty, profitability and with consumer’s great loyalty to the services provide by a firm will cause further spending from repurchase (Sandada & Matibiri, 2016). Krom (2015) mentioned that those loyal consumers are constantly purchase the same products or services because they will think that rival products or services will not able to provide them same satisfactions. Practically, this research can offer

various insights into the important role of local premium coffee shop service quality, beverage quality and image on customer satisfaction in academia.

RESEARCH OBJECTIVES

RO1 - To determine whether the service quality has a significant relationship with customer satisfaction with Malaysian coffee shop in Klang Valley.

RO2 - To determine whether the coffee bean (product) quality has a significant relationship with customer satisfaction with Malaysian coffee shop in Klang Valley.

SIGNIFICANCE OF STUDY

Coffee shops have certainly never been out-of-style as the culture of coffee drinking is increasing from year to year and became focus to the world of coffee industry. According to the International Coffee Organization (2014), the consumption has increased over the last 50 years, the global coffee exports are amounting to 11.6 million bags in May 2019, as compared with 9.71 million bags in May 2018. Urbanisation and busy lifestyles is one of the reason that caused the rising of coffee consumption in Malaysia. In Malaysia, coffee drinking culture has been deeply deep-rooted among Malaysians for generations i.e. Old-style Hainanese coffee shops “kopitiam”, and Malay Indian restaurants, known as “mamaks”, reflect the strong Malaysian coffee drinking culture. The culture of consuming foreign coffee happen due to the influence of foreign residents that who reside and work in Malaysia in 2012 (Goi, 2013). Foreign café culture has notably changed and moulded the coffee shop culture in Malaysia.

Additionally, the increasing purchasing power and refined taste of consumers has caused to an obvious trend in the consumption of premium coffee. The diversity of players in the coffee chain sector has thus become graspingly deepened. Therefore, the coffee operators must able to understand the demands of customers with different attributes and able to form different operational strategies and satisfying service quality in accordance to consumers’ expectations in order to attract more customers and gain more profits (Chung, Chen and Lin, 2018). Besides, satisfied customers who return to the coffee shop cost less, in terms of advertising fees. Therefore, in order to understand customer satisfaction, the marketer must study all the influencing factors so that they are able to compete with the competitors.

Overall, the main objective of this research is to study the attributes related to customer satisfaction with local premium coffee shop in Klang Valley. Customers are the main factor of the company growth and development on the marketplace. Therefore, the firms need to provide terms that is valuable to their customers that will able to satisfy their needs in order to face competition. This satisfaction not just includes the emotional state allied during the purchasing process, but also included the before and after purchase feeling (Biesok and Wyród-Wróbel, 2011). A massive literature shows that customer satisfaction is a crucial element of the service business because it may be cause to positive business outcomes i.e. increase of sales figure and customer loyalty (Lee, Moon & Song, 2018). Customer satisfaction level is becoming the main causes of coffee shops to increase the market share. Hence, in order to increase the customer revisit intention, business owner should identify and fulfil the customer's needs and satisfy them. Business owner must take note on every possible factors that able to growth customer satisfaction into consideration. In this research, four independent variables (ambience, location, service quality, and coffee quality of the coffee shop) that could affect coffee consumers' satisfaction were selected. In brief, customer experience is a main factor to influence customers' grading of satisfaction and patronising local premium coffee shop in coffee culture today. Besides, the relationship between customer satisfaction and customer loyalty was also observed given the rich evidence from previous research (Han & Hyun, 2017; Kim et al., 2015).

FRAMEWORK

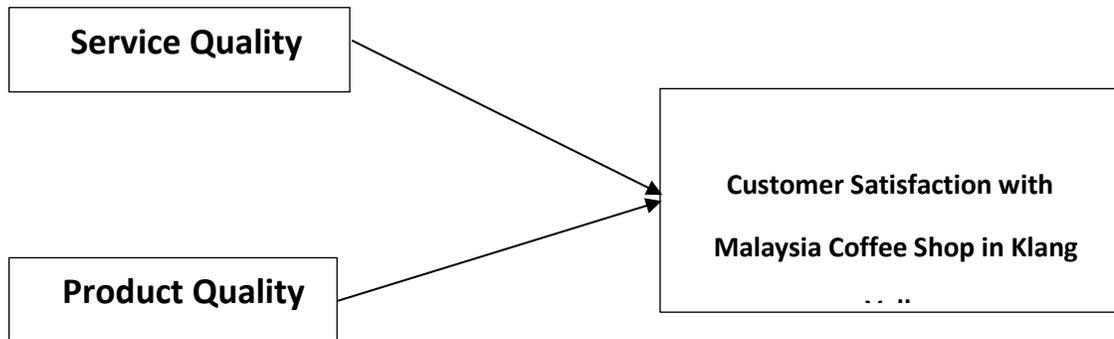


Figure 1. SERVQUAL Model. (Source: Adapted from SERVQUAL model (Parasuraman et al., 1988))

The Conception framework has been designed to evaluate the customer satisfaction with local premium coffee shop by three factors. The above framework shows how variables such as service quality, coffee quality and ambiance affecting the customer satisfaction.

LITERATURE REVIEW

Coffee Culture Existence in Malaysia

In Malaysia, a traditionally tea-drinking country, coffee drinking culture has turn out to be popular, especially among the young and the professionals (Lee, 2014a, 2014b). In Malaysia, coffee drinking culture has adopted from the entrances of branded retails outlet such as Coffee Bean and Starbucks since 1997. Thereon, local coffee culture has started to grow, starts by commercializing “kopitiam” and branding of local coffee shops to progression services by not only selling product but also started to look into implementation of technology as part of the marketing plans to attract younger generations.

In America, coffee shops has started to appear since 1950s-1960s and it's brought by the Italian-American immigrant community and with the appearance of Starbucks, it has make the concept popular by impending their own way of retailing standardized café. After Starbucks enter United States of America, they have expand their concept globally. Malaysia has been one of the locations starting in the year 1998 and Starbucks has brought in the social changes in local scene. Malaysian coffee culture is unlike European coffee culture as which Malaysian are more open to tea as main beverage rather than coffee. Through British colonization that bring in their social culture into the colonial country. In Malaysia, local coffee shops have started since 1900's and it has become the gathering points for the local to share thoughts and having conversation elsewhere than home. This new lifestyle has caused unexpected changes in the food and beverage industry resulting in branded “Kopitiam” growing and people becoming more demanding for greater service.

As seen, currently Malaysian coffee culture is not only open up as small stalls but it has also started to develop into café concept, by carrying their own brand name. Coffee Bean and Starbucks has inspired those local “kopitiam” in Malaysia, which they started re-branding their concept by changing their corporate design and interior design, upgrading their services and created a “third place” feeling. According to Euromonitor International, urban and young

consumers, specifically millennials, middle- and high-income professionals are more willing to patronise specialist coffee shops to enjoy freshly brewed coffee (Friend, 2016). Specialty coffee refers to “gourmet coffee made from exceptional beans grown in ideal coffee-producing climates. They tend to feature distinctive flavours, shaped by the unique characteristics of the soil that produces them” (Merwe & Maree, 2016).

Attributes in Customer Satisfaction

A more extensive and comprehensive research is more reliable in accessing customer’s coffee shop experience than just focus on only product or service level approach. According to practical viewpoint, the results obtained from the attribute – level assessment would be more obliging for the coffee shop business owner to understand their customers’ needs. Besides, attribute levels can be measure in both tangible and intangible characteristics of the purchase experience. The key attributes that been assessed in these researches can be divided into three main groups which included product – related attributes (e.g. coffee quality, coffee selection, coffee presentation and pricing), service –related attributes (e.g. speed of servicing, employee’s friendliness and etc.).

Service Quality

Services can be understand as the actions or welfares that the business owner offered promotion period is intangibles (Gupta, McDaniel, and Kanthi, 2016). There are few previous researcher had studies about the relationship between customer satisfaction and service quality (Valarie, Zeithml, and Leonard, 2016). According to Saulina and Syah (2018), food and beverage companies in service industry must not only focus on the product quality but also must considered the service quality presented to customer.

According to Fitzgerald and Chapman (2015), service quality can be measure thru the service performance that able to satisfy customer needs and expectations. According to Saneva and Chortoseva (2018), able to provide superb service quality in the hospitality industry and achieving a high level of customer satisfaction is a significant matter to maintain the existing facilities and the opportunity to improve the service quality. In the field of coffee shop, service quality is one of the attributes that often used by customers to access the quality of the coffee shop (Saulina and Syah, 2018). Moreover, customers may seek for other suitable options when the service provided doesn’t meet their expectations

therefore having a good service quality is important for a restaurant's overall performance, and restaurant owner must put effort to identify what determines it (Mhlanga, 2018).

According to Saulina and Syah (2018), a good service quality will be able to increase customer satisfaction. Vinit Dani (2014) has stated that in this competitive environment, able to deliver great quality service is the main objective to withstand in the mind of the customer or else customer will change his preferences. Besides, Yarahmadi, Mollahosseini and Forghani (2014) also agreed that providing a decent service quality is the key factor to satisfy the customers and increase the customer repurchase intention. According to SERVQUAL scale as suggested by Parasuraman et al. (1988), service quality includes 5 dimensions which are responsiveness, tangibles, reliability, empathy and assurance. The SERVQUAL model can be utilize to examine the service process and provide basic facts to the organization owner to improvise the service quality (Johnson and Mathews, 2016). Njite et al. (2015) have also confirmed that there is a positive effect of service quality on customer intentions in premium dining among all dimensions.

SERVQUAL MODEL

SERVQUAL is emerging from Total Quality Management (TQM) theory and was created in 1988 by Parasuraman et al. (1985). According to Mill (2002), this model is one of the best mechanism to explain customer satisfaction in hospitality and tourism. In the service literature, service quality is well-defined as a consequences of customer's personal judgement from their comparison between perceived performance and expectations from the service provider and it is the most widely used by researchers to measure customer expectations and perceptions on service quality (Parasuraman et al., 1988). It include of five major dimensions of service quality such as reliability, tangible, assurance, empathy and responsiveness. According to Carman (2012), the level of service quality hinge on the different between customer perception and their expectation. Hence, customer expectation is important and the key to fit customer satisfaction is to exceed their expectation (LeBlanc, 2012). Later, Stevens et al., (1995) modified the SERVQUAL model to become more appropriate for restaurant industry, by altered some items and introduced DINESERV to measure service quality in restaurants. According to Stevens et al., (1995), restaurateurs who fail to meet customer satisfaction will soon face a decline on the customer

patronising their coffee shop as they will switch to opposing restaurants. DINESERV suggested as a reliable, comparatively simple tool to determine how consumers view on a restaurant's quality.

SERVICE QUALITY

When Parasuraman (1985) developed the model there were only five service qualities, namely, Tangibility, Reliability, Responsiveness, Empathy and Assurance. Later there were several attributes added to this service dimension to satisfy the customer. Primarily they involve credibility, communication, competence, courtesy, security, access and understanding the customer. These are now added to the original dimensions such as tangibles and responsiveness. The empathy and the assurance are now gone to the background and the communication and understanding the customer are discussed in the forefront. In addition, to satisfy the customer, good quality products are served to the taste of the customer. To provide the taste, the coffee beans are procured by the Malaysian coffee shops directly and to care of these service dimensions.

PRODUCT QUALITY (BEANS)

Nowadays, customer will give emphasis to on food quality as an important element to satisfy customers (Rozekhi, Hussin and Siddiqe et.al, 2016). Customer will willing to pay for a good product, therefore product is very important to be detect by a company, (Setya and Soni, 2018). According to Sulek and Hensley (2004), instead of looking into the service quality and ambience, food quality is the one of the important predictors of customer satisfaction. According to Delwiche, 2004; Namkung et.al. (2007), food or coffee bean attributes such as presentation and freshness are the important sensory components that related with the factors such as taste, sight and smell in food quality. According to Haverila and Fehr (2016), if the product quality go beyond their standards, customers will be satisfied and customers will be dissatisfied when the product quality is below their standards. According to Grinshpun (2013), coffee is a product that has allied with foreign culture. Coffee quality is link to coffee product features, which particularly coffee freshness, taste, smoothness, temperature and the coffee aroma (Lee, Rajaratnam, and Konar, 2018).

Coffee quality is an important attribute in customer satisfaction (Tan and Lo, 2008; Chen and Hu, 2010). Coffee is the main product served in coffee house just like food is regard as the main product in restaurants (Lee, et.al. 2018).

According to Shahzadi, Malik, and Ahmad, et.al. (2018), food quality is one of the most significant attribute that customers' considered in a restaurant perspective. Therefore, according to Lee, et.al. (2018), it is vital that coffee house operators constantly retain a high standard of coffee-related products through sourcing for high-quality coffee beans with reasonable pricing, hiring and training baristas with the right people and technical skills, as well as able to provide customised coffee beverages based on customers' preferences as this can help to retain their loyalty and patronage. Besides, Ko and Su (2015) had categorized the key factors of the food service quality into two classes of dimensions as associated with customers and products. The consumer category contained service quality, promotion, marketing and environment while the goods category contained of hygiene, safety, culinary arts and attractiveness of products. To maintain quality the coffee shops in Malaysia buy coffee beans directly from shops, roast them at the temperature and powder them. The instant coffees, filter coffees provided in the other countries contain an ingredient called chicory which is mixed with the coffee powder in different proportions to change the taste. This chicory powder is not good for health. Hence to make sure that chicory is not mixed and to maintain quality pure coffee beans are used in coffee powder. This ensures quality.

METHODOLOGY

Research Methodology

The research methodology has been included in this part. The research design plays an important role in the research process. Hence, firstly summary of research designed, then follow by the sampling method and analysis methodology in order to make sure that the analysis tools, questions designed and methodical theory are connected with one another and relevant to this research. Besides, in this chapter, the target population and unit analysis to test validity and reliability are included.

Demographic Analysis

In this section, a descriptive analysis on the respondent's demographic background is conducting on the 180 respondents, and presented as below:

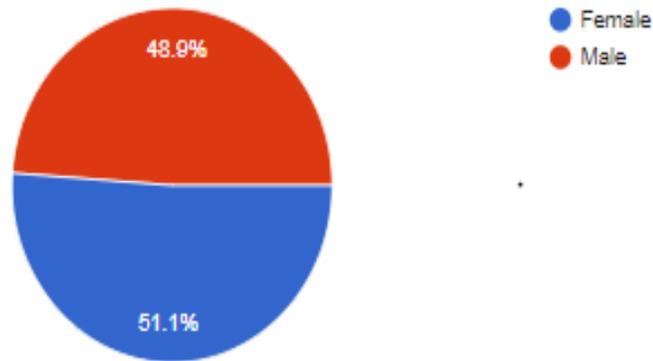


Figure 1. Gender distribution

Based on Figure 4.1, it is stating that 51.1% is 92 out of 180 respondents are females who being participated in this survey session. Meanwhile, there is 48.9% which is 88 out of 180 respondents are male. The respondents are from the adolescent staying at Klang Valley by distributing the online survey via Google form and analyzes the date.

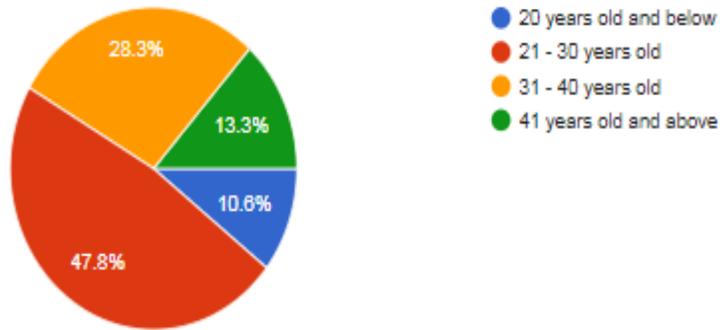


Figure 2. Age distribution

Among 180 respondents being gathered, it is stating that 47.8% of which is 86 out of 180 respondents are aged between 21-30 years old and it is stating as the highest quantity as most of the respondents are from that particular age range. The following age range is 31-40 years old with the percentage of 28.3% is 51 out of 180 respondents. There are 24 out of 180 respondents are from 41 years old and above with the percentage of 13.3%. Lastly, there also 10.6% of the respondents aged below 20years old have participated the survey as well.

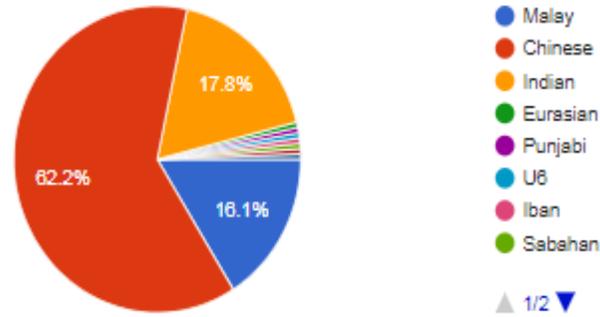


Figure 3. Race

According to the Figure 4.3 above, the three main races that participate in this research surveys are Malay, Chinese and Indian. The highest are 62.2% which 112 out of 180 respondents are Chinese. Then follow 17.8% is 32 out of 180 respondents are Indian. Next, the total of 29 out of 180 which 16.1% of respondents are Malay. Then, the remaining are other races such as Eurasian, Punjabi, Sabahan, Iban, Indonesian, Chindian and etc.

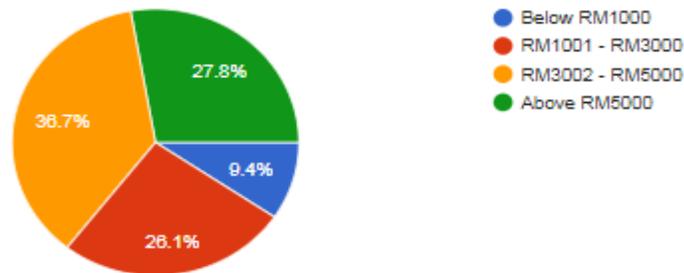


Figure 4. Income Level

According to the Figure 4 above, the respondents are categorizing into different income level. There is highest of 36.7% 66 out of 180 respondents who participated in this survey are earning between RM3001 – RM5000 income level. Then follow by 27.8% is 50 out of 180 respondents are earning above RM5000 income level. The 47 respondents out of 180 is 26.1% of respondents are earning between RM1001 – RM3000 income level. Then, the remaining respondent are earning below RM1000 income level.

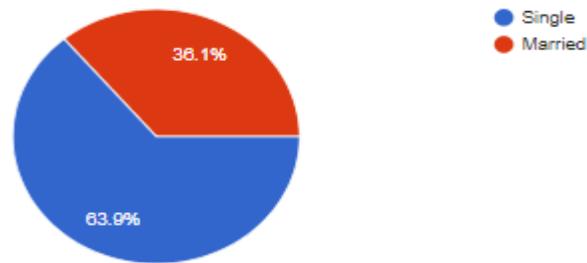


Figure 5. Marital Status

Based on Figure 5, it is stated that 63.9% is 115 out of 180 respondents are single who being participated in this survey session. Meanwhile, there is 36.1% is 65 out of 180 respondents are married. The sample for this survey approaching the adolescent staying at Klang Valley by distributing the online survey via Google form and analyzes the date.

Table 1. Descriptive Statistics

	Mean	Std. Deviation	N
Customer Satisfaction	18.3389	2.33066	180
Service Quality	13.5556	1.99223	180
Product Quality	13.6333	1.73334	180

Descriptive Statistics of the Variables

Descriptive statistics of the variables consist of customer satisfaction, service quality and product quality (coffee bean quality).

The above Table 1 shows the descriptive statistics of dependent and independent variables in this study. Descriptive statistics summarize a given set of data that represents the entire population or a sample of it. Therefore, descriptive statistics are broken down into measures of central tendencies that include mean, standard deviation, minimum and maximum of dependent and independent variables. In short, it helps to describe variability and provide an understanding into the features of a specific data set by giving short summaries about the sample and measures of the data. The descriptive statistics in mean, standard deviation and the number of respondents (n) are show in the combined data. The lowest mean was under service quality dimension with 13.5. It showed

that this independent dimension considered important among the customers in local premium coffee shop in Klang Valley. The lowest standard deviation was under satisfied in product quality variable with a score of 1.73.

Mean implies average and the sum of a set of data divided by the number of data. Mean can prove to be an effective tool when comparing different sets of data but the measurement might not accurate by the impact of extreme values. Ordinal data are rate according to a category where a higher score indicates a higher or better rank than a lower score. Ordinal data are frequently use in questionnaires that ask respondents to indicate preference. The final information is relative and the difference between the ranks is not equal. For example, in response to a question regarding the flavor of a new blend of coffee a score of ten implies a better taste than a score of one but it does not mean that the flavor is ten times as good. In this study, lowest mean is 13.5 for service quality. Standard deviation is a measure of the dispersion of a set of data from its mean, calculated as the square root of variance to determine the differences between each data to the mean. If the data points are of huge difference from the mean, then there is higher deviation within the data set. Therefore, standard deviation is a “standard” way of knowing what is normal, extra large or small. As an example, standard deviation in finance applied to the annual rate of return for investment. The greater of standard deviation indicates a larger price range. The lowest standard deviation is with satisfied with product quality with scaling of 1.7.

Multiple Regression Analysis

Table 2. Model summary

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.888 ^a	.789	.784	1.08248	.789	163.699	4	175	.000

a. Predictors: (Constant), Location, Product Quality, Service Quality, Environment

As shown in Table 4.38, a multiple regression analysis was conducted which achieved an R² value of 0.789 with a correlation, R of 0.888. This means that approximately 7.9 per cent of variance in customer satisfaction has been explained by the three independent variables used in this research study. The remaining 92.1 per cent variations could be explained by other factors that have not been considered in this study. Based on the

findings, it can be assumed that the model in this research demonstrates a positive weak relationship between customer satisfaction and the two independent variables. Based on Table 2, the ANOVA analysis proves that the regression model is significant at $p < 0.05$.

Table 3. ANOVA

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	767.268	4	191.817	163.699	.000 ^a
	Residual	205.060	175	1.172		
	Total	972.328	179			

a. Predictors: (Constant), Location, Product Quality, Service Quality, Environment

b. Dependent Variable: Customer Satisfaction

Based on the findings, it can be assumed that the model in this research demonstrates a positive weak relationship between customer satisfaction and the four independent variables. Based on Table 3, the ANOVA analysis proves that the regression model is significant at $p < 0.05$.

Table 4. Regression analysis

Model	Unstandardized Coefficient		Standardized Coefficients	t	Sig	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
Constant	1.962	.685					
Service Quality	.426	.072	.364	5.875	.000	.314	3.183
Product Quality	.788	.083	.566	9.481	.000	.315	3.170

Dependent variable customer satisfaction

Subsequent to the multiple regression assumption, the next step is to observe the regression outcome that is depicted in Table 4. Based on the table, only two variables, which are service quality and product quality, $p=0.000$, has a significant relationship with customer satisfaction.

Table 2. Hypothesis Status

No	Hypothesis	Status
H1	Service quality has a significant relationship with customer satisfaction with Malaysian coffee shop in Klang Valley	Accepted
H2	Product quality has a significant relationship with customer satisfaction with Malaysian coffee shop in Klang Valley	Accepted

DISCUSSION OF FINDINGS

The main objective of this study is to identify whether the two attributes (product quality and services quality of the coffee shop) has a significant relationship with customer satisfaction in Malaysia coffee shop in Klang Valley. The two independent variables that were included in this research study were product (coffee) quality and service quality of the coffee shop. As mentioned earlier, two hypotheses are creating to answer the research questions and to generate the research objectives. Total numbers of 180 respondents to online questionnaire were obtaining from patron in café Klang Valley.

Hypothesis 1: Service quality has a significant relationship with customer satisfaction with Malaysian coffee shop in Klang Valley.

Hypothesis 1 focuses on examining the relationship between customer satisfactions towards the service quality provided by Malaysian coffee shop in Klang Valley. In order to determine the acceptance of this hypothesis, a multiple regression analysis was conducting and the results were analyzing.

Hypothesis testing indicated that there was a significant relationship between customer satisfactions towards the service quality provided by Malaysian coffee shop in Klang Valley. Therefore, the hypothesis was accepted. The hypothesis is prove by Saulina and Syah (2018) whereby a good service quality will able to increase customer satisfaction. Vinit Dani (2014) also mentioned that in this competitive environment, able to deliver great quality service is the main objective to withstand in the mind of the customer or else they will easily change his preferences.

Hypothesis 2: – Food (coffee bean) quality has a significant relationship with customer satisfaction with Malaysian coffee shop in Klang Valley.

Hypothesis 2 focuses on examining the relationship between customer satisfactions towards the food quality provided by Malaysian coffee shop in Klang Valley. In order to determine the acceptance of this hypothesis, a multiple regression analysis is conducting and the results are analyze. Hypothesis testing indicated that there was a significant relationship between customer satisfactions towards the food quality provided by Malaysian coffee shop in Klang Valley. Hence, the hypothesis was accepted.

Lee, et.al. (2018) supported the research results by stating that it is important for a coffee house operators' to constantly retain a high standard of coffee-related products through sourcing for high-quality coffee beans with reasonable pricing, hiring and training baristas with the right people and technical skills. This to provide customized coffee beverages based on customers' preferences as this can help to retain their loyalty and patronage.

CONTRIBUTION TO THE INDUSTRY

This study can provide a better understanding on customer satisfaction on local coffee players in the coffee shop sector. The findings of this research will enhance the coffee shop sector business owner to have an understanding on what are the attributes that could influences customer satisfaction' as currently there is a rapid growth of food service industry, particularly in coffee shop market. The coffee shop operators are facing challenges in detecting the factors that might jeopardize consumer satisfaction towards their coffee shop. Thus, it is important for business owners to have better understanding and knowledge on elements that actually influence customer satisfaction. For example, this study found that the three independent variables has a significant relationship towards customer satisfaction on coffee shop sector, therefore, a more precise area they can focus in order to increase their profit through customer satisfaction had been identified. Through understanding the factors that will affects customer satisfaction, they can having a better planning and come out with sensible business strategies to meet and satisfy the customer expectation. Besides, after obtaining valuable data in understanding their target customers, they can gain competitive advantage to fight with their competitors. Although some of the coffee shop are being stable, they still have to maintain their position and retain their customers and gain loyalty by making them as satisfied as possible. If

customers are satisfied with the coffee shop, they will loyal to it and willing to visit again and refer the coffee shop to other people with positive word of mouth.

CONTRIBUTION TO THE INDUSTRY

This study can provide a better understanding on customer satisfaction on local coffee players in the coffee shop sector. The findings of this research will enhance the coffee shop sector business owner to have an understanding on what are the attributes that could influences customer satisfaction' as currently there is a rapid growth of food service industry, particularly in coffee shop market. The coffee shop operators are facing challenges in detecting the factors that might jeopardize consumer satisfaction towards their coffee shop. Thus, it is important for business owners to have better understanding and knowledge on elements that actually influence customer satisfaction. For example, this study found that the two independent variables has a significant relationship towards customer satisfaction on coffee shop sector, therefore, a more precise area they can focus in order to increase their profit through customer satisfaction had been identified. Through understanding the factors that will affects customer satisfaction, they can having a better planning and come out with sensible business strategies to meet and satisfy the customer expectation.

LIMITATIONS OF THIS STUDY

Future researchers could explore the relationship between factors that might affect customer satisfaction such as pricing and halal issues or deep dive in this construct to give better understanding regarding customer satisfaction with local premium coffee shop in Klang Valley, Malaysia.

CONCLUSION

The main objective of this study is to identify whether the three variables (product quality, services quality and ambience of the coffee shop) has a significant relationship with customer satisfaction with Malaysia coffee shop in Klang Valley.

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