

**IMPACT OF SERVICE QUALITY ON CUSTOMER  
SATISFACTION FOR LOCAL PREMIUM  
BRAND COFFEE SHOP IN BANGKOK**



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Premium Brand Coffee Shop in Bangkok

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### **ABSTRACT**

Coffee is one of the most popular drinks for Thai people in present, which has been recognized as a part of their life in all regions of Thailand. In addition, there is an increase of coffee shop business pathway in Thai retail market, according to Miller (2012). Thus, a lot of coffee shops proliferated by investors in developed provinces, especially urban area. The investment drives the trend of Thai coffee business pathway upward successively. In this research, the researcher will investigate, collect data, summarize and interpret the result in order to find out how the factor of service quality affects customer satisfaction of local coffee shops in Bangkok.

The research has studied the impact of service quality on customer satisfaction and also reviewed from the past until current literatures regarding to how does service quality (SERVQUAL) impact customer satisfaction in coffee shops by using 5 major factors estimation: Tangibles, Reliability, Assurance, Responsiveness and Empathy (Parasuraman et al 1988). The Questionnaire will collect data from 428 respondents, either Thai people or foreigners, who always visit coffee shops in Bangkok.

According to the research, this is a good opportunity to learn how to run a coffee shop business and to be a successful investor. The owner could understand how to reach customer satisfaction and generate the highest profit. Moreover, the knowledge expressed in this research, how to maintain and develop the brand image, would be adapted to all coffee branches in Thailand.

**Keywords:** Service Quality, Customer Satisfaction



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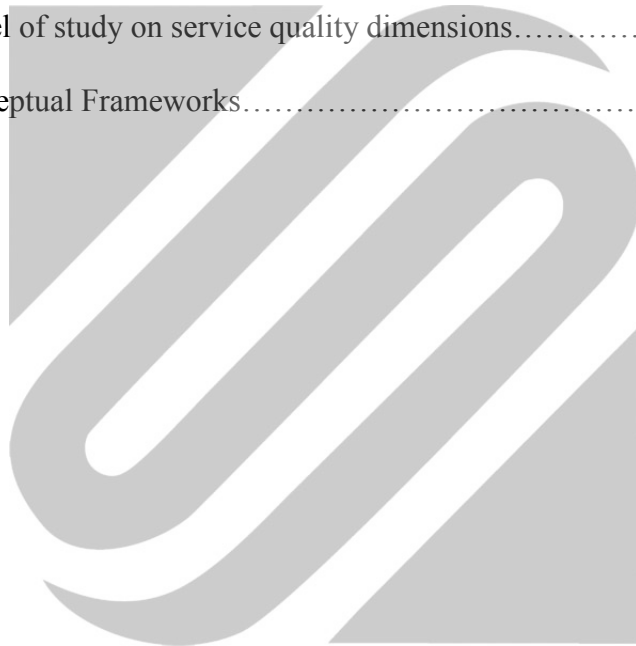
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# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 Introduction of the Study**

Many leading companies in the world could increase the number of their customer from the trust or satisfaction of their products or services. The company must keep the standard of quality and adapt their strategies to enter different countries or demographics to become an international company (International-business-center 2012). Service Quality is the main factor, which is related to customer satisfaction, and it is critical to every company to develop their marketing strategies and be the leader in their industry (Hong and Victor 2009).

Chapter 1 of this thesis demonstrates the research questions and the purposes. It will start with research objectives and research questions. Moreover, this chapter describes background of coffee, and then will talk about overview of coffee industry, after that will focus on coffee business in Thailand, current coffee market in Thailand, brand share in Thailand. In addition, it will describe consideration of research, statement of problem, research objectives, scope of research, limitation of research, significant of the study, and finally definitions of terms. Chapter 2 explains the literature reviews which is involved in the topic of the thesis. Also, it links literature review and this research. Chapter 3 shows about research design and methodology. Chapter 4 shows the results from questionnaires by using Data Analysis program and customer comments, which can explain the feedback from respondents who involve



in this question. Then, there will be an analysis and an interpretation of data. Last chapter illustrates the conclusion and recommendations from data from chapter 4.

### **1.1.1 Background**

Coffee is a choice of drink for people all over the world. Coffee becomes a part of their life for many reasons: a refresher factor during working hours, a drink for social period with friends and family, many customers are addictive to the intense aroma of coffee, or even a beverage to start up the day. Since coffee drinking has become popular vastly, a lot of coffee shops have grown quickly around Thailand, especially in the big cities. This pushes the trend of the coffee business in Thailand upward continuously.

For this research, the researcher would study on five dimensions of service quality by following Tangibles, Reliability, Assurance, Responsiveness and Empathy (They are known as SERVQUAL), and the relationship of these factors have toward overall customer satisfaction (Bitner and Hubbert 1994). SERVQUAL is the scale to measure customers' expectations in relationship between service and perception to clarify that a service has been performed (Parasuraman *et al.* 1988).

Finally, in this research would find that all dimensions of service quality have an impact on customer satisfaction of local brand coffee in Bangkok. The research will test and distribute questionnaire to 428 respondents who are coffee's drinkers in Bangkok, both Thai and Non-Thai nationality. The detail of each factor will be show and discussed based on the conceptual framework in chapter 1 and all factors can prove themselves after survey.



### **1.1.2 Overview of the Coffee Industry**

Coffee is one of the most popular beverages consumed worldwide. With its botanical roots in Kenya and neighboring regions, coffee (a form of cherry) has spread around the world, primarily being grown in mountainous regions (Vega, 2008). It was initially introduced to Europe during the 1500s, and has from the beginning been primarily consumed in coffee shops and other meeting places as well as in the home (Vega, 2008). Coffee, with an international commodity-trading figure of around 44.8 billion pounds per year, is second in international trade only to petroleum products (Vega, 2008). The largest producers of coffee include Brazil, Vietnam, and Colombia (Vega, 2008). Increasingly, coffee production is oriented toward specialty markets, such as organic, fair trade, and single origin markets (West, 2010). These specialty markets often have a direct connection to the coffee service market, which includes coffee shops, stalls, and other service points (West, 2010). However, the choice of home coffee or coffee from a service location, as well as the choice of specialty or commodity coffee, is often a generational choice (West, 2010).

Understanding the international coffee market is complex because coffee service is an issue that varies substantially based on location. One of the largest worldwide competitors in the coffee shop market is Starbucks Coffee, an international chain from the United States that has thousands of stores worldwide (Tu, Wang, & Chang, 2012). However, Starbucks and other international chains often face fierce competition from domestic chains (such as 85.C CafeÅL, the chain studied by Tu et al (2012) in Taiwan). Coffee shops are generally highly dependent on repeat customers, and need to have a strong customer loyalty base and brand in order to



generate continuing patronage (Tu et al, 2012). Regardless, there is a rapidly growing the coffee market for hot coffee consumption (served from all locations) (Euromonitor, 2012a). The hot coffee market is expected to grow from 18,047 million pounds in 2011 to 32,502 million pounds in 2016 (an increase of approximately 3.2% per year) (Euromonitor, 2012a). Coffee also represents approximately 40% of hot drinks sold worldwide (Euromonitor, 2012a). Thus, the coffee market around the world is growing at a healthy pace, although there are a large number of competitors in almost every market and in many cases markets are saturated (Tu et al, 2012).

### **1.1.3 Coffee Business in Thailand**

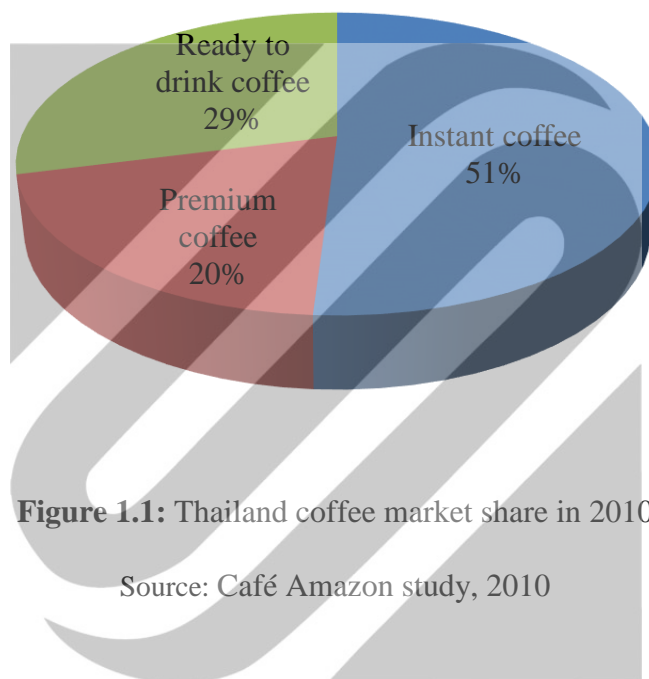
Coffee has been growing tremendously in Thailand for many years, but the industry began to change since in the 1960s. Thailand imports coffee eight times more than exports. Thailand produces both Arabica and Robusta coffee beans, but 99% producing capacity is Robusta.

The coffee business has been continuous rising in Thailand since the last decade, so there have been many new coffee shops springing up in Thailand. The coffee market in Thailand was approximately 32 billion Baht in 2010. It can be categorized into 3 sectors: instant coffee; premium coffee; and ready to drink coffee. The market shares of the instant coffee, ready to drink coffee, and premium coffee are 51%, 29% and 20%, respectively (Figure 1.1). The forecast of premium coffee growth rate in 2011 is 7%, which is equal to the growth rate of the overall coffee market. The overall coffee market tends to develop especially in the premium sector, although the instant coffee and the ready to drink coffee earn the higher market share. The



premium coffee market is valued at 6.5 billion Baht. This growth would be the result from the customer behavior has changed. They tend to drink the quality coffee and overseas style.

### Thailand Coffee Market Share in 2010



**Figure 1.1:** Thailand coffee market share in 2010

Source: Café Amazon study, 2010

The study of Café Amazon in 2010 found that the premium coffee's market is growing again, even if facing with a volatile political situation or the slowdown of the real estate. However, the amount of premium coffee can also grow up by branching. Premium coffee in Thailand is now popping up in many locations such as department stores, office buildings, universities or even gas stations. The coffee consumption in Thailand is approximately 0.5 kg per capita.



#### **1.1.4. Coffee parlor in Thailand**

Over years, coffee drinking has been changed. The competition in this era is expected to increase with the expansion in some sectors of the coffee market. This growth can lead the coffee chains, both internationally and domestically to start the location war. Moreover, the coffee chains will expand their target markets to attract younger customers. In the past, the target markets of the coffee were working adults, but now the coffee chains find the opportunity in the 18 – to – 25 year – old customers.

Coffee shop distribution channels depend on the target market. There are many types of shop layouts for this era.

1. Standalone coffee shop: The standalone coffee is located in many areas e.g. shopping centers, department stores, discount stores, office buildings, or even gas stations.

2. Quick restaurant: Quick restaurant expand its market to serve the family and offers the services as the restaurant for example, Blue Cup Coffee in S&P Restaurant.

3. Coffee corner and snack bar: This type will focus on selling coffee along with some snacks such as sandwiches, baked goods. It can be located in office building to serve its niche market.

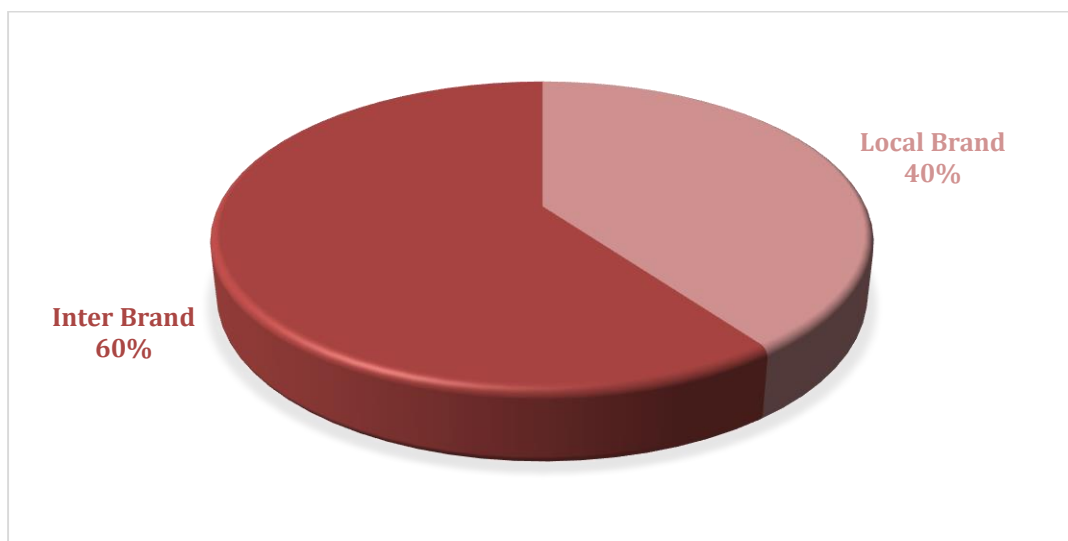
4. Corner, kiosk & mini-café: This type of coffee shop will focus on selling fresh-brewed coffee and other drinks such as tea. Corner, kiosk and mini-café also develop their brands by franchising in many areas such as office building, shopping areas or bazaars.



In the past the coffee parlor in Thailand was a standalone shop. The coffee drinker met and chatted at coffee shops. But now there are some changes in the coffee parlors. In some business areas, the customers cannot sit and drink at the outlet; they are in a hurry and need only coffee. The coffee businesses adapt the business model from the shop to the kiosk with some seats or without seats for drinkers. But there are some who think of a coffee shop not only as a place to drink coffee and met, but they also will relax in the provided ambience and work via the Internet from that coffee shop. In this case, coffee shops need to serve customers in a cozy environment but with technology. There is also another location strategy, which is move the coffee shop to the gas station because the cost is lower than in the shopping malls and can also attract large numbers of customers. The customers can come directly to the coffee shop instead of going to the shopping malls.

## **1.2 Market share of Coffee Industry in Thailand**

### **Market share of coffee shop in 2008-2009**



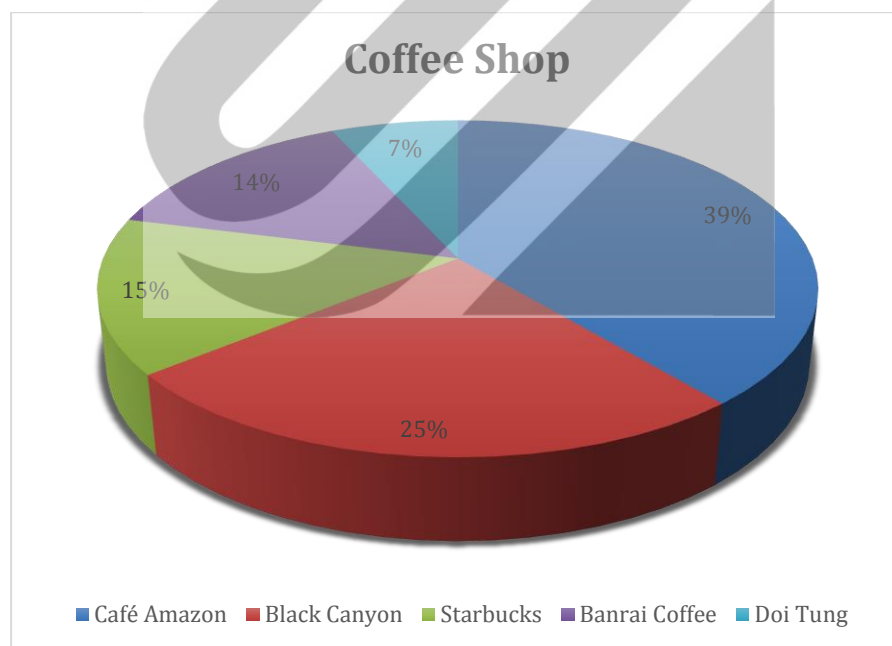


**Figure 1.2** Market share of coffee shop in 2008-2009

Source: Kasikorn research center, 2008

Figure 1.2 shows that there are two types of coffee chains in Thailand. Overseas chains such as Starbucks, UCC, Gloria Jeans, Toms N Toms, whereas domestic chains can be Coffee World, True Coffee, Black Canyon, Café Amazon, Ban Rai etc. Around 60% of the market share belonged to overseas chains, while 40% went to domestic chains.

**Market share of coffee shop in 2011-2012**



**Figure 1.3** Market share of coffee shop in 2011-2012

Source: Marketters Magazine, 2011



Figure 1.3 shows that market share of coffee shop has changed. Café Amazon is the top of market share in 2011-2012. They have 39 %. On the other hands, market share of Starbucks is decreasing, they has only 15%. Moreover, Black canyon has 25%, Banrai coffee has 14% and Doi Tung has 7%.

### **1.3 Consideration of research**

This research is using to give pieces of advice to inter coffee brand by looking at Impact of Service Quality on Customer Satisfaction as Dependent variables. The result will show the impact and the reasons why customers choose local brand instead of inter brand. In addition, the inter brand will be able to use the finding to effectively apply in marketing plan and marketing expansion; it is also useful information for coffee shop entrepreneur as well. Moreover, this research may be a beneficial guide for prospective coffee shop entrepreneurs.

### **1.4 Statement of problem**

Nowadays, the growth of coffee shop in Thailand, especially in Bangkok, is expanding because of the number of people, the number of department store or community mall and because many students or workers spend more time in coffee shop doing business, reading, tutoring and having short meetings. This research will help the premium brand of coffee shop improve their business by focusing on service quality, which is the main factor to affect customer satisfaction. This testing will use the five dimensions of service quality (SQ) to take effect on customer satisfaction for coffee shop in a good way and a bad way. Consequently, this research is investigate for coffee shop in order to be suggestions to run the business as the tables demonstrate



that the coffee consumers' market can continuously grow. If the local coffee shop realizes how consumers make a research to choose its products, it can use the findings to improve their business.

### **1.5 Research objectives**

The Purpose of this research is showing what inter brand coffee shop in Bangkok needs to improve based on service quality and to clarify the strengths and weaknesses to achieve the management strategy. The proposes are:

1. To identify and study how tangible can affect customer satisfaction regarding one of SQ dimensions factors
2. To identify and study how reliability can affect customer satisfaction regarding one of SQ dimensions factors
3. To identify and study how responsiveness can affect customer satisfaction regarding one of SQ dimensions factors
4. To identify and study how assurance can affect customer satisfaction regarding one of SQ dimensions factors
5. To identify and study how empathy can affect customer satisfaction regarding one of SQ dimensions factors

### **1.6 Scope of research**

The research studied that five essential factors have an impact on coffee drinker satisfaction in Bangkok. The five factors of SERVQUAL scale are independent variables. They are Tangibles, Reliability, Assurance, Responsiveness



and Empathy; the dependent variable is Customer Satisfaction. The respondent of this research are customers who consumed coffee shop in Bangkok. From this research, the result would be an advantage for Coffee shop management, especially inter brand in Bangkok, and help their business to be successful. This research focuses on service quality by using five dimension factors SERVQUAL.

### **1.7 Limitations of research**

There are some limitations, first it was a tight period of time to investigate, and second the number of sample size is small compared to population of Bangkok. This study focuses on coffee drinker in Bangkok, however the coffee shop has many branches in many parts of Thailand. Moreover, this study investigates and measure based on only service quality to customer satisfaction but in a real case, coffee shop should study more factors such as ingredient quality, pricing etc. This research is a guideline to develop coffee shop management strategy.

### **1.8 Significant of the study**

The Coffee industry is the relatively modest position of coffee in the Thai market. It is rapidly becoming more important and increasingly relevant on the world stage (Miller, 2012). After studying this research, firstly, it can be an advantage for inter brand coffee shop operational plans directly and related business. Second, it can be a factor for people who want to run a coffee shop business, regarding how to set a new brand or franchise because coffee shops are growing to serve Thai and non-Thais. This is a good opportunity to learn how to succeed in the coffee shop business. The owner can know and understand how to achieve customer satisfaction and



generate the highest benefit because the owner will know the strengths and weaknesses.

## **1.9 Research Framework**

### **1.9.1 Theoretical Framework**

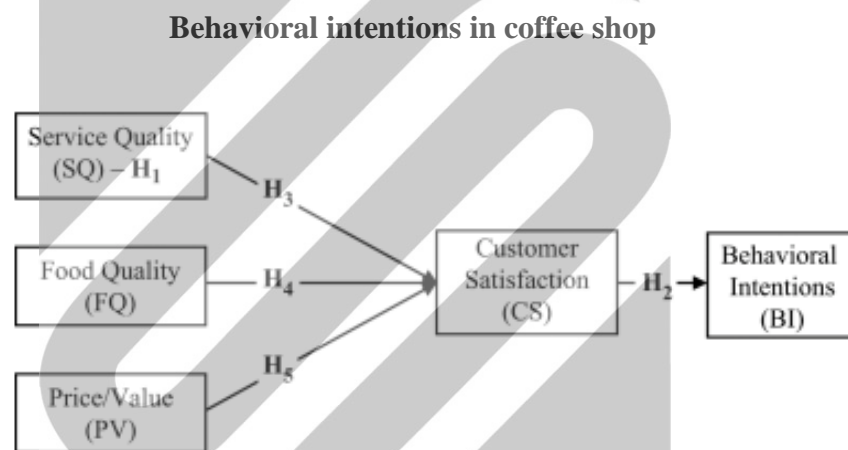
Parasuraman et al., (1988) developed the scale to measure the service quality by developing the SERVQUAL, which is most popular in the service industry and non-service industry. Using 5 factors, which are the tangibles, reliability, assurance, responsiveness and empathy, largely uses SERVQUAL to evaluate the service quality.

From Hong Qin, Victor R, Qilan Zhao (2010) the research topic was perceived service quality in coffee shop: empirical evidence from China. They studied that factors and impact on behavioral intention, the service quality model they used SERVQUAL (5 factors; tangibles, reliability, assurance, responsiveness, empathy) and one additional factor was recoverability. Recoverability is the additional dimension to measure service quality performance (Olorunniwo et al. 2006). They thought self-image was a critical issue in their culture as a successful business is based on a more reliable and intimate relationship with the customer (Hong et al 2010). The next variable was beverage quality, which is one of the important variables to impact to satisfaction within FFRs (John and Howard 1998). Moreover, product quality is also one important reason to approach customer satisfaction (Andaleeb 2006). Pricing, known as Perceived value; is also another influential reason to approach customer satisfaction because its can attract reactions from customers



(Monre 1989). They use these factors to measure customer satisfaction and move forward to the behavioral intention of customers. According to three of the factors, the researcher could explain and draw conceptually below:

### Model of study on service quality dimensions, customer satisfaction and



**Figure 1.4** Model of study on service quality

Source: Hong et al, 2010

From the existing framework, they use each factor make a hypothesis and test effect on behavioral intentions of fast food customers (Hong et al 2010)

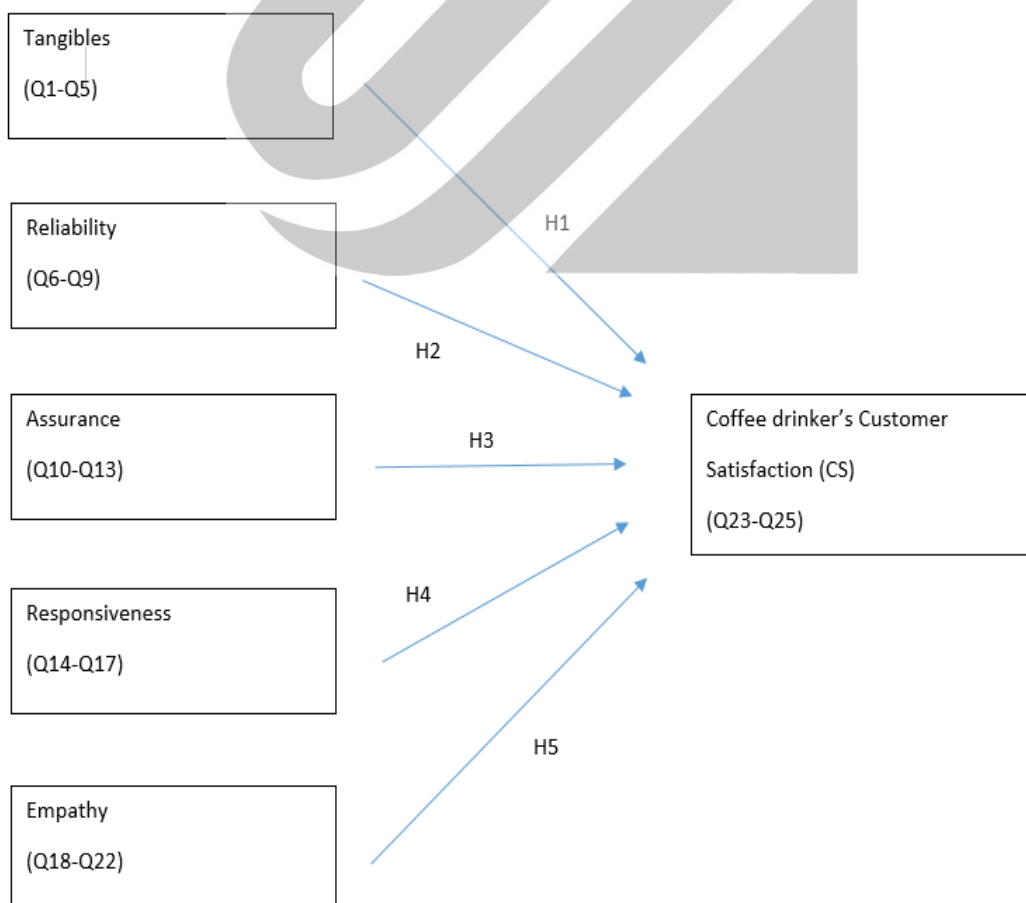
### 1.9.2 Conceptual Framework

This is the theoretical framework of service quality provided by Parasuraman et al., (1985), the researcher adjusted the conceptual framework as follows



## Conceptual Frameworks

### Service Quality (SQ)





**Figure 1.5** Conceptual Framework  
Source: Adapted form Hong et al, 2010

### **1.9.3 Research hypothesis**

The hypotheses study the impact of service quality on customer satisfaction. The testing can measure and evaluate the perception of coffee drinker's customer to local coffee shop's service quality in Bangkok, Thailand.

#### **Tangible**

From Parasuraman, 1991, Tangibles are personal appearance, communication equipment and physical facilities. Many researches give the meaning of tangible as: "tangible is a part of service quality by the presence of people and meeting the service goal as the 3 main rules of service delivery" by Shostack 1987. In addition, Chase and Stewart (1994) launched the framework was "3 T's" which described the tangibles as

- 1) The task to be performed
- 2) The tangible things in the environment and
- 3) The treatment of customer during social exchange with the customer

Some researcher says that tangible is the capability to carry out higher quality physical facilities, high-tech equipment, and a good ability of employees and facilities



of rapid communication, the result is a higher quality of service and customer satisfaction. The researcher hypothesized that:

*H<sub>1</sub> : Tangible, one of SQ dimensions can be the factor that affects overall customer satisfaction*

### **Reliability**

From Parasuraman 1991, he stated, “Reliability is an ability to perform the promised service dependably and accurately”. Nowadays, many businesses emphasize on customer satisfaction and keep a high standard quality to satisfy the customer. It is important in terms of controlling the variability in process metrics. The researcher hypothesized that:

*H<sub>2</sub>: Reliability, one of SQ dimensions can be the factor that affects overall customer satisfaction*

### **Assurance**

The purpose of assurance in order to service quality is that it will ensure that service quality could satisfy the target customers’ requirement. Assurance is acknowledged as the capability to express their trustworthiness and confidence toward experienced, friendly and polite staff, treatment with dignity and respect, and staff explains thoroughly about medical condition (Parasuraman, 1991). The steps to satisfy the customer in a service business are the owners must know and understand



their customers. This way they can create value towards their customers and understand the wants of their customers (can solving some bad situations which are effect to the business) (Pan and Kuo, 2010). The researcher hypothesized that:

*H<sub>3</sub>: Assurance, one of SQ dimensions can be the factor that affects overall customer*

*Satisfaction*

### **Responsiveness**

Many researchers reviewed a lot of studies which related to responsiveness, for example, a performance evaluation has some an equipment to support management to define the actions required to offer customers with products which are greater than competitors. The set of performance measurement, include cost, quality and responsiveness. Responsiveness is the ability of a department within an organization to responded to the changes in customers' requirements and changes of market conditions (Frey 1988)

Parasuraman (1991) stated that responsiveness referred to the willingness to support, help and provide prompt service to the customers. The researcher hypothesized that:

*H<sub>4</sub>: Responsiveness, one of SQ dimensions can be the factor that affects overall customer satisfaction*

### **Empathy**



Parasuraman (1991) stated that empathy is caring and individualized attention to its customer. In this case, the research focuses on coffee shop so, the research will show how to care and understand customers. We hypothesized that:

Empathy is one of the service quality factors that impacts customer satisfaction. Empathy is the element in the service topic, which is referred to as the ability to understand and know the perception of people and how they feel (Varca 2004).

*H<sub>5</sub>: Empathy, one of SQ dimensions can be the factor that affects overall customer satisfaction*

### **1.10 Definitions of Terms**

**SERVQUAL:** Parasuraman et al. (1988) defined that service quality as the gap between customers' expectation of service and their perception of the service experience. It is a generic scale to measure service quality and to find the output relative to customer's satisfaction.

**Tangible:** The physical evidence of staff is including a personality and appearance of personnel, tools, and equipment used to provide the (Parasuraman et al 1988).

**Reliability:** The ability involves performing the promised service dependably and accurately. Doing it right the first time, which is one of the most important service components for customers. (Parasuraman et al 1988).

**Assurance:** Refers to the knowledge and courtesy of employees and their



ability to inspire to work in trust and confidence including competence, courtesy, credibility and security (Parasuraman et al 1988).

**Responsiveness:** The staffs are willing to help customers and provide prompt service to customers such as quick service, professionalism in handling and recovering from mistakes. (Parasuraman et al 1988).

**Empathy:** Refers to the provision of caring and individualized to customers including access, communication and understanding the customer. (Parasuraman et al 1988).

**Customer satisfaction:** As Kotler defined that satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectation. Additionally, Yi (1990) also stated that customer satisfaction is a collective outcome of perception, evaluation and psychological reactions to the consumption experience with a product / service



## **CHAPTER 2**

### **LITERATURE REVIEW**

This chapter reviews the literature in 3 main areas:

- (1) Theories and Concepts
- (2) Related Researches
- (3) Summary table of findings of previous researches

#### **2.1 Theories and concepts**

##### **The Consumer Buying Decision**

Coffee, as with most other goods, is primarily based on a consumer buying decision process. This process is commonly conceptualized as a five-stage process, in which the consumer identifies a need, seeks out information about how that need could be filled, makes a purchase decision, implements the purchase decision, and then evaluates the outcomes of the purchase decision (Kotler, Keller, Brady, Goodman, & Hansen, 2009). However, the degree to which this idealized buying decision model is followed in any particular case depends on the consumer and the circumstances of the purchase. For example, consumers making routine or habitual purchase decisions are likely to skip directly from identifying a need to implementing a purchase decision that they already had in mind (Kotler et al, 2009). There are also a number of other issues that can affect the buying decision other than the simple model presented here.



This purchase decision is commonly made using heuristics (or cognitive habits) that the consumer forms through previous experience; the post-purchase evaluation may only occur if the consumer experiences an unsatisfactory purchase (Kotler et al, 2009). At the same time, however, consumers may use exploratory or experimental buying behavior even in categories where they have existing heuristics, due to a number of reasons including a desire to seek novelty, to find new alternatives to a previous product that is now unavailable or has become unsatisfactory for some reason, or to collect information for another person (Chowdhury, Ratneshwar, & Desai, 2009). For example, individuals may be inclined to be experimental with their purchases, and to buy products with more hedonic (or sensory) value when the purchases are intended for gifts (Chowdhury et al, 2009). This implies that it is not actually possible to describe a single process of the buying decision for all customers and products, as there can be wide variations in how the consumer decision-making process is undertaken and what this process implies for the outcomes (Kotler et al, 2009). One important issue in this case is the issue of choice and its implications for the buying decision. Research suggests that having too many alternatives can actually reduce the efficiency of the buying decision; a consumer faced with too large a set of choices will either not make a buying decision at all, or will make a buying decision based on previous information rather than thorough assessment (Shah & Wolford, 2007). This can include choices like where to buy an item as well as which item to buy from a particular location (Shah & Wolford, 2007). This is important in this case because it directly reflects on the product choices of Wawee as well as its position in regard to competitors; if Wawee is one of too large a number of competitors, or if the firm offers too many product choices, then it is likely that consumers will make less



appropriate buying decisions (Shah & Welford, 2007). Thus, there are complicated aspects to the buying decision that need to be taken into account prior to implementing a marketing plan for a given firm.

A second factor that needs to be considered in the buying decision is the issue of consumer involvement in the purchase. Involvement can be defined as the information that a given consumer puts into the purchase decision (Pride & Farrell, 2011). A high-involvement product is a product that requires substantial information-seeking and alternative sorting by the consumer, due to a high capital outlay, significant social meaning to the purchase, or unfamiliarity with the product characteristics (Pride & Farrell, 2011). For example, buying a house, car, or piece of electronic equipment or jewelry may often be a high-involvement purchase. In contrast, a low involvement purchase is one made without significant information-seeking behavior, such as everyday purchases, impulse purchases, and purchases made using heuristics (habitual purchases) (Pride & Farrell, 2011). The precise dividing line between high-involvement and low involvement purchases can vary; while some purchases are almost always one or the other, there is a wide range in the middle where consumers use a variety of high and low involvement strategies to make the purchase decision (Subhani, Hasan, & Osman, 2012). Because of this, it cannot be presumed that the purchase decision at a coffee shop will be low-involvement, although it is likely that in many cases it will be.



## **Brand Image**

According to Hsieh, Pan, and Setiono (2004), "a successful brand image enables consumers to identify the needs that the brand satisfies and to differentiate the brand from its competitors, and consequently increases the likelihood that consumers will purchase the brand" (p. 252). A company or its product services, which constantly holds a favorable image by the public, would definitely gain a better position in the market, sustainable competitive advantage, and increase market share or performance (Park, Jaworski, & MacInnis, 1986). In addition, several empirical findings have confirmed that a favorable image (i.e. brand, store/retail) will lead to loyalty (e.g. Koo, 2003; Kandampully & Suhartanto, 2000; Nguyen & LeBlanc, 1998), brand equity (Faircloth, Capella, & Alford, 2001; Biel, 1992; Aaker, 1991; Keller, 1993), purchase's behavior (Hsieh et al., 2004) and brand performance (Roth, 1995). Reynolds (1965) noted that "an image is the mental construct developed by the consumer on the basis of a few selected impressions among the flood of the total impressions; it comes into being through a creative process in which these selected impressions are elaborated, embellished, and ordered. Kotler (2001) defined image as "the set of beliefs, ideas, and impression that a person holds regarding an object. On the other hand, Keller (1993) considered brand image as "a set of perceptions about a brand as reflected by brand associations in consumer's memory" (p. 3). A similar definition to Keller's was proposed by Aaker (1991), whereby brand image is referred to as "a set of associations, usually organized in some meaningful way" (p. 109). Biel (1992) however defined brand image as "a cluster of attributes and associations that consumers connect to the brand name. Brand image has been conceptualized and



operationalized in several ways (Reynolds & Gutman, 1984; Faircloth et al., 2001). It has been measured based on attributes (i.e. Koo, 2003; Kandampully & Suhartanto, 2000); brand benefits values (i.e. Hsieh et al., 2004; Roth, 1995; Bhat & Reddy, 1998); or using Malhotra's (1981) brand image scale (i.e. Faircloth et al., 2001). Measuring image based on the above definition would help marketers to identify the strengths and weaknesses of their brand as well as consumers' perceptions toward their product or services. Zooming into Keller's (1993) conceptualization of brand image, it is considered a perception about a brand as reflected by the brand associations held in consumers' memory. He suggested that "brand associations" comprise of brand attributes, brand benefits, and overall brand attitudes. To Keller (1993), attributes are "descriptive features that characterized a product or service – what a consumer thought the product or service is or has and what is involved with its purchase or consumption". Attributes can be classified into product-related attributes and non-product-related attributes (i.e. price, packaging or product appearance information, user and usage imagery). Product-related attributes refer to the ingredients necessary for performing the product or service function sought by consumers while non-product-related attributes refer to the external aspects of the product or services that relate to its purchase or consumption. As for benefits, these are considered "the personal value consumers attach to the product or service attributes – that is, what consumers think the product or service can do for them. Keller (1993) described that this image benefits can be classified into functional, experiential and symbolic benefits, which was originally derived from the work of Park et al. (1986). Here, the functional benefits are related to the intrinsic advantages of product or services consumption and usually correspond to the product related



attributes. For example, experiential benefits refer to "what it felt like to use the product or services and usually correspond to the product related attributes", while symbolic benefits were associated with the underlying needs for social approval or personal expression and outer-directed self-esteem and basically corresponded to non-product related attributes.

For brand attitude, Keller (1993) referred to Wilkie's (1986) definition of brand attitudes which was "consumers' overall evaluations of a brand". Overall, image can generate value in terms of helping customer to process information, differentiating the brand, generating reasons to buy, give positive feelings, and providing a basis for extensions (Aaker, 1991). Creating and maintaining image of the brand is an important part of a firm's marketing program (Roth, 1995) and branding strategy (Keller, 1993; Aaker, 1991). Therefore, it is very important to understand the development of image formation and its consequences such as satisfaction and loyalty. *Stephen L. Sondoh et al.*

## **Satisfaction**

Oliver (1997) defined satisfaction as "the consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment" (p. 13). Szymanski and Henard (2001) noted that previous research on consumer's satisfaction focused primarily on the effects of expectations, disconfirmation of expectations, performance, affect, and equity on satisfaction. The importance of expectations has been acknowledged in previous



studies on customer's satisfaction (e.g. Churchill & Surprenant, 1982; Oliver, 1980; Tse & Wilton, 1988). Customer's expectations are pre-trial beliefs about a product (Olson & Dover, 1979) that function as comparison standards or reference points against which product performance is judged (Oliver, 1980; Bearden & Teel, 1983). The expectancy disconfirmation paradigm suggests that consumers are satisfied when the product perform better than expected (positive disconfirmation), dissatisfied when consumers' expectations exceeded actual product performance (negative disconfirmation), and neutral satisfaction when the product performance matches expectations (zero disconfirmation/confirmation) (Oliver, 1980; Churchill & Surprenant, 1982; Oliver & Sarbo, 1988; Bearden & Teel, 1983). Several researchers have explored different types of alternative comparison standards beside expectations such as experience-based norms (Woodruff, Cadotte, & Jenkins, 1983; Cadotte, Woodruff, & Jenkins, 1987); equity theory (Oliver & Swan, 1989; Tse & Wilton, 1988); desires (Spreng and Olshavsky, 1993), and ideal performance (Tse & Wilton, 1988). All of these aforementioned comparison standards have been tested empirically in customer's satisfaction/ dissatisfaction research. Apart from those comparative standards as antecedents of satisfaction, other researchers have explored with few potential predictors of satisfaction such as product/service quality (e.g. Chiou, Droge, & Hanvani Chi, 2002; Sivadas & Baker-Prewitt, 2000, Bei & Chiao, 2001); perceived value (e.g Yang & Peterson, 2004); service hospitality experiences design (e.g. Pullman & Gross, 2004); consumer relationship benefits (e.g. Reynolds & Beatty, 1999); and retail/store image (Koo, 2003).

For this study, the satisfaction response will be reflected towards the level of affection for the brand which in line and the suggestions by Jacoby and Chestnut



(1978) and Oliver (1997, 1999). Oliver (1999) noted that consumers at the affective stage would develop a positive attitude towards the brand or liking the brand as a result of satisfactory repetitive usage over time.

## **Customer Satisfaction**

The most output of every company that want to achieve with its customers is “Customer Satisfaction”. Customer satisfaction is an important indicator of corporate competitiveness, it has a positive relationship to customer loyalty and profitability (Nai, 2008). Customer Satisfaction is an important perspective for every business in the world. Satisfaction is used as a common marketing benchmark of an organization’s performance, there is an influence to customer to consume product again (Rebekah 2004). The satisfaction is a basic of market concept more than three decades (Caruana and Money 1996) and Erevelss and Young (1992) defined the definition that “satisfaction has been recognized as the central element in the marketing concept”. From the potential of influence on consumer purchase intentions and customer retention, customer satisfaction is the subject of more interest in marketing literature. Since perceptions of satisfaction appear to be impact by pre-existing expectations, it would effect that satisfaction results from a disconfirmation judgment as to the difference between expectations of the service to be provided and perceptions of the actual service performance (Michael et al 2002). Customer satisfaction studies are increasing by many service industries ranging from dentists to airlines. The reason is due to the increasing the growth of service industries for total quality management (Peter 1996). There is some satisfaction in other perspectives of



dependent such as store satisfaction, the definition is “the outcome of the subjective evaluation that the chosen alternative (the store) meets or exceeds expectations” (Engel et al 1990). Every business tries to serve to the highest expectation of customers, from this study customer satisfaction creates the challenge of maintaining high levels of service, awareness of customer expectations and improvement in services and product (Abraham and Taylor 1999). So, the basic regular form or meaning of satisfaction is study and believe in matching of expectations and perceived performance (Oliver 1980). If the company had better to understand the customer information process that can support firms to improve their customer satisfaction and loyalty more effectively. Due to all the factors identified as antecedents of customer satisfaction, service quality may be a part that has known and received considerable attention (Nai 2008).

The most common stated satisfaction is a feeling which results from a process of evaluating what was received against that expected, the purchase decision itself and/(or) the fulfilment of need. The perception of satisfaction influences the activities which we conduct to achieve it. To approach real customer satisfaction the companies have to achieve quality both of product and service (not only by eliminate the causes for direct complaint) but they need to provide their product with excellence and attractive service quality to the customer (Ingrid 2004). Satisfaction also appears in the level of a customer's trust where the use of a service generates positive feeling. The service quality a customer receive create satisfaction tested in various researches in different businesses.



From all of the above, customer satisfaction has many definitions and it shows that customer satisfaction is very useful and every business must study to know what their customers need.

## **People**

The People dimension refers to both the employees and the customers of the firm (Bojanic, 2008). The role of the employee is to provide service, and to facilitate this service the firm needs to make sure that its employees are appropriately trained and that they perform appropriately (Bojanic, 2008). This process adds a form of value to the product being offered, because it takes advantage of the intangibility and variability of service to help ensure customer satisfaction with the product (Bojanic, 2008). Customers are also part of the people of the service; their needs must be identified, and they must also be informed as to what type of services and products the firm can provide to them (Bojanic, 2008). Providing this type of information clearly and in an easily accessible way means that the consumer decision process can be made more rapidly and with more ease (Bojanic, 2008). The service and social aspects of the coffee shop play a role in the development of the coffee shop's emotional appeal to customers and creates emotional attachment (Tumanan & Lansangan, 2012). This has an important implication for the coffee shop, as the relationship between the employees and customers will be an important factor in how comfortable customers feel in the shop and how likely they are to return (Tumanan & Lansangan, 2012). Service quality, including both the friendliness of servers and the quality of coffee production, is also directly related to customer satisfaction in a study of chain and independent coffee shops in Australia (Chen & Hu, 2010). These



responses clearly indicated that it is important for relationships between employees and customers to be considered in the design of the product.

### **Physical evidence and presentation**

One of the elements of a service is that it is commonly provided in a physical space (Bojanic, 2008). Thus, the physical evidence of the service space is directly which related to the perception of quality by the consumer (Bojanic, 2008). One of element refers to the state of the physical premises (Kotler et al, 2009). For example, how is the shop decorated? Is it clean, orderly, and comfortable? Are the lighting, fixtures, and furniture attractive and comfortable? Another aspect is the staff presentation, including uniform and personal grooming (Bojanic, 2008). Other physical evidence includes the branding of the product and the cohesion of various physical elements of the product, such as packaging (cups and bottles), ancillary products (like sugar packets), and so on (Bojanic, 2008). These elements combine to create an impression of the shop for the customer that will reflect on the quality of the product being sold within the shop (Bojanic, 2008). Creation of a specific physical space within a coffee shop is directly connected to the emotional attachment of regulars to the coffee shop space (Tumanan & Lansangan, 2012). These design characteristics include the physical environment of the shop (including comfort, design, and cleanliness) (Tumanan & Lansangan, 2012). This even applies to the materials that are used in creating the physical environment (Tumanan & Lansangan, 2012). Thus, creating a cohesive design for the shop and the products offered within it is a key stage in development of the marketing plan.



## **Process**

Process refers to how the service is provided (Bojanic, 2008). The Process variable reflects on the technical aspects of service provision as well as the intangible and variable aspects (such as customer service, friendliness, and so on) (Bojanic, 2008). This also refers to training, human resources, and other processes that are used to generate other elements of the marketing mix (Bojanic, 2008). One aspect of Process is that it is often highly standardized, with each service or supporting task within the firm performed in a single specific way (Bojanic, 2008). For example, the production of a latte may be designed in several stages, each of which uses a prescribed set of inputs (such as whole coffee, ground coffee, and milk) and steps (such as grinding, brewing, and steaming) to create the finished product. Process is highly important within the service environment because it is the main presentation of the firm's products to the customer (Bojanic, 2008). However, it is not only the service provision issues that need to be accounted for when designing processes, but the problem of service failure (Susskind & Viccari, 2011). Because of the fundamentally variable and personal nature of services, sometimes the process intended to create customer satisfaction does fail for a variety of reasons (Susskind & Viccari, 2011); for example, in the case of a coffee shop, a barista may fail to take into account a special request for a drink. In the case of service failure, the implementation of an effective service recovery plan that is appropriate to the scale of the failure is key to ensuring customer satisfaction with the experience (Susskind & Viccari, 2011).



## **Service quality**

Due to aggressive competition in every business, service quality is a main factor to meet customer requirements until the point of customer satisfaction. Some companies have set monthly or yearly service programs to improve or maintain their level of service quality for their employees. So, the service quality is essential for the success of an organization because it can link to customer satisfaction and behavior intentions directly (Hong et al 2010) because service quality can be built up to differentiate from competitors and service is the first appearance showed and expressed to customers such as when you order in the coffee shop, the staff must ask and speak to the customer politely and promptly.

Recently, service quality has become popular and an important research topic in service management. The operationalization and conceptualization of service quality are the recovery issues in the service study case (Nai 2008). Service quality refers to how to satisfy customer through service channels and they need to meet or exceed a high level of customer satisfaction. This measurement is the result of the difference between what a customer expects a service provider should offer and the perception of actual service performance (Parasuraman et al 1988). It is aggregated with the identification of perceived quality at the time of the service or immediately after it, and overall satisfaction with product and service features (Ronald et al 2004). The relationship between service quality and customer satisfaction is an important issue raised by the provider and is the nature of the link between service quality and customer satisfaction (Parasuraman et al 1994). Some research suggests that quality is one dimension of satisfaction. Service quality is viewed as an antecedent to



satisfaction. Since the customer's interaction with the service provider and the service-producing process have a significant impact on the customer's perception of service quality and subsequently influence customers satisfaction, marketing concepts, such as customer satisfaction, should be incorporated into the management's operational decision-making process (Agnes 2004). Regarding to Chowetal (2007) studied the relationships between service qualities, customer satisfaction, and frequency in the full service coffee shop by focusing on three factors of service quality such as interaction quality, physical quality, outcome quality). Then, Namkung and Jang (2008) also used three quality factors (food, atmospherics, and service) to measure diners' perceived quality in term of restaurant experience. Moreover, Ryu and Han (2010) continued study the relationship among three determinants of quality dimensions (food, service, and physical environment) to customer satisfaction in quick-casual coffee shop. This case shows that many researchers tried to understand the effects of dimensions of service quality on customer satisfaction in the coffee shop industry. In this research, the researcher will point out and focus on SERVQAUL scale by using 5 major dimensions to determine the impact to customer satisfaction.

A model of measure in service quality had used a well- known instrument of SERQUAL scale to find out the relation of customer satisfaction (George Shirly1997).



**Table 2.1** the five SERVQUAL Dimensions of service quality

<b>SERVQUAL Dimensions</b>	<b>Attributes</b>
<b>Tangibles</b>	<ol style="list-style-type: none"><li>1. Modern equipment</li><li>2. Visually appealing facilities</li><li>3. Employees who have a neat, professional appearance</li></ol>
<b>Reliability</b>	<ol style="list-style-type: none"><li>1. Providing service as promised</li><li>2. Dependability in handling customers' service problems</li><li>3. Performing services right the first time</li><li>4. Providing services at the promised time</li><li>5. Maintaining error-free records</li></ol>
<b>Assurance</b>	<ol style="list-style-type: none"><li>1. Employees who instill confidence in customers</li><li>2. Making customers feel safe in their transactions</li><li>3. Employees who are consistently courteous</li><li>4. Employees who have the knowledge to answer customer questions</li></ol>



**Table 2.1** the five SERVQUAL Dimensions of service quality (Cont.)

SERVQUAL Dimensions	Attributes
<b>Responsiveness</b>	<ol style="list-style-type: none"> <li>1. Keeping customers informed as to when services will be performed</li> <li>2. Prompt service to customers</li> <li>3. Willingness to help customers</li> <li>4. Readiness to respond to customer's requests</li> </ol>
<b>Empathy</b>	<ol style="list-style-type: none"> <li>1. Giving customers individual attention</li> <li>2. Employees who deal with customers in caring fashion</li> <li>3. Having the customer's best interest at heart</li> <li>4. Employees who understand the needs of their customers</li> <li>5. Convenient business hours</li> </ol>

Source: Parasuraman, Zeithaml and Berry (1991).

From the above, SERVQUAL question paper consist of a vary items of questions to identify and evaluate the expectations and perceptions of customers based on their perceived service. The questionnaire was distributed to 428 respondents using a seven-point Likert scale, with a range between 1 to 7 representatives to 'strongly disagree' to 'strongly agree'.

The research questionnaires of Parasuraman et al. (1991) referred to largely spread use of SERVQUAL scale, and referred that SERVQUAL is the most popular and general tool to measure reliability, validity and broad applicability which have positive relationship with customer satisfaction and can apply to any business especially the business that has service as the main factor of company.



## **2.2 Related literature review**

### **The relationship between service quality and customer satisfaction**

Parasuraman *et al.* stated that service quality and satisfaction are closely related, where the former is "...a global judgment, or attitude, relating to superiority of the service, whereas satisfaction is related to a specific transaction". The service quality is an attitude related to, but not equivalent to, satisfaction. The measurement scale between service quality and customer satisfaction in generic forms is SERVQUAL, which consist of 5 factors – tangibles, reliability, responsiveness, assurance, empathy (Parasuraman et al 1994). The customers' perception of the service provided to the customers (Cronin and Taylor 1992) and customer satisfaction could be conceived as an affect-laden fulfilment reaction to service received then, the perception of service quality is shown as an antecedent of customers' satisfaction. The satisfaction of customers also happens to be the cheapest means of promotion. Various researchers have found this ratio to range from about 1 to 10 (Abraham and Taylor 1999)

There are two broad types of scales in questionnaire of customer satisfaction surveys, single-item and multi-item scales. Many researchers have used simple single-item scales (generally having 2-9 points) to reflect "very satisfied" to very dissatisfied" responses. The use of this type of scale has been questioned as they provide limited information on components and dimensions and it is very difficult for the researcher to access reliability measures (Spyridon 2004).

In addition, many researchers have supported the research of service quality and customer satisfaction. Lastly, regarding to Cronin and Taylor (1992), service quality is the only factor contributing to the customer satisfaction judgment.



## 2.3 Summary table of findings of previous researches

**Table 2.2** Previous empirical studies

Rank	Title	Authors	Purpose	Finding
1	Perceived service quality in fast-food restaurants : empirical evidence from China	Hong Qin, Victor R. and Qilan Zhao	To study potential antecedents of customer satisfaction in the fast food industry in China. The antecedents include service quality, food quality, and perceived value.	Reliability, recoverability, tangibles, and responsiveness were all significant dimensions of perceived service quality, Food quality, perceived value and service quality all had a direct and positive relationship with satisfaction, which in turn influenced behavioral intentions. Result indicated that five dimensions were significant: tangibles, reliability responsiveness, recovery, assurance, and empathy. Service quality and food quality were two main determinants of customer satisfaction. The insignificance of perceived value is potentially due to the homogeneous nature of the construct within the FFR group rather than the importance of the perceived value construct within food service.
2	Service Quality, Customer satisfaction and behavioral intentions in fast-food restaurants	Hong Qin and Victor R.	To explore the potential dimensions of service quality, and examine the relationship among service quality, food quality, perceived value, customer satisfaction and behavioral intentions in fast-food restaurants(FFRs)	



**Table 2.2** Previous empirical studies (Cont.)

Rank	Title	Authors	Purpose	Finding
3	The Effects of Service Quality Dimensions on Customer Satisfaction Across Different Service Types: Alternative Differentiation As a Moderator	Nai-Hwa Lien and Shu-Luan Kao	To study investigates the relative importance of service quality dimensions customers' satisfaction across utilitarian and hedonic services.	Technical quality is more influential on the satisfaction of utilitarian services, and functional quality is a more important determinant factor of satisfaction in hedonic services than in utilitarian services. The relationship between service quality dimensions and satisfaction varies with the degree of differentiation of other alternatives.
4	Reassessment of Expectations as a comparison standard in measuring service quality: Implications for further research	Parasuraman, A., Zeithaml, V.A. and Berry, L.L.	To compare service quality in SERVQUAL instrument and the perceptions-minus-expectations specification invoked by it to operationalize service quality with performance via customer satisfaction.	Though the current approach for assessing SQ can and should be remind, abandoning it altogether in favor of the alternate approaches proffered by C&T and Teas does not seem warranted. The collective conceptual and empirical evidence casts doubt on the alleged severity of the concerns about the current approach and on the claimed superiority of the alternate approaches.



**Table 2.2** Previous empirical studies (Cont.)

Rank	Title	Authors	Purpose	Finding
5	Modeling repurchase frequency and customer satisfaction for fast-food outlets	Agnes K.Y. Law ,Y.V. Hui and Xiande Zhao	To study the factors which impact to repurchase and customer satisfaction in fast-food outlets.	Waiting time, staff attitude, food quality and food variety all significantly affect customer satisfaction. It is also found that the significance of the relationship depends on the timing of the visits.
6	Service quality in restaurant operations in China: Decision- and experiential-oriented perspectives	Chow, I.H., Lau, V.P, Lo, T.Y, Sha, Z. and Yun, H	To study the conceptual model of service quality using structural equation modeling in China restaurant operations	The links between service quality and customer satisfaction, service quality and repeat patronage, but not customer satisfaction and repeat patronage. The study has provided important insights into service quality and customer satisfaction in the field of restaurant operations
7	Does food quality really matter in restaurant? Its impact on customer satisfaction and behavioural intentions?	Namkung, Y. and Jang, S.	To investigate how food quality is perceived in relation to satisfaction and behavioral intentions in mid- to upscale restaurants.	Overall food quality significantly affects customer satisfaction and behavioral intentions and also revealed that the relationship between food quality and customer behavioral intentions is mediated by satisfaction.



**Table 2.2** Previous empirical studies (Cont.)

Rank	Title	Authors	Purpose	Finding
8	Influence of the quality of food, service, and physical environment on customer satisfaction in quick-casual restaurants	Ryu, K. and Han, H.	To examined the relationships of three dimension of quality dimensions (food,service,and physical environment), price, and satisfaction and behavioral intention in quick-casual restaurants	The result show that quality of food, service, and physical environment were all significant determinants of customer satisfaction. In addition, perceived price acted as a moderator in the satisfaction formation process. The P-C-P model is a dynamic model with the potential for some attributes to assume greater importance the more the service is experienced. and the more familiar the consumer becomes with the service delivery process.
9	The measurement of service quality: a new P-C-P attributes model	George Philip and Shirley-Ann Hazlett	To study and test the new attributes model for measurement service quality, P-C-P model	Customer satisfaction is often used as a proxy for loyalty and other outcomes. The authors empirically demonstrate that satisfaction is not the same as attitudinal loyalty and that there are instances where satisfaction does
10	Customer satisfaction should not be the only goal	Rebekah Bennett and Sharyn Rundle-Thiele	The proposes that this focus is due to the assumption that satisfied customers are loyal customers and thus high levels of satisfaction will lead to increased sales.	



**Table 2.2** Previous empirical studies (Cont.)

Rank	Title	Authors	Purpose	Finding
11	Service Quality and Satisfaction- The Mediating Role of Value: An Exploratory Study Among Customers of an Audit Firm	Caruana A. and Money A. H.	To study the relationship between Service Quality and Satisfaction in order to the Mediating Role of Value	not result in loyalty. The results support the relationship between Service Quality and Satisfaction in order to the Mediating Role of Value. In this case, study on among customers of Audit firm.
12	A comparison of current model models of consumer satisfaction /dissatisfaction.	Erevelless S. and Young C. E.,	To compare the models of consumer satisfaction or dissatisfaction.	The development of model is essential for customer satisfaction /dissatisfaction, it should not be considered an end in itself and effort should be made to incorporate development into marking strategy.
13	Performance-only measurement of service quality: a replication and extension	Michael K. Brady, J. Joseph Cronin, Richard R. Brand	To study the performance has the only factor to measure service quality	The strong support for the superiority of the performance-only approach to the measurement of service quality and indicate that service quality is properly modeled as an antecedent of satisfaction.
14	A comparison of question scales used for measuring customer satisfaction	Peter J. Danaher, Vanessa Haddrell	To compare the question scale used in question paper of customer satisfaction	These criteria were reliability, convergent and discriminant validity, predictive validity, weekness, face validity and managerial value. In all but one of these criteria, namely, predictive



**Table 2.2** Previous empirical studies (Cont.)

Rank	Title	Authors	Purpose	Finding
15	Customer satisfaction and its measurement in hospitality enterprises.	Abraham Pizam, Taylor Ellis	To study of customer satisfaction and its application to the hospitality and tourism industries	validity, the disconfirmation scale was superior to both the performance and satisfaction scales the dimensions and attributes of satisfaction, lists the main methods of measuring satisfaction and concludes with a review of global and cross-cultural issues that affect satisfaction
16	A cognitive model of the antecedents and consequences of satisfaction decisions	Oliver R. L.	To proposed which expresses consumer satisfaction as a function of expectation and expectancy disconfirmation	The Results from a two-stage field study support the scheme for consumers and non-consumers of a flu inoculation
17	Consumers Attitudes towards Fast Food Restaurants in Greece: An Investigation of Store Image, Satisfaction and Loyalty	Spyridon Mamalis	To study the attitude of Fast Food restaurants in Greece in term of store image, satisfaction and loyalty	The three factors are influence to consumer attitude in Greece. For the store image, is a few relationships to attitude but satisfaction is the most relationship to attitude of Greece fast food restaurants.



## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

In this chapter, the methodology of the study consisted of 6 sections, which were as follows:

- 3.1 Research Design
- 3.2 Source of Data
- 3.3 Sample Selection
- 3.4 Data Collection
- 3.5 Validity and Reliability
- 3.6 Data Analysis

#### **3.1 Research Design**

This research studies the SERVQUAL scale (5 main factors) and its influence on customer satisfaction in every industry. Regarding to SERVQUAL scale which was developed by Best (1977: 174). This questionnaire used a SERVQUAL scale consisting of 24 sentences to find and understand customer satisfaction. The questionnaire in this study used 5-point Likers scale, which ranges from strongly disagree to strongly agree (1-5).

#### **3.2 Source of Data**

This research paper uses much research from domestic and foreign sources, the content applied from the case study of service quality impacting customer satisfaction. The information was collected from 428 questionnaires and tested to



prove the hypotheses. The researcher distributed questionnaires in many branches of coffee shop throughout Bangkok. The researcher distributed questionnaire at coffee shops in Siam Paragon, Central world, Central Rama9, Central Ladprow and The Nine community mall. The date of distribution will be 15<sup>th</sup> February 2014 to 8<sup>th</sup> March 2014 and timing around 14.00 – 21.00.

### **3.3 Sample Selection**

The basic idea of sampling is that by selecting some of the elements in a population, researcher may draw conclusions about the entire population. There are several compelling reasons for sampling, including: lower cost, greater accuracy of result, greater speed of data collection and availability of population selection (Cooper & Schindler 2003).

#### **3.3.1 Selecting the sampling Method**

Selection of the sampling method to use in a study depends on a number of related theoretical and practical issues. These include considering the nature of the study, the objectives of the study and the time and budget available. Traditional sampling method can be divided into two categories: probability and non- probability sampling (Samuel et, al., 2003).

Probability sampling is most commonly associated with survey-based research where researcher needs to make inferences from the sample about a population to answer the research questions or to meet research objectives (Saunders et. al., 2009).



In probability sampling, sampling elements are selected randomly and the probability of being selected is determined ahead of time by the researcher. If done properly, probability sampling ensures that the sample is representative (Hair et. al., 2003)

Non-probability sampling provides a range of alternative techniques based on researcher subjective judgment (Saunders et. al., 2003). In non-probability sampling the selection of elements for the sample is not necessarily made with the aim of being statistically representative of the population. Rather the researcher uses the subjective methods such as personal experience, convenience, expert judgment and so on to select the elements in the sample. As a result the probability of any element of the population being chosen is not known (Samuel et. al. 2003).

According to Samuel et. al., 2003 most non-probability sampling methods are:

### **3.3.2 Convenience sampling**

Convenience sampling involves select sample members who can provide required information and who are more available to participate in the study. Convenience samples enable the researcher to complete a large number of interviews cost effectively and quickly but they suffer from selection bias because of difference of target population (Hair et. al., 2003).



### **3.3.3 Judgment sampling**

Researcher's judgment is used to select sample element and it involves for a specific purpose. Group of people who have knowledge about particular problem they can be selected as sample element. Sometimes it referred as a purposive sample because it involves a specific purpose. Judgment is more convenience and low cost involvement. (Hair et. al., 2003)

### **3.3.4 Quota sampling**

Objective of quota sampling is to have proportional representation of the strata of the target population for the total sample and the certain characteristics describe the dimensions of the population (Cooper & Schindler 2003). In quota sampling the researcher defines the strata of the target population, determines the total size and set a quota for the sample elements from each stratum. The findings from the sampling cannot be generalized because of the choice of elements is not done using a probability sampling methods (Samouel et. al. 2003).

Purpose of this research is to classify the service quality dimensions in coffee shop in Bangkok. For the study sample has been selected from coffee shop customers because this group has more experience about purchasing in coffee shop. Sample was selected by using judgment because some criteria were followed during the sample selection:

- ✓ Sample should be more familiar with costumers;
- ✓ Sample should have experience of costumer's purchasing;



The questionnaire was divided into three parts in order to let responders more time to concentrate on each question.

### **3.3.5 Population**

The target population for this study was people who had bought Thai local coffee. The age of the population used ranged from less than 20 years old to more than 50 years old of people who had bought Thai local coffee (Coffee World, True Coffee, Black Canyon, Café Amazon, Ban Rai etc.) Also interviews with both Thai and Non- Thai customers. The Kasikorn Research Center (2012) has researched the population of coffee's customers who had bought coffee in Thailand in 2012, which was recorded as 5,040,000,000

### **3.3.6 Sample selection**

The sample size for this study was selected from people who had bought Thai coffee shop. The age of population used ranged from less than 20 years old to more than 50 years olds who had bought Thai coffee. To calculate the sample size of this study the researcher used sample random sampling based on Yamane's formula, which provides a formula to calculate sample size with 95% confidence level where  $e = 0.05$ . When the researcher knew the size of the population of customers who had bought coffee in 2012, the sample size was determined based on the formula as follows:



$$n = N / 1 + N (e)^2$$

When

n = sample size

N = population size

e = level of precision

The specific values set for the formula was as follow:

$$N = 5,040,000,000$$

$$e = 0.05$$

$$n = 5,040,000,000$$

$$n = \frac{5,040,000,000}{1 + 5,040,000,000(0.05)^2}$$

$$= 399.999$$

According to the being 399.999, the researcher decided to distribute 400 sets of questionnaires in order to prevent any error. Thus, the target population was 400 customers in total. This researcher applied a sampling technique by using judgment sampling.



### **3.4 Data Collection**

There are two major approaches to gathering information about a situation, person, problem or phenomenon. Sometimes, information required is already available and only need to be extracted. However there are many times when the information must be collected. Based upon these broad approaches to information gathering data are categorized as: Secondary data and Primary data. Secondary data are collected from secondary sources such as govt. publications, personal records, and primary data are collected through: observation, interviews and/or questionnaires (Hair et. al., 2003). According to Creswell (2003) data collection procedure in qualitative research involves four basic types: Observations, Interviews, documents and audio-visual materials.

In this study quantitative survey is used as data collection method. Since the aim of the study is classifying service quality dimensions in local coffee shop purchasing from the customer's point of view, the main focus thus is customer. A questionnaire was prepared to get idea about the customer's experiences in local coffee shop. The questionnaire divided into three parts. A survey is a procedure to collect primary data from individuals. The data sought can range from beliefs, opinions, attitudes and lifestyles to general background information on individuals such as gender, age, education and income as well as company characteristics like revenue and number of employees. Surveys are used when the research involves collecting information a large sample of individuals (Samuel et. al., 2003).

The questionnaire will be collected from respondents who have visited and bought coffee in coffee shop in Bangkok. The researcher also distributed



questionnaires to the branches which are popular location such as Siam Paragon, Central world, Asoke, Central Bang-Na, some community malls etc. The respondents were 428 persons, both of Thai and non-Thai nationality. The table below shows each part of questionnaire, which measures customer satisfaction.

**Table 3.1** Main five independents and dependent in this research's questionnaire

Variable	No. of Question
<b><u>Independent</u></b>	
Tangible	Q 1-5
Reliability	Q 6-9
Assurance	Q 10-13
Responsiveness	Q 14-17
Empathy	Q 18-22
<b><u>Dependent</u></b>	
Customer Satisfaction	Q 23-25

In addition, the translation of level ranking were analyzed follow criteria of customers satisfaction designed by Best (1977: 174)

The score among 1.00-1.80 mean lowest satisfaction

The score among 1.81-2.61 mean low satisfaction

The score among 2.62-3.41 mean average satisfaction

The score among 3.42-4.21 mean good satisfaction

The score among 4.22-5.00 mean very good satisfaction

The fourth part of the questionnaire is generated to ask the customers suggestions about the service quality of the coffee shop.



### **3.5 Validity and Reliability**

In order to reducing the possibility of getting the answer wrong, attention need to be paid to two particular on research design: reliability and validity (Saunders et. al., 2003 ) .

#### **3.5.1 Validity**

Validity is concerned with whether the findings are really about what they appear to be about (Saunders et. al., 2003). Validity defined as the extent to which data collection method or methods accurately measure what they were intended to measure (Saunders et. al., 2003). Cooper & Schindler (2003) believe that validity refers to the extent to which a test measures what we actually wish to measure. There are two major forms: external and internal validity. The external validity of research findings refers to the data's ability to be generalized across persons, settings, and times. Internal validity is the ability of a research instrument to measure what is purposed to measure (Cooper & Schindler, 2003).

Numbers of different steps were taken to ensure the validity of the study:

1. Data was collected from the reliable sources, from respondents who are more experienced to purchasing local coffee shop;
2. Survey question were made based on literature review and frame of reference to ensure the validity of the result;
3. Questionnaire has been pre-tested by the responded before starting the survey. Questionnaire was tested by at least ten persons;



4. Data has been collected through two weeks; within this short period of time no major event has been changed with the related topic.

### **3.5.2 Reliability**

According to Saunders et. al., 2003, reliability refers to the degree to which data collection method or methods will yield consistent findings, similar observations would be made or conclusions reached by other researchers or there is transparency in how sense was made from the raw data. Cooper & Schindler (2003) have defined reliability as many things to many people, but in most contexts the notion of emerges. A measure is reliable to the degree that it supplies consistent results. Reliability is a necessary contributor to validity but is not a sufficient condition for validity.

Reliability can be passed by the following questions (Easterby-Smith et al., 2002):

1. Will the measures yield the same results on other occasions?
2. Will other observers reach similar observation?
3. Is there transparency in how sense was made from the raw data?

Data analysis software offers “Reliability Analysis Statistics”. Reliability analysis allows you study the properties of measurement scales and the items that make them up. The Reliability Analysis procedure calculates a number of commonly used measures of scale reliability and also provides information about the relationships between individual items in the scale. Interclass correlation coefficients can be used to compute interpreter reliability estimates.

Statistics: Descriptive for each variable and for the scale, summary statistics across items, inter-item correlations and covariance, reliability estimates, ANOVA



table, intraclass correlation coefficients, Hotelling's T<sup>2</sup>, and Tukey's test of additivity.

Models. The following models of reliability are available:

1. Alpha (Cronbach). This is a model of internal consistency, based on the average inter-item correlation.

2. Split-half. This model splits the scale into two parts and examines the correlation between the parts.

3. Guttman. This model computes Guttman's lower bounds for true reliability.

4. Parallel. This model assumes that all items have equal variances and equal error variances across replications.

5. Strict parallel. This model makes the assumptions of the parallel model and also assumes equal means across items.

Numbers of different steps were taken to ensure the reliability of the study:

1. Questionnaire was divided into three parts in order that responders could concentrate more on each question;

2. The theories that have been selected for the study was clearly described and research question has been formulated based on the previous theory. Data has been collected based on the frame of reference that was drawn from the discussed theories. The objective is to make sure that if another investigator will follow the same procedures and used the same questionnaires objects, the same conclusions would be made.

3. Alpha Cronbach test has also been taken for the 25 items (service quality factors). After analysis, Cronbach's Alpha are following:

**Table 3.2** Cronbach's Alpha in this research (After analysed)



Dimension	Cronbach's Alpha	No. Of item
Tangible	.830	5
Reliability	.918	5
Assurance	.901	4
Responsiveness	.884	4
Empathy	.879	5
Customer Satisfaction	.887	3

From all tables above, the research can conclude that Cronbach's Alpha of each dimension are Tangible is reliable with  $\alpha = .830$ , Reliability is reliable with  $\alpha = .918$ , Assurance is reliable with  $\alpha = .901$ , Responsiveness is reliable with  $\alpha = .884$ , Empathy is reliable with  $\alpha = .879$ , Customer satisfaction is reliable with  $\alpha = .887$ . All factors are above 0.6, which means they are reliable.

### 3.6 Data Analysis

This research evaluates the data from the questionnaire results as a primary source. After the questionnaires were collected, the researcher explored the level of customers' satisfaction towards service quality of the coffee shop in six areas: tangibility, reliability, responsiveness, assurance, empathy and customer satisfaction. The frequencies and percentages are used for calculating and analyzing the data to the personal data in part 1. The researcher used the computer program SPSS to analyze



and interpret the information after collecting data from respondents. Moreover, the results were discussed and summarized with some suggestions for further studies.

### **3.6.1 Linear Regression Analysis**

Regression analysis is a statistic tool for the investigation of relationships between variables (Sykes 1999). The researcher can collect and interpret the data in order to draw the foundation factor in terms of an equation. There are two types of linear regression analysis; simple regression and multi regression. Simple regression consists of one independent and one dependent variable. Multi regression consists of more than one independent (2 or more) and one variable after that the research will be interpreted and written in order to create an equation (Douglas 2006).

From this research paper, there consist five independent variables (tangible, reliability, assurance, responsiveness, empathy) and one dependent variable (customer satisfaction). Thus, the researcher will use multiple regression models to input the data and test all hypotheses on the formula as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5$$



## **CHAPTER 4**

### **RESULTS AND DISCUSSION**

#### **4.1 Introduction**

The previous chapter has been conducted research methodology. The purpose of this chapter is to summarize the data collection of 428 samples, presented the results of the Descriptive analysis and Hypothesis testing to achieve the purpose of the study as show below;

#### **4.2 Descriptive Analysis**

A descriptive analysis is a conclusion technique that is used to describe some key features of data in a study or simple summary about a sample from the study by finding the statistics as explain below;

##### **1) Frequency and Percentage**

Used to analyze and describe demographic data and behavior data of the respondents.

##### **2) Mean and Standard Deviation**

Used to describe customers' satisfaction levels on service quality of coffee shop.

#### **4.2.1 Demographic Data of Respondents**

Demographic data of the respondents obtained from questionnaires was analyzed and presented in the following tables.



**Table 4.1** Customers' Demographic Data classified by Gender

Gender		
	Frequency	Percent
Male	249	58.2
Female	179	41.8
Total	428	100.0

Finding from Table 4.1 revealed that major group of respondents' gender were female (58.2%) and follows by male (41.8%).

**Table 4.2** Customers' Behavior

**How often do you consume coffee shop in Bangkok? (Average per month)**

	Frequency	Percent
Less than 1 time	37	8.6
1-2 times	168	39.3
3-4 times	139	32.5
More than 4 times	84	19.6
Total	428	100.0

Finding from Table 4.2 revealed that major group of respondents consume coffee shop in Bangkok per month were 1-2 times (39.3%), follows by 3-4 times (32.5%), more than 4 times (19.6%) and less than 1 time (8.6%) respectively.



**Table 4.3** Customers' Demographic Data classified by Age

Age		
	Frequency	Percent
Lower 18 years old	1	.2
19-27 years old	151	35.3
28-36 years old	186	43.5
37-45 years old	86	20.1
Over 45 years old	4	.9
Total	428	100.0

Finding from Table 4.3 revealed that major group of respondents' age were 28-36 years old (43.5%), follows by 19-27 years old (35.3%), 37-45 years old (20.1%), over 45 years old (0.9%) and lower than 18 year old (0.2%) respectively.

**Table 4.4** Customers' Demographic Data classified by Education

Education		
	Frequency	Percent
Lower Bachelor's Degree	19	4.4
Bachelor's Degree	214	50.0
Master's Degree	192	44.9
Ph.D. Degree	3	.7
Total	428	100.0

Finding from Table 4.4 revealed that major group of respondents' education level



were Bachelor Degree (50%), follows by Master Degree (44.9%), lower than Bachelor degree (4.4%) and PhD (0.7%) respectively.

**Table 4.5** Customers' Demographic Data classified by Nationality

Nationality		
	Frequency	Percent
Thai	405	94.6
Non-Thai	23	5.4
Total	428	100.0

Finding from Table 4.5 revealed that major group of respondents' Nationality were Thai (94.6%) and follows by Non-Thai (5.4%).

**Table 4.6** Customers' Demographic Data classified by Income (per month)

Income (Per month)		
	Frequency	Percent
Lower than 15,000 Bath	47	11.0
15,001-30,000 Bath	186	43.5
30,001-50,000 Bath	149	34.8
Higher than 50,000 Bath	46	10.7
Total	428	100.0



Finding from Table 4.6 revealed that major group of respondents' Income were 15,000-30,000 Bath (43.5%), follows by 30,001-50,000 Bath (34.8%), lower than 15,000 Bath (11%) and higher than 50,000 Bath (10.7%) respectively.

**Table 4.7** Customers' Demographic Data classified by Occupation

Occupation		
	Frequency	Percent
Student	122	28.5
Officer	166	38.8
Government Official	40	9.3
Business owner	41	9.6
Unemployed	5	1.2
Other	54	12.6
Total	428	100.0

Finding from Table 4.7 revealed that major group of respondents' Occupation were officer (38.8%), follows by student (28.5%), other (12.6%), business owner (9.6%), government official (9.3%) and unemployed (1.2%) respectively.

#### **4.2.2 Service Quality toward customers' satisfaction**

Interpretation of measurement result to measure level of satisfaction according to the separate of five levels following Likert's scale is shown in the tables below



**Table 4.8** Tangible factors toward customers' satisfaction

	Mean	Std. Deviation	Satisfaction Levels
TANGIBLES_1	3.33	1.111	Average satisfaction
TANGIBLES_2	3.08	1.041	Average satisfaction
TANGIBLES_3	3.23	.981	Average satisfaction
TANGIBLES_4	3.07	1.144	Average satisfaction
TANGIBLES_5	3.63	.956	Good satisfaction
Total	3.26	1.046	Average satisfaction

Finding from Table 4.8 revealed customers' satisfaction on Tangible factors toward coffee shop in Bangkok. The average mean value of satisfaction on Tangible was 3.26 (average satisfaction).

**Table 4.9** Reliability factors toward customers' satisfaction

	Mean	Std. Deviation	Satisfaction Levels
RELIABILITY_6	3.66	.775	Good satisfaction
RELIABILITY_7	3.40	1.009	Average satisfaction
RELIABILITY_8	3.45	1.108	Good satisfaction
RELIABILITY_9	3.82	.904	Good satisfaction
Total	3.60	0.949	Good satisfaction

Finding from Table 4.9 revealed customers' satisfaction on Reliability factors toward coffee shop in Bangkok. The average mean value of satisfaction on Reliability was 3.60 (good satisfaction).



**Table 4.10** Assurance factors toward customers' satisfaction

	Mean	Std. Deviation	Satisfaction Levels
ASSURANCE_10	3.69	.806	Good satisfaction
ASSURANCE_11	3.08	1.044	Average satisfaction
ASSURANCE_12	3.42	1.122	Good satisfaction
ASSURANCE_13	3.81	.723	Good satisfaction
Total	3.5	0.923	Good satisfaction

Finding from Table 4.10 revealed customers' satisfaction on Assurance factors toward coffee shop in Bangkok. The average mean value of satisfaction on Assurance was 3.5 (good satisfaction).

**Table 4.11** Responsiveness factors toward customers' satisfaction

	Mean	Std. Deviation	Satisfaction Levels
RESPONIVENESS_14	3.64	.724	Good satisfaction
RESPONIVENESS_15	3.31	.970	Average satisfaction
RESPONIVENESS_16	3.57	1.002	Good satisfaction
RESPONIVENESS_17	3.70	.923	Good satisfaction
Total	3.55	0.904	Good satisfaction

Finding from Table 4.11 revealed customers' satisfaction on Responsiveness factors toward coffee shop in Bangkok. The average mean value of satisfaction on Responsiveness was 3.55 (good satisfaction).

**Table 4.12** Empathy factors toward customers' satisfaction

	Mean	Std. Deviation	Satisfaction Levels
EMPATHY_18	3.38	.790	Average satisfaction
EMPATHY_19	3.05	1.095	Average satisfaction
EMPATHY_20	3.08	.678	Average satisfaction
EMPATHY_21	3.47	.929	Good satisfaction
EMPATHY_22	3.93	1.247	Good satisfaction
Total	3.38	0.947	Average satisfaction



Finding from Table 4.12 revealed customers' satisfaction on Empathy factors toward coffee shop in Bangkok. The average mean value of satisfaction on Empathy was 3.60 (good satisfaction).

**Table 4.13** Customer satisfaction

	Mean	Std. Deviation	Satisfaction Levels
CUSTOMER_23	2.95	.950	Average satisfaction
CUSTOMER_24	3.38	.767	Average satisfaction
CUSTOMER_25	3.39	.930	Average satisfaction
Total	3.24	0.882	Average satisfaction

Finding from Table 4.13 revealed customers' satisfaction toward coffee shop in Bangkok. The average mean value of satisfaction was 3.24 (average satisfaction).

### 4.3 Hypothesis Testing

By used of inferential statistics below;

#### Linear Regression Analysis

Regression analysis is a statistic tool for the investigation of relationships between variables (Sykes 1999). The researcher can collect and interpret the data in order to draw the foundation factor in terms of an equation. There are two types of linear regression analysis; simple regression and multi regression. Simple regression consists of one independent and one dependent variable. Multi regression consists of more than one independent (2 or more) and one variable after that the research will be interpreted and written in order to create an equation (Douglas 2006).



From this research paper, there consists five independent variables (tangible, reliability, assurance, responsiveness, empathy) and one dependent variable (customer satisfaction). So, the researcher will use multiple regression models to input the data and test all hypotheses.

*H<sub>1</sub> : Tangible, one of SQ dimensions can be the factor that affects overall customer satisfaction*

**Table 4.14** Analysis of Tangible affect to customer satisfaction<sup>1</sup>

	Sum of Squares	Df	Mean Square	F	Sig
Regression	220.511	5	44.102	116.039	.000
Residual	157.346	414	.380		
Total	377.857	419			

Findings from Table 4.14 illustrated that analysis of Tangible affect to customer satisfaction.

Results of hypothesis testing using regression statistics were significant at 0,000, which is significantly lower than 0.05. Thus, it shows that Tangible affect to customers are satisfied with local coffee shop. Moreover, the researcher can set the equation as of

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5$$

$$Y = .634 + 0.189x_1 + 0.310x_2 + (-) 0.087x_3 + 0.267x_4 + 0.049 x_5$$

*Referred to:*

$x_1$  = Tangible1,  $x_2$  =Tangible2,  $x_3$  = Tangible3,  $x_4$  = T

angible4, and  $x_5$  = Tangible5



**Table 4.15** Analysis of Tangible affect to customer satisfaction2

	Sum of Squares	Df	Mean Square	F	Sig
Regression	96.365	5	19.273	52.348	.000
Residual	152.055	413	.368		
Total	248.420	418			

Findings from Table 4.15 illustrated that analysis of Tangible affect to customer satisfaction.

Results of hypothesis testing using regression statistics were significant at 0,000, which is significantly lower than 0.05. Thus, it shows that Tangible affect to local coffee shop is a wise choice for customer. Moreover, the researcher can set the equation as of

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5$$

$$Y = 1.308 + 0.069X_1 + 0.141X_2 + 0.160X_3 + (-) 0.024X_4 + 0.266 X_5$$

*Referred to:*

$x_1$  = Tangible1,  $x_2$  =Tangible2,  $x_3$  = Tangible3,  $x_4$  = Tagible4, and  $x_5$  = Tangible5

**Table 4.16** Analysis of Tangible affect to customer satisfaction3

	Sum of Squares	Df	Mean Square	F	Sig
Regression	106.247	5	21.249	33.639	.000
Residual	260.889	413	.632		
Total	367.136	418			



Findings from Table 4.16 illustrated that analysis of Tangible affect to customer satisfaction.

Results of hypothesis testing using regression statistics were significant at 0,000, which is significantly lower than 0.05. Thus, it shows that Tangible affect to customer have enjoyed experience for local coffee shop. Moreover, the researcher can set the equation as of

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5$$

$$Y = 1.638 + 0.431x_1 + 0.030x_2 + 0.209x_3 + (-) 0.173x_4 + 0.019x_5$$

*Referred to:*

$x_1$  = Tangible1,  $x_2$  =Tangible2,  $x_3$  = Tangible3,  $x_4$  = Tagible4, and  $x_5$  = Tangible5

*H<sub>2</sub>: Reliability, one of SQ dimensions can be the factor that affects overall customer satisfaction*

**Table 4.17** Analysis of Reliability affect to customer satisfaction1

	Sum of Squares	Df	Mean Square	F	Sig
Regression	87.917	4	21.979	31.459	.000
Residual	289.941	415	.699		
Total	377.857	419			

Findings from Table 4.17 illustrated that analysis of Reliability affect to customer satisfaction

Results of hypothesis testing using regression statistics were significant at 0,000, which is significantly lower than 0.05. Thus, it shows that Reliability affect to customer is satisfied with local coffee shop. Moreover, the researcher can set the



equation as of

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4$$

$$Y = 0.941 + 0.133x_1 + 0.251x_2 + 0.075x_3 + 0.102x_4$$

*Referred to:*

$x_1$  = Reliability1,  $x_2$  = Reliability2,  $x_3$  = Reliability 3 and  $x_4$  = Reliability 4,

**Table 4.18** Analysis of Reliability affect to customer satisfaction<sup>2</sup>

	Sum of Squares	Df	Mean Square	F	Sig
Regression	77.061	4	19.265	46.544	.000
Residual	171.359	414	.414		
Total	248.420	4148			

Findings from Table 4.18 illustrated that analysis of Reliability affect to customer satisfaction.

Results of hypothesis testing using regression statistics were significant at 0,000, which is significantly lower than 0.05. Thus, it shows that Reliability affect to local coffee shop is a wise choice for customer. Moreover, the researcher can set the equation as of

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4$$

$$Y = 1.243 + 0.337x_1 + 0.142x_2 + 0.000x_3 + 0.110x_4$$

*Referred to:*

$x_1$  = Reliability1,  $x_2$  = Reliability2,  $x_3$  = Reliability 3 and  $x_4$  = Reliability 4



**Table 4.19** Analysis of Reliability affect to customer satisfaction<sup>3</sup>

	Sum of Squares	Df	Mean Square	F	Sig
Regression	116.641	4	29.160	48.194	.000
Residual	250.495	414	.605		
Total	367.136	418			

Findings from Table 4.19 illustrated that analysis of Reliability affect to customer satisfaction.

Results of hypothesis testing using regression statistics were significant at 0,000, which is significantly lower than 0.05. Thus, it shows that Reliability affect to customer have enjoyed experience for local coffee shop. Moreover, the researcher can set the equation as of

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4$$

$$Y = 0.709 + 0.228x_1 + 0.071x_2 + (-) 0.060x_3 + 0.471x_4$$

*Referred to:*

$x_1$  = Reliability1,  $x_2$  = Reliability2,  $x_3$  = Reliability 3 and  $x_4$  = Reliability 4



*H<sub>3</sub>: Assurance, one of SQ dimensions can be the factor that affects overall customer satisfaction*

**Table 4.20** Analysis of Assurance affect to customer satisfaction1

	Sum of Squares	Df	Mean Square	F	Sig
Regression	187.350	4	46.837	101.787	.000
Residual	190.502	414	.460		
Total	377.852	418			

Findings from Table 4.20 illustrated that analysis of Assurance affect to customer satisfaction.

Results of hypothesis testing using regression statistics were significant at 0,000, which is significantly lower than 0.05. Thus, it shows that Assurance affect to customer is satisfied with local coffee shop. Moreover, the researcher can set the equation as of

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4$$

$$Y = 0.829 + (-) 0.173x_1 + 0.390x_2 + 0.272x_3 + 0.159x_4$$

*Referred to:*

$x_1$  = Assurance1,  $x_2$  = Assurance2,  $x_3$  = Assurance 3 and  $x_4$  = Assurance 4



**Table 4.21** Analysis of Assurance affect to customer satisfaction2

	Sum of Squares	Df	Mean Square	F	Sig
Regression	57.125	4	14.281	30.896	.000
Residual	190.906	413	.462		
Total	248.031	417			

Findings from Table 4.21 illustrated that analysis of Assurance affect to customer satisfaction

Results of hypothesis testing using regression statistics were significant at 0,000, which is significantly lower than 0.05. Thus, it shows that Assurance affect to local coffee shop is a wise choice for customer. Moreover, the researcher can set the equation as of

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4$$

$$Y = 1.656 + (-) 0.089x_1 + (-) 0.053x_2 + 0.195x_3 + 0.045x_4$$

*Referred to:*

$x_1$  = Assurance1,  $x_2$  = Assurance2,  $x_3$  = Assurance 3 and  $x_4$  = Assurance 4

**Table 4.22** Analysis of Assurance affect to customer satisfaction3

	Sum of Squares	Df	Mean Square	F	Sig
Regression	126.161	4	31.540	54.649	.000
Residual	238.359	413	.577		
Total	364.519	417			



Findings from Table 4.22 illustrated that analysis of Assurance affect to customer satisfaction.

Results of hypothesis testing using regression statistics were significant at 0,000, which is significantly lower than 0.05. Thus, it shows that Assurance affect to customer have enjoyed experience for local coffee shop. Moreover, the researcher can set the equation as of

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4$$

$$Y = 0.117 + 0.316 + (-) 0.056x_2 + 0.055x_3 + 0.542x_4$$

*Referred to:*

$x_1$  = Assurance1,  $x_2$  = Assurance2,  $x_3$  = Assurance 3 and  $x_4$  = Assurance 4

*H4: Responsiveness, one of SQ dimensions can be the factor that affects overall customer satisfaction*

**Table 4.23** Analysis of Responsiveness affect to customer satisfaction1

	Sum of Squares	Df	Mean Square	F	Sig
Regression	166.824	4	41.706	82.015	.000
Residual	211.033	415	.509		
Total	377.857	419			

Findings from Table 4.23 illustrated that analysis of Responsiveness affect to customer satisfaction.

Results of hypothesis testing using regression statistics were significant at 0,000, which is significantly lower than 0.05. Thus, it shows that Responsiveness affect to customer is satisfied with local coffee shop. Moreover, the researcher can set



the equation as of

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4$$

$$Y = 1.248 + (-) 0.248x_1 + 0.761x_2 + (-) 0.266x_3 + 0.315x_4$$

*Referred to:*

$x_1$  = Responsiveness1,  $x_2$  = Responsiveness 2,  $x_3$  = Responsiveness 3 and  $x_4$  = Responsiveness 4

**Table 4.24** Analysis of Responsiveness affect to customer satisfaction<sup>2</sup>

	Sum of Squares	Df	Mean Square	F	Sig
Regression	30.032	4	7.508	14.233	.000
Residual	218.388	414	.528		
Total	248.420	418			

Findings from Table 4.24 illustrated that analysis of Responsiveness affect to customer satisfaction

Results of hypothesis testing using regression statistics were significant at 0,000, which is significantly lower than 0.05. Thus, it shows that Responsiveness affect to local coffee shop is a wise choice for customer. Moreover, the researcher can set the equation as of

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4$$

$$Y = 2.545 + 0.016x_1 + 0.217x_2 + (-) 0.252x_3 + 0.259x_4$$

*Referred to:*

$x_1$  = Responsiveness1,  $x_2$  = Responsiveness 2,  $x_3$  = Responsiveness 3 and  $x_4$  = Responsiveness 4



**Table 4.25** Analysis of Responsiveness affect to customer satisfaction<sup>3</sup>

	Sum of Squares	Df	Mean Square	F	Sig
Regression	92.263	4	23.066	34.741	.000
Residual	274.873	414	.664		
Total	367.136	418			

Findings from Table 4.25 illustrated that analysis of Responsiveness affect to customer satisfaction.

Results of hypothesis testing using regression statistics were significant at 0,000, which is significantly lower than 0.05. Thus, it shows that Responsiveness affect to customer have enjoyed experience for local coffee shop. Moreover, the researcher can set the equation as of

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4$$

$$Y = 1.147 + 0.179x_1 + 0.014x_2 + 0.010x_3 + 0.404x_4$$

*Referred to:*

$x_1$  = Responsiveness1,  $x_2$  = Responsiveness 2,  $x_3$  = Responsiveness 3 and  $x_4$  = Responsiveness 4



*H<sub>5</sub>: Empathy, one of SQ dimensions can be the factor that affects overall customer satisfaction*

**Table 4.26** Analysis of Empathy affect to customer satisfaction1

	Sum of Squares	Df	Mean Square	F	Sig
Regression	179.271	5	35.854	76.411	.000
Residual	189.568	404	.469		
Total	368.839	409			

Findings from Table 4.26 illustrated that analysis of Empathy affect to customer satisfaction.

Results of hypothesis testing using regression statistics were significant at 0,000, which is significantly lower than 0.05. Thus, it shows that Empathy affect to customer is satisfied with local coffee shop. Moreover, the researcher can set the equation as of

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5$$

$$Y = 0.715 + 0.283x_1 + 0.365x_2 + 0.245x_3 + (-) 0.052x_4 + 0.074 x_5$$

*Referred to:*

$x_1$  = Empathy1,  $x_2$  = Empathy2,  $x_3$  = Empathy3,  $x_4$  = Empathy4, and  $x_5$  = Empathy5



**Table 4.27** Analysis of Empathy affect to customer satisfaction2

	Sum of Squares	Df	Mean Square	F	Sig
Regression	79.010	5	15.802	38.657	.000
Residual	165.146	404	.409		
Total	244.156	409			

Findings from Table 4.27 illustrated that analysis of Empathy affect to customer satisfaction.

Results of hypothesis testing using regression statistics were significant at 0,000, which is significantly lower than 0.05. Thus, it shows that Empathy affect to local coffee shop is a wise choice for customer. Moreover, the researcher can set the equation as of

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5$$

$$Y = 1.309 + 0.337x_1 + (-) 0.065x_2 + 0.495x_3 + (-) 0.032x_4 + (-) 0.070 x_5$$

*Referred to:*

$x_1$  = Empathy1,  $x_2$  = Empathy2,  $x_3$  = Empathy3,  $x_4$  = Empathy4, and  $x_5$  = Empathy5

**Table 4.28** Analysis of Empathy affect to customer satisfaction3

	Sum of Squares	Df	Mean Square	F	Sig
Regression	140.136	5	28.027	51.452	.000
Residual	218.979	402	.545		
Total	359.115	407			



Findings from Table 4.28 illustrated that analysis of Empathy affect to customer satisfaction.

Results of hypothesis testing using regression statistics were significant at 0,000, which is significantly lower than 0.05. Thus, it shows that Empathy affect to customer have enjoyed experience for local coffee shop. Moreover, the researcher can set the

equation as of  $Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5$

$$Y = 0.769 + 0.252x_1 + (-) 0.035x_2 + 0.154x_3 + 0.028x_4 + (-) 0.329 x_5$$

*Referred to:*

$x_1 = \text{Empathy1}$ ,  $x_2 = \text{Empathy2}$ ,  $x_3 = \text{Empathy3}$ ,  $x_4 = \text{Empathy4}$ , and  $x_5 = \text{Empathy5}$

#### **4.4 Summary for hypothesis testing and result**

From all five independent variables, there are strong positive relationships between customer satisfactions for local coffee shop's customer in Bangkok, Thailand.

From the hypothesis testing, the researcher can conclude that all five dimensions of SERVQUAL (independent) – tangible, reliability, assurance, responsiveness and empathy are factors that affect local coffee shop's customer satisfaction in Bangkok. All hypothesizes are significant at 0.000 ( $.000 < .005$ ), which means that all hypothesizes are supported. So, the research shows the result of hypothesis testing on table below:



**Table 4.29** Summarize all hypothesizes testing

Hypotheses	Research Result
H1 : Tangible, one of SQ dimensions can be the factor that affects overall customer satisfaction	Supported
H2 : Reliability, one of SQ dimensions can be the factor that affects overall customer satisfaction	Supported
H3 : Assurance, one of SQ dimensions can be the factor that affects overall customer satisfaction	Supported
H4 : Responsiveness, one of SQ dimensions can be the factor that affects overall customer satisfaction	Supported
H5 : Empathy, one of SQ dimensions can be the factor that affects overall customer satisfaction	Supported



## **CHAPTER 5**

### **DISCUSSION CONCLUSIONS AND RECCOMENDATION**

This chapter provides a conclusion to the research findings, reviewing the objectives and discussing the findings in light of the objectives. The goal of the chapter is to bring together information from the findings and the literature review and provide insight into how the study objectives were met. Furthermore, this chapter will discuss the limitations and recommend for further research.

#### **5.1 Discussion**

Service businesses have been growing rapidly in recent decades, while customer demand for high quality service is increasing. This is certainly the case at premium coffee shop in Bangkok. To remain competitive, the coffee shop needs to analyze customers' expectation and perception towards the service quality of its coffee shop staff. The five objectives of this study were supported by a substantial literature review, which addressed the various theoretical frameworks that were involved in discussion (including the consumer behavior theory and service quality theoretical framework). The literature review also developed the context of the research, including discussion of the world coffee market and how this context would influence coffee shop.



After the hypothesis testing and reliability testing, the researcher can conclude the influence of the SERQUAL scale affected to inter coffee brand's customer satisfaction because the hypothesis of tangible, reliability, assurance, responsiveness and empathy showed positive relationships with customer satisfaction. This research is very beneficial especially for coffee shops in Bangkok. Coffee shops can now know what are their strengths or weaknesses. The scale of this research is derived from the most popular service quality measurement scale "SERVQUAL" which was developed from Parasuraman 1988. The researcher gathered and analyzed data using the SPSS program on regression analysis for hypothesis testing.

From this study (local coffee premium brand's customer satisfaction in Bangkok), the results prove that the main five dimension support a direct relationship. Each dimension can tell part of the importance to service quality differently. Customers are at different places and different time, they recommend that local coffee shop somehow cannot find their standard to satisfy all customers need, however most of their service qualities depend on pricing that has been list on their menu and the coffee shop need to be a reasonable price based on their decoration or quality of coffee taste. Moreover, the staffs should be prompt and a glass of water also should be provided as free.

## **5.2 Summary of Findings and Conclusion**

The main purpose of this research was to study five dimensions, which impact customer satisfaction and can identify which factor is the most important effect on customer satisfaction. Firstly, the results of this research can conclude the



characteristic of respondent that 249 are male (58%) and 179 are female (42%). They are 405 for Thai (95%) and 23 for Non-Thai (5%). The respondents' age range is: lower than 18 years old: 1 person (which is the less of age range), 19-27 years old: 151 persons, 28-36 years old: 186 persons (which is the most of age range), 37-45 years old: 86 persons, over 45 years old: 4 persons. The frequency of consumption (average per month) by coffee shop's customers who consume at least one time per month can be classified into: 1-2 times is 168 persons, 3-4 times is 139 persons, and more than 4 times is 84 persons. From the results the researcher can conclude that the majority of coffee shop's customers are 28-36 year olds and consume at least 1-2 times per month.

### **5.2.1 Findings of Hypotheses Testing**

**H1: Tangible, one of SQ dimensions can be the factor that affects overall customer satisfaction.**

Results of hypothesis testing show that Tangible affect to customer satisfaction.

**H2: Reliability, one of SQ dimensions can be the factor that affects overall customer satisfaction.**

Results of hypothesis testing show that Reliability affect to customer satisfaction.

**H3: Assurance, one of SQ dimensions can be the factor that affects overall customer satisfaction.**

Results of hypothesis testing show that Assurance affect to customer satisfaction.



**H4: Responsiveness, one of SQ dimensions can be the factor that affects overall customer satisfaction.**

The results of hypothesis testing show that responsiveness affect to customer satisfaction.

**H5: Empathy, one of SQ dimensions can be the factor that affects overall customer satisfaction.**

The results of hypothesis testing show that Empathy affect to customer satisfaction.

The hypothesis found that all dimensions encourage to customer satisfaction directly because they are significant– the tangible, reliability, assurance, responsiveness and empathy affect coffee shop's customer satisfaction. It means that if coffee shop emphasizes any factor, it will affect their performance. Nowadays, there are many brands of coffee shop's open so, coffee shop's should keep the standard of service high because of customers come to everyday.

In addition, Coffee shop should improve the reliability and consistency of its products and services because perceived quality is usually at the heart of what customers are buying. It reflects a measure of goodness that spreads over all elements of the brand. Coffee shop should represent perceived quality of its products to its customers. Some brands are less in quality but can sell more in volumes because their customers can recognize the existing quality of those products. Starting from the internal customers before then expand to external customers because internal customers can create word of mouth publicity and can recommend the brand to external customers.



### **5.3 Limitations of this Study**

Some limitations are found in this study as follows:

1. The respondents in this study included limitation 428 customers at the coffee shop in some area in Bangkok. If the subjects were drawn more than 428 respondents from other area in Bangkok, the result would be more generalized.
2. When the questionnaires were distributed to the respondents, it was difficult to collect the data in time. Some customers refused to participate in this survey. Moreover, some did not return the questionnaires to researcher in time. If the respondents were more willing to offer feedback, the results would have been useful for improving coffee shop.
3. This study only focused on measuring customer satisfaction with premium brand coffee shop on service quality. Other coffee shops (e.g. food & beverages, independent coffee shop) are essential shops that were not included in the scope of the present research.

### **5.4 Recommendation**

Despite the fact that there are several limitations in this study, the researcher acknowledges these limitations. The association of the service quality and its dimensions is the purpose of this research.

Firstly, there are other dimensions beyond this study, which can create the service quality such as brand equity. The brand equity dimensions are brand



awareness, brand loyalty, perceived quality, and brand association. Thus, Coffee shop should find the right target market and gets the consumer's attention. This is where an advertising strategy comes into play. The goal is to create brand awareness. Design an advertisement in any forms such as email, social network or even offer samples of new products to the target group before launching them but make sure coffee shop is making the great first impression. After that make the public to remember the brand, it can make the customers feel an emotional attachment to the brand. This will get consumers to notice that coffee shop's products stand out from the rest. Moreover, every brand wants the loyal customers because they can create the continuous cash flow to the company, so coffee shop should implement the tools to create the loyal customers. Customer relationship management or CRM is one of the benefit tools to building the brand loyalty. First coffee shop should find out what the customers want. While this may sound like a very simple concept, the many companies that fail to do it successfully surprise it. When coffee shop gives its customers exactly what they want, loyalty will be created over time. These customers will be reluctant to go to competitors who may not give them what they are looking for. Membership card or point collection card are the samples of the customer relationship management. Once the coffee shop know have the customers' record, it will know what the customers purchase, which branch they always go, how often do they purchase. Coffee shop can launch the customized promotion or create the additional benefits to individual customer. This strategy can form the differentiation into customers' mind and expand the brand loyalty to the coffee shop.

Secondly, research distributed the questionnaire only in Bangkok, so it could be broadened to include other coffee shops in tourists' locations such as Bangkok,



Chiang-Mai, or Phuket. In addition, this research also focuses on one industry - the coffee industry. It cannot be generalized to other industries or other areas. Thus, it would be valuable to conduct further research concerning customer's attitudes towards the quality of other service businesses such as restaurants, travel agencies or airlines. The trend of world markets has changed noticeably from agricultural to service markets (Asian Development Outlook, 2007). All of the service businesses are trying their best to improve their service quality in order to make customers satisfied with their services. This would provide a new perspective different business. As Reisig & Chandek (2001) discussed the fact that different customers have different expectations, based on their knowledge of a product or service. This can be implied that a customer may estimate what the service performance will be or may think what the performance ought to be. If the service performance meets or exceeds customers' expectation, the customers will be satisfied. Nevertheless, measuring service quality across products and markets can have significant practical value in building up a strong brand.



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**APPENDIX A**  
**QUESTIONNAIRE**





### **Questionnaire**

#### **Impact of Service Quality on Customer Satisfaction for local brand coffee shop**

This questionnaire has been developed for a Master Degree in Business Administrative at Stamford University for the purpose of education only and the information will be treated with high confidentiality. Please answer the following question by marking “X” in the space given below and do kindly answer truthfully and complete all questions.

#### **PART I**

- 1) Are you coffee drinker?
  - A) Yes (continue to next question)
  - B) No (finish for research, thank you)
  
- 2) How often do you consume coffee shop in Bangkok? (Average per month)
  - A) Less than 1 time
  - B) 1-2 times
  - C) 3-4 times
  - D) More than 4 times
  
- 3) Gender
  - A) Male
  - B) Female
  
- 4) Nationality
  - A) Thai
  - B) Non-Thai
  
- 5) Age
  - A) Lower 18 years old
  - B) 19-27 years old
  - C) 28-36 years old
  - D) 37-45 years old
  - E) Over 45 years old
  
- 6) Education
  - A) Lower Bachelor's Degree
  - B) Bachelor's Degree
  - C) Master's Degree
  - D) Ph. D. Degree
  
- 7) Occupation
  - A) Student
  - B) Officer
  - C) Government Official
  - D) Business owner
  - E) Retirement
  - F) Unemployed
  - G) Other



8) Income (Per month)

A) Lower than 15,000 Bath

C) 30,001-50,000 Bath

B) 15,001-30,000 Bath

D) Higher than 50,000

Bath

**PART 2**

No.	Please express your opinions to the following statement regarding the satisfaction of local brand coffee shop	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	<b>TANGIBLES</b>	1	2	3	4	5
1)	Coffee shops must be clean dining area					
2)	Coffee shops must be a good decoration					
3)	Seating in coffee shop must be available whenever you needs					
4)	Chairs and sofa in coffee shop must be comfortable when sitting					
5)	Parking must be available whenever you needs					
	<b>RELIABILITY</b>					
6)	Waiting time after ordering must be on time					
7)	The staffs have ability to solve any problems					
8)	Coffee shop have reasonable price					
9)	The products have standard quality					
	<b>ASSURANCE</b>					
10)	The staffs have enough knowledge about coffee					
11)	Coffee shop have standard work system					



12)	Coffee shop staffs must be friendly					
13)	Coffee shop must be easy to order					
	<b>RESPONSIVENESS</b>					
14)	Number of staffs must be enough for service					
15)	The staffs must provide prompt service					
16)	The staffs must be willing to help you					
No.	Please express your opinions to the following statement regarding the satisfaction of local brand coffee shop	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
17)	The staffs must provide equal standard of service					
	<b>EMPATHY</b>					
18)	Coffee shop located must be convenient locations					
19)	Coffee shop have nice packaging					
20)	Coffee shop must provide many branches					
21)	Coffee shop must provide smoking area					
22)	Coffee shop must provide Wi-Fi service					
	<b>CUSTOMER</b>					
23)	You are satisfied with coffee at local coffee shop					
24)	Local coffee shop is a wise choice for you					
25)	You have enjoyed experience for local coffee shop					



## PART 3

Customer suggestions towards service quality of the local coffee shop (e.g. Compliment, Complaint)









**Table 1** Analysis of Tangible affect to customer satisfaction1

Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	TANGIBLES_5, TANGIBLES_1, TANGIBLES_3, TANGIBLES_4, TANGIBLES_2,		Enter

## Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.764	.584	.579	.616

## ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	220.511	5	44.102	116.039	.000
Residual	157.346	414	.380		
Total	377.857	419			

## Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	T	
(Constant)	.634	.146		4.330	.000
TANGIBLES_1	.189	.043	.222	4.385	.000
TANGIBLES_2	.310	.056	.340	5.568	.000
TANGIBLES_3	-.087	.044	-.090	-1.980	.048
TANGIBLES_4	.267	.046	.322	5.850	.000
TANGIBLES_5	.049	.041	.049	1.191	.234



**Table 2** Analysis of Tangible affect to customer satisfaction2

## Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	TANGIBLES_5, TANGIBLES_1, TANGIBLES_3, TANGIBLES_4, TANGIBLES_2,		Enter

## Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.623	.388	.381	.607

## ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	96.365	5	19.273	52.348	.000
Residual	152,055	413	.368		
Total	248.420	418			

## Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	T	
(Constant)	1.308	.144		9.067	.000
TANGIBLES_1	.069	.043	.100	1.620	.106
TANGIBLES_2	.141	.055	.190	2.556	.011
TANGIBLES_3	.160	.044	.203	3.670	.000
TANGIBLES_4	-.024	.045	-.036	-.537	.592
TANGIBLES_5	.266	.040	.328	6.636	.000



**Table 3** Analysis of Tangible affect to customer satisfaction<sup>3</sup>

Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	TANGIBLES_5, TANGIBLES_1, TANGIBLES_3, TANGIBLES_4, TANGIBLES_2,		Enter

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.538	.289	.281	.795

ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	106.247	5	21.249	33.639	.000
Residual	260.889	413	.632		
Total	367.136	418			

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	T	
(Constant)	1.638	.190		8.624	.000
TANGIBLES_1	.431	.056	.512	7.729	.000
TANGIBLES_2	.030	.072	.033	.416	.678
TANGIBLES_3	.209	.057	.220	3.693	.000
TANGIBLES_4	-.173	.059	-.213	-2.957	.003
TANGIBLES_5	.019	.053	.020	.369	.712



**Table 4** Analysis of Reliability affect to customer satisfaction1

Variables Entered / Removed

Model	Variables Entered	Variables Removed	Method
1	RELIABILITY_9, RELIABILITY_6, RELIABILITY_7, RELIABILITY_8,		Enter

## Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.482	.233	.225	.836

## ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	87.917	4	21.979	31.459	.000
Residual	289.941	415	.699		
Total	377.857	419			

## Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	T	
(Constant)	.941	.225		4.181	.000
RELIABILITY_6	.133	.078	.108	1.706	.089
RELIABILITY_7	.251	.072	.267	3.463	.001
RELIABILITY_8	.075	.068	.087	1.100	.272
RELIABILITY_9	.102	.052	.098	1.955	.051



**Table 5** Analysis of Reliability affect to customer satisfaction2

Variables Entered / Removed

Model	Variables Entered	Variables Removed	Method
1	RELIABILITY_9, RELIABILITY_6, RELIABILITY_7, RELIABILITY_8,		Enter

## Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.557	.310	.304	.643

## ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	77.061	4	19.265	46.544	.000
Residual	171.359	414	.414		
Total	248.420	418			

## Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	T	
(Constant)	1.243	.174		7.147	.000
RELIABILITY_6	.337	.060	.337	5.593	.000
RELIABILITY_7	.142	.056	.186	2.521	.012
RELIABILITY_8	.000	.053	.000	-.005	.996
RELIABILITY_9	.110	.040	.130	2.743	.006



**Table 6** Analysis of Reliability affect to customer satisfaction3

Variables Entered / Removed

Model	Variables Entered	Variables Removed	Method
1	RELIABILITY_9, RELIABILITY_6, RELIABILITY_7, RELIABILITY_8,		Enter

## Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.564	.318	.311	.778

## ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	116.641	4	29.160	48.194	.000
Residual	250.495	414	.605		
Total	367.136	418			

## Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	T	
(Constant)	.709	.211		3.360	.001
RELIABILITY_6	.228	.072	.188	3.153	.002
RELIABILITY_7	.071	.067	.076	1.048	.295
RELIABILITY_8	-.060	.063	-.071	-.952	.342
RELIABILITY_9	.471	.049	.456	9.699	.000



**Table 7** Analysis of Assurance affect to customer satisfaction1

Variables Entered / Removed

Model	Variables Entered	Variables Removed	Method
1	ASSURANCE_13, ASSURANCE_11, ASSURANCE_10, ASSURANCE_12,		Enter

## Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.704	.496	.491	.678

## ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	187.350	4	46.837	101.787	.000
Residual	190.502	414	.460		
Total	377.852	418			

## Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	T	
(Constant)	.829	.207		4.000	.000
ASSURANCE10	-.173	.047	-.147	-3.696	.000
ASSURANCE11	.390	.049	.429	7.923	.000
ASSURANCE12	.272	.049	.322	5.519	.000
ASSURANCE13	.159	.052	.121	3.059	.002



**Table 8** Analysis of Assurance affect to customer satisfaction2

Variables Entered / Removed

Model	Variables Entered	Variables Removed	Method
1	ASSURANCE_13, ASSURANCE_11, ASSURANCE_10, ASSURANCE_12,		Enter

## Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.480	.230	.223	.680

## ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	57.125	4	14.281	30.896	.000
Residual	190.906	413	.462		
Total	248.031	417			

## Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	T	
(Constant)	1.656	.208		7.960	.000
ASSURANCE10	-.089	.047	-.094	-1.907	.057
ASSURANCE11	-.053	.049	-.071	-1.066	.287
ASSURANCE12	.195	.050	.285	3.946	.000
ASSURANCE13	.405	.052	.377	7.765	.000



**Table 9** Analysis of Assurance affect to customer satisfaction3

Variables Entered / Removed

Model	Variables Entered	Variables Removed	Method
1	ASSURANCE_13, ASSURANCE_11, ASSURANCE_10, ASSURANCE_12,		Enter

## Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.588	.346	.340	.760

## ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	126.161	4	31.540	54.649	.000
Residual	238.359	413	.577		
Total	364.519	417			

## Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	T	
(Constant)	.117	.235		.499	.618
ASSURANCE10	.316	.053	.272	6.024	.000
ASSURANCE11	-.056	.055	-.062	-1.012	.312
ASSURANCE12	.055	.055	.067	1.004	.316
ASSURANCE13	.542	.059	.414	9.230	.000



**Table 10** Analysis of Responsiveness affect to customer satisfaction1

Variables Entered / Removed

Model	Variables Entered	Variables Removed	Method
1	RESPONSIVENESS_17, RESPONSIVENESS_14, RESPONSIVENESS_15, RESPONSIVENESS_16,		Enter

## Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.664	.441	.436	.713

## ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	166.824	4	41.706	82.015	.000
Residual	211.033	415	.509		
Total	377.857	419			

## Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	T	
(Constant)	1.248	.188		6.634	.000
RESPONSIVENESS_14	-.248	.064	-.187	-3.901	.000
RESPONSIVENESS_15	.716	.054	.734	13.189	.000
RESPONSIVENESS_16	-.266	.057	-.279	-4.695	.000
RESPONSIVENESS_17	.315	.051	.306	6.163	.000



**Table 11** Analysis of Responsiveness affect to customer satisfaction2

Variables Entered / Removed

Model	Variables Entered	Variables Removed	Method
1	RESPONSIVENESS_17, RESPONSIVENESS_14, RESPONSIVENESS_15, RESPONSIVENESS_16,		Enter

## Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.348	.121	.112	.726

## ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	30.032	4	7.508	14.233	.000
Residual	218.388	414	.528		
Total	248.420	418			

## Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	T	
(Constant)	2.545	.191		13.325	.000
RESPONSIVENESS_14	.016	.065	.015	.254	.800
RESPONSIVENESS_15	.217	.056	.274	3.898	.000
RESPONSIVENESS_16	-.252	.058	-.327	-4.349	.000
RESPONSIVENESS_17	.259	.052	.311	4.972	.000



**Table 12** Analysis of Responsiveness affect to customer satisfaction3

Variables Entered / Removed

Model	Variables Entered	Variables Removed	Method
1	RESPONSIVENESS_17, RESPONSIVENESS_14, RESPONSIVENESS_15, RESPONSIVENESS_16,		Enter

## Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.501	.251	.244	.815

## ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	92.263	4	23.066	34.741	.000
Residual	274.873	414	.664		
Total	367.136	418			

## Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	T	
(Constant)	1.147	.216		5.309	.000
RESPONSIVENESS_14	.179	.073	.137	2.458	.014
RESPONSIVENESS_15	.014	.062	.014	.223	.824
RESPONSIVENESS_16	.010	.065	.011	.157	.875
RESPONSIVENESS_17	.404	.059	.397	6.902	.000



**Table 13** Analysis of Empathy affect to customer satisfaction1

## Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	EMPATHY_22, EMPATHY_19, EMPATHY_20, EMPATHY_21, EMPATHY_18,		Enter

## Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.697	.486	.480	.685

## ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	179.271	5	35.854	76.411	.000
Residual	189.568	404	.469		
Total	368.839	409			

## Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
(Constant)	6.71E-005	.192		.000	1.000
EMPATHY _1	.283	.060	.236	4.732	.000
EMPATHY _2	.365	.038	.422	9.488	.000
EMPATHY _3	.245	.062	.172	3.939	.000
EMPATHY _4	-.052	.045	-.051	-1.142	.254
EMPATHY _5	.074	.035	.098	2.098	.036



**Table 14** Analysis of Empathy affect to customer satisfaction2

Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	EMPATHY_22, EMPATHY_19, EMPATHY_20, EMPATHY_21, EMPATHY_18,		Enter

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.569	.324	.315	.639

ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	79.010	5	15.802	38.657	.000
Residual	165.146	404	.409		
Total	244.156	409			

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	T	
(Constant)	1.309	.179		7.299	.000
EMPATHY _1	.337	.056	.345	6.042	.000
EMPATHY _2	-.065	.036	-.093	-1.819	.070
EMPATHY _3	.495	.058	.427	8.509	.000
EMPATHY _4	-.032	.042	-.039	-.754	.451
EMPATHY _5	-.070	.033	-.114	-2.122	.034



**Table 15** Analysis of Empathy affect to customer satisfaction3

## Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	EMPATHY_22, EMPATHY_19, EMPATHY_20, EMPATHY_21, EMPATHY_18,		Enter

## Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.625	.390	.383	.738

## ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	140.136	5	28.027	51.452	.000
Residual	218.979	402	.545		
Total	359.115	407			

## Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
(Constant)	.769	.209		3.679	.000
EMPATHY _1	.252	.064	.212	3.906	.000
EMPATHY _2	-.035	.041	-.041	-.854	.393
EMPATHY _3	.154	.067	.109	2.293	.022
EMPATHY _4	.028	.049	.028	.578	.563
EMPATHY _5	.329	.038	.444	8.691	.000



## **BIOGRAPHY**

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