

Demand Analysis of Service Quality in Coffee Shop

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ABSTRACT :This study adopts dimensions of service quality of SERVQUAL and related research and develops 26 quality factors to enhance service quality efficacy by discussing with the coffee shop, scholars and experts. By pair questionnaire design and interview, this study analyzes the importance of these quality factors. These different quality attributes can be applied in weight evaluation of quality factors; by importance-performance analysis, it probes into advantage and disadvantage of service quality in Coffee Shop H. According to findings, “service personnel of the coffee shop properly provide the meals ordered by customers” and “atmosphere of the coffee shop is comfortable” are the most important for customers; “service personnel of the coffee shop wear neatly” and “seats in the coffee shop are comfortable and the place is spacious” are highly important for customers; however, the customers suggest that quality provided by Coffee Shop H is not satisfying. It shows that Coffee Shop H does not thoroughly recognize customers’ needs and importance. It suggests that Coffee Shop H can reinforce the comfort of seats, spacious view and dress of service personnel in order to avoid the loss of customers.

KEYWORDS-service quality, quality factors, IPA analysis

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I INTRODUCTION

In recent years, operation of coffee market is diverse, including various innovative cafes such as personalized coffee shops, atmospheric cafes, Japanese and Korean international chain cafes, compound cafes with dessert, take-away franchising drink (atmospheric) cafes, etc. They provide multiple options for consumers. Since there are more and more coffee shops, competition among coffee industries becomes more severe. Coffee market is successively saturated and competition is significant. Thus, the companies must create unique services, control demands of customers with different attributes, recognize consumers’ habits and establish different operational strategies and satisfying service quality according to consumers’ habitual behaviors in order to attract more customers and lead to higher profits. According to SERVQUAL scale proposed by Parasuraman et al. (1988), this study classifies dimensions of service quality into responsiveness, tangibles, reliability, empathy and assurance. Measurement items of five dimensions of service quality are revised based on Parasuraman et al. (1988) and Haywood-Farmer (1988) and according to business characteristics of cafes. By Importance-Performance Analysis (IPA), this study explores difference of importance and satisfaction regarding service quality items in Cafe H for customers and proposes the items for improvement and ranking as reference for the cafes to reinforce service quality. According to research findings, this study analyzes propriety of current operational strategy of Cafe shop H to allow the service to further approach consumers and proposes suggestions to enhance service quality strategy.

II LITERATURE REVIEW

Through Importance-Performance Analysis, this study probes into service quality demand of Cafe H customers. Literature review includes two parts: study on service quality of the cafe and Importance-Performance Analysis (IPA).

2.1 Service quality

Kotler (2003) argued that service quality is customers’ evaluation after comparing service receiving process or actual cognition and expectation. Parasuraman et al. (1985) stated that service quality is the gap between consumers’ Expected Service (ES) and Perceived service (PS). Evaluation on service quality depends on customers’ conclusion after receiving service and gap between their Perceived Service and Expected Service (Parasuraman et al., 1985; Bateson&Hoffman, 2002). According to Parasuraman et al. (1988), service quality includes 5 dimensions: (1) reliability; (2) responsiveness; (3) assurance; (4) empathy; (5) tangibles. Haywood-Farmer (1998) classified service quality into 3 dimensions: (1) facility, process, and procedure; (2) service staffs’ behavior; (3) service staffs’ professional judgment: knowledge and skill, diagnosis, honesty, reliability, flexibility and discrimination. Based on SERVQUAL scale proposed by Parasuraman et al. (1988), this study divides dimensions of service quality into responsiveness, tangibles, reliability, empathy and assurance. Measurement

items of five dimensions of service quality are revised based on Parasuraman et al. (1988), Haywood-Farmer(1988) and according to business characteristics of cafes.

2.2 Importance-Performance Analysis (IPA)

IPA is the analytical technique applied by business managers to measure current market competitive positions of enterprises and to ensure the improvement opportunities of corporate operation (Myers, 2001). IPA method is proposed by Martilla and James (1977) and it is applied to examine performance of automobile industry. Hansen and Bush (1999) argued that IPA method allows the companies to recognize prior key quality factors to be improved. Thus, companies can satisfy high-level customers by limited resources. IPA method mainly measures subjects' expectation of the behavior and evaluates actual satisfaction. Importance refers to subjects' expectation satisfaction with related specific behavior; performance is cognition satisfaction with others' behavior (Magal &Levenbury, 2005).

In IPA method, means of importance and performance in service quality items are calculated. Axis x denotes performance and Axis y denotes importance. IPA matrix is divided into 4 quadrants A, B, C and D, as shown in Figure 1.

- 1.Quadrant A -Zone of Concentrate Here: this quadrant is important for customers; however, currently perceived performance level does not meet customers' expectation and the companies must invest in more resources and improve it as priority.
- 2.Quadrant B -Zone of Keep Up the Good Work: the quadrant is important for customers and currently perceived performance level is high. It is main competitive advantage.
- 3.Quadrant C -Zone of Low Priority: the quadrant is not important for customers and currently perceived performance level is inferior. It can be improved after the reinforcement of quadrant A and it is the source of low priority of enterprises.
- 4.Quadrant D -Zone of Possible Overkill: the quadrant is not important for customers; however, consumers' currently perceived performance level is high and enterprises can apply the resources to other zones which require further improvement.

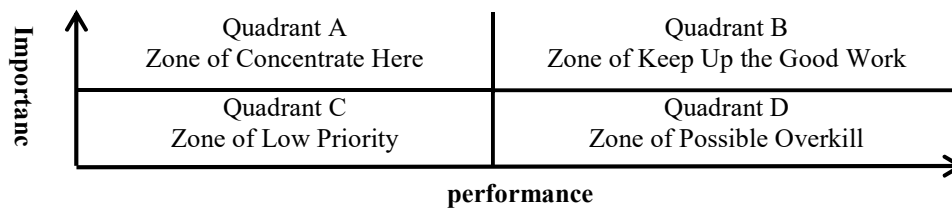


Figure 1 IPA matrix

At present, IPA method is generally applied in research on service quality evaluation of customers' satisfaction in service industry to serve as reference of market decision-making. O'Neill and Palmer (2004) adopted IPA method to improve service quality of higher education. Enright & Newton (2004) applied IPA method to recognize quality attributes which enhance competitive advantages of tourist destinations. By IPA, Hanqin et al. (2004) validated important attributes to improve service quality of tour leaders in Hong Kong.

III RESEARCH METHOD

According to SERVQUAL scale proposed by Parasuraman et al. (1988), this study classifies dimensions of service quality into responsiveness, tangibles, reliability, empathy and assurance. Measurement items of five dimensions of service quality are revised based on Parasuraman et al. (1988) and Haywood-Farmer (1988) and according to business characteristics of cafes. Questionnaire of this study includes two parts. In Part 1, the measurement was based on Likert 5-point scale. Part 1: importance and satisfaction of service quality mainly refer to five dimensions: (1) responsiveness (item); (2) tangibles; (3) reliability; (4) empathy; (5) assurance. Part 2: basic information, including Gender, Age, Occupation, and Educational level; the questionnaires were distributed from March to June 2017. The respondents were customers of Cafe H. This study retrieved 177 valid questionnaires and adopted IPA method. Table 1 shows the reliability values. Nunnally (1978) suggested that in an exploratory study, a reliability greater than 0.7 is acceptable. All the reliability variables of this study are above 0.7, so the results carry sufficient reliability. As to validity analysis, items of this study were developed according to related literatures. Before distributing questionnaires, the researcher discussed with people in practical circle to ensure that the meanings were accurate. It conducted pretest and modified questionnaire content and the validity

was demonstrated.

IPA matrix is divide into Quadrant A -Zone of Concentrate Here; Quadrant B -Zone of Keep Up the Good Work; Quadrant C - Zone of Low Priority; Quadrant D - Zone of Possible Overkill. By IPA model, this study explores attribute difference of importance and performance of service items for customers, recognizes the advantages and disadvantages of service quality and assists with the cafe to recognize the direction of improvement and priority in order to upgrade service quality and competitiveness.

IV RESULTS ANALYSIS

According to questionnaire survey result, this study conducts analysis. Among 177 subjects, there are 78 males and 99 females; as to age, most of them are 31-40 years old (including 58 subjects). The second is 21-30 years old (including 56 subjects). 36 subjects are 41-50 years old, 17 subjects are above 50 years old and 10 subjects are below 20 years old. As to occupation, most of them are in service industry (including 41 subjects). The second is students (including 36 subjects). 35 subjects are in technology industry, 19 subjects are in freelance industry, 11 subjects are military personnel, civil servants and teachers, 8 subjects are in industry and commerce and 27 subjects are others; regarding educational level, most of them are graduated from university (including 103 subjects), 43 subjects are above graduate school, 17 subjects are senior high and vocational schools and 14 subjects are colleges.

As to analysis of service quality items, the measurement is based on a Likert 5-point scale, ranging from 5 (strongly agree) to 1 (strongly disagree). The importance and satisfaction towards service quality are shown in Table 2. In IPA, 14 items fall in Quadrant B-Zone of Keep Up the Good Work: Item 1, Item 3, Item 6, Item 9, Items 13~16 and Items 21~26. These items are highly important services with high performance level for customers. They are the advantages of Cafe H and key points of future development. They should Keep Up the Good Work. Two items fall in Quadrant D-Zone of Possible Overkill: Item 4 and Item 18. The resources can be applied to the zones which require further improvement. Eight items fall in Quadrant C- Zone of Low Priority: Item 2, Item 5, Items 10~12, Item 17, Item 19 and Item 20. They can be improved after the reinforcement of quadrant A and they are sources of low priority of the cafe. Two items fall in Quadrant A-Zone of Concentrate Here: Item 7 and Item 8. They are sources of main disadvantage of the cafe. Thus, the company should treat them as the key prior points for improvement.

V CONCLUSION

According to IPA, items fall in zone of Concentrate Here, “dress of service staffs of the cafe is neat” and “the design of seats is comfortable and the place is spacious”, are highly important for customers. However, quality provided by cafe H does not satisfy customers. It is suggested that there should be consistent regulation on service staffs’ dress in Cafe H, such as uniforms or simple and unified style of dress, to enhance consumers’ perception and satisfaction. As to design of seats, they can increase the seats with backs as options for customers in need and the seats are comfortable for customers. In addition, regarding spatial planning, it should reinforce overall comfort of space. Items fall in Zone of Keep Up the Good Work are highly important services with high performance level for customers. It means that the efforts of Cafe H and importance for customers are consistent. They can be conceived as zone of competitive advantages of Cafe H and the service level should be maintained. Items fall in Zone of Low Priority for consumers, are less important in comparison to other services and they are the items with lower performance level in Cafe H. At present, they are not important for customers. However, with sufficient resources, if the cafe can improve these services, it could improve customers’ original cognition and further attract new customers. They have the potential in zone of advantages. This study only treats consumers of Cafe H as subjects. Future research can conduct more precise study and analysis on different areas and related industries in order to acquire more complete findings.

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Table1: The Cronbach's α coefficients for all variables in this study

Questionnaire Dimensions	Item	Cronbach's α	
		Importance	performance
Responsiveness	1,2,3,4	0.843	0.804
tangibles	5,6,7,8,9,10,11,12	0.856	0.836
reliability	13,14,15,16	0.884	0.865
empathy	17,18,19,20	0.824	0.849
assurance	21,22,23,24,25,26	0.893	0.887

Table 2: Importance and performance analysis of service quality

Item	Items of service quality	performance		Importance	
		Mean	Ranking	Mean	Ranking
1.	Service staffs of the cafe can immediately respond to my needs and questions	4.3616	2	4.2768	13
2.	Service staffs are not too busy to immediately respond to customers' demands	3.2203	26	3.8475	25
3.	Service staffs can immediately provide the service I need.	4.1638	13	4.2260	15
4.	The cafe responds to customers' special or extra needs	4.1412	14	4.0791	18
5.	There are modernized and professional equipment and facility in the cafe	4.0339	17	3.9661	23
6.	The cafe has bright and clean facility and appearance	4.3164	4	4.3842	4
7.	Dress and appearance of service staffs in the cafe are neat	4.0113	19	4.3051	10
8.	The design of seats is comfortable and the place is spacious	3.9831	22	4.2955	12
9.	Atmosphere of the cafe is comfortable	4.2147	11	4.4181	2
10.	Interior facility, circulation and signs in the cafe are clear	3.9435	23	3.9774	21
11.	Additional service, self-service bar and online service facility are complete and multiple	4.0000	20	3.9379	24
12.	Menu of the cafe is renewed frequently and is diverse.	3.7288	25	3.7684	26
13.	Service staffs can make efforts to assist with customers' problems	4.2090	12	4.2994	11
14.	After customers finish the meals, the amounts on the bills are accurate	4.3785	1	4.3842	3
15.	Service staffs of the cafe precisely serve customers with food ordered	4.3616	3	4.4237	1
16.	Service provided by the cafe can be accomplished punctually	4.2994	6	4.3107	8
17.	Service staffs actively provide individual care and service for customers	3.9887	21	3.9718	22
18.	Service staffs make efforts to assist with problem solving	4.1412	15	4.1864	17
19.	Service staffs can precisely analyze customers' needs and provide proper service	4.0339	18	4.0678	19
20.	The cafe treats customers' profits as the priority	3.9435	24	4.0452	20
21.	Service staffs kindly solve all problems encountered by customers	4.1412	16	4.2090	16
22.	Service staffs of the cafe can provide responsible service	4.2203	10	4.2712	14
23.	Service staffs have sufficient professional knowledge to respond to customers' questions	4.3164	5	4.3390	7
24.	Service staffs have professional technique and competence to provide various products with consistent quality	4.2542	8	4.3107	9
25.	Service staffs can maintain certain degree of service quality	4.2260	9	4.3559	6
26.	The cafe provides comfortable and relaxing service for customer	4.2994	7	4.3672	5
Average		4.1128		4.1932	

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