THE IMPACT OF SERVICE QUALITY, CUSTOMER EXPECTATIONS, AND IMAGE ON CUSTOMER SATISFACTION IN MAINTAINING COFFEE SHOP SUSTAINABILITY

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Abstract

Coffee shops offer diverse food and beverage menus. In maintaining a coffee shop, the owner or management needs to focus on the variables that support the shop's sustainability. This study examined the impact of service quality, customer expectations and image on customer satisfaction in maintaining cafe sustainability. Sample study in this study Coffee Shop of Bandar Lampung, Indonesia. Qualitative and quantitative analysis methods were used to interpret the data obtained in the study, including multiple linear regression analysis which is used the t-test, F-test, and the coefficient of determination. The result study reveals that service quality, customer expectations, and image affect customer satisfaction positively significant. The results also suggested that all independent variables simultaneously affected customer satisfaction positively and significantly.

Keywords: Service Quality, Cusmer Expectation, Image, Customer Satisfaction

INTRODUCTION

The growth of the coffee processing industry Indonesia has increased significantly in recent years. Data from the Ministry of Industry Republic of Indonesia (www.kemenperin.go.id) show that this increase has been supported by the rapid growth of roasteries, cafés, and coffee shops in cities large and small. This occurred because of the growth of the middle-income class, which has supported lifestyle changes among young Indonesian people. Historically, Indonesia was only known as a coffee producer, but it has slowly turned into a coffee-consuming country. This change has increased the interest of investors in this industry. The economic situation is based not only on fulfilling customer needs, but also on changing customer lifestyles, and business owners have acted on their interest by opening coffee shop following the café concept. The stiff competition among coffee shops has pushed business owners to think about how to survive in this industry. One strategy has been to give more attention to customer satisfaction to maintain the sustainability of the business in the long term. As a determinant of a continuous and significant course of sales, customer satisfaction is a top priority for all companies in their efforts to attract and retain customers. Customers compare product results and performance in relation to expected performance. If the customer feels pleasure or disappointment as a result of this experience, this feeling measures their satisfaction (Barusman & Riorini, 2016). People who run coffee shops therefore need to innovate and find ways to maintain customer satisfaction and survive in an environment of increasing competition.

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This study purposes to examine the impact of service quality, customer expectations and image on customer satisfaction in maintaining cafe sustainability. This study uses a sample case study of coffee shops in Bandar Lampung city, Indonesia to examine the impact of image on service quality, customer expectations, and customer satisfaction in maintaining coffee shop sustainability.

LITERATURE REVIEW

A customer's feeling of pleasure or disappointment–that is (dis)satisfaction—appears after comparing their expectations of the product to its actual performance (Solomon, 1994). To measure satisfaction, an organization can calculate the gap between the customer's perceived service performance and the customer's expected performance (Parasuraman et al., 1986; Jatiningrum & Marantika, 2021). Customer satisfaction ratings are a highly complex process as they measure consumer satisfaction or dissatisfaction (Barusman & Mihdar, 2015). Engel et al. (2006) have emphasized that customer satisfaction or dissatisfaction includes customer behavior after the purchase, where the chosen alternative is at least equal to or beyond the customer's expectations. Satisfaction involves the behavior of repeat purchases and recommending company products to friends or partners (McIlroy & Barnett, 2000; Suarni et al, 2022). Customer satisfaction is A customer's general attitude toward a salesperson, or emotional response to the gap between expectations and reality, Dutka (1995) proposed three attributes for assessing customer satisfaction, and Dutka (1995) proposed three attributes to assess customer satisfaction: 1) Attributes associated with the product; 2) Attributes associated with a service, such as delivery, guarantee or warranty, complaint handling, and resolution of problems; and 3) Attributes associated with the purchase itself, such as communication, courtesy, communication, company reputation, ease or convenience, acquisition, and competence.

Customer satisfaction and service quality have a strong correlation. Barusman (2019) noted that service quality is how companies continuously improve the quality of their processes, products and services. According to Jaiswal (2008), service quality includes not only the final service or product, but also the manufacturing and delivery processes, but customer perception can only be measured after consumption. Chang and Liu (2008) We believe that the concept of service quality should generally be approached from the customer's perspective, as customers have different judgments, values , and circumstances. Service quality can be considered good or satisfactory if the service received meets the customer's expectations. Conversely, if the service received is lower than expected, it may be perceived as poor or fail to meet consumer expectations. (Yarimoglu, 2014). In the food and beverage industry—and restaurants specifically—Sapungan et al. (2019) found that the indicators of service quality are atmosphere, price, food quality, convenience, and value.

Customer satisfaction is affected by many factors, and one of those factors is customer expectations (Rahman et al., 2017). Service providers, including restaurants and coffee shops, must comprehend what the customer needs or wants to meet those expectations and achieve high customer satisfaction during the service experience (Parasuraman et al.,1991). Customer expectations are defined as the wants or desires of the customer—that is, what a customer thinks a firm should offer rather than what they would offer (Parasuraman et al., 1988). Customer expectations are how customers judge what they receive based on past experiences,

word of mouth, and advertisements (Kotler, 2010). According to Douglas et al. (2018), indicators that influence perception and customer expectations are support, staff, operations, business skills, and finance. To maintain a long-lasting customer relationship, many companies invest in customer relationship management (Barusman & Rulian, 2019; Pariyanti et al. 2020) The previous literature has shown that brand image generates customer satisfaction not only by developing a sustainable relationship not only through brands but through positive word of mouth (Anwar et al., 2019; Chao et al., 2015). Brand image is also a precursor to customer satisfaction and loyalty. As a result, companies spend significant resources building and enhancing their brand image (Mohammed & Rashid, 2018), which is formed by the perception of the total impression that appears in the customer's mind (Aaker & Myers, 2000). Chun (2005) has explained that brand image is often used interchangeably with reputation, with no significant distinction between them; however, image is an integral part of a company's reputation. Image is the form factor of a company's reputation that is built over time on the identity and performance of the company and the consumer's perception of the company's activities. (Barusman, 2014). Image is subject to complex interpretation in terms of how people feel an interest in an organization (Cornelissem, 2000). Douglas et al. (2018) have identified the indicators of image include image, location, products, and services. To create the desired image, a company needs to focus on these four things to maintain the company's sustainability.

RESEARCH METHOD

This study made use of library and field research. The research design followed a framework of data collection and analysis to answer the research objectives using a descriptive research design. The independent variables to be examined in this study are service quality, customer expectation, and image. The dependent variable is customer satisfaction.
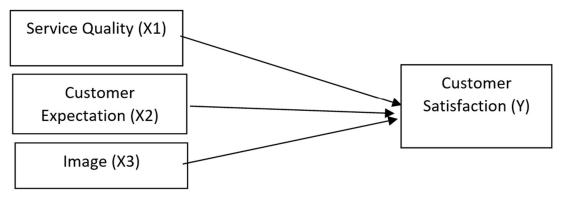
Figure 1. Conceptual Framework

The sample was formed of coffee shop customers in the city of Bandar Lampung, who were selected using the purposive random sampling technique, because the sampling of population members was obtained randomly regardless of the strata in the population.

RESULTS AND DISCUSSION

The sample study has collected from customers coffee shops in the city of Bandar Lampung. A total of 100 respondents aged between 17 to 30 years represented customer. A total of 100 questionnaires were distributed using Google Forms by sharing a link to form on respondents'

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social media. The rate of returned questionnaires was 100%, with 0% failed questionnaires, so the total number of questionnaires that could be processed was 100 (100%). Of the respondents 93 people were aged 17–25 years (93%) and 7 people were 26–30 years (7%); in terms of gender, 46 people identified as male (46%) and 54 as female (54%). Although this is more or less evenly split, there is a slight preponderance of women.

This research used a validity test to assess whether it measures what it is supposed to measure by comparing the value of the r-count and r-table. If the result of r-count > r-table, then the instrument is valid. The r-table in this research uses a significance level of 0.05 ($\alpha = 5\%$), with n = 100; the r-table value is 0.1946. From this test result, From this we can conclude that the question was used to measure the quality of service (X1), customer expectation (X2), image (X3), and customer satisfaction (Y) have an r-count > r-table (0.1946), so all questions appear to be valid. The results of the reliability test indicate that the measures for service quality (X1), customer expectation (X2), image (X3), and customer satisfaction (Y) have a Cronbach's alpha > 0.60 so they can be said to be reliable.

Table 1. Results of Multiple Linear Regression Analysis Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.128	2.479		1.665	.099
	X1	.179	.075	.186	2.376	.019
	X2	.472	.082	.491	5.786	.000
	X3	.267	.091	.262	2.916	.004

a. Dependent Variable: Customer Satisfaction (CS)

The multiple linear regression equation is formed as follows:
$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e_t$$
$$Y = 4.128 + 0.179X_1 + 0.472X_2 + 0.267X_3 + e_t$$

Where Y is customer satisfaction, X_1 is service quality, X_2 indicates customer expectations, X_3 is image, a is the regression constant, b_1 is the coefficient of X_1, b_2 is the coefficient of X_2, b_3 is the coefficient of X_3, and e_t is the error term.

Based on the multiple linear regression equation, the following interpretations can be drawn. The results above can be expressed in terms of an equation $Y = 4.128 + 0.179X_1 + 0.472X_2 + 0.267X_3 + e_t$, which indicates that the customer expectation coefficient of 0.472 has a higher value than the service quality coefficient (0.179) and the image coefficient (0.267). Service quality regression coefficient (X_1) is 0.179. This means that service quality (X_1) has a positive impact on customer satisfaction (Y); if service quality is improved, customer satisfaction will be enhanced. The variables customer expectation and image are considered constant. The regression coefficient value for customer expectations (X_2) is 0.472. This means that customer expectations (X_2) have a positive impact on the customer satisfaction (Y). If customer expectations increased, customer satisfaction will be enhanced. The variables service quality and image are considered constant. The regression coefficient value for image (X_3) is 0.267, that is because image (X_3) also has a positive impact on customer satisfaction (Y). If image improves, customer satisfaction will be enhanced. The variables service quality and customer expectation are considered constant.

Table 2. Results of the Coefficient of Determination (r^2)
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.855[a]	.731	.723	2.27347

a. Predictors: (Constant), I, SQ, CE

Source: Data processed, 2020

The results calculated for the coefficient of determination in the Adjusted R Square is 0.731. This means that customer satisfaction with coffee shops in Bandar Lampung is primarily influenced by service quality, customer expectation, and image variables (73.1%), while the remaining 26.9% of customer satisfaction is influenced by other variables not examined in this study.

Table 3. Results of T-Test Analysis (Partial Test)
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.128	2.479		1.665	.099
	X_1	.179	.075	.186	2.376	.019
	X_2	.472	.082	.491	5.786	.000
	X_3	.267	.091	.262	2.916	.004

a. Dependent Variable: CS

Source: Data processed, 2020

Based on Table 3, the following results were obtained.
1.   The impact of service quality (X1) on customer satisfaction (Y)
About quality of service results of the service quality (X1) regression test, the t-count value was 2.376 > the t-table 1.985, with a significance value (Sig.) of 0.019 < 0.05. This means that service quality (X1) has a positive and significant impact on customer satisfaction (Y), which is in line with the results of Sapungan et al. (2019). This applies not only to the coffee shop industry, but also to all industries (general).
2.   Effect of customer expectations (X2) on customer satisfaction (Y)
For the results of the customer expectations (X2) regression test, the t-count 5.786 > t-table of 1.985, with a significance value (Sig.) of 0.000 < 0.05. This means that the customer expectations (X2) variable has a positive and significant impact on customer satisfaction (Y), which is in line with the findings of the previous study by Douglas et al. (2018). This applies not only to coffee shop industry, but also to all industries (general).
3.   Effect of image (X3) on customer satisfaction (Y)
For the results of the image variable (X3) regression test, the t-count value was 2.916 > t-table value of 1.985, with a significance value (Sig.) of 0.004 < 0.05. This means that image (X3) has a positive and significant impact on customer satisfaction (Y), which is again in line with

the results found by Douglas et al. (2018). This not only applies to the coffee shop industry, but to all industries (general).

Table 4. Results of the F-Test Analysis (Simultaneous Test):
ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1350.400	3	450.133	87.089	.000[b]
	Residual	496.190	96	5.169		
	Total	1846.590	99			

a. Dependent Variable: CS
b. Predictors: (Constant), I, SQ, CE
Source: processed data 2020

As shown in Table 4, the result for the F-count is 87.089. Because the value of F_{count} 87.089> F_{table} 2.70, with a significance value (Sig.) of 0.000 < 0.05, service quality (X_1), customer expectation (X_2)m and image (X_3) simultaneously or together have a positive and significant impact on customer satisfaction (Y).

CONCLUSION

Based on the results of data analysis, we can conclude that service quality has a positive and significant impact on customer satisfaction in maintaining the sustainability of coffee shops in the city of Bandar Lampung, Indonesia. Customer expectations also have a positive and significant impact on customer satisfaction, as does image. Service quality, customer expectation, and image simultaneously have a positive and significant impact on customer satisfaction in maintaining the sustainability of coffee shops in Bandar Lampung. Based on these findings, we can make the following suggestions: coffee shop employees should be more focused on customers' needs and wants, and employees are expected to improve service quality—in particular, to give complete attention to customers; the food and beverage menu stock must always be fully available; coffee shops must have a large and safe parking spaces, and increasing parking capacity is recommended, as is maintaining the safety of the coffee shop location; and coffee shops should maximize training for employees to be more responsive in meeting customer needs. Future researchers should consider other variable in studying coffee shops or consider the same variables in another industry.

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