

## Research on Service Quality and Satisfaction of Chain Cafes

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**ABSTRACT** : This study mainly discusses the research on service quality and satisfaction of chain coffee shops. The purpose of this study is to understand the relationship between consumers' service quality and satisfaction with 85°C, and to explore the relationship between consumer demographic background variables and service quality. The degree of correlation between satisfaction. In this study, consumers who have consumed at 85°C were used as the research objects. The questionnaires were distributed by convenience sampling method, and 150 valid questionnaires were collected. The SPSS statistical software was used to conduct descriptive statistics, independent sample *t*-test, and single-factor variation. Statistical analysis, Pearson correlation analysis, regression analysis, and reliability analysis were used to explore the correlation of variables. The results of the study found that: (1) the gender, age, education level, occupation and personal average monthly income of consumers had no significant difference in 85°C service quality and satisfaction; (2) the results found that service quality had a significant impact on satisfaction influence effect. Conclusion of this study: Provide customers with good customer service strategies to improve customer satisfaction and loyalty. Suggestion: 85°C provides a better consumption environment, and establishes three experience modes of "emotional experience", "action experience" and "connection experience".

**KEYWORDS** – 85°C, service quality, satisfaction

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### I. Introduction

Future Circulation Institute (2020) reported that "the whole city is my cafe". Coffee with full aroma, bittersweet and mellow has become an indispensable existence in many people's lives. Such a rich consumption base naturally breeds huge commercial value, and through the accumulation of various types of coffee channels, it has become an emerging force in Taiwan's food and beverage consumption market. . From 1993 to 1994, Taiwanese local brands Dandi Coffee and Yike Coffee were established, and the franchise mechanism was successively launched. The Taiwanese coffee shop industry began to move towards chain operation and large-scale commercialization. In 2004, 85°C was established and quickly opened its store. In the same year, the leading supermarket 7-11 launched the CITY CAFÉ brand. With the advantage of 24-hour operation and a large number of shops in Taiwan, in addition to the drinking style in the store where you can drink slowly, Created a cheap coffee take-out model that seeks efficiency and convenience, and major supermarkets have successively launched brewed coffee take-out/delivery services, which has become the starting indicator for the popularization of coffee drinking in Taiwan.

In recent years, the proportion of Taiwanese drinking coffee has become higher and higher, and industry players have also seized this wave of "black gold business opportunities". Not only convenience stores and fast food restaurants sell more and more varieties of coffee, but chain coffee shops are also constantly pursuing innovation. There are even emerging coffee shop brands reaching out and striving to be upstream (Oriental Online,2018) . For busy office workers, chain coffee shops are necessary to solve this sacred and refreshing task every day! Daily View Internet Thermometer (2019) uses the "KEYPO big data key engine" to count the most popular chain coffee in the three-month period from July 18, 2019 to October 15, 2019, and the top three They are Starbucks, 85°C, and Louisa Coffee. The second place is 85°C. The name of the store comes from the insistence that "coffee tastes best at 85 degrees Celsius". It is said that the temperature of brewing coffee is about 90 to Between 96 degrees C, and the most suitable temperature for drinking is about 85°C. When many students were in school, it was also a cup of American coffee every morning to wake up the soul of the day. It can be said to be a good partner who shared life and death in the early years. "85°C " uses Guatemala Antigua Volcano coffee. Under the standard operating process, the customer will bring out a cup of coffee with a balanced taste of sweet, bitter, sour and mellow. A piece of bread in the morning is a perfect breakfast, in the afternoon, you can have a slice of cake, and you can also have a low-key afternoon tea in the office!

Chain coffee shops have set off a boom in Taiwan. In the consideration of opening a store, the

convenience of people's consumption is the biggest consideration, and the service attitude of the service staff of chain coffee shops is one of the important factors (Chen, Wu, Chen, & Xu, 2011). Tsiotsou (2006) believes that service quality is a comprehensive evaluation of all the advantages, disadvantages and grades of products by customers. Parasurmanet, Zeithaml, and Berry (1988) proposed that service quality is the degree to which service providers/consumers interact with each other during service delivery. That is, service quality is measured by customers, and the service quality is measured by the difference between the expected service and the actual service experienced by the customer (Etzel, Bruce, & William, 2001), so the service quality will affect the customer's experience.

Caceres and Papparoidamis (2007) pointed out that satisfaction will positively affect customer loyalty, so giving customers good after-sales service quality can lead to high customer satisfaction, and then positively affect loyalty through high satisfaction. After consumers buy coffee in coffee chain stores, if they continue to buy coffee in the future, they can also choose to accept coffee franchise stores with the same price or relatively low price. Therefore, if the coffee franchise service providers provide good service quality, can it lead to lower prices? It is also one of the topics to be discussed in this research.

Purpose of this study:

- (1) Discuss the model of 85°C service quality of chain cafes.
- (2) Discuss the service quality and satisfaction factors of consumers for 85°C of chain coffee shops.
- (3) To explore the degree of correlation and influence of consumers on 85°C service quality and satisfaction of chain coffee shops.

## **II. Literature review**

### **2.1 Franchise chain definition**

From the point of view of business operation, the chain operation system, the meaning represented by "chain" is a way to achieve economic scale. Kotler (1991) defined a chain system as "a retail store that owns or controls two or more sales locations, and the retail store has the same sales product line, unified commodity procurement and sales, and In terms of layout and other aspects, try to create a consistent feature as much as possible."

Carman's (1973) definition pointed out that "a chain refers to two or more stores operating in the same nature, using the same store name, signboard and decoration, and a central unit directing their actions, such as unified purchases, unified advertising activities, etc., and Provide guidance to branches or franchise stores in store decoration, product mix, price setting, product display, service quality and promotional activities, and formulate business strategies to adopt simplistic, standardized and standardized consistent operating activities" (Hsu, Wu, & Wu, 2013)

### **2.2 85°C Introduction**

85°C is a coffee, cake and bakery specialty store founded in 2003. The founder believes that coffee is best at 85°C, hence the name 85°C. 85°C is the first affordable chain coffee cake. The directly-operated store provides 24-hour non-closing, allowing consumers to easily buy coffee and cakes. Most of the products in the store are priced within the acceptable range of the public, creating the first affordable chain coffee. The business philosophy is "continuously seeking innovation and change, responding to the entire environment, leading innovative ideas, and constantly developing and researching in line with the changing times, self-improvement and participating in international competition", so that 85°C will not disappear from the world due to changes in the times (85°C official website, 2014).

At the beginning of its establishment, 85°C hoped to popularize and penetrate into all corners of Taiwan with five-star products and affordable prices, and use advanced raw materials and technologies to present exquisite and affordable products, so that everyone can enjoy five-star Class treatment and five-star enjoyment. According to the eating habits of Chinese people, and according to the season and popularity, it provides the most delicious food for the public. The most distinctive business model (85°C official website, 2014).

### **2.3 Service Quality**

Service quality refers to the customer's perception and evaluation of the service provided by the service organization, which comes from the cognition obtained by comparing the customer's expectation and the actual experience, that is, the customer's expected quality. The pre-impression obtained by word of mouth and other people's experience is compared with the actual cognition obtained from the service process, service environment, service personnel and receiving service results and experience of service (Chuang, 2013) .

The quality of service is determined subjectively rather than objectively, and the result is whether it meets the expectations of tippers (Garvin, 1983). Since service is not only an intangible product and intangible thing, but also there is no fixed standard model, not only the product itself, but also the intangible customer

service quality (Parasurmanet, et.al, 1985) The above description can be understood Service is intangible, everyone will have different feelings after experiencing the service, and there is no correct standard model for service, so service quality cannot be measured correctly, all service quality will be different due to personal feelings ( Wang & Chen, 2006).

### 2.4 Satisfaction

Customer satisfaction is the subjective perception of the expected benefits and actual feelings of customers before and after receiving a service or using a product ( Chuang, 2013 ). Oliver (1981) proposed that satisfaction is an immediate emotional response made by customers to the degree of value obtained by the product or service used in the context of using a specific product or service. Cardozo (1965) clearly pointed out that customer satisfaction will affect customers' repurchase behavior, and may also turn to purchase other products. Good customer satisfaction results in an increase in the number of consumers repurchasing. Howard and Sheth (1969) pointed out that the attitude of consumers before purchase will affect consumers' purchasing tendency and expectations of products, and whether the post-purchase feeling is consistent with the pre-purchase expectations will affect consumer satisfaction. Since satisfaction is a result produced by experience and evaluation, it can be known that customer satisfaction is the consistency between product performance and purchase belief that customers will evaluate after using the product. When there is considerable consistency between the two When the two rooms are different, the customer will feel satisfied; on the contrary, when the two rooms are different, the customer will have a dissatisfied response ( Chen & Chen, 2005 ; Tseng & Chang, 2012 ) .

## III. Methodology

### 3.1 Research Framework

Based on the above motives, purposes and literature review, research framework is constructed, as shown in Figure 1.

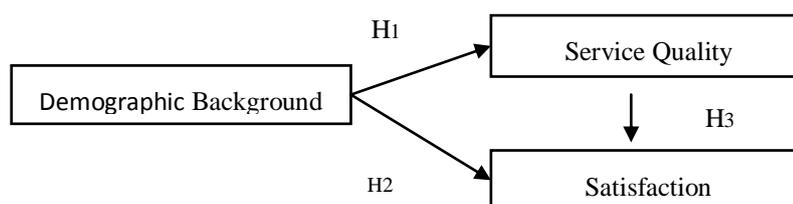


Figure1: Research Framework

### 3.2 Research hypotheses

- H1: There is a significant difference in the impact of "demographic background" on "service quality"
- H2: There is a significant difference in the impact of "demographic background" on "satisfaction"
- H3: "Service Quality" has a significant positive impact on "Satisfaction".

### 3.3 Measurement of research variables

This research analyzed the three variables, and the measurement of each variable is as follows.

(1) Service Quality dimension

This dimension is revised according to the SERVQUAL service quality questionnaire proposed by Parasuraman, Zeithaml, and Berry (1985), with a total of 19 items, which are used as quantitative standards for research evaluation.

(2) Satisfaction dimension

This dimension is modified from the customer satisfaction scale of (Chen, Chang, & Li, 2005) combined with a total of 11 items in the directions of service quality, environmental facilities, price and promotion, etc, as the research evaluation quantitative standard.

The questions in this aspect are based on the Likert five-scale scale. According to the subjects' own feelings, they are given 5~1 points, the higher the score, the higher the consumer's satisfaction with 85°C.

(3) Basic information and consumption characteristics variables

In this study, the variables of basic consumer data and consumption characteristics, including gender, age, education level, occupation and personal monthly average income, are mainly to understand the distribution of sample structure.

### **3.4 Research scope and samples**

The subjects of this research are the customers who have consumed 85°C to distribute the questionnaires, and the convenience sampling method is used to conduct the sampling of the questionnaires.

### **3.5 Pre-test questionnaire reliability analysis**

In terms of reliability, this study uses internal consistency as the detection standard, and uses Cronbach's alpha coefficient to measure the internal consistency of the dimensions. The Cronbach's  $\alpha$  of service quality and satisfaction are 0.966 and 0.985 respectively, and the reliability is within the acceptable range.

## **IV. Results**

### **4.1 Description of the sample structure**

A total of 150 questionnaires were sent out in this study, and the recovery rate was 100.00%. The distribution of the samples was 43 males, accounting for 28.7% of the total sample, and 107 females, accounting for 71.3% of the total sample, with more females than males. The first three items are 16-20 years old, 61 people, accounting for 0.7%, 21-30 years old, 71 people, accounting for 47.3%, 31-40 years old, 10 people, accounting for 6.7%; education level variable The first three items were mostly universities, with a total of 111 people, accounting for 74.0%, followed by high school (vocational) with 24 people, accounting for 16.0%; in the occupation (or status) part, the first three items were students with 98 people, accounting for 16.0%. 65.3%, followed by other categories, with 18, accounting for 12.0%, and the third, service industry, with 17, accounting for 11.3%; finally, the average monthly income of individuals below NTD 20,000 is the most, with 80 people, accounting for 53.3% %, followed by NTD20,001~NTD 35,000, with 51 people, and the third with NTD35,001~ NTD 50,000, with 10 people, accounting for 6.7%.

### **4.2 Reliability and Validity Analysis**

In this study, the maximum variation axis method of factor analysis was used to extract factors whose eigenvalues of each scale were greater than 1, and the items with too low factor load were deleted. Calculate the internal consistency of each subscale, use correlation analysis and Item-to-Total analysis to delete the items with low correlation in each subscale, so as to improve the reliability of the scale, until the composition of each scale factor is questioned. until the item is stable. In the service quality scale, through the above detection steps, a total of one factor was extracted, and the cumulative explained variance was 64.122%. Among them, the question "Do you think the employees with 85°C are neat and decent" has some errors in the classification of factor analysis, and its mean is low, so this study will exclude it. The first factor is related to the overall consumer service, so it is called "service quality".

In the satisfaction scale, through the above detection steps, a factor was extracted, and the cumulative explained variance was 72.85%. This factor is related to consumers' overall service satisfaction, so it is called "satisfaction". The Cronbach's  $\alpha$  of the factor dimension is greater than 0.70, indicating that the scale has appropriate reliability; the factor components extracted by the factor analysis are consistent with the original design of this study, so the scale has appropriate construct validity.

### **5.3 Data analysis results**

#### **5.3.1. General analysis of service quality and satisfaction**

Before carrying out the hypothesis verification of this research, in order to understand the current perception of consumers about the service quality and satisfaction of 85°C, the average is calculated. The higher the average is, the higher the sampling object's approval of the question is. On the contrary, it is relatively low, and the average value of the dimensions is greater than 3.7, which means that consumers generally hold a positive attitude towards the service quality and satisfaction of 85°C. The relevant analysis is as follows:

The survey and analysis results of consumers on the service quality of 85°C show that: the order of the first three items is: employees are willing to help customers (M=4.146); can complete the service in the first time (M=4.113); employees can give customers personal concern (M=4.113). It can be seen that helping consumers, completing services in the first time and giving consumers personal care are still the main reasons for the service quality of 85°C. Consumers ranked the last three items in the following order: the physical device looks attractive (M=3.780); the service can be completed within the promised time (M=3.766); the consumer feels comfortable (M=3.820) . It can be seen that the service quality of 85°C is slightly lower in terms of equipment attractiveness, service time and comfort when consuming, but it still remains above the average of 3.7. The survey analysis results of consumers' satisfaction with 85°C show that the order of the first three items is: good safety measures (M=4.066); professional service personnel (M=4.060); good service attitude of service personnel (M=4.060) 4.053). It can be seen that safety measures, professionalism and service attitude are the main reasons for consumers' high satisfaction score for 85°C. The order of the last three items of consumers' satisfaction motivation for 85°C is: satisfactory management (M=3.986); provision of perfect software and hardware facilities (M=3.960); service quality does not vary from person to person (M=3.960). M=4.006).

**5.3.2. Narrative Statistics and Correlations**

According to the correlation analysis in Table 1, there is a significant positive correlation between "service quality" and "satisfaction". That is to say, when the service quality is better, the satisfaction will be higher.

Table1 Pearson correlation analysis table

Variable	1	2
1.Service Quality	1.00	
2. Satisfaction	.912**	1.00

Note: \* means  $p < 0.05$ ; \*\* means  $p < 0.01$

**5.3.3 The relationship among consumers' basic background, service quality and satisfaction**

In this study, the independent sample t test of the comparative average method was used to detect the difference between consumer gender and service quality and satisfaction at 85°C. The results showed that the F value of service quality and satisfaction did not reach statistical significance ( $p < 0.05$ ), so It can be seen that there is no significant difference between consumer gender and 85°C service quality and satisfaction. In this study, multivariate factor analysis was used to examine the differences in age, education level and occupational category of consumers and the difference between the average monthly income of individuals and service quality and satisfaction at 85°C. The difference and the average monthly income of individuals were analyzed, and the results showed that the F values of service quality and satisfaction did not reach statistical significance ( $p < 0.05$ ), and there was no significant difference in service quality and satisfaction at 85°C.

**5.3.4. Regression analysis**

In order to understand the relationship between consumers' service quality and satisfaction at 85°C, regression analysis was used to test it. When the criterion variable was satisfaction and the predicted variable was service quality, the regression analysis found that service quality had a significant impact on satisfaction. A significant effect (beta value of 0.912) indicates the existence of a linear relationship, as shown in Table 2.

Table 2 Regression Analysis of Service Quality and Satisfaction

Validation variable	Satisfaction
Predictor	Model 1
Service Quality	0.912**
F-value	734.012**

Note: \* means  $p < 0.05$ ; \*\* means  $p < 0.01$

**V. Conclusion and Suggestions**

**5.1 Conclusion**

This study found that among the service quality items, the item "employees are willing to help customers" has the best response effect. It shows that the service staff is very helpful to consumers, mainly to serve consumers, and to complete the service as soon as possible, and also provide the service staff to give customers appropriate care, such as: after customers order drinks or meals, they will immediately complete the order process, and sort the orders to complete them as quickly as possible, so that the consumer can get the meal he ordered. From the customer satisfaction items, "safety measures are good" reflects the best results. It shows that customers attach importance to good service quality, and perfect safety measures are also one of the key items that customers pay attention to. It shows that customers continue to consume after 85 °C. After the attitude and satisfaction, become long-term customers of 85°C, support them to want to share with relatives and friends, and recommend them to consume together, and further become loyal customers. In addition, the study shows that personal background variables (gender, age, education level, occupation and average monthly income) have no significant difference in service quality and satisfaction. What type of customer is, there is no significant difference in service quality and satisfaction for the current 85°C. Finally, on the whole, 85°C service quality has a significant positive impact on consumer satisfaction, which also means that the higher the quality in the service process, the higher the consumer satisfaction will be.

## 5.2 Suggestions

### 1. Provide customers with good customer service strategies:

In terms of improving the "emotional experience", light music can be played to make people feel calm, so that customers can feel relaxed and relieved. In their spare time, they may have the opportunity to taste coffee and relax. Various hardware and software facilities are inspected and maintained at any time. The Internet (such as company FB, IG) can be used to make announcements, so that customers feel at ease and assured about the consumption environment; for the design of consumption flow, if you can discuss with customer representatives during the design, you can improve customer satisfaction, build word of mouth and free of charge Recommend for the company, let customers spend a long time, and create more loyal consumers. Strengthen the "mobile experience" aspect: increase tangible consumption experience and interaction to stimulate consumption motivation. For example: Holidays or specific holidays can be used to hold activities, such as coffee tasting sessions or I love 85°C punch-in activities. After the event, souvenirs related to 85°C will be awarded, and photos of the event will be posted on the company's FB and IG to attract young people. Group tourists participate, and then like to come here for consumption. In terms of linking "related experience", it is possible to establish a related experience with 85°C as the main axis. For example, if the identity card number is 8, 5 or 85, consumers will come to the store to make purchases, give a certain percentage of discounts, and post newspapers, magazines, etc. Report, place placards, play videos or invite celebrities to speak.

### 2. Improve customer satisfaction:

In terms of "good safety measures", it is recommended that 85°C franchisees continuously improve the safety measures in the environmental field, so that customers can come to 85°C to buy and drink with peace of mind, and 85°C is a very considerate service. In addition, service staff should chat with customers to understand their true thoughts on 85°C, try to satisfy customers, spend some ingenuity and creativity, select special and unique commemorative products, and retain old customers. In terms of "environmental facilities", there are many types of facilities, and the instructions for use are clearly marked.

### 3. Improve customer loyalty:

It is recommended to hold a series of coffee-related activities on a weekly or monthly basis, so that customers can better understand the importance of 85°C in the coffee industry during the activities. Together, we will become good friends. In addition to drinking health, drinking vitality, and drinking friendship, everyone is envious. Naturally, it will be passed on by word of mouth or recommended to relatives and friends. Join the ranks of tasting coffee and getting to know 85 °C, and it is free marketing for 85 °C.

## 5.3 Research Limitations

The method of distributing the questionnaires in this study is mainly online questionnaires. For older customers, it is difficult to ask their opinions. In addition, some stores at 85 °C are designed with dining tables and chairs for customers to relax. The respondents may be affected by the external environment, emotions, subjective cognition, attitude or external factors when filling in, and may have reservations or differences in their understanding of the answers to the questionnaire, resulting in errors.

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