

Service quality and customer satisfaction of local coffee shops in Camarines Sur

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ISSN: 2243-7770

Online ISSN: 2243-7789

OPEN ACCESS

Received: 30 August 2022

Revised: 16 September 2022

Accepted: 20 September 2022

Available Online: 12 October 2022

DOI: 10.5861/ijrsm.2022.52

Abstract

The main purpose of this study is to determine the profile respondents in terms of demographic in the customer experience and satisfaction of local coffee shops in Camarines Sur, to assess the factors affecting customer satisfaction in terms of atmosphere, product quality, price, and customer loyalty; to determine the service quality of local coffee shops in terms of empathy, responsiveness, reliability, tangibility, and assurance; tested the significant difference on the assessment the factors affecting customer satisfaction and service quality of local coffee shops when grouped according to the profile variables and tested the significant relationship between factors affecting customer satisfaction and service quality. Hence, this study generated useful data and reveal patterns that can drive the local coffee shops programs and policies relative to the development. The researcher utilized a sample of 375 customers based on the population of 14, 667 customers count per month. The qualified respondents of the study are those who tried any products of a coffee shop located in Camarines Sur. The local coffee shop in Camarines Sur have a high level of customer satisfaction in terms of atmosphere, product quality, price, and customer loyalty. There was a high-level service quality in terms of empathy, responsiveness, reliability, tangibility and assurance. An action plan was also proposed for continuous improvement of the local coffee shop in the province of Camarines Sur.

Keywords: customer satisfaction, local coffee shops, service quality

Service quality and customer satisfaction of local coffee shops in Camarines Sur

1. Introduction

Modern society, including young people, has embraced coffee culture as a way of life. Young people in Camarines Sur are embracing the coffee culture, which is being used as a tool to meet up with friends, family, or even to complete homework and assignments. Additionally, Camarines Sur growing coffee culture was one of the factors that encouraged the opening of local coffee shops in the province. Local coffee producers have faced intense competition to produce flavored coffee and provide value to customers; perhaps therefore local coffee shops are thriving today. Local coffee shops offer fresh and locally grown ingredients, and some people are encouraged to patronize local coffee shops to support local businesses.

Service quality has become extremely common in recent years. Practitioners in the tourism and hospitality industries use this as a pragmatic solution to organizational problems. Adopting this will ensure that customer demands and expectations are met. Undoubtedly, service quality is directly linked to customer satisfaction and anchored in the expectancy-confirmation theory (Nunkoo et al., 2019). The transaction-specific conceptualization of this theory is more suited for the service quality construct. It serves as an antecedent to customer pleasure. Indeed, service quality is tantamount to meeting customers' needs. Moreover, the relationship between expectations, perceived performance, and confirmation of beliefs is what determines the level of satisfaction (Jin & Chen, 2020). A coffee shop, for example, that integrates the process, can operate normally. It is believed that customers form an initial opinion of a product or service. Clients can be significantly impacted by a strong product presentation that establishes rapport. These people research the goods and services they are presented with before making a purchase. An opportunity to consider customers' impressions and perceptions will be provided by this. A comparison between coffee shops will show whether they have lived up to the hopes of their external stakeholders as a result.

In Camarines Sur, a province in Bicol Region with the highest population, there were many coffee shops. The coffee shops are also popular, and coffee products like cakes and cookies have also been sold here. Usually, Bicolanos are fond of eating sweet delights and drinking coffees. That is why, before, during, and after the pandemic, coffee shops emerged continuously. However, there is still a need to assess the factors affecting customer satisfaction to local coffee shops in Camarines Sur. The main question is how these coffee shops build a positive atmosphere for their clientele, even online or physically. It is also imperative to test the product quality served by these businesses. More so, knowing the value of price and the amount of money people can pay for the products and services can help establish a basis for industry practitioners to strengthen their marketing strategies. Lastly, customer loyalty can impact the success of coffee shops.

Consequently, the study will also help assess the factors affecting customer satisfaction to local coffee shops in Camarines Sur in terms of atmosphere, product quality, price, and customer loyalty. It will also determine the service quality of local coffee shops in terms of empathy, responsiveness, reliability, tangibility, and assurance. Overall, the present study will serve as an eye-opener and a platform in exploring the value of service quality towards customer satisfaction among local coffee shops in Camarines Sur. The study aims to foster a positive relationship and rapport-building in the industry of local coffee shops.

The study assessed the customer experience and satisfaction of local coffee shops. Specifically, it aims to: 1) assess the factors affecting customer satisfaction to local coffee shops in Camarines Sur in terms of atmosphere, product quality, price, and customer loyalty; 2) determine the service quality of local coffee shops in terms of empathy, responsiveness, reliability, tangibility, and assurance; 3) test the significant relationship between factors affecting customer satisfaction and service quality, and 4) propose an action plan based on the result of the study.

2. Methods

Research Design - In answering the research questions and objectives, the study utilized a quantitative research design. Quantitative research focuses on numerical and unchanging facts and precise, converging reasoning. The study also employed a descriptive type of quantitative research. It used in testing relationships between service quality and the customer satisfaction among local coffee shops.

Participants of the Study - The researcher utilized a sample of 371 customers based on the population of 14,667 customers count per month. The qualified respondents of the study are those who tried any products of a coffee shop located in Camarines Sur. This sample size was computed using Raosoft sample size calculator considering the 5% margin of error and 95% confidence level. However, upon the collection of the statistician discovered 4 invalid responses, hence the researcher utilized a total of 371 sample.

Data Gathering Instrument - The researcher manages to conduct a pilot test hence, the result of reliability statistics showed that the computed Cronbach's alpha value of 0.815 signifies that the instrument for the customer satisfaction to local coffee shops has good internal consistency as well as the questionnaire for service quality of local coffee shops with 0.921 which signifies excellent in the thumb. Thus, this set of questionnaires are considered valid for use. A modified-adapted questionnaire was used comprising two parts. The first part pertains the factors affecting customer satisfaction with local products in Camarines Sur in terms of atmosphere, product quality, price, and customer loyalty. It was an adopted questionnaire from Anggraini et al. (2020). This portion utilized a five-point Likert scale such as 5 – Strongly Agree, 4 – Agree, 3 – Moderately Agree, 2 – Disagree / Dissatisfied, and 1 – Strongly Disagree. Meanwhile, the second part entails the service quality of local coffee shops in terms of empathy, responsiveness, reliability, tangibility, and assurance. It was also an adopted questionnaire from Anggraini et al. (2020). Furthermore, the research instrument also uses a five-point Likert scale such as 5 – Highly Satisfied, 4 – Satisfied, 3 – Moderately Satisfied, 2 – Not Satisfied, and 1- Dissatisfied.

Data Gathering Procedure - The researcher sought a modifiable questionnaire before collecting data for the study's goals to be met. Content validation and pilot testing will be used to determine the questionnaire's validity. Beginning in April, data were gathered until June 2022. As part of the tool development process, the researcher solicited the feedback and suggestions from the research adviser, the chair of the examiner panel, and the statistician. The researcher used Google Forms and printed questionnaire to collect the answers from the participants. Furthermore, with a QR Code scanner, visitors answered the questions on a Google Form. Data was collected, analyzed, and compiled by a statistician, who assisted in collecting data. All information was treated with the highest respect, candor, and confidentiality.

Data Analysis - Weighted mean and rank were used to determine the customer experience and satisfaction of local coffee shops in Camarines Sur. The result of Shapiro-Wilk test showed that p-values of all variables are less than 0.05 which means that the data set was not normally distributed. Likewise, Spearman rho was used to test the significant relationship. All analyzes were perform using SPSS version 26.

3. Results and Discussion

Table 1 presents the factors affecting customer satisfaction with local coffee shops in terms of atmosphere (4.51) as strongly agreed by the respondents, while the respondents agreed on product quality (4.36), price (4.26) and customer loyalty (4.24) which denotes that respondents are satisfied. Among the enumerated indicators under atmosphere highest on the rank are "I feel comfortable spending my time at local coffee shops" (4.57) and "Being in local coffee shops makes me feel relaxed" (4.57) both verbally interpreted as strongly agree. Meanwhile, least on the rank is "The local coffee shops have a good atmosphere" with (4.54) followed by "The atmosphere in local coffee shops is familiar to me." (4.32) verbally interpreted both as strongly agree.

Table 1*Factors affecting customer satisfaction as to the atmosphere, product quality, price and loyalty*

Atmosphere		Mean	I	Rank
The local coffee shops have a good atmosphere.		4.54	SA	3
The atmosphere in local coffee shops is familiar to me.		4.37	SA	4
I feel comfortable spending my time at local coffee shops.		4.57	SA	1.5
Being in local coffee shops makes me feel relaxed.		4.57	SA	1.5
Composite Mean		4.51	SA	
Product Quality		Mean	I	Rank
The taste of coffee at local coffee shops is very good.		4.35	A	3
Local coffee shops have coffee of good taste.		4.35	A	3
Local coffee shops have a good product combination.		4.41	A	1
Local coffee shops sell a variety of coffee.		4.35	A	3
Composite Mean		4.36	A	
Price		Mean	I	Rank
The prices at local coffee shops are affordable.		4.24	A	3
The prices at local coffee shops are reasonable for the quality provided.		4.27	A	2
The prices at local coffee shops are reasonable for customers' benefit.		4.32	A	1
The prices at local coffee shops are cheaper than in other coffee shops.		4.22	A	4
Composite Mean		4.26	A	
Customer Loyalty		Mean	I	Rank
I make a repeat purchase of local coffee shop products.		4.37	A	2
I recommend local coffee shops to others.		4.44	A	1
I will not move to other coffee shops except for local coffee shops.		3.92	A	3
Composite Mean		4.24	A	

Legend: 5.0 – 4.5 Strongly agree (SA); 4.49-3.5 – Agree (A) 3.49-2.50.

With great ambiance, people would likely spend hours in coffee shops as they feel that this is their second home away from home and gives them that feeling of comfortability and cozy atmosphere. Another thing is the comfort of staying at the hotel while sipping your favorite coffee. You can put your laptop, and there is a plugin that you can comfortably do your paperwork. Meanwhile, good local coffee shops do offer comfort and familiarity because most operators likely know you by name and would make your favorite coffee without asking. Often, these kind gestures give that sense of “you belong” or “accepted,” feel which for many gives more than comfort. There are many reasons why people often prefer local Coffee shops as their “go-to” place—much more for people who also prefer a more laid-back-feel home vibe. Coffee shops become its sanctuary as they get the best of both worlds, their favorite coffee, and the atmosphere.

The factor affecting customer satisfaction with local products is product quality. The first thing they remember is whether the product is good or bad. Customers will always stick to their mind how the food tastes delicious and how their cravings are being satisfied. Meanwhile, lowest rank indicators are “The taste of coffee at local coffee shops is very good” (4.35), “Local coffee shops sell a variety of coffee” (4.35) and “Local coffee shops have coffee of good taste” (4.35) all are verbally interpreted as agree. A hot brew while admiring breathtaking scenery high in the mountains, a cold cup on a lazy afternoon by the beach, or a morning brew to wake up the senses and jumpstart the day. Coffee has evolved into an essential component of everyday life, especially when traveling.

Among all the indicators under price, highest on the rank is “The prices at local coffee shops are reasonable for customers' benefit” (4.32) followed by “The prices at local coffee shops are reasonable for the quality provided” (4.27) verbally interpreted as agree. Relatively, among all the indicators least on the rank is “The prices of local coffee shops are affordable” (4.24) followed by “The prices at local coffee shops are cheaper than in other coffee shops” with (4.22).

Coffee beans are traded in commodities with standard pricing all over the world, making them an affordable product. Consumers, on the other hand, have different preferences based on the level of satisfaction they want to achieve while enjoying their favorite coffee, whether it is going overpriced or more affordable. The respondents had no problem with the prices offered at local coffee shops because they are in line with the quality provided by the coffee shops themselves. This supports the viewpoint of Cristo et al. (2017), price is one of the most

vulnerable factors of a product; when the Price of a product is high, the quality of the product is also good; however, if the company increases the Price without maintaining the quality, the customer satisfaction will decrease; thus, Price influences customer satisfaction. A product with a low price will almost always draw in more buyers, but pricing outside of your competitors' profit margins is bad business. For instance, until the cost of coffee becomes unaffordable, students prefer to purchase it at a lower cost than other coffee drinkers who have a steady income. Because of the low price, some customers may be hesitant to purchase your coffee due to concerns about its safety and quality.

Lastly, among all the indicators highest on the rank is "I recommend local coffee shop products" (4.44) followed by "I make a repeat purchase of local coffee shop products" (4.37) with verbally interpretation of agree. Meanwhile, least on the rank is "I will not move to other coffee shops except for local coffee shops" with (3.92) verbally interpreted as agree. Customer loyalty to a coffee shop is identified because most people prefer to return to a place where they feel at ease, with good food and warm feelings. Customer loyalty is a positive relationship that exists between a customer and a business. Customer loyalty is the lowest indicator because people are naturally curious, especially when new stores open in town. They would rather try new ones for comparison. On the other hand, customers do not mind the price and prefer the branding because they want to be updated on the trend. Today's generation is picky about "what's hot and what's not." Customers prefer to recommend a certain coffee shop once they are being satisfied with products and services offered. They that would lead to patronize local coffee shops to support the local economy. Customers return because of the friendly atmosphere of local coffee shops. Coffee shops must have loyalty programs (Saputra et al. 2021). The application of rewards may be as simple as punch-cards with the guarantee of accepting every nth cup of unfastened espresso. This can motivate customers, especially if they visit the shop and buy a lot of the product.

Table 2 presents the service quality of local coffee shops in terms of empathy (4.43) responsiveness (4.33), reliability (4.33), tangibility (4.36) and assurance (4.43), which stands as the respondents are satisfied. Among all the indicators under empathy, highest on the rank is "The staff of local coffee shops respect customers." (4.53) verbally interpreted as highly satisfied followed by "The staff of local coffee shops maintain good communication with their customers" (4.45) verbally interpreted as satisfied. Meanwhile, least on the rank "The staff of local coffee shops care about customer complaints" (4.34) followed by "The staff of local coffee shops understand what the customers need" (4.42) with verbally interpreted as satisfied.

It is also critical that a good coffee shop hires not only friendly but also pleasant staff. Because it would greatly affect to the total experience and service quality to the customer. Moreso, the company hired them from the experienced hospitality industry, the respondents observed that the staffs are respectful and very good at communication. As a result, empathy is also important in the service quality dimension (Mosahab et al., 2010). Among all the indicators of responsiveness, highest on the rank is "The staff of local coffee shops are willing to answer all customer questions" (4.36) followed by "The staff of local coffee shops can provide their service quickly" (4.33) with verbally interpreted as satisfied. Meanwhile, least on the rank is "The staff of local coffee shops are responsive in solving problems" (4.30) followed by "The staff of local coffee shops help customers choose the menu offered" (4.32) interpreted as satisfied.

Customer service plays a significant part in maintaining ongoing client relationships. Many companies have applied all the strategies and hard to increase customer satisfaction rates. This also means the difference between losing or retaining a client. In every shop, some problems arise. When this occurs, the customer should feel and receive attention to the concerns. Whether it be small or big, customer service representatives should know how to handle this. Prompt attention to emails and phone calls is critical to maintaining a good relationship. Remember that a coffee shop's level of customer service is also crucial. The people working the front desk must give the best possible impression of your company. Owners must be extremely picky about who they hire for such an important position. Nobody wants to get their coffee from someone who doesn't seem to care. Good approach and communication with customers are ways of efficiently resolving the problem. Having good customer service in one company will guarantee quality competence in the workplace (Angraini et al., 2020).

Table 2*The service quality of local coffee shops*

Empathy		Mean	I	Rank
The staff of local coffee shops respect customers.		4.53	HS	1
The staff of local coffee shops understand what the customers need.		4.42	S	3
The staff of local coffee shops care about customer complaints.		4.34	S	4
The staff of local coffee shops maintain good communication with their customers.		4.45	S	2
Composite Mean		4.43	S	
Responsiveness		Mean	I	Rank
The staff of local coffee shops are willing to answer all customer questions.		4.36	S	1
The staff of local coffee shops help customers choose the menu offered.		4.32	S	3
The staff of local coffee shops are responsive in solving problems.		4.30	S	4
The staff of local coffee shops can provide their services quickly.		4.33	S	2
Composite Mean		4.33	S	
Reliability		Mean	I	Rank
The staff of local coffee shops can handle all orders well.		4.34	S	2
The staff of local coffee shops provide the correct information.		4.33	S	3
The staff of local coffee shops present a menu in accordance with customer orders.		4.36	S	1
The staff of local coffee shops make orders according to the promised time.		4.27	S	4
Composite Mean		4.33	S	
Tangibility		Mean	I	Rank
The staff of local coffee shops look neat.		4.48	S	2
The local coffee shops have attractive design.		4.54	HS	1
The local coffee shops have good equipment.		4.44	S	3
It is easy for customers to get a parking space when visiting local coffee shops.		3.99	S	4
Composite Mean		4.36	S	
Assurance		Mean	I	Rank
The staff of local coffee shops are polite in serving customers.		4.5	HS	1
The staff of local coffee shops master information about the menu listed.		4.3	S	3
The staff of local coffee shops communicate politely.		4.48	S	2
Composite Mean		4.43	S	

Legend: 5.0 – 4.5 Highly Satisfied (HS); 4.49-3.5 - Satisfied (S).

Among all the indicators on reliability, highest on the rank is “The staff of local coffee shops present a menu in accordance with customer orders” (4.36) followed by “The staff of local coffee shops can handle all orders well” (4.34) verbally interpreted as satisfied. Meanwhile, least on the rank is “The staff of local coffee shops make orders according to the promised time” (4.27) followed by the staff of local coffee shops provide the correct information” (4.33) verbally interpreted as satisfied. Keep in mind that the quality of service at a particular coffee shop is also important. Those behind the counter must represent the company in the best possible light. It is critical that the staff can provide accurate information; for example, if a guest inquiry about your stores or what is on the menu, they should respond confidently and know the answer off by heart. Furthermore, to ensure that their work was done correctly, the company chose employees with good memory and attention to detail. The owner must be extremely selective in who they hire for such a critical position. Nobody wants to drink coffee from someone who does not appear to care. They also do not want to be served by someone who clearly lacks experience. During peak hours, never put inexperienced employees on the front lines.

Among all the indicators highest on the rank is “The local coffee shops have attractive design” (4.54) verbally interpreted as highly satisfied followed by “The staff of local coffee shops look neat” (4.48) verbally interpreted as satisfied. Meanwhile, least on the rank is “It is easy for customers to get a parking space when visiting local coffee shops” (3.99) followed by “The local coffee shops have good equipment” (4.44) verbally interpreted as satisfied. Local coffee shops are beautiful on the outside to attract customers' attention, the interiors are warm and inviting, and the staff is meticulous about cleanliness Customer may be ordering their drinks to go, but they will still appreciate what you have to offer. Convenience and prompt service are essential. Owner will attract even more customers if they have a drive-up window. By providing high-quality products, a coffee shop can establish a solid reputation. The store ambience is designed to promote comfort. With a pleasant ambience, Customers will enjoy the entire purchasing process, making them feel at ease and want to spend more time at the store.

Over the last few decades, the coffee shop has grown exponentially, as has competition and customer expectations. It's also an expensive endeavor. Espresso machines, grinders, refrigeration, and other essential pieces of coffee shop equipment, for example, can be quite expensive. Even small store details, such as mugs and saucers, can quickly add up. Great hardware makes the café suitable as expected, and the client prefers enough room for easy access and minor issues to stop whenever they need to visit the area. Policies that affect parking availability and cost have several effects, for a restaurant to continue to be a client favorite. Restaurants must be able to satisfy consumers by paying attention to product quality in terms of the functions and look of the products offered (Sembiring, 2021). This finding is consistent with the findings of Brochado and Pereira (2017), who found that service quality has a positive and substantial effect on customer satisfaction, implying that improving service quality has an impact on boosting customer contentment. Coffee businesses in the neighborhood have a very tasty coffee taste and a fragrant aroma, the coffee aroma of a coffee shop makes it pleasant, the coffee mixture is correct, and the coffee shop also sells.

Among all the indicators under assurance, highest on the rank is “The staff of local coffee shops are polite in serving customers” (4.5) verbally interpreted as highly satisfied followed by “The staff of local coffee shops communicate politely” (4.48) verbally interpreted as satisfied. Among all the indicator lowest on the rank is “The staff of local coffee shops master information about the menu listed” with (4.3) verbally interpreted as satisfied. Customers want to see a friendly face staff that is eager to assist them. One simple way to immediately make patients feel more at ease is to walk them through the process step by step, whether it's setting up an appointment, asking friendly and non-intrusive questions, or providing directions. It all comes down to wanting to feel welcomed, and it is up to your staff to provide that feeling. The preceding demonstrates that the staff is courteous and respectful to the customer, and that they can communicate effectively. Aside from being polite, the staff must be knowledgeable about all of the data that the coffee shop has. The service quality demonstrates the importance of empathy, responsiveness, dependability, tangibility, and certainty can satisfy clients, so that customer happiness can be generated This outcome is consistent with the findings of Brochado and Pereira (2017), who discovered that service quality has a favorable and considerable impact on customer satisfaction, implying that customer satisfaction is also affected by service quality. Coffee businesses in the neighborhood having a good coffee flavor and a fragrant aroma, such as a coffee shop's coffee aroma makes it comfy, the coffee mixture is ideal, and the coffee shop also sells menu items with varying effects on customer happiness. Thus, assurance is essential in-service quality as, according to Tan, et al (2014), it is one of the most critical elements in the service quality dimension in the Chinese fast-food sector.

Table 3 shows a positive relationship exists between factors affecting customer satisfaction and service quality. For atmosphere, all r values have p-values < than 0.05. Service quality indicators empathy (p=0.000), responsiveness (p=0.000), reliability (p=0.000), tangibility (p=0.000) and assurance (p=0.000) are all significant. This indicates that a linear relationship exists between the variables. As atmosphere increases, service quality also increases. Customers, for example, tend to trust a restaurant's services when it has a comfortable design and atmosphere, and they will genuinely enjoy their meal. Furthermore, Architectural design, interior design, and décor will improve the appeal of the dining environment and the aesthetics of the facilities (Lee et al., 2018).

Table 3

Relationship between factors affecting customer satisfaction and service quality

Customer Satisfaction	Service Quality	r-value	p-value	Interpretation
Atmosphere	Empathy	0.522	0.000	Significant
	Responsiveness	0.441	0.000	Significant
	Reliability	0.426	0.000	Significant
	Tangibility	0.493	0.000	Significant
	Assurance	0.500	0.000	Significant
Product Quality	Empathy	0.507	0.000	Significant
	Responsiveness	0.473	0.000	Significant
	Reliability	0.495	0.000	Significant
	Tangibility	0.498	0.000	Significant
	Assurance	0.439	0.000	Significant

Price	Empathy	0.571	0.000	Significant
	Responsiveness	0.535	0.000	Significant
	Reliability	0.518	0.000	Significant
	Tangibility	0.58	0.000	Significant
	Assurance	0.508	0.000	Significant
Customer Loyalty	Empathy	0.571	0.000	Significant
	Responsiveness	0.529	0.000	Significant
	Reliability	0.566	0.000	Significant
	Tangibility	0.583	0.000	Significant

For product quality, all r_{xy} values have p-values < than 0.05. Service quality indicators empathy(p=0.000), responsiveness(p=0.000), reliability(p=0.000), tangibility(p=0.000) and assurance(p=0.000) are all significant. This indicates that a linear relationship exists between the variables. As product quality increases, service quality also increases. Furthermore, according to Fisfaisal (2011), Malaysians value the environment and consistency in practices, product quality, and product availability tastes and service in every shop across the country branding is important. Coffee chains with a positive brand image will benefit Malaysians. Coffee drinkers have trust and confidence because they are confident in the product itself.

For price, all r_{xy} values have p-values > than 0.05. Service quality indicators empathy(p=0.000), responsiveness(p=0.000), reliability(p=0.000), tangibility(p=0.000) and assurance(p=0.000) are all significant. This indicates that a linear relationship exists between the variables. As satisfaction in price increases, service quality also increases. Most coffee shops offer self-service, where customers must approach to counter and place an order before they find their seats. Hence, there is no service tax charge on customers. However, it is still responsible for an employee to serve their customers well. Some employees focus more on taking orders from customers but overlook another job scope. For example, they will be unwilling when customers ask to clean the table. This will make customers feel disappointed with the service the coffee shop provides. Moreover, when customers enter the coffee shop, and the tables are left unclean for some time, some customers will leave and go to another coffee shop. Therefore, responsiveness is essential in the role of service quality. Based on Khan and Shaikh (2011) study on the cafe industry, responsiveness is essential in determining service quality.

For customer loyalty, all r_{xy} values have p-values > than 0.05. Service quality indicators empathy(p=0.000), responsiveness(p=0.000), reliability(p=0.000), tangibility(p=0.000) and assurance(p=0.000) are all significant. This indicates that a linear relationship exists between the variables. As customers become more loyal, service quality also increases. Consumer attitudes can be influenced by learning about local coffee to determine the following attitude. If this consumer learning is positively linked to local coffee, customers will want to return. In this case, consumers feel satisfaction and pleasure associated with the local café service (Dhisasmito & Kumar, 2020).

Table 4

Proposed action plan to improve the service quality and customer satisfaction of local coffee shops

KRA/Objectives	Strategies	Persons involved	Desired Outcome
Atmosphere To provide a welcoming ambiance and a high satisfactory level of the products and services for the customer to keep coming back.	Offer games, puzzles, mind benders and other activities that encourage customers to linger over their coffee. Improved the physical design by including stylish and comfortable chairs.	-Customers -Owners and employees of local coffee shop	There will be a feeling at home and encourage relaxation and lounging. Customers must have a sense of security and comfort while enjoying taking their coffee.
Product Quality To provide fresh and best brewed coffee in the area and adopt the trend and taste while adding a touch of Filipino culture vibes.	There should be a unique taste, handcrafted beverages to create a unique flavor at the same time a well-balanced aromatic beverage.	-Owners and employees of local coffee shop - Local coffee supplier -Customers	To promote the venue at the same time it will give a satisfying experience to all the guest that will provide a high-quality flavor that comes from a local ingredient.

Service quality and customer satisfaction of local coffee shops in Camarines Sur

Price To have detailed understanding about proper pricing to offer reasonable prices.	Promote a local supplier. Use penetration pricing strategy in every product that make and depending on the seasons have.	-Local Coffee Supplier -Owners and employees of local coffee shop -Customers	To introduce to all the consumers that local products can provide a high quality satisfying flavors at a reasonable price.
Customer Loyalty To ensure the retention of the customers	Treat all the customers as a VIP and provide exceptional service by showing appreciation with a loyalty program thru creating a mobile app to track how many times they spend at the coffee shop and change it by free coffee product.	-Customers -Owners and employees of local coffee shop	By implementing a genuine core standard of the venue, each guest will feel the importance of being a consumer.
Empathy To improve the customer care services	Listen carefully to the concern of the guest and connect as much as possible with the guest and show empathy.	-Customers -Owners and employees of local coffee shop	Customers will believe that they have arrived at the right place, where everything that the guest could possibly require is available.
Responsiveness To be more responsive in dealing with the customer concerns	Always read each guest's body language to ensure you understand their needs and desires by observing their actions.	-Owners and employees of local coffee shop -Customers	The staff will know the customers possibly needs and make them feel comfortable and satisfied.
Reliability To improve the promptness and waiting time of food services	Each guest must be informed of the standard time of preparation by the staff. Product knowledge is very important so that the staff could answer or suggest what's inside the menu.	-Owners and employees of local coffee shop -Customer	The guest will be aware standard timing of the preparation of every dish hence lesser chance of having a complaint from the guest.
Tangibility To improve the parking space capacity	Assure to have assigned staff member to guide guests through the parking area to avoid obstructions and have enough space for the parking area to accommodate the vehicles of the guests	-Customer -Architect and Engineers -Owners and employees of local coffee shop	The customer will not be having difficulty parking. And they will feel comfortable for an easy access parking lot provided by the management.
Assurance Staff training should focus on product familiarization.	Owner must plan well to tap the right employees and train them well enough that will help to run the coffee shop seamlessly. Product knowledge is essential so that the staff can answer or suggest what's on the menu. The owner must conduct a training program to teach employees proper workplace etiquettes and manners.	-Owners and employees of local coffee shop -Customer	Service staff will find it easier to work and provide 100% quality service to their guests.

4. Conclusion and recommendation

According to the findings, the atmosphere, product quality, customer loyalty, and price all have a positive impact on customer satisfaction with local coffee shops, particularly the atmosphere. Furthermore, the customer noted that patronizing local coffee shop is vital. The findings revealed that respondents are satisfied with the service quality provided by the staff of local coffee shops, particularly in giving respect to the customers and the local coffee shops have attractive design. The local coffee shops have a high level of factors affecting customer satisfaction in terms of atmosphere, product quality, price and customer loyalty although the latter three needs to improve. The study also showed that customer loyalty is elusive as coffee shop customers focus more on their happiness. Therefore. The coffee shop owners/managers should constantly be looking to satisfy their customers and sustain their business. The researcher was able to propose an action plan to enhance the customer satisfaction and service quality of the local coffee shops in Camarines Sur.

The local coffee shop may work with the Department of Tourism to promote local products; by working with the government, they will increase their income and be recognized by potential customers or investors.

Local coffee shops may devise strategies to promote locally produced goods in collaboration with the community, as well as to establish satellite locations throughout Camarines Sur. Owner may advertise the address of their business establishment in every well-known GPS application in the Philippines for easy accessibility of the establishment. The business owners may construct marketing strategies that would create a mental picture of the local coffee shops. It should be realistic, raw, and factual. It can be a method of attracting potential customers within and outside the locality. To accommodate all the guest's vehicles, the owner of the coffee shop should consider calculating the minimum number of spaces separately for each type of parking or proportionately distributing accessible spaces based on the overall total across each type of parking to ensure adequate access for all users where spaces within the same parking facility are assigned or restricted to specific user groups. Business owners could refresh their decor and provide fashionable couches and comfortable chairs to avoid a dull workplace. Also, provide instruction on the content in the menu book so that you can give it to the guests accurately and correctly. Additionally, owners may build and analyze risk-control strategies to increase client loyalty. Wellbeing interventions, as components of organizational development, are intended to bring about change in an organization or a part of it to improve output. Employee wellness interventions are designed to improve their workplace performance and ensure that they contribute positively to the organization. This study may be used by future researchers to further investigate the Customer Retention and product innovation of a Local Coffee Shop.

5. References

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