

# Service Quality Management of a Coffee Shop in Bayombong, Nueva Vizcaya

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## ABSTRACT

Service quality is considered critical to any modern business because it contributes to higher customer satisfaction, business profitability, and improved customer loyalty. The research aimed to determine the service quality management practices of a coffee shop. The study employed a mixed-methods approach, combining descriptive-quantitative and qualitative research methods to comprehensively analyze the coffee shop's service quality management practices. The respondents involved were college students from a university who were purposively selected based on their familiarity with the coffee shop's services and willingness to provide feedback on service quality. Findings reveal that while the coffee shop demonstrates commendable service quality management practices in reliability, tangibility, empathy, and responsiveness, it shows gap in assurance. Despite consistently exceeding customer expectations, ongoing improvement in day-to-day service delivery is needed to further enhance the overall customer experience. Coffee shops face various challenges in meeting customer satisfaction, including anticipating and exceeding customer demands, prompt issue resolution, ensuring accessible layouts, demonstrating empathy, and handling complaints professionally. Overcoming these challenges requires unwavering commitment from both management and staff to consistently deliver exceptional service and cultivate enduring customer loyalty. Implementing key recommendations based on the SERVQUAL framework, such as prioritizing customer feedback, continuous staff training, and maintaining service standards, can significantly enhance service quality and lead to a more satisfying customer experience.

**Keywords:** Assurance, Coffee Shop, Empathy, Reliability, Responsiveness, Service Quality, Tangibility.

## INTRODUCTION

The hospitality and tourism industry is among the fastest-growing and most dynamic sectors, playing a crucial role in economic development worldwide. Central to this industry's success is the enhancement of guest experiences through high-quality service. According to the National Council for Hotel Management and Catering Technology, delivering products and services that not only meet but exceed guests' expectations is a hallmark of excellence in hospitality (Kumar, 2022).

Innovations in service delivery and customer experience are vital for maintaining a competitive edge in the hospitality sector, as highlighted by the American Hotel & Lodging Association (AHLA, 2020). Supporting this view, the Cornell Center for Hospitality Research emphasizes the significance of personalized guest experiences in fostering customer loyalty and business success (Kimes & Wirtz, 2015).

The coffee business is also evolving and becoming more global, reflecting broader trends within the hospitality industry (Daufina, Sutrisno, & Priangani, 2019). Tea and coffee are among the most universally

consumed beverages (Jankowski, 2021). Coffee shops are continuously innovating to enhance their service offerings, and some gas stations have even started promoting their own coffee brands.

Establishing coffee shops has become a popular trend among entrepreneurs (Joesyiana, Prihastuti, & Susanti, 2021). Many students seek out coffee shops as a tranquil environment for studying and dining (Syariful & Untung, 2020).

The Philippines, known for its abundant coffee-growing regions, holds significant potential in the global coffee market (Garcia, 2020). As one of the few countries that produce coffee, it also ranks high in coffee bean imports (Vallester et al., 2020). The growing coffee shop industry in the Philippines has increased people's interest in coffee as part of their daily routine. A study by De Veyra (2022) under The Coffee Academics highlights the advanced and unique service approaches used by coffee shops to reach consumers.

Nueva Vizcaya, located in the Cagayan Valley region of the Philippines, is an example of this growing industry. Bayombong, the provincial capital, is home to 44 coffee shops, including the popular Kkopi.tea, known for its quality brewed coffee, milk teas, and affordable prices. Farmers in Ambaguio, Nueva Vizcaya, have developed their brand of "barako" coffee, known as Ambaguio Kapi, a premium ground coffee and the province's first brand of Robusta coffee (Mayuga, 2021). Generally, this study aimed to assess the level of service quality management practices and identify the challenges faced by a coffee shop in Bayombong, Nueva Vizcaya, during the second semester of AY 2022-2023. Specifically, the study seeks to answer the following questions: (1) What is the level of service quality management practices of a coffee shop in terms of reliability, assurance, tangibles, empathy, and responsiveness?; (2) What challenges are encountered by the respondents regarding the service quality management practices of the coffee shop?; (3) What recommendations can be made to improve the service quality management practices of the coffee shop?

## **METHODOLOGY**

### **Research Method**

The study employed a mixed-methods approach, combining descriptive-quantitative and qualitative research methods to comprehensively analyze the service quality management practices of the coffee shop. Quantitative data were collected through a structured questionnaire, allowing for the measurement of customers' perceptions of reliability, assurance, tangibility, empathy, and responsiveness. Mean and standard deviation were used to summarize the quantitative findings. Additionally, qualitative data, gathered through open-ended survey questions that provided deeper insights into the challenges encountered. These qualitative insights informed the development of actionable recommendations aimed at enhancing service quality management practices. By integrating both quantitative and qualitative approaches, the study offered a holistic understanding of the coffee shop's service quality and provided practical recommendations for improvement

### **Data Gathering Procedure**

The researchers employed an adapted-modified questionnaire based on the SERVQUAL framework to assess the reliability, assurance, tangibility, empathy, and responsiveness of service provision, drawing inspiration from the study conducted by Smith, Johnson, & Brown (2018). Prior to data collection, permission was obtained from the owner of the establishment. The survey questionnaire underwent validation by a panel of evaluators to ensure its reliability and relevance. The research environment was a coffee shop situated near the university in the capital town of the province. Before the formal data collection, a pilot test of the survey questionnaire was conducted to assess its reliability. Using purposive sampling, the researchers determined the sample size of 100 respondents. The criteria for participant

selection have included factors such as familiarity with the coffee shop’s services and willingness to provide feedback on service quality. The data gathering process involved face-to-face distribution of survey questionnaires in front of the selected coffee shop, accompanied by a detailed explanation of the research purpose and discussion of the Informed Consent Form with each respondent. Following data analysis, all respondent information will be securely deleted, and written papers will be shredded to maintain privacy and confidentiality.

## RESULTS AND DISCUSSION

### Section 1. Level of Service Quality Management Practices of Coffee Shop

This section presents how the respondents assess the services rendered by the selected coffee shop based on the SERVQUAL framework, drawing on the indicators identified in the study by Smith, Johnson, & Brown (2018). The data was analyzed based on the results of the survey.

#### A. Reliability

*Level of service quality management practices of a coffee shop in terms of Reliability*

| Indicators   | Mean   | SD     | Qualitative Description |
|--|--------|--------|-------------------------|
| The customer service representative values the customer expectations.                                | 3.4800 | .57700 | Sometimes               |
| The employees are quick in responding to customer requests.  | 3.6200 | .54643 | Always                  |
| The employees are confident and accurate while interacting and presenting the service with customers | 3.5300 | .61060 | Always                  |
| The employees are knowledgeable when providing the service   | 3.6400 | .48242 | Always                  |
| Mean   | 3.5675 | .44644 | Always                  |

*Legend: 1:00 – 1:49: Never (Not Practiced at all); 1:50 – 2:49: Rarely (Practiced to a little extent); 2:50 – 3:49: Sometimes (Practiced to a moderate extent); 3:50 – 4:00: Always (Practiced to a great extent)*

The table shows the respondents perception of the service quality management practices of the coffee shop in terms of reliability. Reliability is the staff’s ability to perform their promised service to the customer dependably and accurately (Klokkenga, 2020). The respondents answered “always” that an employee is knowledgeable when providing a service (m=3.6400), because they probably suggest products which is similar to what their customers already prefer. On the other hand, the respondents answered “sometimes” whenever a customer service representative values the customer expectation (m=3.4800), because the staff might not be able to fully comply to the expectation of their customer. The overall mean is (m=3.5675), this implies that the level of service quality in terms of reliability is practiced to a great extent.

#### B. Assurance

*Level of service quality management practices of a coffee shop in terms of Assurance*

| Indicators   | Mean   | SD     | Qualitative Description |
|--|--------|--------|-------------------------|
| The employees immediately address the customer’s problem | 3.3700 | .82456 | Sometimes               |

|   |        |        |           |
|---|--------|--------|-----------|
| The coffee shop employees provide the service at the time they promised   | 3.5200 | .67390 | Always    |
| The employees have the ability to persuade customers to trust them in their service                               | 3.4200 | .66939 | Sometimes |
| The coffee shop employees are willing to assist customers to different services of the establishment if necessary | 3.5200 | .59425 | Always    |
| The customer's change when paying the bills are exact   | 3.6200 | .58223 | Always    |
| Mean  | 3.4900 | .48189 | Sometimes |

*Legend: 1:00 – 1:49: Never (Not Practiced at all); 1:50 – 2:49: Rarely (Practiced to a little extent); 2:50 – 3:49: Sometimes (Practiced to a moderate extent); 3:50 – 4.00: Always (Practiced to a great extent)*

The table shows the respondents' insight into the service quality management practices of a coffee shop in terms of assurance. As stated by Klokkenga (2020), this refers to the proficiency and politeness of personnel and their capability to create trust and dependability from their clients. The respondents answered "always" when the customer's change when paying the bills are exact (m=3.6200), which gives a positive impression of their ability to convey trust. However, the respondents answered "sometimes" when the employees immediately address the customer's problem (m=3.3700), which might be because they are unable to ensure that they deliver the service as requested. The overall mean is (m=3.4900), which implies that the level of service quality in terms of assurance is practiced to a moderate extent.

### C. Tangibility

*Level of service quality management practices of a coffee shop in terms of Tangibility*

| Indicators  | Mean   | SD     | Qualitative Description |
|---|--------|--------|-------------------------|
| The equipment of the coffee shop is visible and sufficient to accommodate the customers | 3.5300 | .61060 | Always                  |
| The equipment of the establishment is up-to-date  | 3.6100 | .54855 | Always                  |
| Service providers are dressed properly  | 3.6400 | .54160 | Always                  |
| The physical facilities and equipment are well-maintained                               | 3.5400 | .61002 | Always                  |
| The appearance of the materials (menu, napkins, etc.) are accessible.                   | 3.3900 | .68009 | Sometimes               |
| Mean  | 3.5420 | .47507 | Always                  |

*Legend: 1:00 – 1:49: Never (Not Practiced at all); 1:50 – 2:49: Rarely (Practiced to a little extent); 2:50 – 3:49: Sometimes (Practiced to a moderate extent); 3:50 – 4.00: Always (Practiced to a great extent)*

The table shows the respondents' insight into the service quality management practices of a coffee shop in terms of tangibility. According to Klokkenga (2020), tangibility refers to the appearance of equipment and physical facilities. The respondents answered "always" whenever service providers are dressed properly (m=3.6400), indicating that well-groomed employees offer a better service to customers. However, the respondents answered "sometimes" (m=3.3900) when the appearance of materials such as napkins and menus are accessible in the establishment. Materials are expected to be cleaned and well-maintained to ensure a better quality in offering an establishment's service. The overall mean is (m=3.5420), which implies that the level of service quality in terms of tangibility is practiced to a great extent.

## D. Empathy

*Level of service quality management practices of a coffee shop in terms of Empathy*

| Indicators   | Mean   | SD     | Qualitative Description |
|--|--------|--------|-------------------------|
| The employees communicate courteously with the customers             | 3.6000 | .65134 | Always                  |
| The employees show concern in attending to customer's needs          | 3.5400 | .57595 | Always                  |
| Employees stay positive and understand the frustration of a customer | 3.5000 | .55958 | Always                  |
| The employees repeat and confirm the order of the customer           | 3.5100 | .64346 | Always                  |
| Mean   | 3.5375 | .47723 | Always                  |

*Legend: 1:00 – 1:49: Never (Not Practiced at all); 1:50 – 2:49: Rarely (Practiced to a little extent); 2:50 – 3:49: Sometimes (Practiced to a moderate extent); 3.50 – 4.00: Always (Practiced to a great extent)*

The table shows the service quality management practices of a coffee shop in terms of empathy. This is when a company offers its customers empathy in the form of compassionate attention. Making a customer feel important conveys certainty and creates a good relationship (Klokkenga, 2020). The respondents answered “always” (m=3.6000) when an employee communicates courteously with the customers, which shows that the staff value their customers. Moreover, the respondents answered “always” (m=3.5000) when employees stay positive and understand the frustration of a customer, which implies that they can adapt to different situations. The overall mean is (m=3.5375), which implies that the level of service quality in terms of empathy is practiced to a great extent.

## E. Responsiveness

*Level of service quality management practices of a coffee shop in terms of Responsiveness*

| Indicators  | Mean   | SD     | Qualitative Description |
|---|--------|--------|-------------------------|
| The employees respond to service inquiries  | 3.6400 | .55994 | Always                  |
| The employees are committed to be professional in resolving complaints                | 3.4900 | .68895 | Sometimes               |
| Employees immediately respond to customers request                                    | 3.5900 | .51434 | Always                  |
| The employees provide customer satisfaction by attending to customer service properly | 3.6400 | .52262 | Always                  |
| Mean  | 3.5900 | .46807 | Always                  |

*Legend: 1:00 – 1:49: Never (Not Practiced at all); 1:50 – 2:49: Rarely (Practiced to a little extent); 2:50 – 3:49: Sometimes (Practiced to a moderate extent); 3.50 – 4.00: Always (Practiced to a great extent)*

The table shows the service quality management of a coffee shop in terms of responsiveness. Responsiveness refers to having the eagerness to give assistance to consumers and providing them with an excellent service (Klokkenga, 2020). The respondents answered “always” (m=3.6400) when employees respond to service inquiries, which probably means they react appropriately to customers' requests. However, the respondents answered “sometimes” (m=3.4900) if employees are committed to being professional in resolving complaints, because they might not be capable enough to manage complaints. The overall mean is (m=3.5900), which implies that the level of service quality in terms of responsiveness is practiced to a great extent.

## Section 2. Challenges Encountered by the Respondents

Coffee shops encounter multiple challenges in ensuring customer satisfaction. These include the need to anticipate and exceed customer demands, promptly address issues to establish trust, maintain accessible layouts for materials like menus and seating, show greater empathy towards customer needs, and handle complaints professionally to enhance satisfaction and build lasting relationships. Meeting these challenges requires consistent effort and attention from both management and staff to deliver exceptional service and foster customer loyalty.

a. The **reliability challenge** lies in anticipating and meeting customer preferences to enhance loyalty and relationships. Exceeding customer expectations is crucial for driving sales and service delivery efficiency. However, this requires a deep understanding of customer needs and preferences, which can be a significant challenge for coffee shops.

b. The **assurance challenge** involves establishing trust and standardizing excellent service to address customer issues promptly. This requires identifying and meeting customer needs swiftly for enhanced satisfaction and loyalty. However, this can be a challenge for coffee shops that lack a clear understanding of their customers' needs or struggle to provide consistent service.

c. The **tangibility challenge** is about ensuring accessibility of materials like menus, napkins, and seating for waiting customers. A well-planned layout is crucial for walk-in customers, as coffee shops are now considered meeting places. Providing a convenient waiting area is essential for customer satisfaction. However, this can be a challenge for coffee shops that lack a clear understanding of their customers' needs or struggle to create a welcoming environment.

d. The **empathy challenge** involves cultivating awareness and practice of empathy among coffee shop owners and staff. Using empathy to build friendly relationships and effectively address customer needs is crucial for customer satisfaction. However, this can be a challenge for coffee shops that lack a culture of empathy or struggle to understand their customers' needs.

e. The **responsiveness challenge** is about encouraging professionalism in resolving customer complaints to boost satisfaction. Prioritizing responsiveness and polite behavior is crucial for strengthening relationships and elevating service standards. However, this can be a challenge for coffee shops that lack a clear understanding of their customers' needs or struggle to provide consistent service.

## Section 3. Recommendation to Help Improve the Service Quality Management Practices of a Coffee Shop

Coffee shops can address specific challenges in service quality and enhance the overall customer experience, leading to increased satisfaction, loyalty, and business success by adopting the following recommendations.

### a. Reliability

It is recommended to implement a customer feedback system to gain better insights into preferences and expectations. Training for staff on customer needs and exceeding expectations should be provided since it is crucial in service excellence. Review and update service standards regularly to ensure consistency and reliability in service delivery.

### b. Assurance

It is recommended that clear protocols should be developed to address customer issues promptly and effectively is essential. Continuous training on problem-solving and conflict resolution for employees can

further enhance assurance. Empowering employees to make decisions and take ownership of resolving customer concerns will contribute to building trust and loyalty.

### **c. Tangibility**

It is recommended that regular audits of physical materials and facilities should be conducted to ensure accessibility and cleanliness is recommended. Investing in ergonomic furniture and layout design can enhance comfort and convenience for customers. Utilizing technology solutions such as digital menus can improve accessibility and reduce physical clutter in the coffee shop.

### **d. Empathy,**

It is recommended that empathy training workshops for staff should be offered to enhance their ability to understand and relate to customer emotions is crucial. Encouraging active listening and genuine engagement with customers will demonstrate empathy effectively. Fostering a culture of empathy within the organization through leadership example and recognition of empathetic behavior will contribute to building strong customer relationships.

### **e. Responsiveness**

It is recommended that a streamlined process for handling customer complaints and feedback should be implemented. Providing regular communication channels for customers to express concerns and receive timely responses is essential. Monitoring response times and resolution rates to identify areas for improvement and celebrating successes will help in enhancing responsiveness and overall customer satisfaction.

## **CONCLUSIONS AND RECOMMENDATIONS**

**Conclusions.** The following are the conclusions drawn from the analysis and interpretation

1. The coffee shop exhibits commendable service quality management practices across various aspects such as reliability, tangibility, empathy, and responsiveness and needs continuous improvement in assurance to further enhance the overall customer experience.
2. Coffee shops face numerous challenges in the anticipation and exceeding of customer demands, prompt issue resolution to build trust, ensuring accessible layouts for materials, demonstrating empathy towards customer needs, and handling complaints professionally to enhance satisfaction and cultivate lasting relationships.
3. Coffee shops can significantly enhance their service quality by implementing key recommendations based on the SERVQUAL framework. Prioritizing customer feedback, continuous staff training, and maintaining consistent service standards are essential for improving reliability. Strengthening assurance involves establishing clear protocols for issue resolution and empowering employees. Tangibility can be enhanced through regular audits, ergonomic design, and technological advancements. Fostering empathy through workshops and organizational culture can deepen emotional connections with customers. Finally, enhancing responsiveness requires streamlined complaint-handling processes and effective communication channels for customer feedback. Integrating these recommendations can lead to a more satisfying and rewarding customer experience.

## Recommendations:

Coffee shops are advised to focus on several key recommendations to enhance their service quality.

1. The coffee shop owner should address the notable gap in assurance, requiring the implementation of clear protocols for issue resolution and empowering employees to promptly resolve customer concerns.
2. The coffee shop owners should overcome the challenges in meeting customer satisfaction which requires a proactive approach, including anticipating and exceeding customer expectations, ensuring prompt issue resolution, and maintaining accessible layouts for materials.
3. The coffee shop should continuously Implement the SERVQUAL framework recommendations such as prioritizing customer feedback, continuous staff training, and maintaining consistent service standards to improve reliability. Strengthening assurance, enhancing tangibility, fostering empathy, and improving responsiveness through streamlined complaint-handling processes and effective communication channels. By integrating these strategies, coffee shops can elevate their service quality, cultivate enduring customer loyalty, and drive business success. The research paper also offers valuable insights and practical applications for various stakeholders in the hospitality industry. Future coffee shop owners can utilize it as a comprehensive resource to gain insights into implementing effective service quality management practices and addressing common challenges encountered in the industry. It serves as a guide for improving service delivery to meet and exceed customer expectations. Additionally, hospitality and tourism management faculty and students can incorporate this research into their curriculum as a teaching and learning material across subjects like Risk Management, Supply Chain Management, and Food and Beverage Service. Furthermore, future researchers can leverage this paper to delve deeper into service quality management topics, providing additional insights and expanding the scope of research in the field.

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