Original article

Effects of Coffee Shops' Food Quality, Service Quality and Ambience Quality on Customer Satisfaction and Loyalty in Batman, Turkey

Kafeteryaların Yemek Kalitesi, Hizmet Kalitesi ve Ortam Kalitesinin Müşteri Memnuniyeti ve Bağlılığına Etkileri (Batman)

Feridun Duman ⓘ *

Department of Tourism Management and Hospitality, Faculty of Tourism, Batman University, Batman, Turkey

Abstract

Customer satisfaction covers both tangible and intangible elements of product offerings. In these product offerings, perceived service quality and value are found to be significant in customer satisfaction in service firms e.g. coffee shops, restaurants and hotels as being service providers. Therefore, the overall aim of this study was to specifically investigate the effects of food quality, service quality and ambience quality on customer satisfaction and loyalty in a chain coffee shop. With this main aim of the study, a questionnaire survey was used to collect data from the customers of a chain coffee shop in Batman, Turkey. The questionnaire consisted of two main parts. The first part required the demographic information about the coffee shop customers. The second part of the questionnaire had the questions about the qualities of food, service and ambience. A seven-point Likert scale with items comprising the survey questions was presented to the coffee shop customers, where 1 represented "strongly disagree" and 7 represented "strongly agree". With this questionnaire, the study survey produced 404 questionnaires from the sample from March 15 2019 to May 15 2019. For the data analysis, the reliability of the study was first tested. Then, the exploratory factor analysis and regression analysis were applied to find out the effects of food quality, service quality and ambience quality on customer satisfaction and loyalty. The findings presented that food quality (p: ,000 and β: ,383), service quality (p: ,000 and β: ,240) and ambience quality (p: ,000 and β: ,215) had a significant and positive effect on customer satisfaction of the coffee shop customers. However, customer satisfaction did not create any loyalty on the coffee shop customers.

Keywords: Food quality, service quality, ambience quality, customer satisfaction and loyalty, coffee shops, Batman, Turkey.

Özet

Müşteri memnuniyeti, ürünlerin hem somut hem de soyut unsurlarını kapsar. Hizmet işletmeleri, özellikle kafeteryalar, restoranlar ve otel işletmeleri, ürün sunumlarında algılanan hizmet kalitesi müşteri memnuniyetini etkilemektedir. Bu nedenle, bu çalışmanın temel amacı, yiyecek kalitesi, hizmet kalitesi ve ambiyans kalitesinin müşteri memnuniyeti ve sadakati üzerindeki etkilerini araştırmaktır. Araştırmanın amacı doğrultusunda, Batman'da bulunan bir zincir kafeterya müşterilerinden anket çalışmasıyla birlikte veri toplanmıştır. Anket iki ana bölümden oluşmaktadır. İlk bölümde, kafeterya müşterileri hakkında demografik bilgileri sorulmuştur. Anketin ikinci bölümünde ise; yemek, hizmet ve ambiyansın nitelikleri ile ilgili sorular bulunmaktadır. Anket soruları için yedili Likert ölçeği kullanılmıştır. Ankette, 1 "kesinlikle katılmıyorum" ve 7 "kesinlikle katılıyorum" ifadesini temsil etmektedir. Bu anket çalışması 15 Mart 2019 ila 15 Mayıs 2019 tarihleri arasında 404 anket doldurularak veri toplanmıştır. Veri analizi için

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* **Corresponding author:**

Feridun Duman, Department of Tourism Management and Hospitality, Faculty of Tourism, Batman University, Batman, Turkey.
Email: feridun_duman@hotmail.com

öncelikle çalışmanın güvenilirliği test edildi. Ardından, yiyecek kalitesi, hizmet kalitesi ve ambiyans kalitesinin müşteri memnuniyeti ve sadakati üzerindeki etkilerini ortaya çıkarmak için açımlayıcı faktör analizi ve regresyon analizi uygulanmıştır. Bulgular, yiyecek kalitesinin (p:,000 ve β:, 383), hizmet kalitesinin (p:, 000 ve β:, 240) ve ambiyans kalitesinin (p:, 000 ve β:, 215) anlamlı ve pozitif olarak müşteri memnuniyetine etkisi görülmüştür. Ancak kafeterya müşterileri için müşteri memnuniyetinin herhangi bir sadakat yaratmadığı görülmüştür.

Anahtar Kelimeler: Yemek kalitesi, hizmet kalitesi, ambiyans kalitesi, müşteri memnuniyeti ve sadakati, kafeteryalar, Batman, Türkiye..

INTRODUCTION

Coffee drinking has become a popular socialising culture around the world. Especially, the post-modern culture dictates coffee drinking in every aspect of life. Thus, drinking coffees in socialising has become more than a cup of coffee, which represents itself a space in people's free time or in the business meetings etc. So, the coffee shop businesses have become the attractive investments in the business market. However, the new openings of the coffee shops have mushroomed in the market and this situation creates a severe competition in the coffee shop business. Within this competitive context, the coffee shops compete with each other locally, nationally and internationally. Due to this competition, customer satisfaction has become utmost important to sustain their businesses. Moreover, the changing nature of the consumers' wants and needs makes this competition even more severe. Thus, the coffee shop businesses are obliged to follow how their customers' wants and needs change over time. Because, this changing trends directly affect customer satisfaction leading to customer loyalty resulting in an increase in sales, business growth and word-of-mouth (Ladhari, Brun ve Morales, 2008).

Customers purchasing a product or service in a coffee shop could be described as an experience based on face-to-face contact along with the news or comments about the coffee shop business on social media. For instance, a customer who goes to a coffee shop pays attention its ambience from the moment s/he sees the interior design and lightings. Then, receiving a good service is considered to finalise a customer's experience complete. Having all together leads to customer satisfaction, and its sustainability creates a customer loyalty over time.

Therefore, the study fills the gap by investigating the effects of food quality, service quality and ambience quality on customer satisfaction resulting in customer loyalty in a chain coffee shop in Batman, Turkey.

The Literature Review

This section specifically looked at the related literature regarding food quality, service quality, ambience in relation to customer satisfaction and loyalty in order to construct the hypotheses for this study.

Food Quality

Food quality is one of the main factors in dining experience (Namkung and Jang, 2007). Various studies have looked at the effects of food quality in restaurants (Clark and Wood, 1999; Susskind 2002; Sulek and Hensley, 2004; Namkung and Jang, 2007). For instance, Clark and Wood (1999) said that one of the main factors affecting to choose a restaurant was the food quality. Moreover, Susskind (2002) emphasized that the food quality in determining a restaurant to dine is one of the main component from a customer perspective. Sulek and Hensley (2004) also found the effects of food and service quality on customer satisfaction. They further emphasized on the relationship between the environment and customer satisfaction. Jang and Namkung (2009) in their study included restaurant-specific stimuli and restaurant-specific emotion measures to contribute toward the understanding of the restaurant quality. They specifically looked at product, service quality, and ambience, which might affect the emotions of customers positively or negatively. In return, these positive or negative emotions will lead to behavioural loyalty. They further concluded that product characteristics such as food quality alleviate negative emotions, and ambience and service quality are a stimulus to increase positive emotions. With this conclusion they suggested that the positive emotions mediate the relationship between ambience/service quality and future behavioural intentions, which could turn into loyalty.

In the literature, food quality has been examined by a numerous studies (Kivela, Inbakaran & Reece 2000; Raajpoot, 2002; Sulek and Hensley, 2004; Namkung and Jang, 2007; Ha and Jang, 2010). Kivela et al. (2000) especially mentioned about the elements of food quality as food taste, menu and nutritious of food to manage the customer satisfaction. On the other hand, Raajpoot (2002) focused more on the food presentation, portion sizes and menu design as the elements of food quality. Moreover, Sulek and Hensley (2004) approached the elements of food quality as safety, appeal and dietary. Especially, the element of appeal covered the appearance and texture of the food quality. The recent studies of Namkung and Jang (2007) and Ha and Jang (2010) deployed to examine the food quality with the main elements of menu variety, health options and taste. Based upon the above literature, the following hypothesis (H) is proposed:

H₁: Food quality has a significant and positive effect on customer satisfaction in a coffee shop.

Service Quality

Service quality reflects a concept of a customer's expectation and perception from a service or product they purchase. The very notion of service quality is perceived by customers simply comparing

a service offered with their expectations. If customers' perceptions are beyond their expectations, then the service quality is excellent. If the perceptions and expectations are equal, the service quality is good or sufficient. If the customers' perceptions are below their expectations, the service quality is bad, weak or inadequate (Vazquez, Bosque, Rodrimguez-Del., Diaz, & Ruiz, 2001). Thus, the expectations should be met or exceeded by the coffee shop businesses in order to have satisfied customers.

The customers' perceptions equally determine service quality and the performances of businesses. Therefore, the F&B businesses in general are required to identify the factors affecting the customers' expectations and perceptions in order to maintain service quality and to create superior services leading to competitive advantage. By determining which factors are important in customer satisfaction will give the F&B businesses to better evaluate their deficiencies in providing service quality (Chen, 2016).

Customer expectations are gained by the customers' past experiences, opinions of their friends and colleagues, and information and promises given by competitors. The subject of customer satisfaction presents a conundrum such a way that if customers keep the level of their expectations too high, they would then be most probably disappointed. On the other hand, if the customers keep their expectation level low, a sufficient number of customers will not be attracted to a service or product offered. Therefore, service quality is seen one of the important factors in customer satisfaction leading to loyalty (Gotlieb, Grewal, & Brown, 1994). The difference between the expectations of customers and the actual performances of service providers is attributed to service quality (Gronroos, 1984; Parasuraman, Zeithaml and Berry, 1985, 1988). In other words, qualifying a service as quality refers to meeting or exceeding customers' expectations (Parasuraman, et al., 1985). As the quality of services provided creates satisfied customers, the disposition of these satisfied customers toward repeat purchasing will occur again and again. This understanding of meeting or exceeding customers' expectations strengthens the position of the F&B business against its competitors in the market. Within this understanding, a number of service quality models for the F&B businesses, especially for restaurants, have been developed such as SERVQUAL (Parasuraman, et al., 1988), SERVPERV (Cronin & Taylor, 1992), SERVICESCAPE (Bitner, 1992), DINESERV (Stevens, Knutson & Patton, 1995), TANGSERV (Raajpoot, 2002) and DINESPACE (Ryu & Jang 2008). These models mentioned above have been characterised for the purpose to measure in service quality. Especially, the models of SERVQUAL, SERVPERV and DINESERV examined the service quality regarding the service dimensions of tangibles, reliability, responsiveness, assurance and empathy. While the model of SERVICESCAPE focused upon operations of the businesses, the models of TANGSERV and DINESPACE measured the physical aspects e.g. interior design of the businesses. Although these models are widely used to measure service quality in restaurant businesses, they are not fully sufficient to measure service quality in restaurant businesses, in this case, coffee shop businesses (Fu and Parks, 2001; Namkung & Jang, 2007; Ryu & Jang, 2008; Hwang & Ok, 2013).

All the models mentioned above try to show a positive relationship between service quality and customer satisfaction. To be more specific, the studies on service quality had a positive effect on customer satisfaction in fast food restaurants in China and Africa (Tan, Oriade and Fallon, 2014; Petzer and Mackay, 2014). Any improvement in service quality in fast food restaurants attracts new customers and helps the organization keep their current customers (Zeithaml, Berry and Parasuraman, 1996). In conclusion, service quality affects perceived customer value, satisfaction and loyalty (Oliva, Oliver & MacMillan, 1992; Zeithaml et al., 1996; Meuter, Ostrom, Roundtree & Bitner, 2000; Lai, 2015). Based upon the above literature, the following hypothesis is proposed:

H₂: Service quality has a significant and positive effect on customer satisfaction in a coffee shop.

Ambience Quality

Ambience in the F&B businesses is essential in creating experience, especially a positive one! F&B and hotel industry experts state that they constantly sell "experience" and that "sensory experiences" are sold, especially in restaurants. The core product of a restaurant is undoubtedly food and drink that will appeal to consumers' sense of taste. The expanded product of a restaurant is a very broad concept that covers service, interaction between customers and employees, and the ambience of eating place that attracts some of the other four senses (Heung and Gu 2012: 1167). Kotler (1973: 50) defined the ambience as "an effort to design a purchasing environment to produce certain emotional effects in the buyer whose prospect can be increased". Today, restaurant customers look not only for good food, but also for excellent service and a pleasant dining environment. The saying of "You sell sizzles, not steaks" supports this (Heung and Gu 2012: 1167). When people drink or eat their food in a coffee shop, they often feel the ambience first. Thus, feelings or emotions are created through the ambience affecting the customers' reaction (Ha and Jang 2010: 520). In short, the internal environment creates positive or negative emotions in the minds of the customers that are affected by their own impression, which might lead to customer satisfaction (Ha and Jang 2010).

The restaurant owners/managers strategically use ambience to satisfy the customers' expectations from a dining experience. To do this, they use decor, sound level, temperature, cleanliness, odour, lighting, colour and music to build a physical environment in which a customer pleasantly consumes his/her food or drink. For instance, a special attention should be given to comfortable furniture in restaurants as well as in waiting rooms for restaurants, which affect customers positively (Sulek and Hensley, 2004). Therefore, a number of studies have looked at the dimension of ambience to provide a better understanding in customer satisfaction. Bitner (1992) determined three dimensions of the ambience named as "servicescape". These dimensions were included as environmental conditions, spatial order-functionality-signs, symbols-artifacts. On the other hand, Han and Ryu (2009) examined the dimensions of ambience and stated that the most suitable dimensions for the physical environment are grouped in three groups as decoration-works, spatial order and environmental conditions. Ha and

Jang (2010) examined the mediating role of ambience in ethnic restaurants. They used the ambience elements as interior design, music, mood and order / facility aesthetics. Furthermore, Heung and Gu (2012) grouped the ambience dimension into four sub-dimensions for restaurants. These dimensions were included as facility aesthetics, ambiance, spatial layout and employees. They also found out that the view or scenery of a restaurant was an important factor for a restaurant to be competitive when compared with the other ones. The main reason for it was that the view in particular contributes greatly toward eating experiences of customers. Based upon the above literature, the following hypothesis is proposed:

**H₃:** Ambience quality has a significant and positive effect on customer satisfaction in a coffee shop.

Customer Satisfaction and Loyalty

The F&B companies face severe competition to survive in the markets. Thus, their primary objective is to create customer satisfaction to sustain their businesses and then, to turn the customer satisfaction into loyalty to survive in the long term. The sustainability of the companies requires the loyal customers' repeat purchase within increased consumer awareness in the market competition. The importance of the loyal customers for companies has a significant impact on company profits. Kotler (1973) simply described customer satisfaction as the happiness or disappointment of a person by comparing the perceived product or service performance with the product or service expectations. On the other hand, loyalty is explained as the customer's intention to re-purchase the products or services produced by companies. This repeat purchase intention in question should also be supported by customers recommending the companies' products or services to others as well as paying more on the products or services signals loyalty to these companies (Ha and Jang, 2010).

A number of the academic studies has examined the effect of satisfaction on loyalty in the F&B businesses (Oh, 2000; Weiss, Feinstein & Dalbor, 2004; Homburg, Koschate, & Hoyer, 2005; Namkung and Jang, 2007; Ladhari et al. 2008; Ryu & Han, 2010). Oh (2000) studied customer satisfaction in restaurants. He found that satisfaction was an important factor of the customer's intention to purchase and recommend to others. Weiss et al. (2004), more specifically, suggested that food quality and ambience create customer satisfaction and an intention to return to a restaurant for a repeat purchase. Homburg et al. (2005) revealed in their study that customer satisfaction has a strong and positive effect on "willingness to pay", which is a reflection of post-restaurant experience. While Namkung and Jang (2007) emphasized on the food quality significantly affecting customer satisfaction and loyalty, Ladhari et al. (2008) emphasized more on the restaurant services significantly affecting the intention to recommend the restaurant to others. Moreover, Ryu and Han (2010) stated that satisfaction is one of the important determinants of behavioral loyalty in fast-casual restaurants. Based upon the above literature, the following hypothesis is proposed:

H₄: Customer satisfaction has a significant and positive effect on customer loyalty in a coffee shop.

Having examined the related literature above, the study perused the theoretical frameworks in order to establish a model to be proposed for the study (see Figure 1 below).
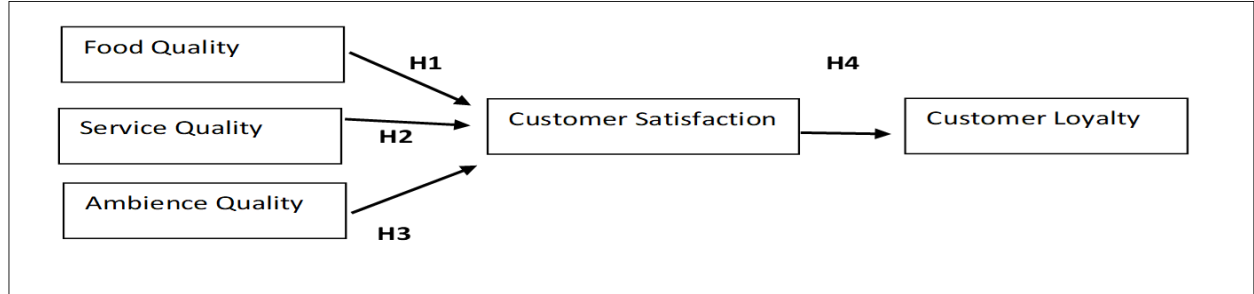
Figure 1. Proposed Model for Study

Research Methodology

The overall aim of the study was to determine whether food quality, service quality and ambience in coffee shops have an effect on customer satisfaction leading to customer loyalty. Thus, the study determined its scope in line with its overall aim. With this aim in hand, a centrally located chain coffee shop was selected in the city centre of Batman, Turkey. The main reason behind selecting a chain coffee shop was that the coffee shop had proper food and drink menu, service staff and interior design, which reflected its ambience to its customers.

The Sample of the study, which was limited to the respondents that visited the specified chain coffee shop, consisted of the population by including the adults aged 18 years old and over. The sampling method also saved the cost and time for the study (Creswell, 2014). This sampling method further provided a homogenous sample as the coffee shop customers show similar characteristics of interest. Thus, the convenience sampling method was preferred among the non-random sampling methods. 420 questionnaires were distributed at the chain coffee shop from March 15 2019 to May 15 2019. The process of controlling the questionnaires for possible defects occurred during the completion of the questionnaires eliminated 16 questionnaires. A total of 404 questionnaires were included for the analysis of the study. This number of sampling was deemed appropriate at a significance level of 0.05 at a 95% confidence interval (Altunışık, Çoşkun, Bayraktaroğlu & Yıldırım, 2012).

To be more specific on the questionnaire, a pilot study was conducted with 30 people in order to check the questionnaire understood by the study sample before beginning the data collection. By doing this, the potential incompatibilities were eliminated. The respondents were asked to indicate the appropriateness and comprehensibility of the Likert scales from 1 to 7 by giving the coffee shop food

quality, service quality, ambience quality, customer satisfaction and customer loyalty. Some expressions were changed according to the respondent comments, and then the questionnaire form was finalized.

Data Collection Method

The data for the study were collected by using the questionnaire method. The questionnaires were filled up by the respondents on a voluntary basis. Two groups of the statements were included in the questionnaire form. In the first group, five statements were included in order to determine the demographic characteristics of the respondents. In the second group, 22 expressions were used about the chain coffee shop' food quality, service quality and ambience quality in relation to customer satisfaction and loyalty by using the 7-point Likert scale (7 = Strongly agree; 1 = Strongly disagree).

Data Analysis and Findings

This section of the study consisted of two parts. The first part presented the sample's descriptive characteristics. Then, the second part comprised the date analysis covering Exploratory Factor Analysis (EFA) and Regression Analysis through SPSS 21 programme. The second part aimed to investigate the theoretical constructs and their connection with the latent variables. Finally, the regression analysis presented the constructs of the quality dimensions on the customer satisfaction.

The characteristics of the respondents for this study were examined under the headings of gender, marital status, age, education and occupation (see Table 1 below). The gender distribution was almost equal. 53.7 percent of the customers were the male ones. The rest of the sample was represented by the female customers. Interestingly, the majority of the coffee shop goers were the single ones reflecting 73.5 percent of the sample respondents. On the other hand, the married respondents were represented by 26.5 percent of the sample. The characteristics of age displayed that 72.6 percent of the coffee shop customers in this study was ranged between 18 years old and 29 years old. The next majority group was followed by the group of "30-39" years old (21%). Surprisingly, the groups of "40-49" and "50 and over" represented the very small portion of the study sample with 5.5 percent. Education of the study sample was distributed from "primary school" to "post graduate" degrees. However, the majority was represented by the group of "undergraduate" (54.9%). The employment status of the respondents showed that the group of "employee" was 59.7 percent. On the other hand, the group of "unemployment" was the second largest group of the respondents (33.4%). The reason might be that the students were accounted for in the group as being "unemployment".

Table 1. Descriptive Characteristics of Respondents

	Frequency	Percentage (%)		Frequency	Percentage (%)
Gender			**Education**		
Male	217	53.7	Primary School	25	6.2
Female	187	46.3	High School	108	26.8
Marital Status			College	24	5.9
Single	297	73.5	Undergraduate	222	54.9
Married	107	26.5	Post Graduate	25	6.2
Age			**Occupation**		
18-29	293	72.6	Employer	12	3.0
30-39	85	21.0	Employee	241	59.7
40-49	22	5.4	Self-employed	13	3.2
50 and over	4	0.1	Unemployed	135	33.4
			Retired	3	0.7

Results of Exploratory Factor Analysis

Having examined the descriptive characteristics of the respondents, this study used the identified dimensions (food quality, service quality, ambience quality, customer satisfaction and customer loyalty) based upon the F&B business literature. Then, EFA was deployed to find out the latent factors, which had been initially adopted from the literature (See Table 2 below). By looking at Table 2, one would notice that the dimension of "customer loyalty" was merged under the dimension of "customer satisfaction". The other dimensions of "food quality", service quality" and "ambience quality" were produced exactly with the same statements within the same dimensions initially identified from the literature. To sum up, EFA produced four factors named as "food quality", service quality", "ambience quality" and "customer satisfaction". All the statements had their factor loadings above ,550, except that the statement of "4. Staff looked neat and well dressed." was loaded as being ,375. The overall indication showed that the factor loadings were statistically significant (Creswell, 2014). Moreover, the cumulative variance (62,6%) for the latent factors was satisfactory (see Table 2).

Table 2. Results of Exploratory Factor Analysis (EFA)

Measured Dimensions/Statements	Factor 1 Customer Satisfaction	Factor 2 Food Quality	Factor 3 Service Quality	Factor 4 Ambience Quality	Cronbach's Alpha
Factor Loadings					
Factor 1: Customer Satisfaction					**,883**
21. I could say good things about this coffee shop.	,780				
19. I think I will return to this coffee shop.	,780				

18. I will come back to this coffee shop.	,764			
20. I will recommend this coffee shop to my friends.	,753			
16. I feel good at this coffee shop.	,732			
22. I will encourage others to come to this coffee shop.	,746			
17. I am satisfied with food and drinks at this coffee shop.	,619			
15. I am happy with service experience.	,550			
Factor 2: Food Quality				**,843**
6. The food is nutritious at this coffee shop.		,761		
7. The menu has a good variety of food.		,697		
9. The smell of food was good.		,672		
5. The food was delicious.		,664		
8. The food was fresh.		,647		
10. The visual look of food was attractive.		,609		
Factor 3: Service Quality				**,859**
12. Staff served the food fast.			,826	
13. Staff were willing to serve.			,778	
11. Staff took food order properly.			,749	
14. Staff made us feel comfortable.			,733	
Factor 4: Ambience Quality				**,656**
1. The Interior design and decor of coffee shop was impressive.				,756
2. We were satisfied with the background music.				,704
3. The coffee shop was clean.				,661
4. Staff looked neat and well dressed.				,375
Eigenvalue	10,267	2,150	1,964	1,280
Variance explained %	24,403	15,419	14,470	8,354
Cumulative variance %	62,646			
Kaiser-Meyer-Olkin (KMO)	,923			
p	,000			

Testing the study's hypotheses

After establishing the latent factors by conducting EFA for the study, a further analysis was deployed to find out the effects of food quality, service quality and ambience quality on customer satisfaction by conducting the regression analysis for the study (see Table 3 below). The analysis tested three hypotheses constructed for the study. First of all, the regression model tested H1 stating positive effect of food quality on customer satisfaction (β= ,383; t= 7,271; p= ,000). Thus, H1 was accepted. Secondly, the regression model supported the positive effect of service quality on customer satisfaction (β= ,245; t= 4,936; p= ,000). Therefore, H2 was accepted. Thirdly, the regression model tested H3 about the positive effect of ambience quality on customer satisfaction (β= ,215; t= 4,224; p= ,000). Thus, H3 was accepted. Finally, H4 stating the effect of customer satisfaction on customer loyalty was not able to be tested as EFA did not produce the dimension of customer loyalty through EFA. Thus, H4 was not supported for this study (see Table 3 below).

Table 3. Effects of Food Quality, Service Quality and Ambience Quality on Customer Satisfaction

Dimension	B	Std. Error	β	t	Sig. p
Constant	,894	,307		2,911	,004
Food Quality	,377	,052	,383	7,271	,000
Service Quality	,241	,049	,245	4,936	,000
Ambience Quality	,220	,052	,215	4,224	,000

Note: Dependent variable: Customer Satisfaction N=404, p=,000

DISCUSSION and CONCLUSION

The coffee shop customers prefer satisfying food and drinks in trendy coffee shops. Therefore, the element of food and drink is an important component of having a good time while they are socialising in their spare time in the coffee shops. Moreover, eating and drinking in a pleasant environment with good service are also very important (Sulek & Hensley, 2004). Because eating and drinking in the coffee shops with a good ambience provides customers satisfied experiences. Due to these experiences, the customers' intentions return back to the same coffee shops again and recommending them to their family and friends sustains loyalty for the coffee shops.

More specifically, food and drinks are the main products offered to the customers in the coffee shops. Thus, the food quality signifies the main determinant of the coffee shop customer. Within this context, the food quality includes such aspects in terms of nutritious food, variety of food types in menus, the presentation and texture of food and drinks and the taste of food and drinks finalising toward the customer satisfaction (Clark and Wood, 1999; Kivela et al., 2000). This study's findings are consistent with the literature mentioned above. More specifically, the food quality in the coffee shops affects 38%

toward customer satisfaction. Thus, H^1 had the statistically significant and positive effect of food quality on customer satisfaction. This shows that how the customers are inclined toward the food quality. This finding will further help the coffee shop owners/managers to distinguish their food quality resulting in a better customer satisfaction, which would give the coffee shops a better edge in the competitive market.

The service quality in the coffee shops is simply compared by the perceptions and expectations of the customers. Thus the service quality determines the operating performances of the coffee shops, which is one of the main factors affecting the customer satisfaction (Gotlieb et al., 1994). This study's finding justified that the respondents placed an important emphasis on the service quality, which resulted in a statistically significant and positive effect on the customer satisfaction (H^2; β= ,245; p= ,000). This finding is also consistent with works of Fu and Parks, 2001; Namkung & Jang, 2007; Ryu & Jang, 2008; Hwang & Ok, 2013. This finding further requires that a special attention should be given on the service quality that reflects staff serving food and drinks in a correct and friendly manner in the coffee shops.

The ambience quality in the coffee shops initially creates a positive effect on the customers' emotions. The works of Ryu and Jang 2008; Jang and Namkung 2009 support that the ambience quality provides a stimuli to develop positive emotions and have a significant effect on alleviating negative emotions. Within this context, the interior design, décor and background music should be pleasing in the eyes of the coffee shop customers. The works on the ambience quality in the literature suggest that there is a significant and positive relationship between the ambience quality and customer satisfaction (Oh, 2000; Weiss et al., 2004; Homburg et al., 2005; Namkung and Jang, 2007; Ladhari et al. 2008; Ryu and Han, 2010). In this regard, this study' finding (β= ,215; p= ,000) was consistent with the literature mentioned above. With this finding, the importance of the ambience quality should be well understood by the coffee shop owners/managers that the future behaviours of the customers and the issue of loyalty are significantly affected by a well-designed ambience. For instance, choosing a suitable lighting will make customers feel more comfortable. Furthermore, the wall colours and decors, paintings, plants, music etc. complete the whole picture of the ambience quality. Thus, the owners/managers should keep their coffee shop ambiences to create a unique atmosphere for their customers creating satisfaction.

This study also examined the effects of customer satisfaction on customer loyalty in the coffee shop businesses. In the literature, the F&B businesses that are to increase their market share and to sustain their businesses in the long term perceive this significant relationship between customer satisfaction and customer loyalty (Ha and Jang, 2010). However, this study did not produce the dimension of customer loyalty as a separate entity. Thus, the concept of customer loyalty was emerged under the heading of customer satisfaction in EFA. This finding signals that the coffee shop owners/managers must do everything right in the first instance wherever and whenever have a contact with their customers.

In conclusion, this study showed a clearer picture that "food quality", "service quality" and "ambience quality" significantly and positively affected the customer satisfaction in the coffee shop business. However, the study also showed that the customer loyalty is elusive as the coffee shop customers more focused upon their satisfaction. Therefore. The coffee shop owners/managers should be constantly on the look-out to satisfy their customers to sustain their business.

Limitations and further research: This study was conducted in a chain coffee shop. Hence, the findings of the study cannot be generalized to other types of coffee shops i.e. the independent coffee shops. Further studies are required to conduct the same dimensions in a larger sample as well as different types of coffee shop businesses.

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