



Discerning Customer Satisfaction and Service Quality: An Empirical Study on Starbucks

K T Mridula

Senior Associate
HSBC, Bangalore, India

Abstract: This study is an insight into the impact of the service quality dimensions on customer satisfaction at Starbucks. Starbucks, a leading player in café culture, has set a very high bar for service quality, its growth can be attributed to a strong focus on the dimensions of Tangibility, Reliability, Responsiveness, Assurance, and Empathy. The paper examines the SERVQUAL dimension's impact on customer satisfaction. Data for the present study was collected from coffee enthusiasts who visit Starbucks. 230 responses were recorded. The analysis highlights the impact of the service quality dimension on customer satisfaction at Starbucks.

Keywords - Consumer Behavior, Service Quality, Customer Satisfaction, SERVQUAL.

I. INTRODUCTION

Café culture has evolved as a positive surge over the past decade. Beyond mere consumption, it is a place where people visit for a caffeine habit, meetings, and business conversations, making it a multifaceted hub. The considerable growth and demand in the café industry, coupled with service quality, are the most crucial aspects of the growth and success.

Service quality builds customer satisfaction and loyalty, ultimately leading to business growth and sustainability. The prominence of service quality increases as consumers seek sensory journeys enriched by diverse attributes such as service, ambiance, culture, and offerings. The SERVQUAL model measures service quality, and its five key dimensions—Tangibility, Reliability, Responsiveness, Assurance, and Empathy. It also enables companies to identify the areas where they fall back and provide scope for improvement to enhance service quality and overall customer satisfaction.

Starbucks, a pioneer in the global coffee industry, stands out with its distinctive coffee blends and unparalleled service. Since its inception in 1971, it has evolved from a single coffee shop in Seattle to a global powerhouse with thousands of locations worldwide. The café has become more than just a coffee shop; it is a part of modern life where the green logo creates brand prestige in most of the customers' minds. Starbucks has transcended the traditional coffee shop concept, becoming integral to contemporary life. At the heart of Starbucks' appeal is its ability to create a welcoming atmosphere for customers where each store is designed to provide an inviting space for customers to relax, work, and socialize. The cozy seating arrangements, the aroma of freshly brewed coffee, and the background music are all part of the business's efforts to enhance customer satisfaction. Starbucks has built a reputation for delivering high-quality products and exceptional service, all while maintaining a commitment to sustainability and ethical sourcing. The introduction of mobile ordering, loyalty programs, gamification, and digital payment options has enhanced the customer experience, making it more convenient and personalized. The company also has its Reserve Roasteries and Reserve Bars that cater to coffee aficionados seeking a premium, artisanal coffee experience.

Besides its global footprint, Starbucks maintains a sense of local relevance by adapting its menu and marketing strategies to suit regional preferences. It offers unique beverages and participates in local cultural events to connect with customers personally and culturally. It has also created a business model where local coffee shops adopt the management and production process of Starbucks, aiming to enhance service quality and customer satisfaction.

This research aims to study the impact of service quality for the five dimensions of the SERVQUAL model on customer satisfaction in the context of café culture at Starbucks.

I. LITERATURE REVIEW

The SERVQUAL model developed by Parasuraman is widely used to measure service quality and customer perception. The model encompasses several dimensions and is the model that is employed across various industries. SERVQUAL, a service quality measurement tool, is a key factor influencing customer perceptions and experiences (Zeithaml & Berry, 1988.)

Service quality and its importance have swelled over the past few years, and it plays a pivotal role in almost all industries (Sureshchandar et al., 2002). There are several elements influencing customers' views of service quality, such as Tangibility, Reliability, Responsiveness, Assurance, and Empathy (defined by the SERVQUAL model). Rigorous statistical research has been employed over the years to validate service quality characteristics and investigate their impact on total customer satisfaction.

(Pantouvakis, 2010) assesses the importance of various service quality dimensions to understand its relationship with customer satisfaction; the research employs the servicescape model to measure the physical and interactive features of services and compares it with the SERVQUAL model by capturing data to unravel the findings so that service providers focus more on the physical attributes and setting. This is imperative when it comes to the service industry to enhance customer satisfaction.

SERVQUAL has been used as a tool to evaluate service quality in the hospitality industry. The alignment between SERVQUAL dimensions and customer perceptions and expectations in hotels and restaurants are analyzed through quantitative and qualitative surveys to understand that improvisation in service quality is essential to gauge customer satisfaction and loyalty within the industry (Ryan, 1991). SERVQUAL mediates the relationship between store atmosphere and customer satisfaction (Ilmi & Darma, 2020). A positive SERVQUAL rating increases customer satisfaction, highlighting the importance of delivering high-quality services to enhance customer loyalty and drive business success. With the increase in several competitive brands, competing businesses have improved their service quality to increase customer satisfaction and retain customers.

(Effendy, 2019) applied the SERVQUAL dimensions to study the influence of service quality, price, and store atmosphere on customer satisfaction. Affordability is related to customer satisfaction, where lower prices attract more customers to visit cafes frequently. Customer satisfaction links to store ambience and facilities. It creates a sensory effect that leads to positive emotion, as a welcoming atmosphere and excellent service positively impact customer satisfaction levels. Store atmosphere and service quality affect cafe consumer satisfaction (V. A. Pratiwi et al., 2022) Ambiance and staff behavior significantly influence customers' dining experiences and their likelihood of returning. Understanding these dynamics helps cafe owners enhance customer satisfaction and loyalty.

Customer satisfaction is also related to perceived service quality and customers' perceived value. Besides research on the SERVQUAL model, an interesting aspect of the perceived service quality theory and DINESERV model studies predicts that customer satisfaction and behavioral intention hold a positive relationship. They help brands understand why they should strengthen the emotional bond between consumers and businesses to improve the Reliability, Assurance, and empathy of perceived service quality (Ge et al., 2021). Service quality influences customer satisfaction and trust ultimately affecting customer loyalty (Saulina & Syah, 2018).

(Shafiq et al., 2019a) identified a positive relationship between reliability, responsiveness, assurance, empathy, and tangibility with customer satisfaction in the hotel sector. Analyzing the impact of service quality on customer satisfaction at Starbucks in Johor Bahru, Malaysia, using a modified SERVQUAL model, the study examines how Tangibility, Reliability, Assurance, empathy, and Responsiveness influence the cafe industry's overall satisfaction and that Tangibility, Reliability, Assurance, and empathy positively affect customer satisfaction, while Responsiveness does not significantly impact (Guan Yu, 2021). Sensory attributes and brand elements factors that significantly influence consumers' purchase of instant coffee. While demographic factors also play a role, the overall impact on purchase intention was relatively weak. The study suggests that companies should enhance sensory attributes and brand elements to improve consumer purchase intention in the instant coffee market (Mridula, 2024). The study aligns with the SERVQUAL model, which assesses service quality based on dimensions like tangibles and Assurance. Enhancing sensory aspects and brand elements can improve perceived service quality, customer satisfaction, and brand loyalty in the instant coffee industry.

II. OBJECTIVES OF THE STUDY

The study examines the impact of service quality dimensions on customer satisfaction in the context of café culture at Starbucks.

To study the effect of the dimensions of SERVQUAL on Customer satisfaction (Zeithaml & Berry, 1988).

- a. Tangibility
- b. Reliability
- c. Responsiveness
- d. Assurance
- e. Empathy

III. RESEARCH METHODOLOGY

The study examines the impact of service quality on customer satisfaction among Starbucks customers. For the study, data was collected from coffee enthusiasts who visit Starbucks. 230 responses were recorded through the survey. The questionnaire includes questions about the five service quality dimensions recorded using a five-point Likert scale. Secondary data for the study was obtained from journals and online research articles. The KMO and Bartlett's test, Reliability test, and Regression analysis were carried out using SPSS for data analysis.

IV. HYPOTHESIS FOR THE STUDY

- H1:** Tangibility has a significant influence on customer satisfaction
- H2:** Reliability has a positive influence on customer satisfaction
- H3:** Responsiveness has a positive influence on customer satisfaction
- H4:** Assurance has a significant influence on customer satisfaction
- H5:** Empathy has a positive influence on customer satisfaction
- H6:** Service quality has a significant influence on customer

V. STATISTICAL ANALYSIS

KMO AND BARTLETT'S TEST

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.932
Bartlett's Test of Sphericity	Approx. Chi-Square	2349.939
	Df	78
	Sig.	0.000

The Kaiser-Meyer-Olkin (KMO) and Bartlett's tests measure a KMO of sampling adequacy of 0.932.

Bartlett's Test of Sphericity examines whether the correlation matrix among variables is an identity matrix, and the test yields a significant chi-square statistic (2349.939) with 78 degrees of freedom and a significance level of 0.000, suggesting that the variables in the dataset are interrelated.

Both the KMO measure and Bartlett's Test confirm the suitability of the dataset for further analysis, affirming the presence of strong interrelationships among variables.

RELIABILITY ANALYSIS

Constructs	Cronbach's Alpha	Number of items
Tangibility	0.811	2
Reliability	0.788	2
Responsiveness	0.829	2
Assurance	0.805	2
Empathy	0.882	2
Customer Satisfaction	0.869	3

Reliability analysis establishes the internal consistency among the variables. The Cronbach's Alpha coefficient of the constructs in the test is reliable as the values fall within the acceptable range of Cronbach's Alpha.

For Tangibility, Reliability, Responsiveness, Assurance, and Empathy constructs, Cronbach's Alpha values range from 0.788 to 0.882, where the number of items within each construct ranges from 2 to 3, indicating good internal consistency reliability. The Reliability construct has the lowest value of 0.788, while the Empathy construct is the highest at 0.882. However, since all the values are closer to 1, the internal consistency is higher, and all the attributes help in understanding the validity of the research instrument.

REGRESSION ANALYSIS

Model Summary ^b						
Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Durbin-Watson
1	.796 ^a	0.633	0.625		0.679	1.927
a. Predictors: (Constant), Empathy, Reliability, Tangibility, Responsiveness, Assurance						
b. Dependent Variable: CustomerSatisfaction						

The model summary provides information about the goodness of fit of the regression model, particularly how well the independent variables predict the variation in the dependent variable, Customer Satisfaction.

The R Square value, which is 0.633, indicates that 63.3% of the variance in dependent can be explained by the independent variables included in the model. Around 37.5% of the variance remains unexplained, suggesting that there may be other factors influencing customer satisfaction that are not accounted for in this model.

The model explains a moderate-to-strong fit, indicating that the dimension of Service Quality (Empathy, Reliability, Tangibility, Responsiveness, and Assurance) describes a significant portion of the variability in Customer Satisfaction.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	178.636	5	35.727	77.381	.000 ^b
	Residual	103.422	224	0.462		
	Total	282.058	229			
a. Dependent Variable: Customer Satisfaction						
b. Predictors: (Constant), Empathy, Reliability, Tangibility, Responsiveness, Assurance						

F-statistic is a measure of the overall significance of the regression model. (Ratayah et al., 2023)

In this case, the ANOVA table gives an F-statistics value of 77.381 and its associated significance level (Sig.) of .000, indicating that the regression model is statistically significant. The null hypothesis can be rejected as at least one of the independent variables significantly affects the dependent variable.

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	0.246	0.202		1.222	0.223		
	Tangibility	-0.220	0.073	-0.194	-3.026	0.003	0.397	2.521
	Responsiveness	0.156	0.074	0.149	2.112	0.036	0.330	3.027
	Reliability	0.393	0.064	0.371	6.162	0.000	0.452	2.213
	Assurance	0.093	0.081	0.085	1.147	0.253	0.297	3.364
	Empathy	0.459	0.080	0.440	5.763	0.000	0.280	3.569
a. Dependent Variable: Customer Satisfaction								

The coefficients table presents the estimated coefficient value for each predictor variable, where the coefficient for Tangibility is -0.220 and the p-value is 0.003. The p-value measures the probability that the observed data could have occurred under the null hypothesis. In this case, the low p-value of 0.003 indicates that the null hypothesis is rejected, providing strong evidence of a significant impact of Tangibility on Customer Satisfaction.

With a coefficient of 0.156 and a p-value of 0.036, Responsiveness positively influences Customer Satisfaction.

The coefficient for Reliability is 0.393, and the value is 0.001, suggesting a strong positive impact on Customer Satisfaction.

Assurance has a coefficient of 0.093 and a p-value of 0.253, indicating a positive but relatively weaker influence on Customer Satisfaction.

With a coefficient of 0.459 and a p-value of 0.00, Empathy has the strongest positive impact on Customer Satisfaction among all predictors.

VIF value measures how much the variance of a coefficient increases due to multicollinearity. VIF values below five generally indicate low multicollinearity. In this model, all predictors have VIF values below 5, indicating acceptable multicollinearity levels among the independent variables.

The coefficients analysis reveals that Tangibility, Responsiveness, Reliability, and Empathy have statistically significant impacts on Customer Satisfaction, with Reliability and Empathy being the strongest predictors. However, Assurance does not significantly influence Customer Satisfaction.

VI. RESULTS AND DISCUSSION

This study analyzes the impact of service quality dimensions on customer satisfaction within the context of café culture, specifically focusing on Starbucks. The study utilizes the SERVQUAL model, which encompasses five key dimensions: Tangibility, Reliability, Responsiveness, Assurance, and Empathy to analyze their effect on Customer Satisfaction.

The statistical tests demonstrated a moderate-to-strong fit where Tangibility, Responsiveness, Reliability, and Empathy emerged as significant predictors of customer satisfaction, while Assurance has a relatively weak influence.

The influence of Tangibility on customer satisfaction suggests that tangible aspects like physical facilities and appearance, such as the ambience, lighting, seating, visual merchandising, etc, are factors in customer satisfaction in the context of café culture.

Responsiveness, Reliability, and Empathy emerged as strong positive predictors of customer satisfaction, highlighting the importance of timely service, quick and efficient order processing with lesser waiting time, consistent performance, quality of food and beverages, accuracy in order, and empathetic interactions in enhancing customer experiences.

Assurance showed a positive but relatively weaker influence on customer satisfaction, implying that aspects like competence, courtesy, and credibility may have a limited impact within the context of the café culture at Starbucks.

VII. SUGGESTIONS

Customer Satisfaction strongly correlates to aspects of Service Quality. Thus, Starbucks must continuously monitor and evaluate its service delivery across Tangibility, Responsiveness, Reliability, Assurance, and Empathy.

In most contexts, customers at a café expect smooth order processing, prompt delivery, lesser wait times, and quality of products and services offered. With Responsiveness, Reliability, and empathy emerging as strong predictors of customer satisfaction, investing in resources such as staff training and empowerment is necessary to ensure that customer needs and expectations are met. Maintaining an appealing physical environment is vital for the overall customer experience. Starbucks should continue to enhance its stores' ambience, cleanliness, and comfort to create inviting spaces for customers to enjoy their coffee and socialize, considering the influence of the Tangibility factor on Customer Satisfaction.

It is also important to establish channels for regular customer feedback and engagement to gain valuable insights into customer preferences, expectations, and areas for improvement and focus on building a customer-centric culture for exceptional service delivery and fostering long-term customer relationships.

VIII. LIMITATIONS OF THE STUDY

The research focused on Starbucks café culture in Bangalore, which may have unique cultural, demographic, and market dynamics, and the findings may not apply to other regions or countries with different socio-cultural backgrounds or café market landscapes, limiting the study's external validity.

A sample of 230 respondents who frequently visit Starbucks was utilized for the study, which may not fully represent the diverse customer base of the café chain, and there may be a possibility that customers may not recall their experiences, leading to potential measurement errors and biases in the results. The service quality dimensions that lead to customer satisfaction can also vary across cafes, and this research primarily focuses on café culture at Starbucks. While the study focused on the five dimensions of service quality outlined in the SERVQUAL model, factors such as pricing, product quality, and competitor offerings, which were not included in the analysis, could influence customer satisfaction.

IX. CONCLUSION

The study emphasizes the significance of service quality in shaping customer experiences and satisfaction at Starbucks. Utilizing the SERVQUAL model, the research examined that Tangibility, Responsiveness, Reliability, and Empathy are critical drivers of customer satisfaction, highlighting the importance of the physical environment, timely service delivery, consistent performance, and empathetic interactions in fostering positive customer perceptions at Starbucks. While Assurance positively influenced customer satisfaction, its impact was relatively weaker compared to other dimensions. This suggests that aspects such as competence, courtesy, and credibility may have a limited effect on customer perceptions within the context of café culture, warranting further exploration and attention.

When customers visit a cafe like Starbucks, they often look for a combination of factors that typically include the quality of the coffee and other beverages, the ambience and atmosphere of the cafe, the level of customer service, and the convenience of the location that contribute to a positive experience. Customers satisfied with the products and services are more likely to develop an emotional connection that goes beyond mere transactional interactions and creates a sense of loyalty and affinity towards the brand.

REFERENCES

- Effendy, F. H. (2019). EFFECT OF QUALITY SERVICE, PRICE AND STORE ATMOSPHERE ON CUSTOMER SATISFACTION (STUDY ON CANGKIR COFFEE SHOP IN SURABAYA). *Ekspektra : Jurnal Bisnis Dan Manajemen*, 123–148. <https://doi.org/10.25139/ekt.v3i2.2033>
- Ge, Y., Yuan, Q., Wang, Y., & Park, K. (2021). The structural relationship among perceived service quality, perceived value, and customer satisfaction—focused on starbucks reserve coffee shops in Shanghai, China. *Sustainability (Switzerland)*, 13(15). <https://doi.org/10.3390/su13158633>
- Guan Yu, C. (2021). Impact of Service Quality on Customers Satisfaction of Starbucks's Consumers in the City of Johor Bahru, Malaysia. In *Journal of Arts & Social Sciences* (Vol. 5).
- Ilmi, Z., & Darma, D. C. (2020). CAN SERVQUAL MEDIATE FROM THE STORE ATMOSPHERE AND CUSTOMER SATISFACTION? *Management Theory and Studies for Rural Business and Infrastructure Development*, 42(3), 359–368. <https://doi.org/10.15544/mts.2020.36>
- Mridula, K. T. (2024). *Consumer Behaviour Towards Purchase Intention: An Empirical Study of Instant Coffee Market*. www.ijfmr.com
- Pantouvakis, A. (2010). The relative importance of service features in explaining customer satisfaction: A comparison of measurement models. *Managing Service Quality*, 20(4), 366–387. <https://doi.org/10.1108/09604521011057496>
- Pratiwi, V. A., Sulaiman, E., Budiastuti, E., Ajie, A., & Tinggi, S. (2022). Enrichment: Journal of Management Store Atmosphere and Service Quality on Cafe Consumer Satisfaction. In *Enrichment: Journal of Management* (Vol. 12, Issue 4).
- Ryan, C. (1991). Analysing service quality in the hospitality industry using the servqual model. *The Service Industries Journal*, 11(3), 324–345. <https://doi.org/10.1080/02642069100000049>
- Saulina, A. R., & Syah, T. Y. R. (2018). How Service Quality Influence of Satisfaction and Trust Towards Consumer Loyalty in Starbucks Coffee Indonesia. *IARJSET*, 5(10), 11–19. <https://doi.org/10.17148/iarjset.2018.5102>
- Shafiq, A., Mostafiz, M. I., & Taniguchi, M. (2019a). Using SERVQUAL to determine Generation Y's satisfaction towards hoteling industry in Malaysia. *Journal of Tourism Futures*, 5(1), 62–74. <https://doi.org/10.1108/JTF-01-2018-0004>
- Sureshchandar, G. S., Rajendran, C., & Anantharaman, R. N. (2002). Determinants of customer-perceived service quality: A confirmatory factor analysis approach. *Journal of Services Marketing*, 16(1), 9–34. <https://doi.org/10.1108/08876040210419398>
- Zeithaml, V. A., & Berry, L. L. (n.d.). *SERVQUAL: A multiple-Item Scale for measuring consumer perceptions of service quality*. <https://www.researchgate.net/publication/225083802>