# A Study on the Effect of Service Quality and Menu Quality on Repurchase through Relationship Quality: Focusing on Korean Coffee

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**Abstract.** Modern people's thoughts on coffee can be said to be part of their daily life. Coffee is something that many people think about on a daily basis. It is a typical meal that satisfies fundamental human needs. Recently, as awareness of health and well-being increases, the coffee consumption trend has shifted to coffee beans. Despite the high price, popularized coffee beans are differentiated according to individual tastes, creating a purchasing class that desires a unique taste. Coffee shops are focusing on expanding the demand of high-quality consumers by especially introducing specialty coffee. This qualitative growth of the coffee industry has given rise to individuals known as baristas, who provide services by extracting coffee beans professionally. Baristas have emerged as experts in the coffee industry with various expertises. The statistical tool SPSS 22.0 was utilized in this study for basic statistical analysis. Meanwhile, the structural equation program Smart PLS 3.0 was used to validate concentrated validity and discriminant validity for hypothesis testing. The empirical analysis results of this study are summarized as follows. First, the service quality of hypothesis H1 had a significant effect on the relationship quality. Second, the menu quality of hypothesis H2 had a significant effect on the relationship quality. Third, the relationship quality of hypothesis H3 had a significant effect on repurchase.

**Keywords:** service quality, menu quality, relationship quality, repurchase

### 1. Introduction

Coffee culture can be said to be the daily life of modern people. Coffee is one of the representative dining areas that satisfy basic human needs. Over the last three years, global coffee production has climbed by more than 10%. Korea is the sixth-largest coffee consumer in the world after the United States, Europe, and Japan. The coffee market in Korea is developing, centered on coffee shops, and per capita, coffee consumption in Korea for people over the age of 20 reached around 353 cups per year in 2018. This is reported to be about three times the annual per capita consumption of 132 cups of the world's population. In addition, as coffee consumption per capita increased in Korea, the coffee market and consumers were diversified and segmented. Accordingly, the demand for professional coffee products is gradually increasing. As consumer awareness of health and well-being grows in Korea, the consumption trend of coffee is transitioning from instant coffee to coffee without artificial additives. As of 2016, domestic coffee imports amounted to 143,000 tons of green coffee and 10,000 tons of processed green coffee. When converted into monetary terms, this amounts to \$562 million. According to the International Coffee Association (ICO), Korea's coffee imports have steadily climbed since 2012, and it placed seventh in coffee importing nations in 2017 behind the United States, Europe, Japan, Russia, Algeria, and Canada (Hyundai Research Institute 2019). The first wave of the coffee industry was a period of rapid expansion with the advent of instant coffee. The second wave was a period when espresso was introduced and established as a popular coffee, and a consistent taste was provided everywhere. The third wave emerged as a tendency to focus on the taste of coffee beans tailored to the tastes of individual consumers, breaking away from the standardized coffee taste led by large coffee shops. Consumers desired quality coffee, and as a result, there is a growing agreement on specialty coffee, which has a distinct taste and flavor due to the specific environment of the coffeeproducing region and the processing of coffee beans (Maria et al., 2021).

Providing superior service quality and menu quality can increase positive relationship quality and customer loyalty. It is essential to evaluate the quality of the coffee shop by measuring service and menu quality, as well as to develop and implement a service quality improvement strategy. Measuring service quality and menu quality is an essential element for providing a high level of service. In this study, interaction, result quality, physical environment, and brand image were selected as service quality factors affecting positive relationship quality and repurchase based on previous studies. The pricing was chosen as a menu quality indicator, alongside coffee quality and diversity. The findings of this study are intended to be utilized as foundational data for future policies governing coffee shop service and menu quality.

# 2. Theoretical Background

### **2.1.** Service quality

The term service is derived from the Latin word 'servus', meaning 'slave'. There are terms in English that signify Servant, Servitude, and Servile which entails offering services to customers. Today, the meaning of service means to provide one's efforts and sincerity for others or to listen to other people's requests. A service is an intangible activity that satisfies the customer and does not entail a transfer of ownership. Services are primarily supplied by individuals and cannot be kept or carried (Kassim et al., 2010).

The American Marketing Association (AMA) defines a service as the benefit, conduct, or satisfaction provided for sale or provided in connection with the sale of a product. It is an intangible activity that arises from interactions between customers and service personnel or between operators who provide material resources or services. It is provided as a solution to a problem with a customer, and customer service is defined as part of a product strategy. The taste, quality, variety, consistency, and nutrition of coffee are very important factors in measuring the service quality of coffee shops.

Service quality is the standard of how well the service meets the expectations of consumers (Kotler 1984). The goal of service that is consistent with customer expectations. Service quality is determined by comparing the service perceived by the consumer to the service actually perceived. Service excellence is the consumer's perception of a high level of service quality. The meaning of service quality is as follows. First, it has a customer-oriented definition that is tied to consumer perception or subjective judgment, which differs slightly from actual or objective quality. Second, consistent with attitudes, the overall evaluation is an abstract, multidimensional concept rather than a concrete one. Third, it is a concept that considers not only the result of the service, but also the preparation process. Fourth, it is more empirical than exploratory in nature. Fifth, the perceived set of consumers influences service quality.

#### 2.1.1. Interaction

In coffee shop interactions, fairness perceived by consumers in the relationship between employees and consumers is very important. Fairness management is more sensitive to people who believe services are unfair than to people who believe services are fair. Consumers who patronize coffee shops underlined the importance of staff clothing and responsiveness, which match the criteria of service quality, and defined that they may obtain services that consumers can use because of staff comfort and consideration (Lee 2021). In order to improve consumer satisfaction, the quality of interaction between workers is important first. Customer satisfaction is quite high when clients are always greeted with tidy attire and a smile, when they receive honest service, and when their demands are treated positively (Mokhtaran et

al., 2015). Interactions between staff and customers are closely tied to other service companies. Customers who frequent coffee shops underlined the significance of staff clothing and responsiveness in offering services that reflect the visible criteria of service excellence. It is feasible to acquire services that customers may utilize due to the comfort and attentiveness of the employees.

### **2.1.2.** Result quality

The result quality of domestic coffee shops has an effect on the positive and emotional responses of consumers (Huang et al., 2014). Various aspects of coffee professionalism have a statistically significant impact on customers' positive and emotional responses. Through the service quality model of general coffee customers, the relationship between service quality and customers' cognitive values, satisfaction, and behaviors visiting coffee shops was studied. The resulting quality is related to the taste and price of the product remaining after the delivery of the service is completed. The product is excellent, and the service is exceptional, resulting in a better-than-expected experience for the consumer. After the service delivery is completed, the result quality of the coffee shop is defined as the consumer's evaluation of the service resulting. As a result of the service, consumers received the specialty and perfection of the service offered, contentment with the choice of a coffee shop, and a continuing excellent experience (Ali et al., 2017; Kang et al., 2018). Result quality is the evaluation that the consumer decides on the service result after the service delivery is completed. It is said that consumers are provided with the specialty and excellence of the service, satisfaction with choosing a coffee shop, and a continuous good experience.

### 2.1.3. Physical environment

The environmental quality of a coffee shop is defined as the environment for service that acts on service delivery (Liang et al., 2012). Moreover, in the physical environment is a factor in judging the experience of coffee shops by customers, such as sensuous facilities, attractive interiors, and comfortable spaces. The physical environment, such as the atmosphere of the room, the interior, and the coffee-related equipment and tools prepared in the store are important factors. The tangibility of the physical environment was defined as interior elements, pleasant atmosphere, and cleanliness inside and outside the building. Specifically, the visual appeal of the exterior of the building, the location and accessibility of the coffee shop, the convenience of the parking lot, and the attractive interior decoration.

# 2.1.4. Brand image

Brand image is understood as a combination of beliefs in relation to the brand. Brand image is a combination of consumers' beliefs. The reason most consumers point to a specific brand among various products is the symbolic value of the brand itself rather than the characteristics of the product. The concept of the brand image

refers to the image that a brand creates by being accepted by consumers through all of their senses (Song et al., 2013). If the thoughts on the brand image are synthesized and applied to the coffee shop, the brand image reflects the brand subjectivity in the mind of the customer and means the perception of the brand. The brand image is a comprehensive image of various thoughts, feelings, and subjective opinions about a specific brand from the customer's point of view (Kim et al., 2016).

### **2.2.** Menu quality

Consumers who use coffee shops value the skillful knowledge and friendly attitude of the employees such as etiquette. The quality of the coffee is a very important factor for returning and recommending it to many people. Consumers who use coffee shops are mostly young consumers. It is necessary to continuously maintain services and menus that these consumers have good feelings (Mohamud et al., 2017). In order to satisfy the needs of consumers, coffee shops are more important than simply selling images or products, but rather the fundamental taste and aroma of their coffee menu. For coffee shops to secure long-term competitiveness through differentiated coffee quality, it is important to improve menu quality (Cha et al., 2017).

## **2.2.1.** Coffee quality

When consumers drink coffee, the taste of coffee is the most important thing. An appropriate strategy for the taste of coffee and service factors of workers can be expected to revitalize coffee shops. The quality of coffee provided by coffee shops plays the most important role in customer satisfaction. The more consumers perceive that the coffee quality of a specific coffee shop is very good, the higher their satisfaction with the coffee shop is (Feng et al., 2013). Coffee shops around the world are expanding quantitatively. The coffee market launches numerous sorts of coffee beverages for consumers with rich preferences, and coffee shops must realize their uniqueness and sensual flavor. Coffee shops should increase their value through active marketing and differentiated strategies with various ideas (Kim et al., 2017).

# 2.2.2. Diversity

Menu diversity is the most influential factor in increasing consumer satisfaction and revisits intention (Lee et al., 2021). Diversity should be developed and provided with menus that include various age groups and seasonality. The variety of menus and the health perspective give consumers psychological satisfaction. Coffee is the world's most sold and consumed beverage. It sells coffee as its main product and prepares and sells various menu items such as donuts and sandwich bakery. Consumers are greatly influenced by taste and variety in menu quality. Accordingly, it is necessary to provide consumers with a variety of menus in consideration of taste and diversity. The diversity of menu quality in coffee shops was found to have

an effect on consumers' revisit (Ishmael et al., 2018). In general, it is judged that the taste of coffee must be good to have an effect on revisit. In order to satisfy consumers, the variety of menus and coffee beans are the deciding factors for consumers

#### 2.2.3. Price

Price is defined as the amount charged for a product or service. It is the meaning of compensation to the provider for receiving and providing what the consumer needs. It is the overall meaning of the tangible and intangible value to be conveyed, expressed as an amount. The price and satisfaction evaluate whether the customer is receiving a high level of satisfaction compared to the amount to be paid. Since there is a difference in the amount of each coffee shop, it is necessary to receive a service that is reasonable at the price paid (Ferriera et al., 2018). The quality of service provided by coffee shops according to the price measurement of coffee brands has an effect on consumers' re-visit intention and satisfaction. Pricing can give you a competitive edge in fierce market competition. Perception of price represents a customer's evaluation and related sentiments as to whether a provider's price is reasonable and acceptable by the customer compared to the prices of other competitors. It is a concept that is decided according to the satisfaction judgment of customers of coffee shops. A price is a certain range that a customer can accept when he/she intends to purchase a particular product (Raza et al., 2012).

# 2.3. Relationship quality

Relationship quality is the consumer's confidence that the employee's trustworthiness has been maintained and satisfied with the previous level of performance. Therefore, it denotes a forecast that current and future performance will be satisfactory. Relationship quality lies in the purchase and use of existing service products rather than the risks associated with the purchase of new food and beverage and dining services. The concept of positive emotions is usually the concept of consumer emotions in research on consumer behavior. It is the state in which consumers think when their expectations about a product or service are met. Consumer satisfaction is the overall emotional attitude toward quality experienced by consumers in response to consumer needs and expectations (Wongkitrungrueng et al., 2018). It refers to the subjective attachment and feelings experienced by customers for products provided by a specific company. Hence, customer satisfaction at a coffee shop is the overall cognitive and emotional evaluation made by consumers about the consumer's direct experience at the point of contact with products and services sold by the coffee shop.

# 2.4. Repurchase

Businesses spend a lot of money to attract new customers. In addition, acquiring and maintaining loyal consumers is a critical and significant component and source

of profit in order to get a competitive advantage over other businesses. Word of mouth, which is an important element of loyalty in general means of consumption, is not forcibly created by companies. It is transmitted among experienced consumers and has a significant influence on the consumption decision of new customers. Word of mouth from acquaintances has a rapid ripple effect on the acquaintances around them. High trust influences customers repurchase. It is used for the purpose of attracting customers from competing companies (Han et al., 2018). Customers' repurchase is sometimes applied as a temporal concept. Consumer continuous purchasing decisions lead to favorable attitudes, leading to continued purchases (Syapsan 2019). Loyal customers will repurchase the same brand in spite of different circumstances. Customer's repurchase is an important key influence that measures the quality of the relationship between consumers and businesses.

# 3. Research Design

#### **3.1.** Research model

This study focuses on analyzing the effect of service quality and menu quality of coffee shops on relationship quality and repurchase. In addition, the purpose of this study is to investigate the relationship between service quality and menu quality on relationship quality and repurchase for consumers who have visited coffee shops. For this verification, interaction, result quality, physical environment, and brand image were selected as sub-elements of service quality of coffee shops through previous studies and theoretical considerations. As sub-factors of menu quality, coffee quality, variety, and price were selected. The proposed research model is shown in Fig. 1.

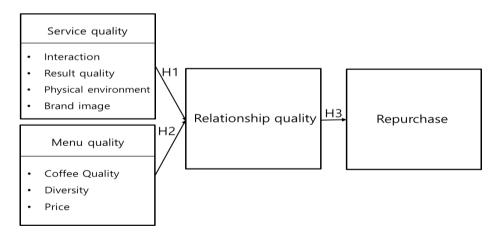


Fig. 1: Research model.

### **3.2.** Research hypothesis

Neither the quality of the relationship between consumers and employees nor the interaction between service providers and systems is inevitable (Lee 2021). It is a series of generally occurring activities or activities of intangible nature that are provided as a solution to consumer problems. In the case of coffee shops, as the resultant quality of coffee is standardized, it is a new phenomenon in which customers try to enjoy a different coffee culture according to the consumer's emotions (Huang et al., 2014). The higher the relationship quality, the higher the relationship and engagement of the outcome quality. Various factors including the indoor environment, surrounding landscape, facilities, indoor music, and coffee equipment within a coffee shop have the most important influence on the quality of the relationship between the physical environment and consumers (Liang et al., 2012). It is necessary to increase a positive image and customer satisfaction to customers. It should elicit relationship quality and attitude and repeat purchases from visiting customers. If the service value perceived by consumers positively trusts the coffee brand, it leads to high repurchase intention. In this study, the following hypotheses were established based on previous studies.

Hypothesis H1 Service quality will have a significant effect on relationship quality.

Hypothesis H1-1 interaction will have a significant effect on relationship quality.

Hypothesis H1-2 Outcome quality will have a significant effect on relationship quality.

Hypothesis H1-3 Physical environment will significantly affect relationship quality.

Hypothesis H1-4 Brand image will have a significant effect on relationship quality.

Coffee quality assesses the total quality of coffee shop components and menus, such as coffee freshness, flavor, and other beverage menus, and it has a favorable influence on customer satisfaction (Feng et al., 2013). The more the visiting customers perceive that the coffee quality of the coffee shop is valuable, the greater the credibility. Menu variety is an important factor when customers choose a menu at a coffee shop (Lee et al., 2021). Consumers will choose a coffee shop with comparable circumstances if they are developing a new menu that the coffee shop they wish to visit does not have. The idea and breadth of customer selection of products is greatly expanded, and menu management and menu planning are largely reflected in the operation of coffee shops in the number and variety of menus. The price of a coffee shop affects customer relationship quality and repurchase (Ferreira et al., 2018). When the price of a coffee shop is reasonable and at a reasonable level,

it is understood and satisfied from the customer's point of view. In this study, the following hypotheses were established based on previous studies.

Hypothesis H2 Menu quality will have a significant effect on relationship quality.

Hypothesis H2-1 Coffee quality will have a significant effect on relationship quality.

Hypothesis H2-2 Diversity will significantly affect relationship quality.

Hypothesis H2-3 Price will have a significant effect on relationship quality.

In the case of coffee shops, it was said that the relationship quality had a significant effect on repurchase (Wongkitrungrueng et al., 2018). As a result of measuring the satisfaction scale by industry using customer satisfaction, if the visiting customer is satisfied, the brand image of the company is improved. Therefore, the cost of attracting new customers is reduced, the repurchase of visiting customers is increased, and the brand image of the company is improved. In order to improve the business performance of a company, customer satisfaction has a significant effect on repurchase. In this study, the following hypotheses were established based on previous studies.

Hypothesis H3 Relationship quality will have a significant effect on repurchase.

# 4. Empirical Analysis and Research Findings

# **4.1.** Operational definition of variables

The study model and accompanying hypotheses were developed using information acquired from a literature survey and examination of different technical systems. Table 1 below states the variables operational definitions used in this study.

Table 1: Operational definition of variables.

| Table 1. Operational definition of variables. |   |  |  |  |  |  |
|---|---|--|--|--|--|--|
| Factors                                       | Operational Definition  | Previous Studies                                 |  |  |  |  |
| Interaction                                   | A degree of positive handling ability with always neat clothes and sincere service.   | (Lee 2021;<br>Mokhtaran et al.,<br>2015)         |  |  |  |  |
| Result<br>quality                             | Consumers continue to be provided with the specialty and excellence of the service provided, satisfaction with choosing a coffee shop, and a good experience.                     | (Huang et al.,<br>2014;Ali et al.,<br>2014)      |  |  |  |  |
| Physical environment                          | The importance of indoor atmosphere, interior, and coffee-related equipment and tools prepared in the store.  | (Liang et al., 2012)                             |  |  |  |  |
| Brand image                                   | An integrated image of all thoughts, feelings, and associations that customers have about a particular brand.   | (Song et al.,<br>2013;Kim et al.,<br>2016)       |  |  |  |  |
| Coffee<br>quality                             | The taste and aroma, which are the fundamental qualities of coffee, are better than simply the level of image or product sales, and the degree of coffee quality differentiation. | (Feng et al., 2013;<br>Kim et al., 2017)         |  |  |  |  |
| Diversity                                     | Coffee is the main product, and various menu items such as donuts and sandwich bakery are prepared and sold.  | (Lee et al., 2021;<br>Ishmael et al.,<br>2018)   |  |  |  |  |
| Price   | The tangible and intangible values that consumers receive as a means of receiving what they need and conveying it as a reward to the provider.                                    | (Ferriera et al.,<br>2018; Raza et al.,<br>2012) |  |  |  |  |
| Relationship quality                          | The holistic cognitive and emotional evaluation of the consumer's direct experience.  | (Wongkitrungrueng et al., 2018)                  |  |  |  |  |
| Repurchase                                    | Consistent consumer purchasing decisions lead to favorable attitudes and repurchase use of the same brand despite the circumstances of other companies.                           | (Han et al., 2018;<br>Syapsan 2019)              |  |  |  |  |

# **4.2.** Characteristics of respondents

A survey was conducted with people in their 20s and older who frequented coffee shops around the country. A survey was conducted in which the respondents directly filled out the questionnaire. During the survey period, from September 1 to December 30, 2021, a total of 465 online questionnaires were distributed for 4 months, and additional 60 copies of the questionnaire were conducted to investigate a total of 525 questionnaires. 458 copies were used for empirical analysis, excluding 67 copies of the response infidelity questionnaire that were not suitable for statistical analysis. The basic statistical survey is as follows. Of the respondents, 23.4% were men and 76.6% were women, with women having an absolute advantage. By age, 31.4% are in their 20s, 17.5% are in their 30s, 35.4% are in their 40s, and 15.7% are in their 50s and over, the highest in 40s. 100% of respondents

experienced coffee service quality, menu quality, relationship quality, and repurchase.

Table 2: Characteristics of respondents.

| Chara         | acteristics         | Responses | Percentage |
|---------------|---------------------|-----------|------------|
| Gender        | Male                | 107       | 23%        |
| Gender        | Female              | 351       | 77%        |
|               | 20-29 years         | 144       | 31%        |
| A go          | 30-39 years         | 80        | 18%        |
| Age           | 40-49 years         | 162       | 35%        |
|               | Over 50 years       | 72        | 16%        |
|               | High School         | 105       | 23%        |
|               | College             | 138       | 30%        |
| Education     | University          | 122       | 27%        |
|               | Graduate School     | 93        | 20%        |
|               | Post Graduate       | 0         | 0%         |
|               | Student             | 162       | 35%        |
|               | White-collar        | 57        | 13%        |
| Occupation    | Blue-collar         | 143       | 31%        |
|               | Professionals       | 51        | 11%        |
|               | Others              | 45        | 10%        |
|               | 0 - \$10,000        | 39        | 9%         |
|               | \$10,000 - \$20,000 | 111       | 24%        |
| Annual Income | \$20,000 - \$30,000 | 191       | 41%        |
|               | \$30,000 - \$40,000 | 57        | 13%        |
|               | \$40,000 or more    | 60        | 13%        |

# 4.3. Analysis method

For basic statistical analysis, the statistical package SPSS 25.0 was used. For hypothesis testing, concentrated validity and discriminant validity were verified using the structural equation package Smart PLS 3.0. A factor loading value of 0.6 or more, a variance extraction index (AVE) value of 0.5 or more, Cronbach's  $\alpha$  value of 0.7 or more, and a composite reliability value are generally valid. Discriminant validity is valid because the square root value of AVE is larger than the vertical and horizontal values of the correlation coefficient. The results of the concentrated validity are shown in Table 3 and the results of the discriminant validity are shown in Table 4.

Table 3: Reliability and internal consistency results.

| Table 3: Reliability and internal consistency results. |            |                    |                                |       |                     |  |  |  |  |
|--|------------|--------------------|--------------------------------|-------|---------------------|--|--|--|--|
| Factors  | Items Name | Factor<br>Loadings | AVE Composite Reliability (CR) |       | Cronbach's<br>Alpha |  |  |  |  |
|  | In1        | 0.745              |                                |       |                     |  |  |  |  |
|  | In2        | 0.656              |                                | 0.851 |                     |  |  |  |  |
| Interaction  | In3        | 0.740              | 0.536                          |       | 0.781               |  |  |  |  |
|  | In4        | 0.670              |                                |       |                     |  |  |  |  |
|  | In5        | 0.836              |                                |       |                     |  |  |  |  |
|  | Rq1        | 0.848              |                                |       |                     |  |  |  |  |
| Result quality   | Rq2        | 0.862              | 0.648                          | 0.845 | 0.725               |  |  |  |  |
| 1 7  | Rq3        | 0.695              |                                |       |                     |  |  |  |  |
|  | Pe1        | 0.616              |                                | 0.837 |                     |  |  |  |  |
| D1 : 1   | Pe2        | 0.805              |                                |       |                     |  |  |  |  |
| Physical   | Pe3        | 0.738              | 0.531                          |       | 0.742               |  |  |  |  |
| environment  | Pe4        | 0.666              |                                |       |                     |  |  |  |  |
|  | Pe5        | 0.761              |                                |       |                     |  |  |  |  |
|  | Bi1        | 0.724              |                                |       |                     |  |  |  |  |
|  | Bi2        | 0.691              |                                |       | 0.820               |  |  |  |  |
| Brand image  | Bi3        | 0.817              | 0.582                          | 0.874 |                     |  |  |  |  |
|  | Bi4        | 0.755              |                                |       |                     |  |  |  |  |
|  | Bi5        | 0.819              |                                |       |                     |  |  |  |  |
|  | Cq1        | 0.773              |                                | 0.854 | 0.745               |  |  |  |  |
| Coffee quality   | Cq2        | 0.843              | 0.662                          |       |                     |  |  |  |  |
|  | Cq3        | 0.823              |                                |       |                     |  |  |  |  |
|  | Di1        | 0.783              |                                | 0.906 | 0.871               |  |  |  |  |
|  | Di2        | 0.804              |                                |       |                     |  |  |  |  |
| Diversity  | Di3        | 0.798              | 0.660                          |       |                     |  |  |  |  |
| -  | Di4        | 0.837              |                                |       |                     |  |  |  |  |
|  | Di5        | 0.841              |                                |       |                     |  |  |  |  |
|  | Pr1        | 0.661              |                                |       | 0.868               |  |  |  |  |
|  | Pr2        | 0.889              |                                | 0.904 |                     |  |  |  |  |
| Price  | Pr3        | 0.865              | 0.657                          |       |                     |  |  |  |  |
|  | Pr4        | 0.894              |                                |       |                     |  |  |  |  |
|  | Pr5        | 0.718              |                                |       |                     |  |  |  |  |
|  | Rq1        | 0.772              |                                |       | 0.842               |  |  |  |  |
| D :1: (': : : :1: ': :                                 | Rq2        | 0.735              |                                | 0.888 |                     |  |  |  |  |
| Relationship<br>quality                                | Rq3        | 0.811              | 0.614                          |       |                     |  |  |  |  |
|  | Rq4        | 0.829              | ]                              |       |                     |  |  |  |  |
|  | Rq5        | 0.769              |                                |       |                     |  |  |  |  |
|  | Re1        | 0.756              |                                |       |                     |  |  |  |  |
|  | Re2        | 0.722              | ]                              |       |                     |  |  |  |  |
| Repurchase   | Re3        | 0.682              | 0.534                          | 0.851 | 0.783               |  |  |  |  |
| -  | Re4        | 0.753              |                                |       |                     |  |  |  |  |
|  | Re5        | 0.742              |                                |       |                     |  |  |  |  |

| Table 4. I carson correlations and discriminant validity. |       |        |        |        |        |        |        |        |        |       |
|---|-------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| Fact<br>ors   | AVE   | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9     |
| In  | 0.536 | 0.732  |        |        |        |        |        |        |        |       |
| Rq  | 0.648 | 0.582* | 0.805  |        |        |        |        |        |        |       |
| Pe  | 0.531 | 0.563* | 0.673* | 0.729  |        |        |        |        |        |       |
| Bi  | 0.582 | 0.523* | 0.660* | 0.664* | 0.763  |        |        |        |        |       |
| Cq  | 0.662 | 0.482* | 0.571* | 0.486* | 0.620* | 0.814  |        |        |        |       |
| Di  | 0.660 | 0.652* | 0.601* | 0.672* | 0.696* | 0.661* | 0.813  |        |        |       |
| Pr  | 0.657 | 0.545* | 0.568* | 0.515* | 0.541* | 0.508* | 0.628* | 0.811  |        |       |
| Rq  | 0.614 | 0.643* | 0.649* | 0.687* | 0.639* | 0.663* | 0.670* | 0.690* | 0.784  |       |
| Re  | 0.534 | 0.567* | 0.652* | 0.559* | 0.555* | 0.480* | 0.617* | 0.635* | 0.617* | 0.731 |

Table 4: Pearson correlations and discriminant validity.

Diagonal element shows the square root of AVE

# 4.4. Test hypothesis

Smart PLS 2.0 was used for the structural model, and the result values of the path coefficient and the coefficient of determination  $(R^2)$  between the variables of the research model were derived through the structural model. If the  $R^2$  value is 0.26 or more, the fit is high, and if it is 0.25 to 0.13, it is intermediate. A value less than 0.12 can be indicated as a low fit. The coefficient of determination  $(R^2)$  for user resistance (0.667) and intention to use (0.557) appeared to be positive.

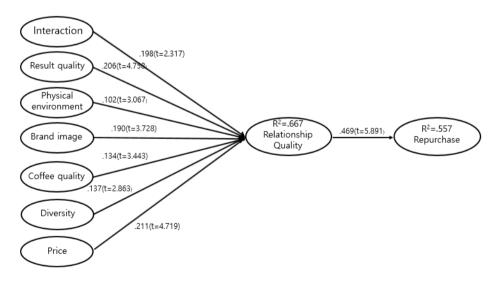


Fig. 2: Path analysis for the research model.

All of the proposed hypotheses H1, H2, and H3 were accepted. First, hypothesis H1-1 that "interactions influence relationship quality" was adopted. Interactions were shown to affect relationship quality ( $\beta = 0.198$ , t = 2.317, p < 0.05). This means that the interaction of coffee service quality has a significant effect on

<sup>\*</sup>Correlation is significant at 0.01 level (2-tailed).

relationship quality. Second, hypothesis H1-2 that "the quality of the outcome affects the quality of the relationship" was adopted. Results quality appeared to affect relationship quality ( $\beta = 0.206$ , t = 4.758, p <0.05). This means that the resulting quality of coffee service quality has a significant impact on relationship quality. Third, hypothesis H1-3 that "physical environment affects relationship quality" was adopted. Physical environment was shown to affect relationship quality ( $\beta = 0.102$ , t = 3.067, p <0.05). This means that the physical environment of coffee service quality has a significant effect on relationship quality. Fourth, hypothesis H1-4 that "brand image affects relationship quality" was adopted. Brand image was found to affect relationship quality ( $\beta = 0.190$ , t = 3.728, p < 0.05). This means that the brand image of coffee service quality has a significant effect on relationship quality. Fifth, hypothesis H2-1 that "coffee quality affects relationship quality" was adopted. Coffee quality was shown to affect relationship quality ( $\beta$  = 0.134, t = 3.443, p < 0.05). This means that the coffee quality of the coffee menu quality has a significant effect on the relationship quality. Sixth, hypothesis H2-2 that "diversity affects relationship quality" was accepted. Diversity was shown to affect relationship quality ( $\beta = 0.137$ , t = 2.863, p < 0.05). This means that the diversity of coffee menu quality has a significant effect on relationship quality. Seventh, hypothesis H2-3 that "price affects relationship quality" was adopted. Price was found to affect relationship quality ( $\beta = 0.211$ , t = 4.719, p <0.05). This means that the price of coffee menu quality has a significant effect on relationship quality. Eighth, hypothesis H3 that "relationship quality affects repurchase" was adopted. Relationship quality was found to affect repurchase ( $\beta = 0.469$ , t = 5.891, p <0.05). This means that relationship quality has a significant effect on repurchase.

Table 5: Hypothesis testing of model.

| Paths   | Estimate | T-statistics | Hypothesis<br>Results |
|---|----------|--------------|-----------------------|
| H1-1: Interaction → Relationship quality          | 0.198    | 2.317*       | Supported             |
| H1-2: Result quality → Relationship quality       | 0.236    | 4.758*       | Supported             |
| H1-3: Physical environment → Relationship quality | 0.102    | 3.067*       | Supported             |
| H1-4: Brand image → Relationship quality          | 0.190    | 3.728*       | Supported             |
| H2-1: Coffee quality → Relationship quality       | 0.134    | 3.443*       | Supported             |
| H2-2: Diversity → Relationship quality            | 0.137    | 2.868*       | Supported             |
| H2-3: Price → Relationship quality                | 0.211    | 2.863*       | Supported             |
| H3: Relationship quality → Repurchase             | 0.469    | 5.891*       | Supported             |

<sup>\*</sup>Probability level p< 0.001

#### 5. Conclusion

In this study, interaction, result quality, physical environment, and brand image were selected as determinants of coffee service quality for the general public in their

20s or older that used coffee shops. Coffee quality, variety, and price were selected as determinants of menu quality. The relationship of influence on repurchase through relationship quality was empirically proven. To summarize the empirical analysis results of this study, first, interaction affects relationship quality. Second, outcome quality affects relationship quality. Third, the physical environment affects the relationship quality. Fourth, brand image affects relationship quality. Fifth, coffee quality affects relationship quality. Sixth, diversity affects relationship quality. Seventh, price affects relationship quality. Eighth, relationship quality affects repurchase. Service quality and menu quality both affect relationship quality, and relationship quality affects repurchase.

Recently, the coffee market is changing rapidly. It has established itself as one of the consumer food products indispensable in our daily lives. Coffee consumption is shifting toward coffee beans as people become more conscious of their health and well-being.

Based on the research results on service quality, menu quality components, and relationship quality that affect the repurchase of coffee consumers, the following implications are presented. First, looking at the ranking of the relationship between the effect of service quality on the relationship quality, the resulting quality, brand image, physical environment, and interaction were studied in order. As a result, in order for coffee shops to improve service quality to coffee consumers, satisfy the taste and aroma of the coffee, and satisfy the appearance of coffee, coffee quality management and familiar brands, sophisticated brands, differentiated brands, clean brand images, comprehensive management of brand assets such as 'reputable image' should be recognized and implemented as an important value. Second, looking at the ranking of the relationship between menu quality and the effect of menu quality on relationship quality, the study was conducted in the order of price, variety, and coffee quality. In other words, consumers of coffee shops perceive the importance of price, variety, and coffee quality as important factors for relationship quality. These results are analyzed that consumers of coffee shops respond more sensitively to price than to the variety of menu, and coffee quality. Therefore, the best efforts should be made to reduce the cost to provide high-quality coffee to consumers at an affordable price. In addition, coffee consumers consider the variety of coffee drinks and desserts to be important despite the burden of price. The basic coffee quality that a coffee shop should have should be a prerequisite. Consumer awareness should not be neglected either. Coffee shops need to expand the range of choices for consumers by using different types of coffee beans from different regions. If highquality coffee drinks are provided at reasonable prices, it is judged that it can bring desirable expected effects of expanding coffee users and creating profits. Third, it has been studied that consumer repurchase of coffee shops increases as the relationship quality increases. In other words, 'a wise decision to visit, an increase in the sense of self, the joy and comfort of service, and an increase in intimacy with

the person who visited' influence the repurchase of coffee shops. It is said that 'trust in service and products, compliance with promises with customers, overall trust, accurate management and maintenance of customer orders, and accurate opening and closing times' affect repurchase of coffee shops. Relationship quality is a very important factor that leads to a positive view of visited coffee shops. It can lead to continuous repurchase and reuse of consumers. Therefore, coffee shops will be used continuously and repeatedly when consumers have confidence in the quality of the relationship between the service quality and menu quality experienced at the coffee shop. It should not be overlooked that positive word of mouth can directly lead to increased sales due to the synergistic effect of recommendation and repurchase.

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