# INFLUENCE OF SERVICE QUALITY AND SERVICESCAPE ON CUSTOMER SATISFACTION TOWARDS BEHAVIORAL INTENTIONS IN INTERNATIONAL COFFEE CHAINS

BY

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#### **DECLARATION**

#### We hereby declare that:

- (1) This undergraduate research project is the end result of our own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.
- (2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.
- (3) Equal contribution has been made by each group member in completing the research project.
- (4) The word count of this research report is 22,400.

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#### LIST OF ABBREVIATIONS

Sig Significant

SPSS Statistical Package for Social Science

Std Standard

TARUC Tunku Abdul Rahman University College

UCSI Universiti College Sedaya International

UM Universiti of Malaya

UPM Universiti Putra Malaysia

UTAR Universiti Tunku Abdul Rahman

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#### **PREFACE**

This research project is conducted as part of the fulfillment of the requirement for the course of Bachelor of International Business offered by Faculty of Accountant and Management, Universiti Tunku Abdul Rahman. The purpose of conducting this research project is to study of service quality and servicescape which will significantly influence on customer satisfaction towards behavioral intentions in International Coffee Chains.

For the tradition coffee shops that are solely focusing on selling food and beverages, it is hard for them to survive in this modern world. In this 21<sup>st</sup> century, customers do not only focus on food and beverages quality but also demand for a better service quality, comfortable environment, and creative design of the coffee shop. Therefore, it is important for a manager to design a coffee shop with high attractive power and provide an excellent service quality in order to satisfy customers which will eventually influence the customers' behavioral intentions.

The research project helps to reveal service quality and servicescape that influence on customers satisfaction towards behavioral intentions in International Coffee Chain. Factors that pose the strongest influence in customer satisfaction towards behavioral intentions will be determined which aids in providing a better understanding for manager of International Coffee Chains.

#### **ABSTRACT**

This study focuses on examining the influence of service quality and servicescape on customer satisfaction towards behavioral intentions in International Coffee Chains. In order to attain the research project objectives, research questions and three hypotheses are developed and tested. Moreover, each hypothesis is measured accordingly and results obtained are subsequently explained. Literature review are also included in this research project as to provide better understanding of each variables in terms of terms, definition, characteristics and relationships.

Furthermore, a sample size of 200 had been selected for this study by using convenience sampling method. The questionnaires were distributed to the target respondents which are full-time undergraduates from public universities, private universities, and university colleges in Malaysia. By using Statistical Package for Social Science (SPSS) version 22.0, data collected through survey questionnaires are able to analyze and get the results are being discussed in tables and charts. In addition, major findings of this research project were discussed in order to understand the relationship between service quality and servicescape towards customer satisfaction as well as relationship between customer satisfaction and behavioral intentions.

After conducting this research, the empirical results revealed that all of these factors have positive influences on customer satisfaction. Results also show that customers' satisfaction will influence the behavioral intentions among undergraduates towards International Coffee Chains. Last but not least, managerial implications have been discussed to provide insightful and useful information to the International Coffee Chains' manager. While the limitations faced in this study will be addressed and recommendations will be developed to assist future researchers in managing these limitations.