EVALUATING CUSTOMER SATISFACTION IN INTERNATIONAL COFFEE CHAINS IN MALAYSIA USING SERVQUAL MODEL

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BY

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DECLARATION

I hereby declare that:

(1) This undergraduate FYP is the end result of my 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 FYP 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) Sole contribution has been made by me in completing the FYP.

(4) The word count of this research report is <u>11020</u> words.

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Date: 3 MAY 2025

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LIST OF ABBREVIATIONS

DOSM   Department of Statistics Malaysia

SAQ   Self-Administered Questionnaires

SET   Social Exchange Theory

SPSS   Statistical Package for Social Science

CS   Customer Satisfaction

T   Tangible

R   Reliability

RR   Responsiveness

A   Assurance

E   Empathy

PREFACE

This research project, UKMZ3016 Research Project, is conducted as part of the academic requirements for a Bachelor of International Business student. The title of this thesis is "Evaluating Customer Satisfaction in International Coffee Chains in Malaysia Using the SERVQUAL Model."

Customer satisfaction is a key factor in the success of any business, particularly in the highly competitive international coffee chain industry in Malaysia. Beyond offering quality products, coffee chains must understand how their service quality influences customer perceptions and overall satisfaction. By identifying the key drivers of satisfaction, businesses can enhance their service delivery and strengthen customer relationships.

This study explores the impact of five SERVQUAL dimensions—tangibles, reliability, responsiveness, assurance, and empathy—on customer satisfaction in international coffee chains. The findings of this research will be beneficial not only to businesses seeking to improve their service strategies but also to consumers, helping them become more aware of the factors that shape their overall coffee experience. Through this study, we aim to provide valuable insights into the relationship between service quality and customer satisfaction, contributing to the ongoing improvement of the international coffee industry in Malaysia.

ABSTRACT

This study aims to evaluate customer satisfaction in international coffee chains in Malaysia using the SERVQUAL Model, a widely recognized framework for assessing service quality. The research focuses on five key dimensions: tangibles, reliability, responsiveness, assurance, and empathy, which are hypothesized to significantly influence customer satisfaction. These dimensions provide a comprehensive approach to understanding the factors that drive customer loyalty and preference in a competitive industry. To achieve this, five hypotheses have been developed to guide the study and provide meaningful insights.

The study targeted Malaysian consumers aged 18 to 64 years old, with 146 valid responses collected through a structured questionnaire. Data analysis was conducted using the Statistical Package for Social Sciences (SPSS) version 30, employing Multicollinearity test and Multiple Linear Regression to examine the relationships between the SERVQUAL dimensions and customer satisfaction.

Prior to inferential analysis, the Cronbach's Alpha reliability test confirmed that the measurement scales were consistent and reliable in assessing the proposed constructs. The findings revealed that certain SERVQUAL dimensions, particularly tangibles and empathy, had a significant impact on customer satisfaction, while reliability, responsiveness, and assurance showed weaker relationships.

Finally, the study acknowledges several limitations that may have influenced the results and provides recommendations for future research. These suggestions aim to offer deeper insights into customer expectations and help international coffee chains refine their service strategies to enhance customer satisfaction.

CHAPTER 1: RESEARCH OVERVIEW

1.0 Introduction

Chapter one outlined the research background, problem statement, target market, research objectives, research questions, and research significance.

1.1 Research Background

1.1.1 Coffee and Industry Background

Coffee, a beverage brewed from the roasted and ground seeds of tropical coffee plants. It originates from the seeds found within coffee cherries, which grow along the branches of coffee trees. It takes nearly a year for a cherry to fully mature after the tree first blooms, and around five years of growth for the tree to achieve peak fruit production (Myhrvold, 2024). Preparing a single cup of coffee involves a meticulous 10-step process: planting, harvesting the cherries, processing them, drying the beans, milling the beans, exporting them, tasting the coffee, roasting the beans, grinding them, and finally brewing the coffee (Syahlan, Khalid, Zulkefli, Bakar & Rakibe, 2023). Each step plays a critical role in determining the quality of the final product, as any errors during these stages can significantly affect the coffee's flavor and overall quality.

1.2 Coffee Industry in Malaysia

According to recent data from the International Coffee Organization, global coffee exports reached 10.76 million bags in September 2024, up from 8.62 million in the same month the previous year—illustrating the worldwide surge in coffee demand (International Coffee Organization, 2024). In Malaysia, tea once held the crown as the preferred drink for early mornings or afternoon breaks. But over the years, coffee has steadily gained popularity, especially among younger Malaysians embracing Western influences (Ramanathan & Ali, 2021). In the past two decades, this shift has sparked a flourishing coffee culture, with high-end cafés and specialty coffee shops springing up across the country (World Coffee Portal, 2024). Today, Malaysia stands out as a vibrant destination for coffee lovers, reflecting a broader global trend.

Since drinking coffee became popular in Malaysia, it has grown into a significant part of the country's culture. In Malaysia, the coffee-drinking culture began to evolve with the introduction of branded retail outlets like Coffee Bean and Starbucks in 1997. Following this, the local coffee scene experienced significant growth, marked by the commercialization of traditional *kopitiams* and the branding of local coffee shops. (Yahya, Mazlan & Kamarudin, 2022).

Nowadays, whether it's construction workers taking a quick break or office employees powering through their day, coffee has become a go-to drink for Malaysians seeking a boost of energy and focus. This growing coffee culture is not just limited to locals; tourists from different countries visiting Malaysia often develop an appreciation for the country's unique coffee offerings, from traditional brews like *kopi O* to specialty blends served in trendy cafes. The rising coffee trend reflects Malaysia's ability to blend tradition with modern influences, making coffee an important part of daily life and a memorable experience for everyone.

Figure 1.1: Total Coffee Consumption in Malaysia from 2013-2022
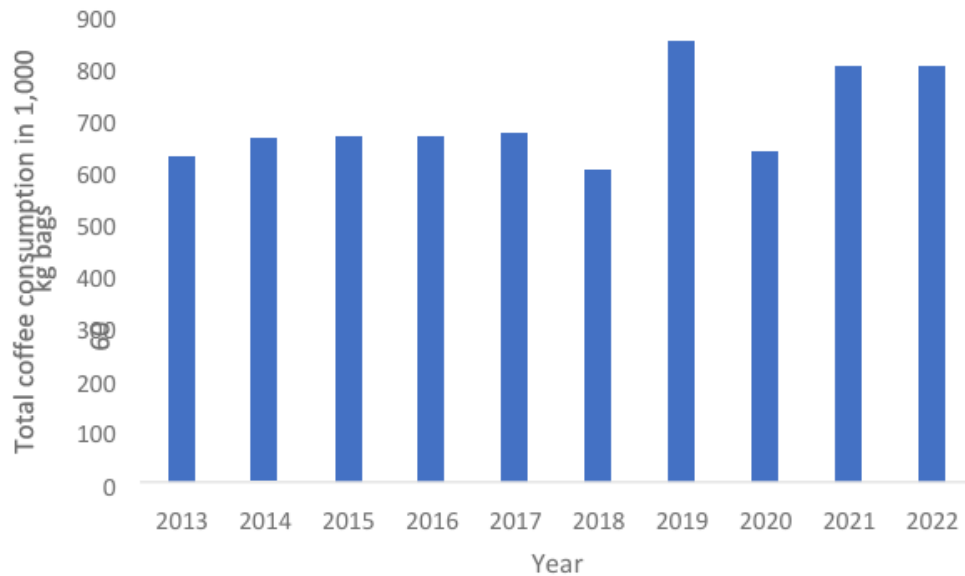
Source: Ahmad et al. (2023)

An analysis of coffee consumption trends in Malaysia from 2013 to the projected figures for 2022 shows a consistent increase. The amount consumed grew notably, reaching 635,000 60kg bags in 2020 and rising further to 800,000 60kg bags in 2021 and 2022 (Figure 1.1). This growing demand highlights the need for a closer examination of current coffee consumption patterns in Malaysia, as well as investigation into the factors driving these changes, such as shifting consumer preferences, lifestyle trends, and the influence of international coffee chains expanding in Malaysia (Ahmad, Ang & Saleh, 2023).

International coffee chains such as Starbucks have played a significant role in shaping this market. Since its entry into Malaysia in 1998, Starbucks has expanded to more than 379 outlets throughout Malaysia, recorded an 8% increase in group revenue, reaching RM 265.8 million ($57.8 million) for the three months ending March 31, 2023, becoming the most dominant international coffee brand in the country (World Coffee Portal, 2023). This rapid growth reflects the increasing demand for high-quality coffee and premium café experiences among urban and

younger consumers. This growth reflects not only the increasing demand for high-quality coffee but also the emphasis on exceptional service quality, which enhances customer experiences through well-trained baristas, efficient operations, and a welcoming store environment (James, Madan, Cheu, Kee, Cheong, Chin, Cheng & García, 2022). Similarly, brands like Coffee Bean & Tea Leaf, Gloria Jean's Coffees as well as Kenangan Coffee have also prioritized service quality as a competitive advantage, contributing to the diverse offerings in the Malaysian coffee market (Global Coffee Chains Brands Expanding in Malaysia, 2022).

On the local front, Malaysia's traditional coffee culture has undergone a remarkable transformation. The rise of modernized kopitiams like OldTown White Coffee and PappaRich represents the evolution of these traditional coffee shops (Zairill, 2022). These establishments have successfully incorporated modern service quality standards while preserving the authenticity of local coffee and cuisine. By offering consistent service, clean environments, and customer-centric menus blending traditional and modern favorites, these brands cater to a wider demographic.

Moreover, the specialty coffee scene in Malaysia is another noteworthy development, reflecting a growing demand for artisanal coffee experiences. Cafés such as VCR, Three Years Old Café and 8055 are leading this niche market, offering meticulously brewed coffee and curated menus (Nanetti, 2024). According to Omar, Ahmad, Nor, Abidin, Sulaiman & Ahmad (2022), local coffee roasters have noticed an increasing interest among consumers in specialty coffee produced in Malaysia, signaling a promising development for the growth of the industry.

Overall, Malaysia's coffee industry thrives on the foundation of service quality, supported by international chains, modernized kopitiams, and specialty coffee outlets. Starbucks, as the most successful international coffee chain, exemplifies the role of consistent service excellence in maintaining customer loyalty and satisfaction. Meanwhile, local brands like OldTown White Coffee demonstrate how

service quality can enhance the adaptability and resilience of Malaysia's traditional coffee heritage in an evolving market.

1.3 Target Market

The Department of Statistics Malaysia (2024) recently reported that the share of Malaysia's working-age population (18-64 years) rose from 69.9% in 2023 to 70.1% in 2024 (Department of Statistics Malaysia, 2024). As of August 2024, employment in Malaysia reached a record high of 16,661,400 individuals, compared to a historic low of 10,726,600 in March 2009 (refer to Figure 1.2) (CEIC Data, 2024). This increase reflects both the growth of Malaysia's labor force and a steady expansion in economic activity.

In Malaysia, a growing demographic with higher disposable income is increasingly focused on quality, customer service, and exceptional taste, making them more inclined toward premium coffee experiences. Their emphasis on quality and lifestyle aligns with the rising popularity of internationally branded coffee chains that prioritize superior service and an inviting ambiance (Latip, Yusli & Rahman, 2024). Given this demand, international coffee chains should refine and enhance their marketing strategies to attract this affluent, quality-conscious demographic by highlighting service excellence, distinctive coffee options, and an overall unique experience that meets and exceeds customer expectations. Such strategies can help these brands tap into Malaysia's expanding market for high-quality coffee, catering to customers who value both premium service and memorable in-store experiences (Jia Yin, 2024).

Figure 1.2: Malaysia's Employed Persons from September 2003 to August 2024
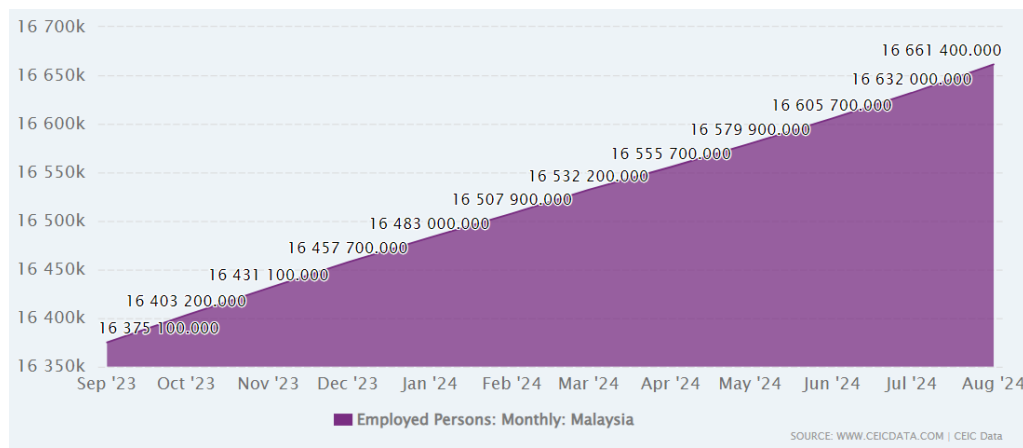
Source: CEIC Data (2024)

1.4 Problem Statement

According to Mahafza, Aljawarneh, Alomari, Altahat, and Alomari (2020), delivering excellent service is essential in the food and beverage sector, as it leaves a lasting positive impact on customers and promotes return visits. However, certain coffee shops fail to maintain consistent service standards, which negatively influences overall customer satisfaction.

Customer satisfaction is essential in the food and beverage industry, as it helps establish lasting relationships with customers and encourages continued loyalty (Cheng, Cheah, Jimenez, Chen & Chen, 2024). In the context of international coffee chains in Malaysia, maintaining high customer satisfaction is crucial due to increasing competition and evolving consumer expectations. However, challenges such as inconsistent service quality, poorly maintained physical spaces, inaccurate order fulfillment, slow responsiveness, inadequate staff competence, and impersonal interactions often hinder customer satisfaction (Kumolu-Johnson, 2024). These issues highlight the importance of the five SERVQUAL dimensions (tangibles, reliability, responsiveness, assurance, and empathy) in shaping customer

perceptions and experiences. Thus, addressing these gaps is crucial for enhancing customer satisfaction, and this study seeks to evaluate how these dimensions influence customer satisfaction in international coffee chains in Malaysia, providing insights for improved service delivery.

Tangibles, including cleanliness, ambiance, and the overall physical presentation of a coffee shop, play a crucial role in influencing customer perceptions (Setapa, Pauzi, Halif, Hassan, Min, Mamat, Mustafa, Zulkifli, Ismail & Nurdiana, 2024). However, maintaining these aspects in high-traffic outlets, especially those situated in bustling shopping malls, poses significant challenges due to the constant flow of patrons. This often results in cluttered and disorganized spaces, detracting from the overall customer experience (Rancati, Nguyen, Fowler, Mauri & Schultz, 2023). Therefore, addressing the tangibles outlook of international coffee chains is essential to ensure their physical environment consistently meets customer expectations and enhances the dining experience. Furthermore, investigating the significance of tangibles in international coffee chains in Malaysia could provide deeper insights into their role in customer satisfaction.

Secondly, reliability is a key dimension of service quality that emphasizes consistency and accuracy in service delivery, which directly impacts customer satisfaction (Maghsoodi, Saghaei, Hafezalkotob, 2019). Nevertheless, during peak hours or festive seasons, operational challenges such as delays or errors in fulfilling orders can arise, leading to customer dissatisfaction and negative feedback (Fraser, Zahari & Othman, 2008). Therefore, it is essential for international coffee chains to prioritize reliability by implementing robust operational processes and continuous staff training to maintain service standards and uphold customer expectations.

Additionally, responsiveness involves promptly addressing customer needs, a key factor in service quality (Setapa et al., 2024). Conversely, failing to assist customers proactively or resolve issues promptly can harm the brand's reputation and customer trust (Al-Zogbi, Das, Rundle & Pecht, 2019). Thus, it is essential to further investigate strategies for improving responsiveness in service delivery, ensuring that staff are well-trained to handle customer needs promptly and

efficiently to enhance customer satisfaction in international coffee chains in Malaysia.

Another dimension of service quality is assurance, which focuses on the employees' knowledge, courtesy, and their ability to instill trust and confidence in customers (Ho, Kueh, Unggah & Raymond, 2009). Employees are expected to confidently explain menu items and ensure customers understand the ingredients before placing an order. However, insufficient training can leave employees unable to address customer inquiries effectively, undermining trust in the brand (Al-Tit, 2015). Therefore, it is crucial to invest in comprehensive staff training to improve assurance and strengthen customer confidence, ensuring that employees are well-equipped to deliver clear and accurate information.

Lastly, empathy in service quality refers to the personalized attention and care a business provides to meet individual customer needs (Zygiaris, Hameed, Ayidh & Ur Rehman, 2022). However, high staff turnover and reliance on part-time employees or baristas can pose challenges in maintaining personal connections with customers. When employees are not adequately trained to engage with customers on an individual level, interactions may become impersonal, which could lead to customers feeling undervalued and less likely to return (Subramanian, 2018). Therefore, empathy is a crucial element of service quality, as it directly impacts customer satisfaction and the overall service experience.

In conclusion, with the increasing popularity of coffee, international coffee chains are rapidly expanding across Malaysia. Despite this growth, there is a notable lack of research on how service quality impacts customer satisfaction in the Malaysian coffee industry. This knowledge gap limits the ability to understand what drives customer loyalty and repeat visits in a competitive market, highlighting the need to explore core service quality dimensions and their impact on customer satisfaction.

1.5 Research Objectives

1. To examine the relationship between tangibles and customer satisfaction in International Coffee Chains Malaysia.

2. To examine the relationship between reliability and customer satisfaction in International Coffee Chains Malaysia.

3. To examine the relationship between responsiveness and customer satisfaction in International Coffee Chains Malaysia.

4. To examine the relationship between assurance and customer satisfaction in International Coffee Chains Malaysia.

5. To examine the relationship between empathy and customer satisfaction in International Coffee Chains Malaysia.

1.6 Research Questions

1. Is there a relationship between tangibles and customer satisfaction in International Coffee Chains Malaysia?

2. Is there a relationship between reliability and customer satisfaction in International Coffee Chains Malaysia?

3. Is there a relationship between responsiveness and customer satisfaction in International Coffee Chains Malaysia?

4. Is there a relationship between assurance and customer satisfaction in International Coffee Chains Malaysia?

5. Is there a relationship between empathy and customer satisfaction in International Coffee Chains Malaysia?

1.7 Significance of the Study

This study holds significant value in understanding the dynamics of customer satisfaction within international coffee chains in Malaysia. By employing the SERVQUAL model, the research sheds light on the critical factors influencing customer perceptions of service quality, such as tangibles, reliability, responsiveness, assurance, and empathy. These insights are essential for bridging the gap between customer expectations and actual service delivery, enabling coffee chains to enhance their overall service performance and maintain a competitive edge in Malaysia's rapidly evolving coffee industry.

Hence, the findings are expected to benefit both academic and industry stakeholders. Academically, the study contributes to the limited body of research on service quality and customer satisfaction within the Malaysian coffee industry. While past studies have largely centered on the fast-food sector, this research focuses on the unique dynamics of coffee chains, such as services cape and behavioral intentions, filling a crucial knowledge gap.

Lastly, for coffee marketers, the study provides actionable insights into boosting customer satisfaction and fostering loyalty. As Malaysia's coffee culture continues to expand and the market grows increasingly competitive, understanding these dimensions is critical. The research emphasizes aligning service quality with customer expectations and offers a strategic framework for coffee chains to enhance customer experiences, drive repeat patronage, and strengthen brand reputation. By implementing effective strategies, coffee chains can better compete with existing players, ensuring sustained growth and profitability.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

Chapter 2 will review the relevant literature on the study's variables and examine the theoretical models that inform the research framework. It will also present the hypotheses based on the study's objectives and outline the conceptual framework, illustrating the expected relationships between variables. This provides the theoretical foundation for the research direction.

2.1 Underpinning Theory

2.1.1 SERVQUAL Model

The SERVQUAL model, introduced by Parasuraman, Zeithaml, and Berry in 1985, provides a structured approach for evaluating service quality by comparing customer expectations with their actual perceptions of service performance. Initially conceptualized with ten dimensions, it was later refined to five: tangibles, reliability, responsiveness, assurance, and empathy. These dimensions represent both the physical and emotional aspects of service quality, offering a versatile tool applicable across various industries, including retail, hospitality, and the coffee sector (Hidayat & Setiono, 2022).

In the context of coffee chains, the SERVQUAL model has been instrumental in assessing customer satisfaction. Studies conducted in Malaysian coffee chains, such as Starbucks in Johor Bahru, highlight those dimensions like reliability and responsiveness play a significant role in shaping customer satisfaction. Furthermore, tangibles, including ambiance

and cleanliness, have been identified as critical factors, especially for premium coffee shops where aesthetics strongly influence customer perceptions (Chai, 2021). Local studies on independent coffee shops in Malaysia reveal that gaps in responsiveness, such as slow service, and empathy, like impersonal interactions, frequently contribute to dissatisfaction (Khadir & Neefa, 2024).

In a competitive coffee industry, SERVQUAL is invaluable for identifying what matters most to customers. For instance, ensuring a welcoming ambiance and efficient service are critical to meeting expectations. The model also helps operators set benchmarks and implement strategies for continual improvement, ensuring both short-term satisfaction and long-term success (Shrestha, 2021).

This study adopts the SERVQUAL model to evaluate the relationship between service quality dimensions and customer satisfaction in international coffee chains in Malaysia. By focusing on the five SERVQUAL dimensions—tangibles, reliability, responsiveness, assurance, and empathy—this research aims to identify service gaps and propose actionable strategies for improvement. The framework not only addresses immediate customer needs but also contributes to building long-term loyalty and sustaining competitive advantage in Malaysia's burgeoning coffee industry.

2.1.2 Social Exchange Theory (SET)

The SERVQUAL model aligns with Social Exchange Theory (SET)**,** which posits that customer interactions are based on a perceived balance of rewards and costs. This theory supports the idea that each SERVQUAL dimension represents an opportunity for businesses to deliver value and meet customer expectations (Ali & Halim, 2017). For example, tangibles focus on the physical environment and decor, while empathy captures personalized

service, both of which customers evaluate in their overall experience. The remaining SERVQUAL dimensions which are reliability, responsiveness, and assurance, are also closely connected to Social Exchange Theory (SET), as they emphasize the exchange of value in customer interactions (Trum & Duy, 2020; Hsiao, Ma, Manfreda, Baker & Xu, 2023). Reliability, for instance, builds trust and reduces uncertainty by ensuring consistent and accurate service, which helps customers feel confident in their decision to engage with the brand (Setiawan & Patricia, 2022). Similarly, responsiveness, demonstrated through prompt and attentive service, highlights the employee's willingness to meet customer needs, reinforcing the principle of reciprocity (Saad, Chin & Yaacob, 2023). Furthermore, assurance, reflected in staff competence and professionalism, instills confidence, and minimizes perceived risks, creating a sense of security for customers (Ho et al., 2009). By addressing these dimensions, the international coffee chains can create a balanced exchange where the rewards of quality service outweigh the costs, ultimately enhancing customer satisfaction.

2.2 Dependent Variable

2.2.1 Customer Satisfaction

Customers are the cornerstone of every industry, crucial in bringing recognition and profitability to businesses. For a restaurant or any service-based company to retain its customers, it must ensure high-quality service that satisfies and delights them. Customer satisfaction, therefore, is a critical business concept that reflects the extent to which products or services meet or exceed customer expectations. It is pivotal in fostering customer loyalty, encouraging repeat patronage, and enhancing a company's reputation (Drosos, Skordoulis & Chalikias, 2019). Studies indicate that satisfied customers are not only more likely to return but also serve as advocates for

the brand, amplifying its reach through positive recommendations (Laksana & Ekawati, 2020). This is especially vital in competitive sectors like international coffee chains, where retaining customers depends on consistent service quality and creating memorable experiences.

According to Safi and Alagha (2020), customer satisfaction is shaped by various factors, with the SERVQUAL model highlighting key dimensions such as reliability, responsiveness, and empathy. Within Malaysia's international coffee chains, satisfaction is often tied to both the quality of beverages and the overall experience, which includes factors like ambiance, speed of service, and personalized interactions. Building customer satisfaction is essential for establishing brand loyalty, as satisfied customers are more likely to make repeat purchases and advocate for the brand (Nor, Othman, Zawawi & Shabani, 2024). This, in turn, supports long-term business growth and strengthens a company's competitive position in the market. For instance, brands such as Starbucks has successfully employed consistent service strategies and innovative customer engagement practices to maintain loyalty in a highly competitive market (Pereira, 2024).

According to Oliver (1981) described customer satisfaction as a total psychological state when there is an existing discrepancy between the emerging emotion and expectation and such an expectation is a consumer's feeling anticipated and accumulated from his or her previous purchases. This definition highlights the emotional and cognitive aspects of customer satisfaction, emphasizing how past experiences shape expectations and reaction is a consumer's fulfillment response. It involves a judgment about whether a product or service meets, exceeds, or falls short of expectations, providing a level of consumption-related pleasure that may vary from under-fulfillment to over-fulfillment. This perspective underscores the dynamic nature of customer satisfaction as a subjective evaluation influenced by personal experiences and outcomes (Kim & Oh, 2024).

Additionally, customer satisfaction acts as a valuable feedback mechanism, helping businesses refine their offerings and adapt to changing consumer preferences Agag, Durrani, Shehawy, Alharthi, Alamoudi, El-Halaby, Hassanein & Abdelmoety (2023). By addressing customer concerns effectively and staying aligned with evolving demands, companies can secure a competitive edge. The SERVQUAL model serves as an essential tool for this, offering a framework to measure and enhance service delivery. This is particularly relevant in Malaysia, where a burgeoning coffee culture necessitates a tailored approach to cater to diverse consumer preferences and expectations.

2.3 Independent Variables

2.3.1 Tangibles

Tangibles refer to the physical aspects of a service that customers encounter, including the cleanliness, décor, ambiance, and the appearance of staff (Parasuraman, Zeithaml, & Berry, 1988). According to Ibrahim, Makhbul, Kamarul, Ahmad & Dzulkarnain (2024), tangibles are an essential part of the service environment that directly impacts how customers perceive and evaluate service quality. Hidayat & Setiono (2022) further highlight that tangible encompass elements like furniture, lighting, and even the physical presentation of menu items. These components play a significant role in creating a positive or negative customer experience, influencing satisfaction levels. Thus, tangibles are critical to ensuring that the physical environment aligns with customers' expectations, making it a vital aspect of service quality in the coffee industry.

In this study, tangibles are crucial because they directly influence customer satisfaction, particularly in coffee chains where the physical environment plays a significant role in customer engagement. For international coffee

chains like Starbucks, providing a clean and welcoming atmosphere is essential in aligning the physical environment with customer expectations, fostering a positive customer experience. Therefore, tangibles are a critical independent variable in this study, as they impact the overall customer satisfaction by shaping the atmosphere in which customers consume the service.

Additionally, studies by Rahman, Morshidi & Rusdi (2019) revealed that customers are more likely to express satisfaction and loyalty when the physical environment meets or exceeds their expectations. In the context of coffee chains, a well-maintained space enhances customer experiences, promoting brand loyalty and repeat visits. Thus, existing research confirms that tangibles are crucial for shaping customer satisfaction, particularly in service-oriented businesses like coffee shops.

2.3.2 Reliability

Reliability signifies a service's ability to consistently provide accurate and timely outcomes. Parasuraman et al. (1988) describe it as a core element of service quality, emphasizing the dependable and precise delivery of promised services. Ngaliman, Eka J & Suharto (2019) further emphasize that reliability involves ensuring that customers receive the expected service consistently, without errors or delays. Reliability is crucial in sectors like the coffee industry, where customers expect their orders to be accurate and served on time. Thus, it is vital for coffee chains to ensure that their services are consistently reliable, as this directly impacts customer satisfaction and trust.

In the context of this study, reliability dimension plays a crucial role in shaping customer perceptions, as customers are more likely to return if they can rely on the coffee shop to meet their needs. For example, when a customer receives their order as promised, without mistakes or delays, it

fosters trust and enhances their overall satisfaction. Therefore, examining reliability as an independent variable is essential to understand how it contributes to customer satisfaction, particularly in a competitive market where customer expectations are high.

Moreover, in the food and beverage industry, reliability plays a vital role in shaping customer satisfaction. Delivering reliable service, such as fulfilling orders accurately and maintaining consistent product quality, is essential for building and retaining a loyal customer base (Rane, Achari & Choudhary, 2023). Thus, reliability is a key driver of customer satisfaction, reinforcing its relevance as an independent variable in this study.

2.3.3 Responsiveness

Responsiveness refers to the willingness and ability of service providers to promptly address customer needs and resolve issues. According to Ali, Gardi, Othman, Ahmed, Ismael, Hamza, Aziz, Sabir, Sorguli & Anwar (2021), responsiveness includes the readiness of employees (baristas) to provide help and answer customer inquiries effectively. In the international coffee chains, responsiveness is demonstrated by employees' (baristas') quick reactions to customer requests, such as timely service during peak hours or resolving order-related issues efficiently. Thus, responsiveness is a critical component of service quality, ensuring customers feel valued and supported (Ahmad, Zulkifli, Rawi, Fauzi & Fauzi, 2024).

In this study, responsiveness is significant as it directly affects customer satisfaction in international coffee chains. Coffee chains like Gloria Jean's Coffees face challenges in meeting these expectations, especially during peak times when timely service is critical. The responsiveness of staff in resolving customer concerns and fulfilling orders promptly contributes to the overall experience, building trust and satisfaction. Therefore, examining

responsiveness as an independent variable is essential for understanding its impact on customer satisfaction.

As noted by Ong, Prasetyo, Mariñas, Perez, Persada, Nadlifatin, Chuenyindee & Buaphiban (2022), responsiveness was identified as a crucial factor influencing customer satisfaction and loyalty in service-oriented industries. For example, responsiveness in addressing complaints or fulfilling special requests enhances the overall customer experience, particularly in high-pressure settings like coffee chains. Thus, responsiveness is a key driver of customer satisfaction, making it an essential dimension to study in the context of service quality in international coffee chains.

2.3.4 Assurance

Assurance refers to the baristas' knowledge, courtesy, and their ability to instill trust and confidence in customers. According to lsa, Hussain & Ghafoor (2020), assurance includes the employees' competence, professionalism, and courtesy, which reassure customers of the service quality they will receive. In the international coffee chains, assurance can be demonstrated through baristas' ability to explain menu items, answer customer inquiries, and ensure an overall pleasant experience. Thus, assurance is a vital dimension that contributes to positive customer perceptions and trust in the service provider.

In this study, assurance plays a crucial role in influencing customer satisfaction in international coffee chains. Thus, emphasizing employee training is essential to ensure staff can confidently explain unique menu offerings and brewing styles that may be unfamiliar to local customers. Well-trained employees who can effectively communicate and instill trust in the brand contribute to higher levels of customer satisfaction. Therefore, examining assurance as an independent variable allows this study to explore

its impact on customer satisfaction and identify strategies to enhance service quality in international coffee chains.

According to past study by Rane et al. (2023), the study demonstrates that customers tend to favor businesses where employees exhibit competence and courtesy, which reassures them about the quality of service. Therefore, assurance remains a crucial dimension in achieving customer satisfaction, reinforcing its importance in the study of service quality in international coffee chains.

2.3.5 Empathy

Empathy refers to the personalized attention and care a business provides to meet individual customer needs. Rahman et al. (2019) define empathy as the ability to understand and respond to customers' feelings, making them feel valued and understood. According to Bove (2019), empathy encompasses elements such as providing individualized service, recognizing customer preferences, and addressing specific concerns. Thus, empathy is an essential dimension of service quality, as it fosters emotional connections between the business and its customers, contributing to a positive customer experience.

In this study, empathy is a critical dimension because it directly impacts customer satisfaction, particularly in service industries where personalized attention is highly valued. Most of the customers appreciate when staff acknowledge their preferences, such as remembering usual orders or favorite seating, fostering a sense of familiarity and connection. However, challenges such as high staff turnover and reliance on part-time employees often make it difficult to maintain this personalized service. Therefore, investigating empathy as an independent variable helps uncover its role in enhancing service quality and its influence on customer satisfaction in international coffee chains.

Research by Bahadur, Khan, Ali, & Usman (2019) found that customers are more likely to return to businesses where they feel acknowledged and understood. In the context of the coffee industry, empathy is particularly important in maintaining long-term customer relationships, as it encourages repeat visits and positive word-of-mouth referrals. Thus, empathy remains a significant factor in achieving customer satisfaction, making it a vital dimension to explore in this study.

2.4 Conceptual Framework

Figure 2.1 illustrates the SERVQUAL model, where customer satisfaction is the dependent variable, influenced by five independent variables: empathy, tangibility, assurance, responsiveness, and reliability. These dimensions collectively determine the level of service quality experienced by customers and directly impact their satisfaction with the service. This framework aims to evaluate how each of these dimensions contributes to achieving higher customer satisfaction levels in service-based businesses, offering a structured approach to understanding the relationship between service quality attributes and customer perceptions. By focusing on international coffee chains in Malaysia, this study delves into the interplay between these service quality dimensions and customer expectations in a competitive, service-driven industry. The insights gained aim to help international coffee chains enhance their service delivery, ultimately fostering customer satisfaction and building long-term relationships with their customers.

Figure 2.1: Conceptual Framework
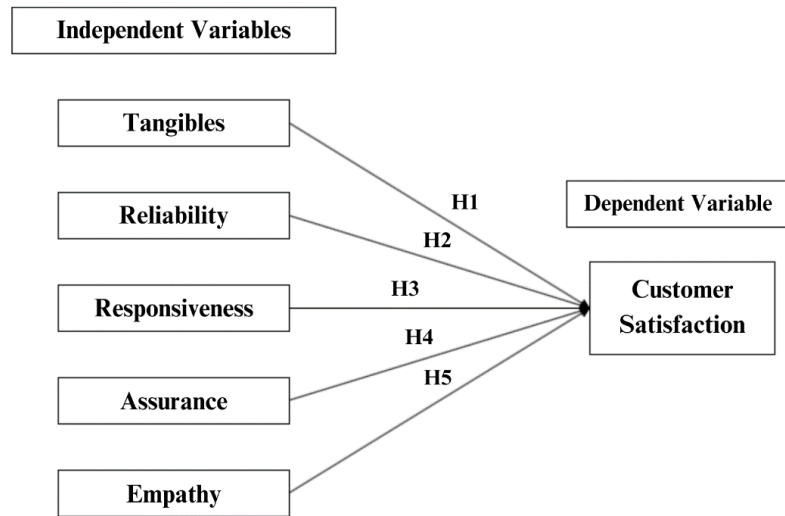
Source: Developed for the research

2.5 Hypotheses Development

2.5.1 The relationship between Tangibles and Customer Satisfaction

Research highlights the significant influence of tangibles on customer satisfaction. For example, Azwa, Alisha, Athirah, Anuar, and Othman (2022) on Shell-Out Restaurant in Malaysia revealed that tangible elements significantly influenced customer satisfaction. The study underscored the importance of creating a pleasant physical environment to elevate the dining experience and enhance customer perceptions of service quality.

Similarly, Ong et al. (2022) examined the role of tangibles in fast-food chain Jollibee, revealing that aspects such as fast transactions and a well-maintained environment significantly contribute to positive customer experiences. The findings indicated that customers' perceptions of service

quality were closely tied to the tangibles provided, highlighting their critical role in shaping satisfaction.

Conversely, Moorthy et al. (2020) discovered that tangibles did not have a notable effect on customer satisfaction in their study. They attributed this to the relatively new facilities and equipment, which customers may have taken for granted, thereby diminishing the perceived importance of tangibles. This suggests that the relevance of tangibles may vary depending on the context and customer expectations.

In the setting of international coffee chains, tangibles such as comfortable seating, appealing interior design, and the cleanliness of the environment are essential in creating a welcoming atmosphere. These physical attributes can enhance the overall customer experience, leading to higher satisfaction levels. Thus, the hypotheses followed as below:

H1: There is a significant relationship between tangibles and customer satisfaction in international coffee chains in Malaysia.

2.5.2 The relationship between Reliability and Customer Satisfaction

A recent study by Ramli (2023) in the fast-food sector found a strong link between reliability and customer satisfaction. The research emphasized how dependable service greatly affects satisfaction, offering insights into the role of service quality in shaping customer experiences.

Similarly, Villanueva et al. (2023) examined the role of reliability in service quality during the COVID-19 pandemic, finding that it positively affects customer satisfaction and loyalty in fast-food restaurants. The study emphasized that consistent service delivery, even in times of crisis, is crucial

for maintaining customer trust and satisfaction, reinforcing the importance of reliability in service-oriented businesses.

On the other hand, Fida, Ahmed, Al-Balushi & Singh (2020) conducted a study on service recovery in the banking sector and found that while reliability is important, it did not significantly affect customer satisfaction. The research highlighted that reliability encompasses a business's ability to deliver on its promises, yet some banks fell short of meeting customer expectations. The study suggested that banks should focus on improving their services to achieve a consistently high level of reliability and better satisfy their customers.

In the context of international coffee chains, ensuring reliability through consistent product offerings and dependable service can significantly enhance customer satisfaction. Customers expect their orders to be prepared correctly and served promptly, and meeting these expectations is fundamental to their overall satisfaction. Thus, the hypotheses followed as below:

H2: There is a significant relationship between reliability and customer satisfaction in international coffee chains in Malaysia.

2.5.3 The relationship between Responsiveness and Customer Satisfaction

Several studies have examined how responsiveness influences customer satisfaction. Hidayat and Setiono (2022) concluded that responsiveness has a positive effect on customer satisfaction, emphasizing that prompt responses to customer needs and proactive service significantly enhance satisfaction levels. Their findings suggest that the better the responsiveness of employees, the higher the satisfaction experienced by customers.

Similarly, Villanueva, Alejandro, and Ga-an (2023) examined responsiveness in fast-food restaurants during the COVID-19 pandemic and found that it positively influences both customer satisfaction and loyalty. The study highlighted that even in challenging circumstances, attentive and timely service is critical for maintaining strong customer relationships and satisfaction.

Conversely, a study by Chai (2021) focused on Starbucks consumers in Johor revealed that while responsiveness is important, it did not significantly impact customer satisfaction. The study suggested that when service providers fail to reduce the waiting time for customers, it leads to dissatisfaction, negatively affecting the company's reputation. To address this, Starbucks was advised to invest in employee training programs to boost motivation, improve serving skills, foster positive attitudes, and enhance job clarity, ensuring that employees are well-equipped to provide efficient and responsive service.

In the environment of international coffee chains, demonstrating responsiveness through quick order processing, attentive customer service, and the ability to handle special requests or complaints effectively can significantly enhance customer satisfaction. Customers value prompt attention and swift service, which contribute to a positive dining experience. Thus, the hypotheses followed as below:

H3: There is a significant relationship between responsiveness and customer satisfaction in international coffee chains in Malaysia.

2.5.4 The relationship between Assurance and Customer Satisfaction

Numerous studies have examined the impact of assurance on customer satisfaction. Ahmad et al. (2024) found that in the restaurant industry, assurance significantly influences customer satisfaction. The study highlighted that employees' willingness to answer inquiries and go the extra mile to handle special requests fosters a sense of trust and reliability, which enhances the overall customer experience.

Similarly, Zainuddin, Idris, Siddiqe, Abdullah, and Faat (2023) conducted research in Malaysia's western-themed restaurants, demonstrating that assurance is a critical factor in determining customer satisfaction. The study emphasized the role of knowledgeable and courteous employees in building trust and ensuring a positive dining experience, thereby boosting customer satisfaction levels.

In contrast, a study by Surin, Edward, Zuhir, Abu, Ashaari, and Shuib (2024) on the telecommunication industry in Malaysia found that assurance did not significantly impact customer satisfaction. The researchers suggested that to address this, companies should focus on employee recruitment and provide targeted training programs. Enhancing employees' abilities to ensure and deliver on promised services could help improve customer perceptions of assurance in this sector.

In the context of international coffee chains, assurance is demonstrated through baristas' expertise, their ability to provide accurate information about menu items, and their courteous interactions with customers. These factors can significantly enhance customer trust and satisfaction. Thus, the hypotheses followed as below:

H4: There is a significant relationship between assurance and customer satisfaction in international coffee chains in Malaysia.

2.5.5 The relationship between Empathy and Customer Satisfaction

Several studies have investigated the relationship between empathy and customer satisfaction. A study conducted by Raihan, Osman, Rahman, Ismail, and Isa (2022) in Malaysia's Korean restaurant sector found that empathy plays a significant role in enhancing customer satisfaction and loyalty. The researchers highlighted that personalized service, and an understanding of customer needs greatly improve the dining experience, leading to higher levels of satisfaction.

Similarly, Moorthy, Chin, Chum, Foo, Liang, Loh, and Ng (2020) examined newly opened cafes and restaurants in Malaysia, demonstrating that empathy is a key driver of customer loyalty. Their findings emphasized that genuine care and personalized attention from service providers create a sense of belonging among customers, fostering satisfaction and long-term loyalty.

In contrast, research by Go, Joyceanne, Magbiro, and Jamoralin (2022) on the Philippine fast-food industry indicated that empathy had a minimal impact on customer satisfaction compared to other factors like service quality and efficiency. The study noted that in fast-paced environments, attributes such as speed and accuracy often outweigh the role of empathy. Furthermore, a study on local coffee shops revealed that while empathy achieved a high service score, it ranked lowest among the SERVQUAL dimensions. This suggests that although customers appreciate attentive service, deeper emotional connections could further enhance satisfaction.

In the setting of international coffee chains, where personalized service and customer engagement are integral, empathy likely plays a pivotal role in shaping customer satisfaction. Baristas remembering regular customers' preferences or engaging in friendly conversations can create a welcoming

atmosphere, enhancing the overall customer experience. Thus, the hypotheses followed as below:

H5: There is a significant relationship between empathy and customer satisfaction in international coffee chains in Malaysia.

CHAPTER 3: METHODOLOGY

3.0 Introduction

This chapter presents the structured methodology used to collect and analyze data, aiming to ensure a well-executed research process for meaningful and accurate insights. It covers key components such as research design, sampling methods, data collection strategies, research tools, measurement of constructs, data processing steps, analytical techniques, and a concluding summary. Each section contributes to ensuring the study's reliability and validity, providing a clear framework for achieving the research objectives.

3.1 Research Design

The research design serves as the blueprint for structuring the entire research project, outlining how data is collected, measured, and analyzed to address the study's objectives. It incorporates various methodologies, including qualitative, quantitative, and mixed methods, to ensure the research questions are accurately addressed (Khanday & Khanam, 2019). In this study, a quantitative and descriptive research design was adopted. This approach focuses on evaluating the five independent variables (tangibles, reliability, responsiveness, assurance, and empathy) and their influence on the dependent variable, customer satisfaction. By adopting this quantitative descriptive approach, the study seeks to measure and analyze customer perceptions of service quality within international coffee chains in Malaysia.

3.1.1 Quantitative Research

Quantitative research refers to a structured approach to studying phenomena by gathering and analyzing numerical information to identify patterns, connections, and trends. According to the Bhandari (2020), this type of research often employs structured tools like surveys, experiments, or observational methods to quantify variables and apply statistical techniques to draw meaningful conclusions. It is commonly used to test hypotheses, measure variables, and predict outcomes, making it ideal for studies requiring objective and generalizable results. According to Ghanad (2023), quantitative research facilitates hypothesis testing by analyzing relationships between variables using statistical tools. Variables in quantitative research can be objectively measured, allowing for systematic evaluation and empirical validation of theories.

3.1.2 Descriptive Research

In business research, there are generally three main types of research designs: exploratory, descriptive, and causal. For this study, the chosen approach is descriptive research, which is particularly suited for providing a detailed understanding of a population based on key variables. This design is employed to systematically observe and describe characteristics or behaviors within the target group, offering valuable insights into the relationships between variables without manipulating the study environment (Sreejesh, Mohapatra & Anusree, 2014).

According to Sirisilla (2023), descriptive research is often employed to explore the connections between independent and dependent variables, ensuring a thorough analysis through proper data collection, interpretation, and comparison. The results are derived from significant and well-analyzed

information, allowing for a comprehensive understanding of the studied context without manipulating variables or environments.

3.2 Sampling Design

3.2.1 Target Population

The target population for this study consists of individuals aged 18-64 years old who are regular customers of international coffee chains in Malaysia. This group includes both students and full-time professionals who frequently dine-in at coffee chains like Starbucks, Coffee Bean & Tea Leaf, Gloria Jean's, and Kenangan Coffee. These respondents are chosen for their preference for enjoying coffee experiences at international coffee chains, valuing both the quality of the coffee and the overall in-store ambiance and service.

3.2.2 Sampling Frame

A sampling frame refers to a list or representation of the target population from which a sample is drawn for research purposes. It ensures that the participants included in the study adequately represent the broader population being studied. For this study, the sampling frame includes Malaysian respondents of various genders and age groups who have experienced international coffee chains in Malaysia. Screening questions were used to ensure only qualified participants were included. Specifically, respondents were asked if they had dined in at an international coffee chain. Responses from individuals without such experience were excluded from the final data set.

3.2.3 Sampling Technique

Sampling techniques involve selecting a portion of a population to represent the whole group. These methods fall into two main categories: probability sampling, where each individual has a known chance of selection, and non-probability sampling, which relies on factors like convenience or researcher judgment (Bhardwaj, 2019). As noted by Taherdoost (2016), common non-probability sampling methods include convenience sampling, quota sampling, and snowball sampling.

This study employed convenience sampling as it allows for quick and efficient data collection from readily available respondents. This method involves selecting participants who are readily accessible, such as friends or acquaintances, making it particularly suitable for studies that require a fast and less resource-intensive data collection process. Convenience sampling allows for an easy and cost-effective approach to obtaining a sample from the population within a limited timeframe (Golzar, Noor & Tajik, 2022).

3.2.4 Sampling Size

G-Power is a statistical tool used to estimate sample size and study power based on parameters like effect size, significance level, and desired power (Kang, 2021). In this research, G-Power was applied with an effect size of 0.15, a significance level of 0.05, power of 0.95, and 5 predictors to determine the minimum required sample size. The analysis indicated that a total of 138 respondents is necessary to ensure the study's reliability and power. This sample size is adequate to detect meaningful relationships while minimizing the risk of errors, as shown in Figure 3.1.

Figure 3.1: Sample size calculated using G-Power
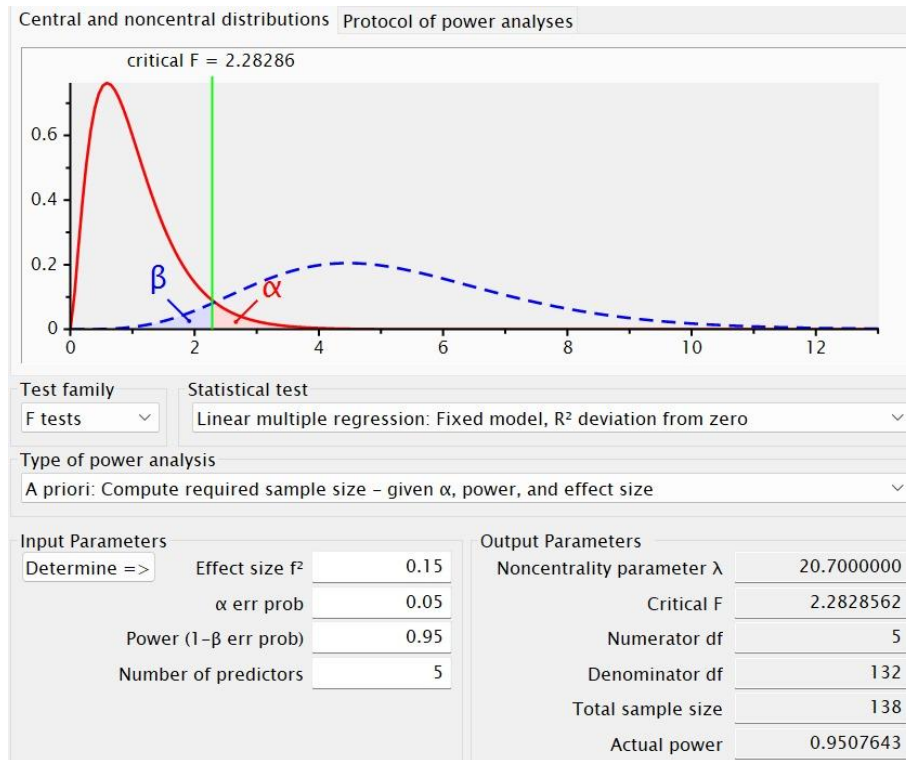
Source: G-Power version 3.1.9.7

3.3 Data Collection Method

Primary data for this research is collected through distribute the questionnaires to the target population. The responses obtained will be utilized to address the research questions and develop hypotheses.

3.3.1 Primary Data

Primary data refers to information collected directly from original sources through methods like surveys, interviews, or observations. It provides firsthand insights into the specific research problem, making it highly relevant and accurate for the study at hand (Ajayi, 2023). In this research,

primary data is chosen because it allows for direct analysis of customer experiences and preferences regarding international coffee chains in Malaysia. This approach ensures that the data aligns with the study's objectives, offering up-to-date, specific insights into customer satisfaction and brand loyalty.

3.4 Research Instrument

This study employed a self-administered questionnaire as the primary research instrument (SAQ), where participants independently complete the questionnaire based on their personal experiences, without external assistance. This method is widely used in data collection due to its cost-effectiveness and efficiency in gathering responses from a large sample in a relatively short period. It allows for easy distribution and quick data collection, making it an ideal choice for this research (Bhandari, 2021).

3.4.1 Questionnaire Design

The questionnaire for this study will be written in English, as English is a common language of communication. The questionnaire will consist of three sections which are Section A, Section B, and Section C.

Section A will collect the respondents' demographic information, including gender, age, income level, and education level. Section B asks general questions to determine whether respondents have ever purchased from international coffee chains based in Malaysia. Section C focuses on the measurement of the five dimensions from the SERVQUAL model (tangibles, reliability, responsiveness, assurance, and empathy), with customer satisfaction as the dependent variable in this study. This structure helps assess how the service quality dimensions influence customer satisfaction.

3.4.2 Pilot Test

According to Khanal & Chhetri (2024), a pilot test is conducted before analyzing hypotheses and testing reliability to refine the research process. It allows researchers to evaluate and adjust data collection methods, ensuring that all relevant questions are included and appropriately phrased. In this study, pilot testing involves administering the questionnaire to a smaller sample and analyzing the responses using Cronbach's Alpha to assess the validity and reliability of the instrument. The reliability values will be processed through SPSS version 30.0, with the results compared against the Cronbach's Alpha rule of thumb provided in Table 3.1.

Table 3.1: Rule of Thumb for Cronbach Alpha Value

Cronbach's Alpha	Internal Consistency
$\alpha \geq 0.90$	Excellent
$0.80 \leq \alpha < 0.90$	Good
$0.70 \leq \alpha < 0.80$	Acceptable
$0.60 \leq \alpha < 0.70$	Questionable
$0.50 \leq \alpha < 0.60$	Poor
$\alpha < 0.50$	Unacceptable

Source: Allevato and Marrar (2019)

Table 3.2 presents the Cronbach's Alpha values obtained from the pilot test carried out for this research. The findings show that the tangibles and empathy variables scored above 0.8, which is considered a good level of reliability. Meanwhile, the other variables (customer satisfaction, reliability, responsiveness, and assurance) all scored above 0.9, indicating excellent internal consistency.

Table 3.2: Result of the Pilot Test

Variables	Cronbach's Alpha	No. of Items	Strength
Customer Satisfaction	0.921	4	Excellent
Tangibles	0.893	5	Good
Reliability	0.915	4	Excellent
Responsiveness	0.908	3	Excellent
Assurance	0.902	3	Excellent
Empathy	0.880	4	Good

Source: Developed for research

3.5 Construct Measurement

Section A collects demographic information, including gender, age, income, and education level, which serves as a foundation for categorizing respondents effectively. Meanwhile, Section B transitions to general questions related to customer experiences, such as whether respondents have previously purchased beverages from international coffee chains in Malaysia and the frequency of their visits. By limiting responses to a single choice, this section ensures clarity and consistency in the data collected.

Section C of this study will use a 5-point Likert scale to assess the five independent variables (tangible, reliability, responsiveness, empathy, and assurance) along with the dependent variable, customer satisfaction. The questionnaire comprises 20 statements related to the independent variables and 4 statements for the dependent variable, with responses ranging from "strongly disagree" (1) to "strongly agree" (5).

Table 3.3: Origin of Construct

Variables	Original Questionnaire	Modified Questionnaire	Author
Customer Satisfaction	1. I will recommend this coffee shop to my friends. 2. I will encourage others to come to this coffee shop. 3. I will come back to this coffee shop. 4. I am satisfied with food and drinks at the coffee shop.	1. I will recommend this international coffee chain to my friends. 2. I will encourage others to come to this international coffee chain. 3. I will come back to this international coffee chain. 4. I am satisfied with food and drinks at the international coffee chain.	(Duman, 2020)
Tangibles	1. The equipment of the coffee shop is visible and sufficient to accommodate the customers. 2. The equipment of the establishment is up to date. 3. Service providers are dressed properly.	1. The equipment of the international coffee chain is visible and sufficient to accommodate the customers. 2. The equipment of this international coffee chain is up to date.	(Apigo et al.,2024)

		3. Service providers at this international coffee chain are dressed properly. 4. The physical facilities and equipment at this international coffee chain are well-maintained. 5. The appearance of the materials (menu, napkins, etc.) at this international coffee chain are accessible.	
	4. The physical facilities and equipment are well-maintained. 5. The appearance of the materials (menu, napkins, etc.) are accessible.		
Reliability	1. The staff of local coffee shops can handle all orders well. 2. The staff of local coffee shops provide the correct information. 3. The staff of local coffee shops present a menu in accordance with customer orders. 4. The staff of local coffee shops make	1. This international coffee chain's staff (barista) can handle all orders well. 2. This international coffee chain's staff (barista) provide the correct information. 3. This international coffee chain's staff (barista) present a menu in accordance with customer orders.	(Paniterce & Ylagan, 2022)

	orders according to the promised time.	4. This international coffee chain's staff (barista) make orders according to the promised time.	
Empathy	1. The employees communicate courteously with the customers. 2. The employees show concern in attending customer's needs. 3. Employees positive and understand the frustration of a customer. 4. The employees repeat and confirm the order of the customer.	1. This international coffee chain's employees (baristas) communicate courteously with the customers. 2. This international coffee chain's employees (baristas) show concern in attending customer's needs. 3. This international coffee chain's employees (baristas) stay positive and understand the frustration of a customer. 4. This international coffee chain's employees (baristas) repeat and confirm the order of the customer.	(Apigo et al.,2024)

Assurance	1. The staff of local coffee shops are polite in serving customers. 2. The staff of local coffee shops master information about the menu listed. 3. The staff of local coffee shops communicate politely.	1. This international coffee chain's staff (baristas) are polite in serving customers. 2. This international coffee chain's staff (barista) effectively provide clear and comprehensive explanations about the menu items. 3. This international coffee chain's staff (barista) communicate politely.	(Paniterce & Ylagan, 2022)
Responsiveness	1. The staff of local coffee shops are willing to answer all customer questions. 2. The staff of local coffee shops help customers choose the menu offered. 3. The staff of local coffee shops are responsive in solving problems.	1. This international coffee chain's staff (barista) are willing to answer all customer questions. 2. This international coffee chain's staff (barista) help customers choose the menu offered. 3. This international coffee chain's staff	(Paniterce & Ylagan, 2022)

| | 4. The staff of local coffee shops can provide their services quickly. | (barista) are responsive in solving problems.

4. This international coffee chain's staff (barista) can provide their services quickly. | |

Source: Developed for research

3.6 Proposed Data Analysis Tool

Data analysis refers to the process of examining information to gain insights and answer research questions (Dawit, 2020). In this study, SPSS version 30 will be used for both descriptive and inferential analysis. Reliability tests will also be conducted to assess the consistency of the measurement scales and support the study's objectives.

3.6.1 Descriptive Analysis

Descriptive analysis is a method used to summarize and simplify the basic characteristics of data. It helps researchers understand the distribution of data and is often the first step in statistical analysis. In this study, the descriptive statistics from the questionnaire will be used to present the demographic information through visual aids such as bar graphs and pie charts, offering a clearer understanding of the sample population.

3.6.2 Scale Measurement

Scale measurement is employed to assess the reliability and validity of the data in the research (Surucu & Maslakci, 2020). Reliability tests, such as Cronbach's Alpha, are applied to ensure the consistency and accuracy of the collected data.

3.6.2.1 Reliability Test

A reliability test measures how consistent and dependable a scale is by assessing internal consistency, which refers to how well the individual items of a scale reflect the same underlying concept. One of the most common methods for this is Cronbach's Alpha, which estimates the reliability of multi-item scales. The reliability coefficient ranges from 0 to 1, with higher values indicating better consistency. Typically, a Cronbach's alpha value above 0.7 is considered acceptable, suggesting good internal consistency, while a value below 0.7 indicates poor consistency. In this research, Cronbach's Alpha is used to evaluate the reliability of the scale and ensure the accuracy and consistency of the data (Vivian, Ulang & Husain, 2023).

3.6.3 Inferential Analysis

Inferential statistics is a technique that allows researchers to draw conclusions about a larger population based on data collected from a sample. It enables generalization, hypothesis testing, and the evaluation of relationships between variables. This method is crucial for predicting population behavior, testing assumptions, and guiding decision-making by examining data patterns (Chappelow, 2024).

3.6.3.1 Multicollinearity

Multicollinearity is a statistical issue where two or more independent variables in a regression model exhibit strong correlations, making it challenging to assess the individual effect of each variable on the dependent variable (Hayes, 2024). This study addresses multicollinearity to ensure accurate and reliable regression analysis when examining the relationship between the five SERVQUAL dimensions (tangibles, reliability, responsiveness, assurance, and empathy) and customer satisfaction. To identify multicollinearity, the Variance Inflation Factor (VIF) will be computed using SPSS software, with values greater than 10 indicating potential problems. If multicollinearity is identified, corrective actions, such as combining correlated variables or refining the model, will be implemented (Bhalla, 2024). These steps are crucial to ensuring that the findings accurately reflect the contribution of each dimension to customer satisfaction, enhancing the study's validity and robustness.

3.6.3.2 Multiple Linear Regression Analysis

Multiple linear regression is a statistical method used to examine the relationship between several independent variables and a dependent variable. This method enables researchers to formulate equations that illustrate how changes in the independent variables impact the dependent variable, helping to predict how fluctuations in the independent variables will influence the dependent variable. By assessing the results, it can be determined whether these relationships are statistically significant, helping researchers understand the strength and importance of each independent variable in influencing the dependent one (Bevans, 2023).

CHAPTER 4: DATA ANALYSIS

4.0 Introduction

This chapter will offer a comprehensive explanation of the descriptive analysis techniques, including scale measurement and inferential analyses, utilizing SPSS version 30 for the study. To enhance clarity and comprehension, the findings will be visually displayed through charts and tables.

4.1 Descriptive Analysis

A total of 151 questionnaires were distributed both online and in person. However, five responses were deemed invalid as the respondents had no dine-in experience at an international coffee chain in Malaysia. In this research, a total of 146 responses were collected and deemed valid for analysis.

4.1.1 Respondents Demographic Profile

The demographic profile section included four questions covering gender, age, race, level of education, and monthly income.

4.1.1.1 Gender

Table 4.1: Gender

Gender	Frequency	Percentage (%)
Male	56	38
Female	90	62
Total	146	100

Source: Developed for research

Figure 4.1: Gender
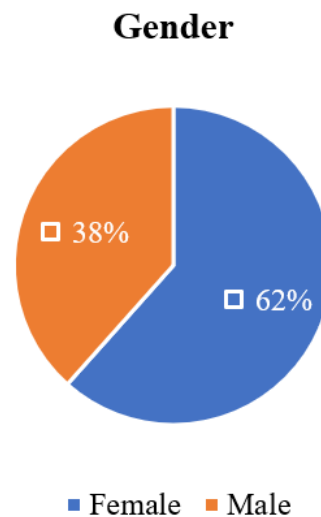
Gender

■ Female ■ Male

Source: Developed for research

The gender distribution of respondents is shown in Table 4.1and Figure 4.1.
The majority were female, accounting for 90 out of 146 valid responses with
62%, while the remaining 56 respondents were male with 38%.

4.1.1.2 Age Group

Table 4.2: Age Group

Age Group	Frequency	Percentage (%)
18 – 24 years old	44	30
25 – 34 years old	36	25
35 – 44 years old	22	15
45 – 54 years old	14	10
55 – 64 years old	30	20
Total	146	100

Source: Developed for research

Figure 4.2: Age Group
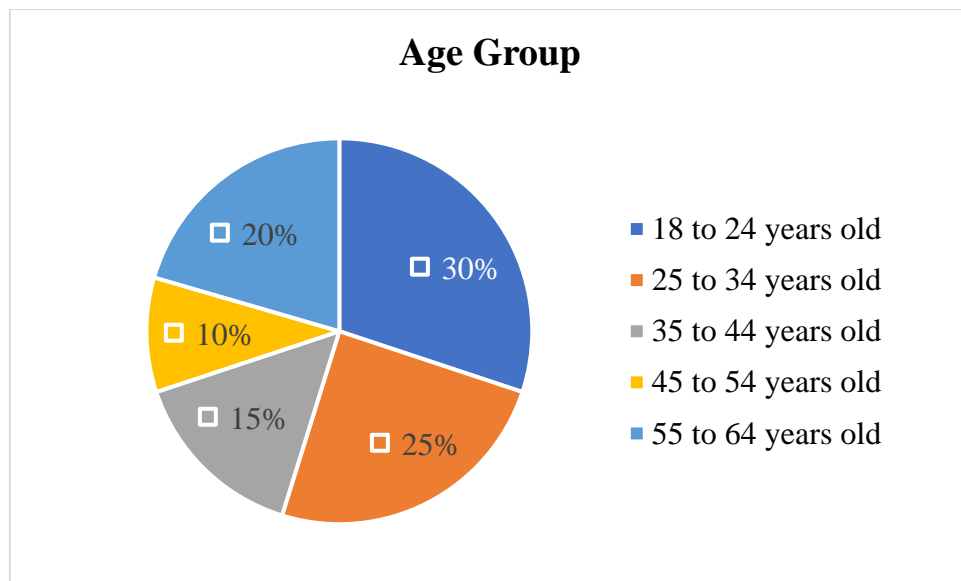
Source: Developed for research

Table 4.2 and Figure 4.2 illustrate the age distribution of respondents. The majority, 30% (44 respondents), were between 18 and 24 years old, while the lowest proportion were aged 45 to 54 years old consists of 10% or (14 respondents). Additionally, 25% (44 of respondents) were in the 25 to 34 age group, followed by 20% (30 respondents) are in the 55 to 64 age group. Lastly, 15% or 22 respondents were between 35 and 44 years old.

4.1.1.3 Race

Table 4.3: Race

Race	Frequency	Percentage (%)
Malay	27	19
Chinese	97	66
Indian	22	15
Total	146	100

Source: Developed for research

Figure 4.3: Race
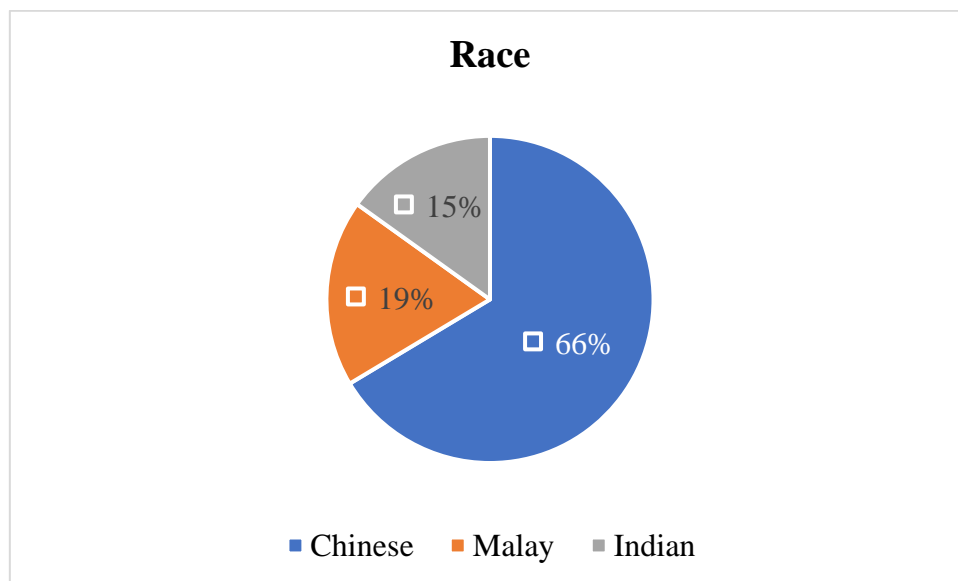
Source: Developed for research

Figure 4.3 and Table 4.3 display the survey results regarding the respondents' race. Among the 146 respondents who participated in the survey, 97 respondents identified as Chinese, making up 66% of the total. Meanwhile, 27 respondents were Malay (19%), and 22 were Indian (15%).

4.1.1.4 Level of Education

Table 4.4: Level of Education

Level of Education	Frequency	Percentage (%)
Secondary School	17	12
Diploma / Certificate	28	19
Bachelor's Degree	76	52
Master's Degree or Higher	25	17
Total	146	100

Source: Developed for research

Figure 4.4: Level of Education
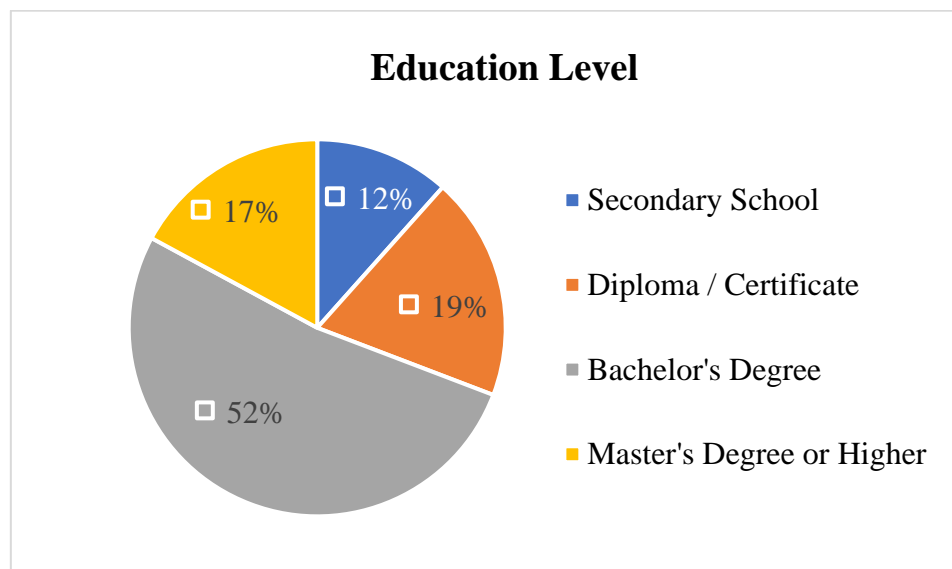
Source: Developed for research

Table 4.4 and Figure 4.4 present the respondents' level of education. The largest group, comprising 52% (76 respondents), holds a Bachelor's degree. The second-largest group consists of individuals with a Diploma or Certificate, making up 19% (28 respondents). Meanwhile, 17% (25 respondents) have attained a Master's degree or higher. The smallest group, 12% (17 respondents), completed only secondary school.

4.1.1.5 Income Level

Table 4.5: Income Level

Income Level	Frequency	Percentage (%)
Below RM2,000	51	35
RM2,001 to RM 5,000	48	33
RM5,001 and above	47	32
Total	146	100

Source: Developed for research

Figure 4.5: Income Level
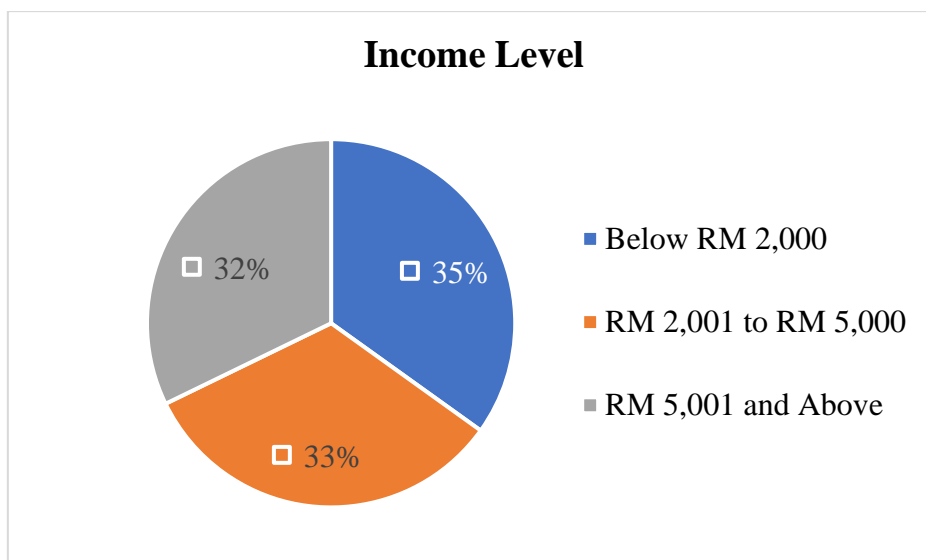
Source: Developed for research

The respondents' income levels are presented in Table 4.5 and Figure 4.5. The majority, 35% (51 respondents) have an income below RM2,000. Meanwhile, 32% (47 respondents) earn RM5,001 and above. Lastly, 33% (48 respondents), earn between RM2,001 and RM5,000.

4.1.2 General Information

4.1.2.1 Which International Coffee Chain do you prefer?

Table 4.6: Preferred International Coffee Chain

International Coffee Chain	Frequency	Percentage (%)
Starbucks	59	40
The Coffee Bean & Tea Leaf	42	29
Kenangan Coffee	33	23
Gloria Jean's Coffee	12	8
Total	146	100

Source: Developed for research

Figure 4.6: Preferred International Coffee Chain
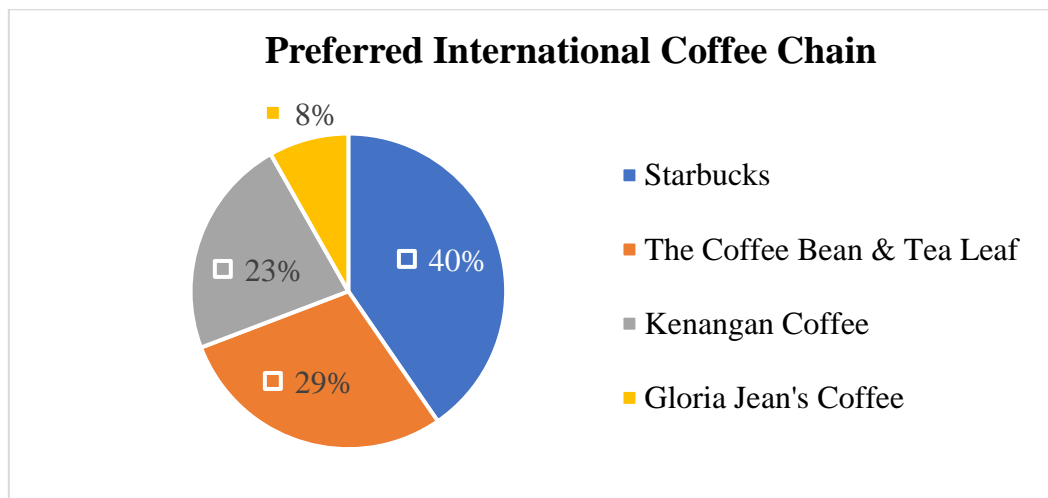
Source: Developed for research

Table 4.6 and Figure 4.6 highlight the international coffee chains preferred by the respondents. Starbucks emerged as the top choice, with 59 respondents (40%) selecting it as their preferred brand. Meanwhile, Gloria Jean's Coffee has the lowest proportion, with only 12 respondents (8%) choosing it. Lastly, The Coffee Bean & Tea Leaf and Kenangan Coffee consist of 42 respondents (29%) and 33 respondents (23%) respectively.

4.1.2.2 Do you have dined in experience based on your choice of your preferred international coffee chains?

Table 4.7: Dined in Experience

Dined in Experience	Frequency	Percentage (%)
Yes	146	97
No	5	3
Total	151	100

Source: Developed for research

Figure 4.7: Dined in Experience
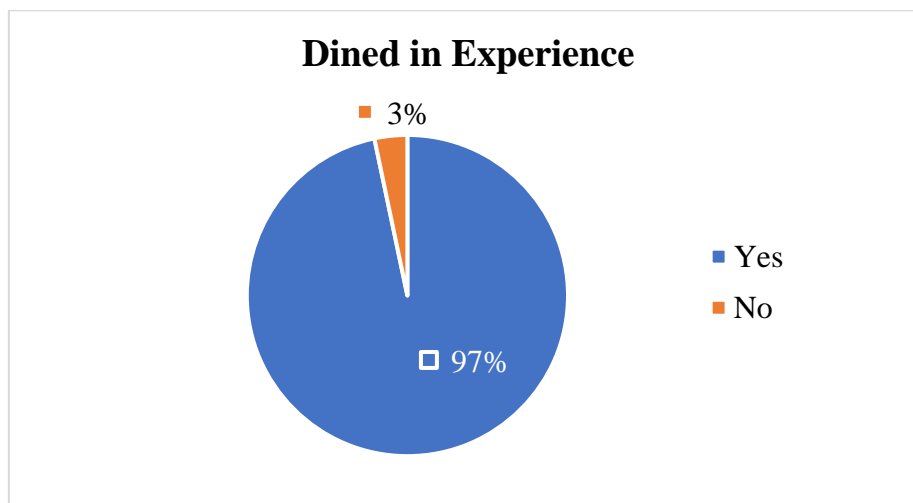
Source: Developed for research

Table 4.7 and Figure 4.7 display the respondents' dining experiences at their selected International Coffee Chain. A total of 97%, or 146 respondents, have had a dining experience at the chosen International Coffee Chain, while 3%, or 5 respondents, have not dined in at the selected International Coffee Chain.

4.1.2.3 How often do you visit the chosen International Coffee Chain?

Table 4.8: Visit Frequency to Chosen International Coffee Chain

Visit Frequency to Chosen International Coffee Chain	Frequency	Percentage (%)
Every Week	44	30
2 – 4 weeks	28	19
4 – 6 weeks	31	21
More than 6 weeks	43	30
Total	146	100

Source: Developed for research

Figure 4.8: Visit Frequency to Chosen International Coffee Chain
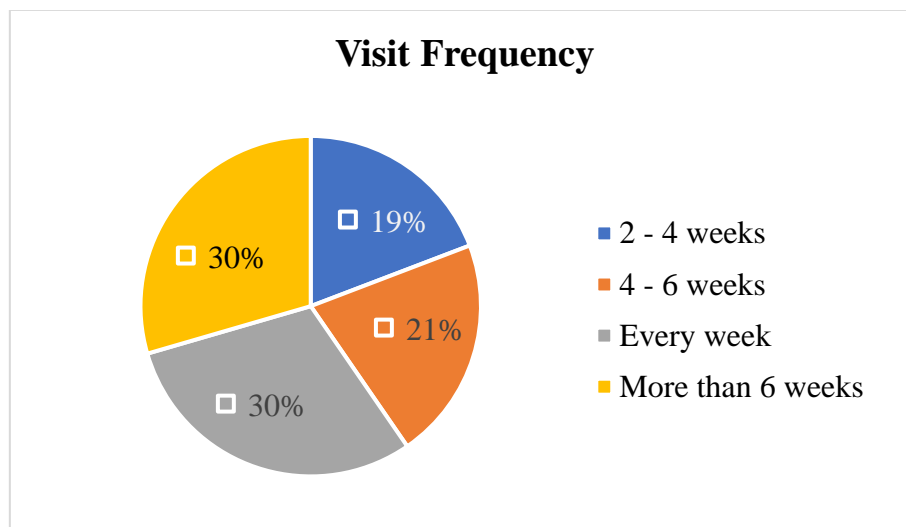
Source: Developed for research

Table 4.8 and Figure 4.8 show the frequency with which respondents visit their chosen International Coffee Chain. Most of the respondents (30% or 44 respondents) visit weekly. Meanwhile, 19% or 28 respondents visit every 2 to 4 weeks. Subsequently, 21% or 31 respondents visit every 4 to 6 weeks, while 30% or 43 respondents visit every six weeks or more.

4.1.2.4 Based on your visit frequency to international coffee chains, what is your primary purpose for visiting an International Coffee Chain?

Table 4.9: Purpose of Visit to Chosen International Coffee Chain

Purpose of Visit to Chosen International Coffee Chain	Frequency	Percentage (%)
Discussion & revision	39	27
Gathering	45	31
Meals	31	21
Relaxation	31	21
Total	146	100

Source: Developed for research

Figure 4.9: Purpose of Visit to Chosen International Coffee Chain
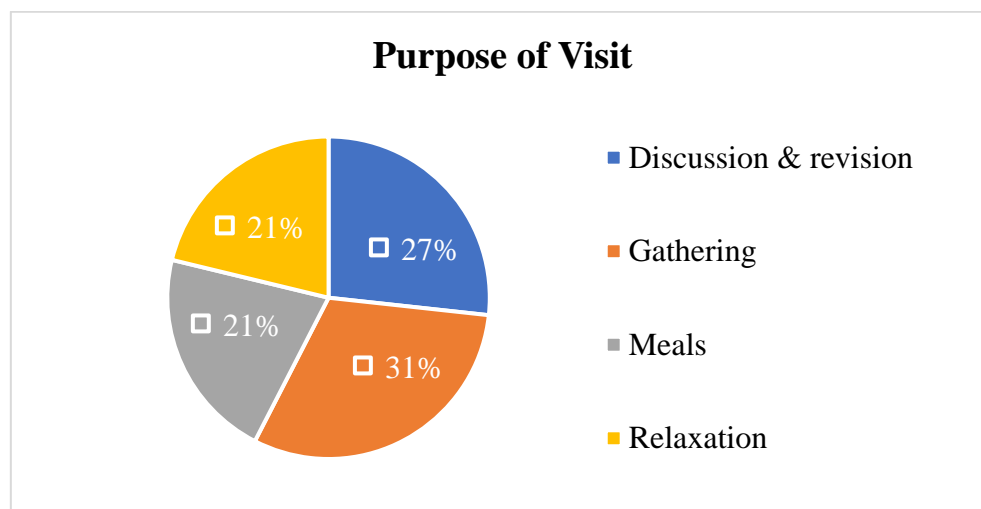
Source: Developed for research

According to Table 4.9 and Figure 4.9, 31% or 45 respondents visit their selected international coffee chain for gathering with family or friends. Meanwhile, the minority of respondents visit for relaxation, which accounts for 21% or 31 respondents, while another 31 respondents (21%) visit to have meals in the international coffee chain. On the other hand, 39 respondents (27%) visit for discussion and revision.

4.2 Scale Measurement

4.2.1 Internal Reliability Test

According to Vivian, Ulang & Husain (2023), Cronbach's Alpha will be employed to measure the reliability of the scale and confirm the precision and consistency of the data in this study. A Cronbach's Alpha value exceeding 0.7 is typically regarded as acceptable, indicating good reliability, whereas values below 0.7 suggest lower consistency. The reliability coefficient ranges from 0 to 1, with higher values indicating greater internal consistency.

Table 4.10: Summary of Reliability Test

No	Construct	Cronbach's Alpha	No. of Items	Strength
1.	Customer Satisfaction	0.882	4	Good
2.	Tangibles	0.852	5	Good
3.	Reliability	0.869	4	Good
4.	Responsiveness	0.824	3	Good
5.	Assurance	0.835	3	Good
6.	Empathy	0.860	4	Good

Source: Developed for research

Table 4.10 summarizes the results of the reliability test for this research, showing that all constructs obtained a Cronbach's Alpha greater than 0.7, indicating strong internal consistency. Customer satisfaction has the highest reliability at 0.882, while responsiveness had the lowest at 0.824. Subsequently, tangibles (0.852), reliability (0.869), assurance (0.835) and empathy (0.860) also demonstrated strong reliability.

4.3 Inferential Analysis

4.3.1 Multicollinearity

Table 4.11: Tolerance Value and Variance Inflation Factor (VIF)

Independent Variables	Collinearity Statistics	
	Tolerance	VIF
Tangibles	0.320	3.127
Reliability	0.240	4.174
Responsiveness	0.433	2.307
Assurance	0.239	4.187
Empathy	0.219	4.562

Source: Developed for research

The multicollinearity test in this study was performed to evaluate the Tolerance and Variance Inflation Factor (VIF) values. According to Shrestha (2020), a VIF below 5 and a Tolerance value above 0.2 indicate that multicollinearity is not a significant concern in the analysis.

According to Table 4.11, the results show that all independent variables have a VIF below 5 and a tolerance value above 0.2. Therefore, multicollinearity is not an issue in this study, confirming that the independent variables are not excessively correlated and can be reliably used in the regression model.

4.3.2 Multiple Linear Regression Analysis

Table 4.12: Model Summary

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	0.664[a]	0.441	0.421	0.64701

Source: Developed for research

a. Predictors: (Constant), Tangibles, Reliability, Responsiveness, Assurance, and Empathy

b. Dependent Variable: Customer Satisfaction

Table 4.12 shows that the R square value is 0.441, indicating that 44.1% of the variation in customer satisfaction can be attributed to the independent variables (tangibles, reliability, responsiveness, assurance, and empathy). Moreover, the correlation coefficient (R) of 0.664 indicates a moderate to strong positive relationship between the dependent and independent variables.

Table 4.13: ANOVA

Model		Sum of Squares	Degrees of Freedom (df)	Mean Square	F-Value	Significant
1	Regression	46.261	5	9.252	22.102	<.001[b]
	Residual	58.607	140	0.419		
	Total	104.868	145			

Source: Developed for research

a. Predictors: (Constant), Tangibles, Reliability, Responsiveness, Assurance, and Empathy

b. Dependent Variable: Customer Satisfaction

Table 4.13 summarizes the ANOVA results, showing F = 22.102, p < 0.001. This indicates that the independent variables have a significant influence on customer satisfaction. Furthermore, since p < 0.05, the model is considered a good fit for predicting customer satisfaction.

Table 4.14: Coefficient

Model		Unstandardized Coefficients		Standard Coefficient		Significant
		B	Standard Error	Beta	T-Value	P-Value
1	(Constant)	1.088	0.290		3.765	<0.001
	T	0.450	0.116	0.433	3.873	<0.001
	R	-0.110	0.121	-0.117	-0.909	0.365
	R	0.037	0.091	0.039	0.410	0.682
	A	0.018	0.118	0.020	0.153	0.878
	E	0.343	0.125	0.369	2.737	0.007

Source: Developed for research

a. Dependent Variable: Customer Satisfaction

Table 4.14 summarizes the regression coefficients. The most significant predictor of customer satisfaction is tangibles with a beta value of 0.433, while reliability has the lowest beta value (-0.110).

The following linear equation is formed:

Customer Satisfaction = 1.088 + 0.450 (Tangibles) + (-0.110) (Reliability) + 0.037 (Responsiveness) + 0.018 (Assurance) + 0.343 (Empathy)

In addition, since tangibles (p<0.001) and empathy (p=0.007) have p-values below 0.05, these two variables significantly impact customer satisfaction. Meanwhile, the other independent variables (reliability, responsiveness, and assurance) are all higher than 0.05, indicating that they do not significantly influence customer satisfaction.

4.3.3 Hypotheses Testing

Hypothesis 1

H0: There is no significant relationship between tangibles and customer satisfaction in international coffee chains in Malaysia.

H1: There is a significant relationship between tangibles and customer satisfaction in international coffee chains in Malaysia.

Reject H0, if $p < 0.05$

As shown in Table 4.14, the significance value for tangibles is <0.001, which is below the p-value of 0.05. Hence, H0 is rejected, and H1 is accepted, indicating a significant positive relationship between tangibles and customer satisfaction in international coffee chains in Malaysia.

Hypothesis 2

H0: There is no significant relationship between reliability and customer satisfaction in international coffee chains in Malaysia.

H2: There is a significant relationship between reliability and customer satisfaction in international coffee chains in Malaysia.

Reject H0, if $p < 0.05$

Table 4.14 shows that the significance value for reliability is 0.365, which is greater than the p-value of 0.05. Therefore, H0 is accepted, and H2 is rejected, indicating that reliability does not have a significant effect on customer satisfaction in international coffee chains in Malaysia.

Hypothesis 3

H0: There is no significant relationship between responsiveness and customer satisfaction in international coffee chains in Malaysia.

H3: There is a significant relationship between responsiveness and customer satisfaction in international coffee chains in Malaysia.

Reject H0, if $p < 0.05$

According to Table 4.14, the significance value for responsiveness is 0.682, which exceeds the p-value threshold of 0.05. Therefore, H0 is accepted, and H3 is rejected. This indicates that there is no significant relationship between responsiveness and customer satisfaction in international coffee chains in Malaysia.

Hypothesis 4

H0: There is no significant relationship between assurance and customer satisfaction in international coffee chains in Malaysia.

H4: There is a significant relationship between assurance and customer satisfaction in international coffee chains in Malaysia.

Reject H0, if $p < 0.05$

As shown in Table 4.14, the significance value for assurance is 0.878, which is greater than the p-value of 0.05. Therefore, H0 is accepted, and H4 is rejected. Hence, there is no significant relationship between assurance and customer satisfaction in international coffee chains in Malaysia.

Hypothesis 5

H0: There is no significant relationship between empathy and customer satisfaction in international coffee chains in Malaysia.

H5: There is a significant relationship between empathy and customer satisfaction in international coffee chains in Malaysia.

Reject H0, if $p < 0.05$

According to Table 4.14, the significance value for empathy is 0.007, which is lower than the p-value of 0.05. Therefore, H0 is rejected, and H5 is accepted, indicating that empathy has a significant impact on customer satisfaction in international coffee chains in Malaysia.

CHAPTER 5: DISCUSSION, CONCLUSION, AND IMPLICATIONS

5.0 Introduction

Chapter 5 provides a detailed summary of the study's findings, including both descriptive and inferential analyses. It will also emphasize key insights derived from the results and explore their broader implications. Additionally, the chapter will address the study's limitations and provide recommendations for future research, offering useful directions for further investigation in this area.

5.1 Summary of Statistical Analysis

5.1.1 Descriptive Analysis

In Chapter 4, the demographic analysis reveals that the majority of respondents were female, making up 62% of the total, while males accounted for 38%. Moreover, the majority respondents were aged 18-24 years old, representing 30%. There were 25% respondents aged 25-34 years old. The age group of 35-44 years old represents 15% and 45-54 years old represent 10%. Lastly, there were 20% representing by 55-64 years old. Furthermore, the majority respondents' race was Chinese, which consists of 66%, while Malays accounted for 19% and Indians for 15%. In terms of education level, 52% of the respondents hold a Bachelor's Degree, followed by 19% with a Diploma or Certificate, 17% with a Master's Degree or higher, and 12% having completed Secondary School. Regarding income level, 35% earn below RM2,000, while 33% fall within the RM2,001 to RM5,000 range, and 32% earn RM5,001 and above.

Additionally, the summary of respondents' general information statistics, Starbucks become the most preferred international coffee chain in Malaysia at 40%, followed by The Coffee Bean & Tea Leaf (29%), Kenangan Coffee (23%), and Gloria Jean's Coffee (8%). Furthermore, 97% of respondents have dined in at their preferred coffee chain, while only 3% have not. Based on the Table 4.8, 30% respondents visit weekly, while 19% visit every 2 to 4 weeks, 21% every 4 to 6 weeks, and another 30% visit more than 6 weeks. As for the purpose of visiting international coffee chains, 31% respondents go for gatherings, while 27% visit for discussions and revisions. Finally, 21% of respondents visit for meals, and another 21% go for relaxation.

The reliability test results present a strong level of consistency across all constructs, with each scoring greater than 0.7, indicating dependable measurements. Customer satisfaction had the highest reliability score at 0.882, followed by reliability at 0.869 and tangibles at 0.852. Similarly, empathy scored 0.860, while assurance and responsiveness recorded 0.835 and 0.824, respectively.

In addition, in the multicollinearity test results, the independent variables (tangibles, reliability, responsiveness, assurance, and empathy) have VIF values below 5 and Tolerance values above 0.2. These findings suggest that multicollinearity is not a significant concern in the analysis, ensuring that the independent variables do not exhibit excessive correlation with one another.

Moreover, the regression analysis shows a moderate correlation ($R = 0.664$), with 44.1% of the variance explained by the model. The model is statistically significant ($F = 22.102$, $p < 0.001$). Among the independent variables, tangibles (T) and empathy (E) significantly influence the dependent variable ($p < 0.05$), while reliability (R), responsiveness (R), and assurance (A) are not significant predictors.

5.2 Discussion of Major Findings

Table 5.1: Discussion of Major Findings

Hypothesis	Significant Value	Supported/Rejected
H1: There is a significant relationship between tangibles and customer satisfaction in international coffee chains in Malaysia.	p=0.01 p<0.05	Supported
H2: There is a significant relationship between reliability and customer satisfaction in international coffee chains in Malaysia.	p=0.365 p>0.05	Rejected
H3: There is a significant relationship between responsiveness and customer satisfaction in international coffee chains in Malaysia.	p=0.682 p>0.05	Rejected
H4: There is a significant relationship between assurance and customer satisfaction in international coffee chains in Malaysia.	p=0.878 p>0.05	Rejected
H5: There is a significant relationship between empathy and customer satisfaction in international coffee chains in Malaysia.	p=0.007 p<0.05	Supported

Source: Developed for research

5.2.1 Tangibles

RO1: To examine the relationship between tangibles and customer satisfaction in International Coffee Chains Malaysia.

RQ1: Is there a relationship between tangibles and customer satisfaction in International Coffee Chains Malaysia?

H1: There is a significant relationship between tangibles and customer satisfaction in international coffee chains in Malaysia.

The hypothesis test demonstrates that tangibles significantly impact customer satisfaction in Malaysian international coffee businesses. Customer perceptions and their overall experience are significantly impacted by the physical environment, which includes the store's aesthetics, ambiance, and cleanliness. Consumers are more satisfied and likely to return to a café that is well-kept and appealing in appearance because they associate it with excellent service. International coffee chains like Starbucks and The Coffee Bean & Tea Leaf focus an immense value on ambience to provide a high-end coffee experience, yet it can still be difficult to keep places clean in crowded regions (Parasuraman et al., 1988). Regardless of beverage quality, an unkempt or disordered setting might create unfavorable impressions. Customers' expectations are established by tangibles since they are the first issue they notice. Therefore, investing in store ambiance, modern equipment, and cleanliness is crucial for international coffee chains to enhance customer satisfaction and remain competitive.

5.2.2 Reliability

RO2: To examine the relationship between reliability and customer satisfaction in International Coffee Chains Malaysia.

RQ2: Is there a relationship between reliability and customer satisfaction in International Coffee Chains Malaysia?

H2: There is no significant relationship between reliability and customer satisfaction in international coffee chains in Malaysia.

According to the hypothesis test results, customer satisfaction in international coffee chains in Malaysia is not strongly influenced by reliability. While factors like accurate orders, consistent service, and timely delivery are important, they may not be the top priorities for customers. According to Fida et al. (2020), the study indicates that reliability is important, but it did not significantly affect customer satisfaction. As long as the overall experience is favourable, many customers place more importance on atmosphere, brand reputation, and product diversity than they do on little service problems like sporadic delays or incorrect orders. Hence, strict reliability may not have as much of an impact on customer satisfaction in the international coffee chains in Malaysia.

5.2.3 Responsiveness

RO3: To examine the relationship between responsiveness and customer satisfaction in International Coffee Chains Malaysia.

RQ3: Is there a relationship between responsiveness and customer satisfaction in International Coffee Chains Malaysia?

H3: There is no significant relationship between responsiveness and customer satisfaction in international coffee chains in Malaysia.

The hypothesis test suggests that responsiveness does not have a significant impact on customer satisfaction in international coffee chains in Malaysia. While prompt service and quick problem-solving are key aspects of service quality, customers may prioritize other factors, such as ambiance, product quality, and brand reputation. According to Chai (2021), a study on Starbucks consumers in Johor found that although responsiveness is important, it did not significantly influence customer satisfaction. The research highlighted that long wait times can lead to dissatisfaction, possibly

affect a brand's reputation. To mitigate this, Starbucks was urged to enhance employee training programs to improve efficiency, encourage positive interactions, and ensure staff can handle peak-hour demands effectively. As a result, while responsiveness remains an important aspect of service quality, its direct influence on customer satisfaction in international coffee chains in Malaysia appears to be minimal.

5.2.4 Assurance

RO4: To examine the relationship between assurance and customer satisfaction in International Coffee Chains Malaysia.

RQ4: Is there a relationship between assurance and customer satisfaction in International Coffee Chains Malaysia?

H4: There is no significant relationship between assurance and customer satisfaction in international coffee chains in Malaysia.

Based on the hypothesis results, assurance does not have a significant relationship with customer satisfaction in international coffee chains in Malaysia. While assurance encompasses employee knowledge, courtesy, and the ability to build trust in customers, its impact on customer satisfaction may be less pronounced compared to other service quality factors. According to Ahmad et al. (2024), in the restaurant industry, assurance significantly influences customer satisfaction, as employees who are willing to respond inquiries and fulfil specific requests build trustworthiness and dependability. Therefore, while assurance contributes to shaping the overall customer experience, its direct impact on customer satisfaction in international coffee chains seems to be relatively limited.

5.2.5 Empathy

RO5: To examine the relationship between empathy and customer satisfaction in International Coffee Chains Malaysia.

RQ5: Is there a relationship between empathy and customer satisfaction in International Coffee Chains Malaysia?

H5: There is a significant relationship between empathy and customer satisfaction in international coffee chains in Malaysia.

The results show that empathy has a significant relationship with customer satisfaction in international coffee chains in Malaysia. Customers appreciate personalized interactions, such as staff remembering their preferences or acknowledging their needs, as it creates a sense of connection and value. A study by Go et al. (2022) on the Philippine fast-food industry found that empathy had influence on customer satisfaction, as customers in fast-paced environments tend to prioritize quick and accurate service over personal interactions. Similarly, in international coffee chains, empathetic service enhances the overall experience, making customers feel valued and understood. When baristas interact pleasantly with consumers and offer attentive service, it strengthens customer relationships and encourages repeat visits. Thus, empathy is a critical aspect of service quality that directly raises customer satisfaction in international coffee chains in Malaysia.

5.3 Implications of the Study

By using the SERVQUAL model and incorporating the Social Exchange Theory (SET), this study offers important insights into how service quality dimensions affect customer satisfaction in international coffee chains in Malaysia. SET suggests that customers evaluate their interactions with coffee chains based on the perceived benefits and costs, influencing their satisfaction and loyalty. This study

identifies crucial areas that coffee chains should focus on to enhance the customer experience. Among the five SERVQUAL dimensions, tangibles and empathy have the greatest impact on customer satisfaction. These findings have practical implications for international coffee chains, guiding them in improving service delivery and fostering stronger customer relationships.

5.3.1 Tangibles

According to the results of the study, customer perceptions are greatly influenced by tangibles, such as store aesthetics, ambiance, and cleanliness. A well-maintained and visually appealing coffee shop enhances customer satisfaction and encourages repeat visits (Setapa et al., 2024). For example, Starbucks prioritizes ambiance to offer an unparalleled coffee experience. However, maintaining high cleanliness standards in high-traffic locations remains a challenge. These findings can help the international coffee chains enhance the in-store experience by focusing on comfortable seating, thoughtful interior design, and hygiene practices. According to Rahman et al. (2019), investing in modern equipment and optimizing workspace organization can boost service efficiency and further elevate customer satisfaction. By prioritizing these tangibles aspects, coffee chains can reinforce positive brand perception and customer trust.

5.3.2 Empathy

Empathy in service quality is another major factor influencing customer satisfaction in international coffee chains. Personalized interactions, such as staff remembering customers' preferences and providing attentive service, create a sense of connection and value (Zygiaris et al., 2022). However, high staff turnover and reliance on part-time employees can lead to inconsistencies in service quality. International coffee chains should address this by implementing structured training programs to improve staff

interpersonal skills and ensure they provide personalized and attentive service. Staff connections may be strengthened, and overall satisfaction raised by encouraging a customer-first approach (Bahadur et al., 2019). Furthermore, loyalty programs may strengthen the emotional connection with consumers by rewarding loyal customers with special rewards. Consequently, international coffee chains may strengthen customer relationships, and maintain long-term business growth by putting an emphasis on empathy.

However, the subsequent dimensions (reliability, responsiveness, and assurance) show an insignificant relationship with customer satisfaction in international coffee chains. Although the results are not significant, these three dimensions still contribute to the study and play a crucial role in understanding service quality.

5.4 Limitations of the Study

While this study offers valuable insights into customer satisfaction in international coffee chains in Malaysia, there are several limitations that should be acknowledged. First, the study focuses solely on the five SERVQUAL dimensions (tangibles, reliability, responsiveness, assurance, and empathy), without considering other potential influences such as pricing, brand reputation, or convenience. Since these factors can also shape customer satisfaction, future research may explore a wider range of elements to gain a more complete understanding of customer preferences.

Moreover, this study is limited to structured questionnaires and a quantitative research methodology. Although this approach allows for measurable and comparable data, it may not fully reflect the emotions, expectations, or deeper experiences of customers. Additionally, some respondents may have provided answers they felt were more socially acceptable rather than their true opinions, leading to possible response bias. To gain richer insights, future studies could

incorporate qualitative methods such as interviews or focus groups to better understand customer sentiments.

Finally, local coffee shops are not taken into consideration in this study; the study is restricted to international coffee chains like Starbucks, The Coffee Bean & Tea Leaf, Gloria Jean's Coffees, and Kenangan Coffee. Since both local cafés and international brands may have different standards for service quality, the results might not fully represent the broader Malaysian coffee industry. Future research could compare customer satisfaction levels between international coffee chains and local cafés to offer a more comprehensive perspective on service quality expectations.

5.5 Recommendations for Future Research

One key area for future research is the inclusion of additional factors such as pricing, brand reputation, and convenience, as these aspects significantly influence customer satisfaction and purchasing decisions. Expanding the study to include these additional variables would offer a more comprehensive understanding of the factors that influence customer preferences in international coffee chains in Malaysia.

Furthermore, future research could segment participants according to factors including income level, coffee consumption habits, and brand loyalty, whereas this study concentrated on Malaysian consumers between the ages of 18 and 64 years old. Comparing various consumer groups may offer more precise insights into how various demographics influence customer satisfaction and service quality.

Lastly, incorporating qualitative research methods, such as interviews or focus groups, would provide a deeper understanding of customer experiences. Direct interactions with customers in international coffee chains could provide valuable firsthand insights into their experiences, expectations, and concerns. Incorporating

survey findings with qualitative data would help minimize response bias and provide a more comprehensive view of consumer satisfaction.

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APPENDICES

Appendix 3.1: Research Questionnaire

UNIVERSITI TUNKU ABDUL RAHMAN

FACULTY OF ACCOUNTANCY AND MANAGEMENT

BACHELOR OF INTERNATIONAL BUSINESS (HONS)

Evaluating Customer Satisfaction in International Coffee Chains in Malaysia using SERVQUAL Model

The purpose of this survey is to conduct research to investigate the "Evaluating Customer Satisfaction in International Coffee Chains in Malaysia using SERVQUAL Model".

Instruction:

1. This questionnaire consists of three sections. Please answer ALL questions in every sections.
2. Completion of this form will take you approximately 10 to 15 minutes.
3. The contents and response of this questionnaire will be kept strictly confidential.

I deeply appreciate your participation and cooperation in assisting me with the completion of this survey.

Your faithfully,

Name	Student ID	Email
WONG XUAN	2202290	wxuan03@1utar.my

<u>Data Protection Act</u>

Please be informed that under Personal Data Protection Act 2010 ("PDPA") which came into force on 15 November 2013, Universiti Tunku Abdul Rahman ("UTAR") is hereby bound to take notice and require consent for collection, recording, storage, usage, and retention of personal information.

<u>Notice:</u>

1. The purposes for which your personal data may be used are inclusive but not limited to: -

- For assessment of any application to UTAR
- For processing any benefits and services
- For communication purposes
- For advertorial and news
- For general administration and record purposes
- For enhancing the value of education
- For educational and related purposes consequential to UTAR
- For the purpose of our corporate governance
- For consideration as a guarantor for UTAR staff/students applying for his/her scholarship/ study loan

2. Your personal data may be transferred and/or disclosed to the third party and/or UTAR collaborative partners including but not limited to the respective and appointed outsourcing agents for purpose of fulfilling our obligations to you in respect of the purposes and all such other purposes that are related to the purposes and also in providing integrated services, maintaining and storing records. Your data may be shared when required by laws and when disclosure is necessary to comply with applicable laws.

3. Any personal information retained by UTAR shall be destroyed and/or deleted in accordance with our retention policy applicable for us in the event such information is no longer required.

4. UTAR is committed in ensuring the confidentiality, protection, security and accuracy of your personal information made available to us and it has been our ongoing strict policy to ensure that your personal information is accurate, complete, not misleading and updated. UTAR would also ensure that your personal data shall not be used for political and commercial purposes.

Consent:

1. By submitting this form, you hereby authorize and consent to us processing (including disclosing) your data and any updates of your information, for the purposes and/or for any other purposes related to the purpose.

2. If you do not consent or subsequently withdraw your consent to the processing and disclosure of your personal data, UTAR will not be able to fulfill our obligations or to contact you or to assist you in respect of the purposes and/or for any other purposes related to the purpose.

3. You may access and update your personal data by writing to us at
wxuan03@1utar.my

- o   You have notified me that I at this moment understood, consented and agreed per UTAR above notice
- o   I disagree, my personal data will not be processed

Section A: Demographic Profile

(Please choose only one answer for each of the following statements)

1. Gender

- o Male
- o Female

2. Age

- o 18 to 24 years old
- o 25 to 34 years old
- o 35 to 44 years old
- o 45 to 54 years old
- o 55 to 64 years old

3. Race

- o Malay
- o Chinese
- o Indian
- o Others (please specify: _____)

4. Level of Education

- o Secondary School
- o Diploma/Certificate
- o Bachelor's Degree
- o Master's Degree or Higher

5. Income Level

- o Below RM2,000
- o RM2,001 to RM5,000
- o RM5,001 and Above

Section B: General Information

(Please choose only one answer for each of the following statements)

1. Which International Coffee Chain do you prefer? Choose ONE only.

   o   Starbucks

   o   The Coffee Bean & Tea Leaf

   o   Kenangan Coffee

   o   Gloria Jean's Coffee

2. Do you have dined in experience based on your choice in Question 1?

   o   Yes (Kindly proceed to answer the following questions)

   o   No (Thanks for your participation)

3. How often do you visit the chosen international coffee chain?

   o   Every week

   o   2 – 4 weeks

   o   4 – 6 weeks

   o   More than 6 weeks

4. Based on your choice in Question 3, what is the purpose of your visit to the international coffee chain?

   o   Discussion & revision

   o   Gathering

   o   Meals

   o   Relaxation

Section C: Construct Measurement

This section seeks your opinion on evaluating customer satisfaction in international coffee chains in Malaysia. Respondents are asked to indicate the extent to which they agreed or disagreed with each statement using Likert scale.

Strongly Disagree (SD)	Disagree (D)	Neutral (N)	Agree (A)	Strongly Agree (SA)
1	2	3	4	5

For each of the following statements, kindly circle **ONLY ONE** number that represents your opinion the most.

No.	Question	SD	D	N	A	SA
	Customer Satisfaction					
1	I will recommend this international coffee chain to my friends.					
2	I will encourage others to come to this international coffee chain.					
3	I will come back to this international coffee chain.					
4	I am satisfied with food and drinks at the international coffee chain.					
	Tangibles					
1	The equipment of the international coffee chain is visible and sufficient to accommodate the customers.					
2	The equipment of the international coffee chain is up to date.					
3	Service providers at this international coffee chain are dressed properly.					
4	The physical facilities and equipment at this international coffee chain are well-maintained.					
5	The physical facilities and equipment at this international coffee chain are well-maintained.					

Reliability						
1	This international coffee chain's staff (barista) can handle all orders well.					
2	This international coffee chain's staff (barista) provide the correct information.					
3	This international coffee chain's staff (barista) present a menu in accordance with customer orders.					
4	This international coffee chain's staff (barista) make orders according to the promised time.					
Empathy						
1	This international coffee chain's employees (baristas) communicate courteously with the customers.					
2	This international coffee chain's employees (baristas) show concern in attending customer's needs.					
3	This international coffee chain's employees (baristas) stay positive and understand the frustration of a customer.					
4	This international coffee chain's employees (baristas) repeat and confirm the order of the customer.					
Assurance						
1	This international coffee chain's staff (baristas) are polite in serving customers.					
2	This international coffee chain's staff (barista) effectively provide clear and comprehensive explanations about the menu items.					
3	This international coffee chain's staff (baristas) communicate politely.					
Responsiveness						
1	This international coffee chain's staff (barista's) are willing to answer all customer questions.					

2	This international coffee chain's staff (barista's) help customers choose the menu offered.					
3	This international coffee chain's staff (barista's) are responsive in solving problems.					
4	This international coffee chain's staff (barista's) can provide their services quickly.					

Thank you for participation.

Appendix 3.2: Result of the Pilot Test

Pilot Test (n=40)

Dependent Variable: Customer Satisfaction

Case Processing Summary

		N	%
Cases	Valid	40	34.8
	Excluded[a]	75	65.2
	Total	115	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.921	4

Item Statistics

	Mean	Std. Deviation	N
CS1	3.90	1.081	40
CS2	3.85	1.167	40
CS3	4.03	1.074	40
CS4	4.03	1.000	40

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
CS1	11.90	8.451	.878	.876
CS2	11.95	8.715	.735	.928
CS3	11.78	8.692	.836	.891
CS4	11.78	9.102	.835	.893

Independent Variable: Tangibles

Case Processing Summary

		N	%
Cases	Valid	40	34.8
	Excluded[a]	75	65.2
	Total	115	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.893	5

Item Statistics

	Mean	Std. Deviation	N
T1	3.85	1.167	40
T2	3.93	1.163	40
T3	4.10	1.057	40
T4	3.80	1.203	40
T5	4.10	.955	40

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
T1	15.92	13.712	.763	.864
T2	15.85	14.592	.644	.891
T3	15.67	14.533	.746	.868
T4	15.97	13.666	.737	.870
T5	15.67	14.687	.828	.854

Independent Variable: Reliability

Case Processing Summary

		N	%
Cases	Valid	40	34.8
	Excluded[a]	75	65.2
	Total	115	100.0

a. Listwise deletion based on all
variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.915	4

Item Statistics

	Mean	Std. Deviation	N
R1	3.83	1.217	40
R2	3.60	1.215	40
R3	3.85	1.189	40
R4	3.83	1.130	40

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
R1	11.28	9.999	.846	.875
R2	11.50	10.051	.839	.878
R3	11.25	11.064	.697	.926
R4	11.28	10.512	.847	.876

Independent Variable: Responsiveness

Case Processing Summary

		N	%
Cases	Valid	40	34.8
	Excluded[a]	75	65.2
	Total	115	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.908	3

Item Statistics

	Mean	Std. Deviation	N
R12	3.83	1.035	40
R22	3.55	1.197	40
R32	4.10	1.057	40

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
R12	7.65	4.387	.858	.837
R22	7.93	3.763	.857	.837
R32	7.38	4.651	.748	.923

Independent Variable: Assurance

Case Processing Summary

		N	%
Cases	Valid	40	34.8
	Excluded[a]	75	65.2
	Total	115	100.0

a. Listwise deletion based on all
variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.902	3

Item Statistics

	Mean	Std. Deviation	N
A1	3.88	1.067	40
A2	3.40	1.297	40
A3	3.88	1.114	40

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
A1	7.28	5.025	.840	.837
A2	7.75	4.192	.811	.865
A3	7.28	5.025	.784	.878

Independent Variable: Empathy

Case Processing Summary

		N	%
Cases	Valid	40	34.8
	Excluded[a]	75	65.2
	Total	115	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.880	4

Item Statistics

	Mean	Std. Deviation	N
E1	3.63	1.192	40
E2	3.65	1.210	40
E3	3.75	1.127	40
E4	3.95	1.108	40

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
E1	11.35	8.849	.783	.828
E2	11.33	9.404	.667	.875
E3	11.23	9.256	.772	.834
E4	11.03	9.512	.743	.845

Appendix 4.1: Descriptive Analysis

Demographic Profile

1. Gender

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	90	61.6	61.6	61.6
	Male	56	38.4	38.4	100.0
	Total	146	100.0	100.0	

2. Age

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 to 24 years old	44	30.1	30.1	30.1
	25 to 34 years old	36	24.7	24.7	54.8
	35 to 44 years old	22	15.1	15.1	69.9
	45 to 54 years old	14	9.6	9.6	79.5
	55 to 64 years old	30	20.5	20.5	100.0
	Total	146	100.0	100.0	

3. Race

Race

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Chinese	97	66.4	66.4	66.4
	Indian	22	15.1	15.1	81.5
	Malay	27	18.5	18.5	100.0
	Total	146	100.0	100.0	

4. Level of Education

Level of Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bachelor's Degree	76	52.1	52.1	52.1
	Diploma / Certificate	28	19.2	19.2	71.2
	Master's Degree or Higher	25	17.1	17.1	88.4
	Secondary School	17	11.6	11.6	100.0
	Total	146	100.0	100.0	

5. Income Level

Income Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below RM 2,000	51	34.9	34.9	34.9
	RM2,001 to RM5,000	48	32.9	32.9	67.8
	RM5,001 and Above	47	32.2	32.2	100.0
	Total	146	100.0	100.0	

General Information

1. Which International Coffee Chain do you prefer? Choose ONE only.

Which International Coffee Chain do you prefer? Choose ONE only.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Gloria Jean's Coffee	12	8.2	8.2	8.2
	Kenangan Coffee	33	22.6	22.6	30.8
	Starbucks	59	40.4	40.4	71.2
	The Coffee Bean & Tea Leaf	42	28.8	28.8	100.0
	Total	146	100.0	100.0	

2. Do you have dined in experience based on your choice in Question 1?

Do you have dined in experience based on your choice in Question 1?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes (Kindly proceed to answer the following questions)	146	100.0	100.0	100.0

3. How often do you visit the chosen international coffee chain?

How often do you visit the chosen international coffee chain?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2 - 4 weeks	28	19.2	19.2	19.2
	4 - 6 weeks	31	21.2	21.2	40.4
	Every week	44	30.1	30.1	70.5
	More than 6 weeks	43	29.5	29.5	100.0
	Total	146	100.0	100.0	

4. Based on your choice in Question 3, what is the purpose of your visit to the international coffee chain?

Based on your choice in Question 3, what is the purpose of your visit to the international coffee chain?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Discussion & revision	39	26.7	26.7	26.7
	Gathering	45	30.8	30.8	57.5
	Meals	31	21.2	21.2	78.8
	Relaxation	31	21.2	21.2	100.0
	Total	146	100.0	100.0	

Appendix 4.2: Internal Reliability Test

Dependent Variable: Customer Satisfaction

Case Processing Summary

		N	%
Cases	Valid	146	100.0
	Excluded[a]	0	.0
	Total	146	100.0

a. Listwise deletion based on all
variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.882	4

Item Statistics

	Mean	Std. Deviation	N
CS1	4.01	.993	146
CS2	3.79	1.071	146
CS3	4.11	.940	146
CS4	4.12	.946	146

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
CS1	12.02	6.531	.799	.828
CS2	12.24	6.515	.715	.863
CS3	11.92	7.041	.730	.855
CS4	11.90	6.970	.742	.850

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
16.03	11.572	3.402	4

Independent Variable: Tangibles

Case Processing Summary

		N	%
Cases	Valid	146	100.0
	Excluded[a]	0	.0
	Total	146	100.0

a. Listwise deletion based on all
variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.852	5

Item Statistics

	Mean	Std. Deviation	N
T1	4.05	1.022	146
T2	3.94	1.005	146
T3	4.03	.982	146
T4	3.93	1.093	146
T5	3.94	1.058	146

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
T1	15.84	10.966	.699	.812
T2	15.95	11.701	.587	.840
T3	15.86	11.029	.728	.805
T4	15.96	10.674	.683	.816
T5	15.95	11.205	.624	.832

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
19.89	16.747	4.092	5

Independent Variable: Reliability

Case Processing Summary

		N	%
Cases	Valid	146	100.0
	Excluded[a]	0	.0
	Total	146	100.0

a. Listwise deletion based on all
variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.869	4

Item Statistics

	Mean	Std. Deviation	N
R1	3.98	1.073	146
R2	3.83	1.066	146
R3	3.94	1.109	146
R4	4.03	1.020	146

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
R1	11.80	7.319	.794	.802
R2	11.95	7.729	.712	.836
R3	11.84	7.844	.645	.864
R4	11.75	7.832	.738	.826

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
15.78	13.083	3.617	4

Independent Variable: Responsiveness

Case Processing Summary

		N	%
Cases	Valid	146	100.0
	Excluded[a]	0	.0
	Total	146	100.0

a. Listwise deletion based on all
variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.824	3

Item Statistics

	Mean	Std. Deviation	N
R12	4.00	1.017	146
R22	3.71	1.052	146
R32	3.99	1.070	146

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
R12	7.69	3.622	.681	.757
R22	7.99	3.462	.696	.741
R32	7.71	3.492	.664	.774

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
11.69	7.291	2.700	3

Independent Variable: Assurance

Case Processing Summary

		N	%
Cases	Valid	146	100.0
	Excluded[a]	0	.0
	Total	146	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.835	3

Item Statistics

	Mean	Std. Deviation	N
A1	4.01	1.060	146
A2	3.65	1.124	146
A3	4.02	1.034	146

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
A1	7.67	3.684	.733	.734
A2	8.03	3.668	.664	.805
A3	7.66	3.896	.693	.774

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
11.68	7.792	2.791	3

Independent Variable: Empathy

Case Processing Summary

		N	%
Cases	Valid	146	100.0
	Excluded[a]	0	.0
	Total	146	100.0

a. Listwise deletion based on all
variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.860	4

Item Statistics

	Mean	Std. Deviation	N
E1	4.01	1.073	146
E2	3.79	1.103	146
E3	3.95	1.079	146
E4	3.99	1.111	146

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
E1	11.73	7.811	.743	.806
E2	11.95	8.005	.673	.835
E3	11.79	7.824	.735	.809
E4	11.75	7.970	.672	.835

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
15.74	13.421	3.664	4

Appendix 4.3: Multicollinearity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			Tolerance
1	(Constant)	1.088	.290		3.756	<.001	
	T	.450	.116	.433	3.873	<.001	.320
	R	-.110	.121	-.117	-.909	.365	.240
	E	.343	.125	.369	2.737	.007	.219
	A	.018	.118	.020	.153	.878	.239
	RR	.037	.091	.039	.410	.682	.433

Model		Collinearity Statistics
		VIF
1	(Constant)	
	T	3.127
	R	4.174
	E	4.562
	A	4.187
	RR	2.307

a. Dependent Variable: CS

Appendix 4.4: Multiple Linear Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.664[a]	.441	.421	.64701

a. Predictors: (Constant), RR, T, A, R, E

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	46.261	5	9.252	22.102	<.001[b]
	Residual	58.607	140	.419		
	Total	104.868	145			

a. Dependent Variable: CS

b. Predictors: (Constant), RR, T, A, R, E

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			Tolerance
1	(Constant)	1.088	.290		3.756	<.001	
	T	.450	.116	.433	3.873	<.001	.320
	R	-.110	.121	-.117	-.909	.365	.240
	E	.343	.125	.369	2.737	.007	.219
	A	.018	.118	.020	.153	.878	.239
	RR	.037	.091	.039	.410	.682	.433

Appendix 5.0: Group Ethical Clearance Approval Letter

UNIVERSITI TUNKU ABDUL RAHMAN DU012(A)

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Re: U/SERC/78-420/2024

23 December 2024

Dr Fitriya Binti Abdul Rahim
Head, Department of International Business
Faculty of Accountancy and Management
Universiti Tunku Abdul Rahman
Jalan Sungai Long
Bandar Sungai Long
43000 Kajang, Selangor

Dear Dr Fitriya,

Ethical Approval For Research Project/Protocol

We refer to your application for ethical approval for your students' research projects from Bachelor of International Business (Honours) programme enrolled in course UKMZ3016. We are pleased to inform you that the application has been approved under <u>Expedited Review</u>.

The details of the research projects are as follows:

No.	Research Title	Student's Name	Supervisor's Name	Approval Validity
1.	The Factors that Impact Women's Intention to Purchase Luxury Handbags in Malaysia	Lee Wen	Dr Mahendra Kumar a/l Chelliah	
2.	Evaluating Customer Satisfaction in International Coffee Chains in Malaysia By Using SERVQUAL Model	Wong Xuan	Dr Malathi Nair a/p G Narayana Nair	
3.	Integrated Marketing Communication (IMC) Motivates Student's eWoM Intentions and Choice of University Through Brand Equity	Oo Kai Shi	Dr Tang Kin Leong	
4.	Exploring the Impact of Social Media Marketing on Consumer Brand Engagement in Fashion Branded Jewellery	Leow Yi Ling	Dr Malathi Nair a/p G Narayana Nair	
5.	Factors Influencing Women's Barriers to Career Advancement Within Malaysian Workplaces	Chia Xin Rou	Dr Kalaivani a/p Jayaraman	
6.	Factor Affecting Customers' Trust in E-commerce	Lai Yen Ee	Mr Low Choon Wei	23 December 2024 – 22 December 2025
7.	Factors of Students' Behavioral Intention to Adopt Artificial Intelligence (AI) Chatbots in Higher Education	Seow Jia Ling	Dr Foo Meow Yee	
8.	The Influence of Green Marketing Strategies on Consumer Purchase Intention for Electric Vehicles	Ng Chang Da	Dr Yeong Wai Mun	
9.	Factors Influencing Job Satisfaction in Malaysia's Hospitality Industry	Janice Tan	Mr Khairul Anuar Bin Rusli	
10.	Factors Influencing Malaysian Consumers' Impulse Buying Behaviour in Live Streaming Commerce	Tan Zhi Wei	Dr Corrinne Lee Mei Jyin	
11.	How Working Abroad Affects Consumer Behaviour: A Study on Factor Influencing Consumers' Purchasing Behaviour When Working Abroad	Li Wen Kee	Mr Khairul Anuar Bin Rusli	

No.	Research Title	Student's Name	Supervisor's Name	Approval Validity
12.	The Linkage Between Entrepreneurial Motivation Towards Their Business Strategy Choices in Malaysian SMEs	Pua Shue Ling	Dr Mahendra Kumar a/l Chelliah	23 December 2024 – 22 December 2025
13.	Exploring the Motives of Generation Z's Purchase Intention for Branded Sport Shoes	Jeow Bin Hong	Dr Malathi Nair a/p G Narayana Nair	
14.	The Effectiveness of Live-Streaming Commerce in Driving Consumer Engagement and Purchasing Intention	Leong Ze Qi	Dr Fok Kuk Fai	
15.	The Impact of Generative AI on Employee Output	Lim Qi Fei	Dr Corrinne Lee Mei Jyin	
16.	Analyzing The Effects of Workplace Culture on Employee Retention Rate Among SME Companies in Malaysia	Yaw Wei Jian	Mr Khairul Anuar Bin Rusli	
17.	The Perception of Youths on The Board of Directors' Performance towards Sound Governance	Lee Xing Jia	Dr Abdullah Sallehhuddin Bin Abdullah Salim	
18.	Evaluating the Influence of Monetary and Non-Monetary Rewards in Enhancing Employee Performance	Geetha Kaurr Chandi A/P Stevender Singh	Dr Komathi a/p Munusamy	
19.	Analyzing the Adoption of Mobile Payment Systems Among Malaysian University Students	Samuel Rinaldo		
20.	The Comparative Influence of Traditional Celebrities and Digital Influencers in Fashion Industry for Generation Z	Lai Pei Xuan	Pn Ezatul Emilia Binti Muhammad Arif	
21.	Analysing the Effectiveness of Real-time Inventory Technology in Optimising Central Kitchen Operations	Sim Kah Khai		
22.	Analyzing the Key Challenges that Demotivates Women Entrepreneurs to Execute Online Business in Malaysia	Yeo Yee Shen		
23.	Influencer Marketing Effectiveness: Analyzing the Impact of Influencers in Driving Consumer Purchase Intention Among Generation Z	Foo Yen Thung	Dr Choo Siew Ming	

The conduct of this research is subject to the following:

(1) The participants' informed consent be obtained prior to the commencement of the research;

(2) Confidentiality of participants' personal data must be maintained; and

(3) Compliance with procedures set out in related policies of UTAR such as the UTAR Research Ethics and Code of Conduct, Code of Practice for Research Involving Humans and other related policies/guidelines.

(4) Written consent be obtained from the institution(s)/company(ies) in which the physical or/and online survey will be carried out, prior to the commencement of the research.

Should the students collect personal data of participants in their studies, please have the participants sign the attached Personal Data Protection Statement for records.

Thank you.

Yours sincerely,

Professor Ts Dr Faidz bin Abd Rahman
Chairman
UTAR Scientific and Ethical Review Committee

c.c   Dean, Faculty of Accountancy and Management
       Director, Institute of Postgraduate Studies and Research