Effect of Service Quality and Customer Satisfaction on Customer Loyalty: A case study of Starbucks in Malaysia

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ARTICLE INFORMATION

ABSTRACT
In today's highly competitive business world, practically all organizations recognize that high service quality is a critical weapon for gaining a competitive advantage. A business with high service quality will guarantee a high level of customer satisfaction and build customer loyalty. In this paper, the researchers aim to investigate how service quality and customer satisfaction influenced customer loyalty of Starbucks in Malaysia. Furthermore, this research adopts a questionnaire-based survey. A total of 100 observations were obtained and the gathered data were analyzed using SPSS. Besides, this study has offered new insights and suggested practical actions which aim to improve service quality, increase customer satisfaction and retain and create customer loyalty in the fast-food industry.

Keywords: Customer Loyalty, Customer Satisfaction, Service Quality, Starbucks

JEL Classification: M00, L80, L83
Along with the increasing standard of living and rivalry in today's corporate environment, service quality plays an important role in every business. Especially in the service sector, such as the aviation industry, hospitality, tourism sector, as well as the fast-food industry (Anderson & Sullivan, 1993). It has prompted service providers to focus on providing high-quality services because it helps satisfy customers and build customer loyalty to the brand. The fundamental focus of service management strategy appears to be meeting customers' demands. The fast-food business has experienced substantial expansion due to a significant increase in the cost of living for a big percentage of the global population. Starbucks fulfills the definition of fast food as a restaurant or stand that serves beverages and snacks quickly and easily. The fast-food sector is a customer-focused business that emphasizes the direct connection between sellers and buyers. Customers always been the most valuable strategic resource for a company. Customers always evaluate their satisfaction in terms of quality. They also rate their satisfaction with intangible services depending on the attitude of the employee and the service environment (Dam & Dam, 2021). In order to improve consumer satisfaction and customer loyalty, the fast-food sector not only produces excellent meals but also improves its service quality to maximize customer satisfaction and customer loyalty. It is critical for fast-food businesses like Starbucks to enhance their service quality to compete and survive in this rapidly changing environment (Namin, 2017). Every engagement the customers have with the company is an opportunity to establish corporate competitive superiority and strengthen long-term sustainability with them.

Starbucks Corporation is an American global coffeehouse and roaster business based in Seattle, Washington. Jerry Baldwin, Zev Siegle, and Gordon Bowker launched Starbucks in 1971, they were selling high-quality ground coffee in their first outlet in Seattle's Pike Place Market. As the world's largest coffeehouse chain, Starbucks is viewed as a prominent symbol of America's second wave of coffee culture. Starbucks coffee shops were springing up all over the place, no matter where you turned.

In this study, our targeted company is Starbucks which operates in Malaysia. Finally, the Starbucks Coffee Company expanded its market to Malaysia in the year 1998. In Malaysia, Starbucks is owned by Berjaya Food Berhad and operated by Berjaya Starbucks Coffee Company Sdn. Bhd. On December 17, 1998, Starbucks Coffee Malaysia launched its first outlet at KL Plaza, Jalan Bukit Bintang, Kuala Lumpur. In Malaysia, there are currently approximately 320 outlets. Berjaya Corporation also opened its first drive-thru in Setia Alam, Shah Alam. Thus, it is convenient for the customers since they do not have to waste time looking for parking in a congested parking lot with this drive-thru service. Moreover, Starbucks has evolved to become Malaysians' favorite coffee shop and a valuable member of communities all around the country. Starbucks provides the best coffee in the world while also uplifting the lives of Malaysians one cup at a time.

Nowadays, there are numerous coffee shops around the world. Providing high-quality services and maintaining customer satisfaction are the key roles contributing to performance. If all of the elements are satisfied, it can guarantee long-term consumers and stand out from the vehement competition, as well as earning profit and greater shares. Due to the increase in competitors in the coffee shop industry, Starbucks needs to deal with the challenge of attracting new customers and retaining existing customers. Additionally, focusing too much on the aspect of expanding the market and opening more stores all over Malaysia causes service quality to be neglected. Indirectly, customers are dissatisfied with their in-store or out-of-store experiences because of the poor service quality. Consequently, the decline in customer satisfaction has led to a decline in the
customer loyalty of Starbucks Malaysia, which has become a competitive advantage for competitors. Thus, the objective of this study is to investigate the simultaneous effects of service quality and customer satisfaction on customer loyalty of Starbucks in Malaysia.

LITERATURE REVIEW

Service Quality

According to Blery et al. (2009), service quality is a comprehensive assessment, which represents the overall evaluation of service by consumers. In other scholars, they explained that the concept of service quality is the extent to which the provided service by a company fulfils the needs or expectations of customers (Dotchin & Oakland, 1994). Once customers enter a store, the process of service quality measurements begins, customers will evaluate the service quality of a shop based on their insights and execution (Mahato & Goet, 2020). Due to the highly competitive in the coffee shop industry, high-quality service becomes essential for a coffee shop company as providing good service to customers can create the greatest opportunity for companies to be kept patronized by their customers (Liu & Wu, 2007).

Servqual is a model proposed by Parasuraman, Zeithaml, and Berry (1988). They have mentioned that there are a variety of items that can be used to assess the quality of service. It is based on the degree of disparity between the perceived and expected service quality. Therefore, they introduced this model which comprises five dimensions. This fivefold dimension is most widely used by many scholars as a crucial tool for measuring service quality. The five key dimensions consist of reliability, responsiveness, assurance, empathy, and tangibles.

1. Reliability – The ability to accurately perform the promised service.
2. Responsiveness – The willingness to respond to customers on time.
3. Assurance – The ability to build customers’ confidence and create credibility.
4. Empathy – The ability to understand customers emotionally, provide due care to the customers and address their concerns.
5. Tangibles – The physical appeal to the customer.

Customer Satisfaction

Minarti and Segoro (2014) say that customer satisfaction is the consumer's attitude, assessment, and emotional response to the product they purchase and the services they enjoy. Customer satisfaction can be viewed as a customer’s entire attitude toward a service provided (Yap, Ramayah, & Shahidan, 2012). A customer’s emotional responses to how a product or service fulfills their desires, including the level of response above and below the desired level, define customer satisfaction (Islam et.al., 2021). It is an indicator that customers are satisfied with a product or service.

A widely accepted theory of consumer satisfaction established by Oliver (1980) states that customer satisfaction is determined by the difference between customer expectations and perceived performance. Oliver (1980) also pointed out that customer satisfaction embodies a consumer’s psychological satisfaction, and a consumer’s experience is the primary function of a product or service. Customer needs, emotions, service, and product features are among the antecedents that have been recognized as contributing to satisfaction. As an illustration, the layout and environment of the coffee shop, the staff’s attitude, the taste or temperature of food and beverage. Hence, the organizations should provide efficient customer service to increase customer satisfaction, as delighted customers are one of the organization’s most valuable assets. Therefore, customer satisfaction is crucial for business, government, and consumers (Machmud & Wolok, 2021).
Customer Loyalty
Customer loyalty refers to customers' psychological predisposition to trust a company's product or service and brand, as well as their willingness to buy from them again after being satisfied (Charles & Kumar, 2014). Loyalty manifests itself in the intention of the buyer to continue using and purchasing a product or service by means of it in the future (Nadeem et al., 2020). Some preliminary work about the subject was carried out by Dick and Basu (1994) who defined customer loyalty as the strength of the relationship between an individual's attitude and continuous patronage. Furthermore, they claimed that when loyalty is accompanied by a pleasurable emotional experience or satisfaction, customers are engaging in favorable behavioral intentions and are more likely to express a positive word of mouth.

In addition, customer loyalty has become essential for long-term competitive advantage. Customer loyalty also refers to a strategy that establishes shared or definite expected benefits that benefit both companies and consumers in various ways (Asgarpour, Hamid, Mousavi, & Jamshidy, 2013). Meanwhile, this is consistent with the research conducted Pan, Sheng, and Xie (2012), who found that maintaining customer loyalty usually helps companies establish long-term relationships with consumers which is then beneficial to both parties. For instance, companies can earn more sales and revenue since loyal customers are more likely to purchase more frequently, stay with the company even though there are alternative possibilities on the market, willing to try new and creative products and services, and recommend it to others.

Relationship between Service Quality and Customer Loyalty
In the study of Saulina and Syah (2018), they highlighted that enhanced consumer loyalty is a primary goal in today's highly competitive coffee shop market, where service quality and customer satisfaction must be continuously improved to create strong consumer loyalty. In the most recent research conducted by Supriyanto, Wiyono, and Burhanuddin (2021), they supported that service quality is one of the antecedents for building customer loyalty towards a brand. This is consistent with the research findings in the study which conducted by Kumar et al. (2009) who stated that the company provides high-quality services that will contribute to high customer loyalty. To operate continuously and maintain company profits, generating customer loyalty may be a daunting task for many companies. As everyone knows, customer loyalty plays a major role in the long-term success of a company. From the perspective of short-term success, improving all dimensions of service quality to achieve customer-perceived service quality is the way to accomplish the objective of generating and maintaining customer loyalty. Indirectly, it can guarantee the company's future profitability. Based on the above, the hypothesis that can be proposed is:

H1: Service quality is positively related to customer loyalty.

Relationship between Service Quality and Customer Satisfaction
Zeithaml, Berry, and Parasuraman (1996) discovered that customer perceptions of service quality are the most critical element in customer satisfaction in the catering service. Customer satisfaction results from high service quality, and it determines the company's overall performance (Dam & Dam, 2021). The relationship between service quality and consumer satisfaction is also bolstered by Kotler and Armstrong's (2020) assertion that if service quality falls short of expectations, the customer will not believe or be dissatisfied. Therefore, fulfilling and exceeding the customer's expectations is the key to offering superior quality services. According to Kuo, Wu, and Deng (2009), service quality has a significant impact on satisfaction, which has a positive effect on future intentions. They stated that service quality has a beneficial effect on repurchase intention through customer satisfaction. The success of an organization is primarily determined by how well it maintains its customers through service (Almsalam, 2014). When superior
service quality is provided, customer satisfaction will rise significantly, resulting in a rise in customer retention and loyalty. Therefore, it is hypothesized that:

H2: Service quality is positively related to customer satisfaction.

Relationship between Customer Satisfaction and Customer Loyalty

Consumer satisfaction and loyalty are closely linked since a customer who is pleased with a company’s product or service is willing to revisit. Hallowell (1996) demonstrated the presence of this relationship in his study and discovered that customer satisfaction is the value received by customers based on their perception, and it also affects customer loyalty since customers believe that the quantity of value obtained from one source is larger than that available from another. Achieving consumers' expectations will not only give customer satisfaction but will also generate customer loyalty, which will reduce customer attrition rates or enhance retention rates. Kasiri, Guan, Sambasivan, and Sidin (2017) also found a strong effect of customer satisfaction on customer loyalty and indicated that this relationship is critical for the firm’s sustainability. Furthermore, satisfied customers are more likely to buy the product or service again, leading to increased brand loyalty and fewer complaints (Hussain et al., 2015). Therefore, satisfied customers are bound to have a strong desire like repurchase intent, recommend the company to others, exhibit such commitment to the company by refusing to switch to the competitor (Cronin and Taylor, 1992; Prus and Brandt, 1995), and more likely to pay a higher price (Zeithaml, Berry, and Parasuraman, 1996). Therefore, it can be hypothesized that:

H3: Customer satisfaction is positively related to customer loyalty.

Figure 1. Research Framework

RESEARCH METHOD

Research Design

The questionnaire was divided into four sections. Excluding section 1, the respondents were asked to employ a five-point Likert scale in each question. The respondents’ views, opinions, or attitudes will be measured using the Likert scale. Value of the rating range from 1 to 5, where “1” means strongly disagree and “5” means strongly agree.

The questionnaires consist of:

1. Personal profile: In this part, the respondents had to add some details about themselves such as gender, age, ethnicity, how often they visited Starbucks, customers’ favorite way to purchase at Starbucks, and the reason why they preferred this company over other coffee shops.
2. Service quality: This section contained five questions that seek to measure empathy, reliability, tangible, and responsiveness from the employees. This part allows us to know if an employee’s behavior has a significant influence on customer satisfaction and loyalty.

3. Customer satisfaction: This dimension was measured through five questions regarding the satisfaction with their last in-store experience, the taste of beverage and food, the environment of Starbucks, and the provided services by the company.

4. Customer loyalty: In this section, the researchers developed five questions about purchasing again products from Starbucks and recommending their services to family and friends.

At the end of the questionnaire, there was an open question in which respondents were asked to include recommendations to improve the service provided by Starbucks.

Data Collection
In addition, both primary and secondary data are used to collect the data and information for this research study. Primary data is the type of data collected directly from the researchers through main sources such as surveys and interviews. In this study, the primary data was gathered through an online questionnaire and the online questionnaire is rendered in Google Form to ensure the respondents can access the questionnaire easily. In order to get multiple perspectives on this research, the questionnaire was distributed conveniently to the targeted customers, which are the Starbucks’ customers in Malaysia through social media platforms such as WhatsApp, Telegram, and Facebook. Meanwhile, the researchers also conduct research through secondary data such as internet resources, the company’s website, articles, journals, books to collect additional information. Secondary data refers to the data that has previously been collected for a purpose other than the current project. Thus, the researchers have gained a better knowledge of this research by seeking information through this secondary source method.

Sample and Procedure
The sample for this research consisted of 100 users of all ages that have used the service of Starbucks in Malaysia to evaluate how satisfied consumers are with the environment, the employees, and the service quality offered by Starbucks. The data was collected through an online questionnaire of 22 questions using Google Forms and then analyzed using IBM SPSS Statistics Software Version 26. Regression analysis is used to assess the significance of the relationship between the independent variable and dependent variables. SPSS is also used to determine the consistency of results. Moreover, the variables’ reliability was evaluated using Alpha Cronbach. When the value of Alpha Cronbach is 0.7 or greater than 0.7 indicates acceptable internal consistency.

RESULTS

Table 1. Summary of respondent’s demography

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Male</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 years old and below</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>20-29 years old</td>
<td>44</td>
<td>44</td>
</tr>
<tr>
<td>30-39 years old</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Above 40 years old</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Ethnicity</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 1 indicates that the responses are collected from 100 respondents, which consist of different gender, age group, and ethnicity. Out of the 100 population, 50% are male while the other half are female. Most respondents are Chinese (58%) and aged from 20 to 29 years old (44%).

Table 2. Summary of customer perceptions towards Starbucks

<table>
<thead>
<tr>
<th>How often do you visit Starbucks?</th>
<th>Frequency</th>
<th>Percentage(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-3 times a week</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Occasionally</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Once a month</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Once a week</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Seldom</td>
<td>43</td>
<td>43</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>What is your favorite way to purchase at Starbucks?</th>
<th>Frequency</th>
<th>Percentage(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dine-in</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td>Drive-thru</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Online ordering apps</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Why do you prefer Starbucks over other coffee shops?</th>
<th>Frequency</th>
<th>Percentage(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good environment</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Near my house</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Staff service quality</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>Starbucks reward program</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Taste of food and beverage</td>
<td>34</td>
<td>34</td>
</tr>
</tbody>
</table>

Table 2 summarizes the 100 responses on customer perception towards Starbucks. The above result clearly shows that the majority of the respondents (43%) to this survey seldom visit Starbucks. Next, a total of 65% of respondents prefer to dine in when they visit Starbucks. Moreover, 35% of respondents prefer Starbucks over other coffee shops due to Starbucks’ good environment.

Table 3. Descriptive statistics, Cronbach’s coefficients Alpha, and Zero-order correlations of all study variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Quality</td>
<td>0.846</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>0.735**</td>
<td>0.846</td>
<td></td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>0.633**</td>
<td>0.689**</td>
<td>0.780</td>
</tr>
<tr>
<td>No. of Items</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Mean</td>
<td>4.166</td>
<td>4.258</td>
<td>4.168</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>0.659</td>
<td>0.630</td>
<td>0.624</td>
</tr>
</tbody>
</table>

Note: N=100; *p < .05, **p < .01, ***p < .001. Diagonal entries in bold indicate Cronbach’s coefficients alpha.
Table 3 shows the descriptive statistics, Cronbach's coefficients alpha, and zero-order correlations of all the study variables. All the items in the variable were presented on a 5-point Likert scale in the questionnaire. Cronbach's alpha is a measure of internal consistency or can be explained as to how closely a group of variables is related to one another. The Cronbach’s alpha of the respective variables in service quality (α = 0.846), customer satisfaction (α = 0.846) and customer loyalty (α = 0.780). Based on the table above, we can see that service quality hit the highest value (0.846) while the value of customer loyalty is slightly lower (0.780). Moreover, the coefficient’s alpha for the variables falls between 0.78 and 0.85, indicating the internal consistency of all variables. Furthermore, Cronbach’s alpha value in the study is generally high, indicating strong and positive relationships between the items in each variable. These positive values suggest that as the value of one variable rise, so does another variable’s worth—the larger the reliability coefficient value, the more confidence or reliability the test scores.

Table 4. Summary of Regression Analysis for service quality and customer satisfaction

<table>
<thead>
<tr>
<th>Customer Satisfaction Towards Starbucks</th>
<th>Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variables entered (R square change = 0.568)</td>
<td></td>
</tr>
<tr>
<td>Service Quality</td>
<td>0.753***</td>
</tr>
<tr>
<td>R²</td>
<td>0.568</td>
</tr>
<tr>
<td>F Value</td>
<td>128.601</td>
</tr>
<tr>
<td>Durbin-Watson Statistic</td>
<td>1.901</td>
</tr>
</tbody>
</table>

Note: * N=100, *p < 0.05; ** p < 0.01; *** p <0.001

Table 4 shows the results of testing Hypothesis 2 (H2) using regression analysis. Based on the summary of regression analysis, service quality was entered as an independent variable, whereas customer satisfaction was entered as the dependent variable for the model testing. According to the above table, the standardized coefficient value explained by β =0.753*** and p < 0.001, implies that service quality has a highly significant effect on customer satisfaction. This outcome is in similarity with the research which was conducted by Muyeed, 2012 and Othman et al., 2019. Starbucks had generated a “third place” atmosphere in all the stores, intending to access the customer's human inner spirit. We can say that Starbucks has satisfied their customers in the market since they consistently provide high-quality services and products to its customers. Besides, this result proves that Starbucks can improve their service quality in terms of the five dimensions which were mentioned previously to increase the level of customer satisfaction. In this competitive environment, coffee shops that can provide high-quality service are able to make a good first impression, such as the employees present a neat appearance to the customers, accurately meet the needs of the customers, provide the product information required by the customers, and are responsive to their requests. In addition, the summary of the regression analysis also shows that the value of $R^2$ is 0.568, which means that about 0.568 or 56.8% of the service quality explains the variation of the dependent variable of customer satisfaction which is significant (F-value = 128.601, p < 0.001). From Table 4, the Durbin-Watson value is 1.901, which shows that there is a positive autocorrelation between the constructs. Hence, H2 (service quality is positively related to customer satisfaction) is accepted.
Table 5 presents the results of testing Hypothesis 1 (H1) and Hypothesis 3 (H3) using regression analysis. Based on this table, service quality and customer satisfaction were indicated as independent variables, customer loyalty was indicated as the dependent variable. According to Table 5, the first hypothesis (H1) indicates that there is a moderate positive relationship between service quality and customer loyalty as the standardized coefficient value explained by $\beta = 0.264^*$ at the level of significance $p < 0.05$. Hence, the relationship between customer satisfaction is relatively significant compared with the relationship between service quality and customer loyalty. These results were also consistent with previous studies that affirmed that there is a positive relationship between service quality and customer loyalty (Allan, 2016; Yang et al., 2017; Stan et al., 2013; Chomvilailuk & Butcher, 2014).

**DISCUSSION**

Service quality is one of the factors that drive the customer to make their choice. Starbucks, as a service-oriented company, understands the value of excellent customer service for their company's expansion and success. Ensuring the quality of their service will provide them with a competitive advantage over other businesses in the same sector. In line with Chen and Hu (2010), the company in the coffee shops market must develop effective strategies to improve service quality, thereby gaining higher customer loyalty. Starbucks did provide many services that made them become one of the successful fast-food industries in this world. For example, Starbucks listen to their customers by releasing "My Starbucks Idea" in 2008. Providing consumers with a more convenient and helpful way to express suggestions and complaints than a suggestion box is the concept of this idea. When the service quality meets the needs and expectations of customers, this will return to build a good reputation. In short, H1 has been accepted through this finding.

Furthermore, the third hypothesis (H3) shows that there is a strong positive relationship between customer satisfaction and customer loyalty as the standardized coefficient value explained by $\beta = 0.491^{**}$ at the level of significance $p < 0.01$. It shows that customer satisfaction is highly significant to customer loyalty. This proves that Starbucks customers are willing to tell others about their positive experiences, as well as purchase additional products and make repeat orders. It concurs with the findings of research conducted by Kasiri et al. (2017), which found that customer satisfaction has a considerable impact on customer loyalty and this relationship is critical for the firm’s existence. Consumer satisfaction is often utilized as a predictor of future purchases. Satisfied customers have a higher likelihood to repurchases, recommend to others, and be less susceptible to competitors' offers. To maximize customer loyalty, Starbucks can establish a more welcoming environment, adding more food and beverages that cater to local tastes, delivering the service quality customers expect, and running reward programs with more reward options and flexible redemption policies. These actions have
the potential to increase customer satisfaction and build strong loyalty among customer bases. From our survey, Starbucks’ customers are likely satisfied customers who tend to remain loyal customers with or without the mediation of other factors. In a nutshell, H3 has been accepted in this finding.

According to the table, the regression analysis \( R^2 = 0.505 \), and it means that 50.5% of the dependent variable, customer loyalty can be explained by the independent variables, service quality and customer satisfaction which is significant (F-value = 49.518, \( p < 0.001 \)). The value of Durbin-Watson is 1.986 and shows there is a positive autocorrelation between the variables. The findings reject the null hypothesis that there is no relationship between these variables. In conclusion, H1 and H3 have been accepted through this finding.

CONCLUSION

In conclusion, the aim of this study is to investigate the simultaneous effects of service quality and customer satisfaction on customer loyalty at Starbucks, Malaysia. Based on the analysis above, we found that all the hypotheses were accepted. As shown in the above study, the findings show that there is a positive and significant relationship between service quality and customer loyalty, there is a positive and significant relationship between service quality customer satisfaction and there is a positive and significant relationship between customer satisfaction customer loyalty. In detail, this research provides valuable insights to Starbucks managers to build a strong customer loyalty towards Starbucks by enhancing the quality of service and improving the level of customer satisfaction. According to the previous discussion, it shows that the role of service quality in improving customer satisfaction plays a significant role and, after that, contributes to building customer loyalty. Meanwhile, the employees providing high-quality service can maximize the chances of customers’ satisfaction level towards their purchases at Starbucks. Consequently, customers’ loyalty towards the brand of Starbucks is built when they are completely satisfied. Therefore, the quality of services provided, and customer satisfaction are the key to the survival of Starbucks in Malaysia as a high level of customer loyalty will help Starbucks maintain its competitive advantage and keep growing in the future.

Recommendations

The researchers provide the following recommendations which are proposed to every Starbucks store in Malaysia. The self-service ordering kiosk is a technology-based service with a touch screen device that can display menus for customers, place orders, and pay directly at the self-service kiosk. This digital tool can help Starbucks to speed up customer order processing, improve order accuracy and promote contactless. Customers can bypass the queue by using the self-service kiosk. It is because the cashless system of the self-serving ordering kiosk makes it easier for customers to pay and avoid the long queue by using the traditional payment method (cash). Moreover, this elegant concept lets customers can have complete control over their food choices. The self-service kiosk is primarily designed to allow a more autonomous shopping experience and facilitate the ordering process, while it is also reduced operating and labor costs. Therefore, the self-service ordering kiosks can improve the quality of ordering services and increase customer satisfaction when experiencing new technology systems at Starbucks.

Second, upgrading the Starbucks app to avoid customer base loss and enhance performance. With technological advancements, the buying behavior of consumers has changed. The contactless purchase system has become a necessary demand for consumers to avoid all unnecessary social interactions. Therefore, we recommend
Starbucks to upgrade their Starbucks app to provide more contactless features, such as displaying a map of nearby stores, live chat customer service by the nearby stores, pre-ordering system, sending notifications when the order is ready, and picking up orders from nearby stores. These new features can improve the quality of service and at the same time increase customer satisfaction with Starbucks' online shopping.

Third, Starbucks needs to provide extensive and practical training for its employees. The employees must not only be able to provide beverages as ordered but also know how to be friendly, provide prompt service, and be able to respond favorably to clients' complaints in stressful situations. Moreover, the essential skills and knowledge required for the profession of barista are taught through one-on-one delivery and on-the-job training using simple and intuitive technologies to improve the Starbucks barista's ability to provide customer service swiftly and efficiently. A satisfied customer will return often and more likely to purchase more if they have a positive impression of that company due to the provided good service quality. Therefore, a training program is required for all the employees to provide an excellent experience and create an ethical business culture. As a result, Starbucks need to pay more attention to improving service quality and customer satisfaction to build long-term relationship with customers.

ACKNOWLEDGMENT
N/A

DECLARATION OF CONFLICTING INTERESTS
The authors have no conflicts of interest to declare.

REFERENCES


