

獨立經營型咖啡店之氣氛、服務品質與顧客忠誠度 關係之探究

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摘要

本研究意圖探究在獨立經營型咖啡店的情境下，顧客對於氣氛的知覺以及服務品質的知覺對其忠誠度的影響，並延伸探究影響顧客忠誠度的中介機制。本研究使用問卷調查方式蒐集資料，採用立意抽樣的方式，總樣本來源為 304 位曾經至獨立經營型咖啡店消費的顧客，並主要採用多元階層迴歸分析法檢驗本研究假說。本研究實證結果顯示，首先，在主效果部分，在互相控制了兩個前置因子(顧客對於氣氛的知覺與服務品質的知覺)之下，顧客對獨立經營型咖啡店氣氛的知覺與獨立經營型咖啡店服務品質的知覺皆是顯著正向地影響顧客的忠誠度；尤其是顧客對於服務品質的知覺能夠對於顧客的忠誠度產生較強的解釋力。其次，在中介效果部分，顧客的滿意度對於兩個主效果皆分別產生了中介的效果，尤其是顧客滿意度的中介效果在顧客對於服務品質的知覺與其忠誠度的關係中的強度大於顧客對於氣氛的知覺與其忠誠度的關係。最後，本研究提出研究限制與未來研究方向，並提供當前獨立經營型咖啡店業者實務建議。

關鍵詞：氣氛、服務品質、滿意度、忠誠度、獨立經營型咖啡店

Research on the Relationship between the Atmosphere, Service Quality and Customer Loyalty of Independent Coffee Shops

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Abstract

This study explores the relationship between the atmosphere, service quality and customer loyalty of independent coffee shops. The mediating factor is also investigated. This study adopts the approach of purposive sampling, with data collected through a survey of 304 customers who have visited independent cafés. Multiple hierarchical regression is used for testing the hypothesis of this study. Research findings indicate the following: First, for the main effect, perceived atmosphere and service quality both significantly and positively influence customer loyalty when both are interdependently controlled; particularly, when two direct effects are compared, perceived service quality exerts a greater direct effect on customer loyalty than perceived café atmosphere. Second, the results also reveal that customer satisfaction mediate the effects of both perceived service quality and cafés atmosphere on customer loyalty; particularly, the mediating effect of customer satisfaction is stronger between perceived service quality and customer loyalty than between perceived café atmosphere and customer loyalty. Finally, this research offers practical implications for the coffee industry; meanwhile, research limitations and future research directions are also discussed.

Keywords: Atmosphere, Service Quality, Satisfaction, Loyalty, Independent Café

Received: Jan. 28, 2021; first revised: Jun. 14, 2021; second revised: Sep.6, 2021; accepted: Sep. 2021.

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I. Introduction

Coffee is one of the most favorite refreshments all over the world (Oh, Yoo & Lee, 2019). Among cafés around the world, chained-cafes, such as Starbucks and Blue Bottle, have been widely known all over the world for a long period of time. However, unlike a chained-café, an independent café is not only a place to have a cup of drip coffee but also a place to experience the distinctiveness that it delivers. Notably, the market expansion of independent cafés is also growing at the same time (Baccellieri, 2006; Camillo, Connolly, & Kim, 2008; Opus, 2010), many entrepreneurs aspire to build up their own cafés (Global Coffee Report, 2017), and owners of independent cafés encounter challenges compared to entrants in other industry (Nadiril & Gunay, 2013). Nowadays, there is a tendency that more and more consumers visit independent cafés, and these customers are fond of sharing how they feel at independent cafés with their online communities, which has gradually attracted potential customers' attentions of such emergent cafés. Most customers expect that their visits at independent cafés can create a memorable experience (Ali, Amin, & Cobanoglu, 2016a; Ali, Kim, & Ryu, 2016b) in the life.

In general, when customers visit one of the chained-café, for example, Starbucks cafés, their expectations are the same as other Starbucks cafés they previously visited. However, when customers visit independent cafés, customers expect distinct experience (e.g., personalized greeting, information sharing, or personalized decorations) that differs from chained-café. Besides, whenever customers need to relax for a while, they probably choose to visit an independent, in such a unique context, waiting and drinking a cup of drip coffee with distinct surroundings and unique service help themselves rejuvenate.

On the whole, differs from chained cafés, an independent café holds the following characteristics: First: the special atmosphere of an independent café is strongly associated with its actual operator (e.g., the barista or the roaster). For example, an operator who loves gardening would embellish the independent café like a garden; similarly, an operator who is fond of Indian culture would ornament the independent café with Indian materials. Moreover, the music in an independent is different from the must in other ones, that is, each independent café has its background music that goes well with the atmosphere; in addition, the independent cafés with coffee beans that are particularly roasted by their own coffee roasters. Accordingly, the overall atmosphere (e.g., decoration, music, or design) is more likely to attract particular customers, or tend to draw attention from the niche market, which would in turn make the potential customer visit the independent cafés in person, or even visit again and again. Second, the service provided in an independent café differs from chained cafés. Unlike visiting a chained café, customers who visit an independent café expect closer interactions, for example, customers expect to learn how to make the latte art and operate roasting machines, or intend to share the latest trends in the coffee industry. That is to say, compared with the chained-café, the unique service delivered by an independent cafe is more considerate, and this type of service is hardly delivered at the chained-café. In a word, the special atmosphere and unique service distinguish the chained-café and independent cafés.

In the paper, we argued that it is of vital importance to explore influential factors of successful operations, particularly within the context of independent cafés. The reasons are as follows: First, despite that the amount of independent cafés are gradually increasing, to date, literature has been majorly focused on the context of chained-café (e.g., Goi, Kalidas, & Zeeshan, 2014; Han, Nguyen, Song, Chua, Lee, Kim, 2018; Oh et al., 2019), little efforts has been spent investigating within the context of independent cafés, thus, there is still lack of comprehensive understanding regarding crucial factors that influence customers' loyalty in the context of independent cafés. Second, so far, to our best knowledge, there is little research that examined the customer loyalty of independent café settings in Asia (e.g., Lee, Lee, Chua, & Han, 2017). That is, our knowledge regarding influential factors that influence the survival and profitability of independent cafés is obviously insufficient. Third, among the limited studies, qualitative approach was mostly adopted, for example, Lee et al. (2017) involved in-

depth interviews with managers of independent cafés in Malaysia, and the results offered suggestions for entrepreneurs in the entry stage of establishing an independent café, which is considered a novel section of the hospitality industry. Fourth, the amount of quantitative studies in the context of independent cafés is still limited, thus, a quantitative approach is needed to empirically examine what influences the survival of independent cafés, by doing this would be beneficial to enrich approaches of methodology to this field. Fifth, we argued that both the unique store atmosphere and personalized service are double bind strategies for the operation of an independent café. At the independent cafés, customers encounter the environment that is full of personalized design, the particular surroundings probably make customers feel awkward or uncomfortable. Thus, customers may feel uneasy rather than refreshing at the independent café. Therefore, the specific store atmosphere could be considered an influential factor for the survival of an independent café. Moreover, because the training system at the independent café might not be as systematic as the chained café, therefore, the service quality is likely to be inconsistent. Overall, the above statements offer us reasonable arguments for further clarify the influential factors within the context of independent cafés.

In Taiwan, with the fast expansion of the coffee consumption, the coffee industry is becoming flourishing with an increasingly fierce competition. In Taiwan, the amount of coffee consumption is dramatically increase (Ma, 2020). Notably, in Taiwan, the whole demand for “packaged beverages” is decreasing because of the increasing amount of both beverage shops and cafés which offer freshly beverages and freshly brewed coffee (Ma, 2020). In other words, for customers, instead of drinking packaged beverages, having a cup of cold brewed coffee at a unique environment with customized service has become an alternative choice. Thus, there is a tendency towards having fun at independent owned cafés. For example, “Simple Kaffa”, an independent café in Taiwan, has become the world’s best café both in the 2019 and 2020 (Big 7 Travel, 2020). The superb taste created by coffee specialists (e.g., the barista) and distinctive design make “Simple Kaffa” well-known. In fact, many coffee specialists operate independent cafés with great passion, they respect the process of bean to cup, focusing on delivering high-quality coffee. In addition, the development of technology enables the barista work more effectively, for example, they are able to spend more time delivering more customized service with coffee lovers at their cafés. However, the rising cost (e.g., food cost, labor cost and rental) and the fast-growing delivery service have made the operating of independent cafés become challenging. Nowadays, a new wave for operating independent cafés has emerged and spread all over Taiwan, and competitions among independent cafés is extremely intense, in other words, the need for examining customers revisit to independent cafés is becoming important. Thus, this study is a good start for academia and practitioners.

Accordingly, this study identifies the current research gap and attempts to empirically investigate the antecedents and the mediators of customer loyalty particularly within the context of independent cafés. Specifically, the purposes of this research include 1) to examine the relationship between antecedents (i.e., perceived café atmosphere and service quality) and consequence (i.e., customer loyalty) within the independent cafés context, 2) to examine whether customers’ satisfaction mediates the relationship between the antecedents of customer loyalty within the independent cafés context.

One of the important contributions of this study is that this is the first study to determine the customer loyalty and extends knowledge of the influential factor of customer loyalty within the independent cafés context. Thus, results from this study can help the independent cafés industry develop successful operational strategies effectively.

II. Literature Review and Hypothesis Development

1. Independent Cafés

The concept of “independent café” is considered to be an independently operated foodservice store that particularly provides coffee, appetizers, main dishes and desserts (Camillo et al., 2008; Lee et al., 2017). The independent cafés are also known as “artisan cafés” which are considered as a new trend in the coffee industry (Baccellieri, 2006). This study argued that the most significant difference between independent cafés and chained cafés is the operational styles. The differences are in the following. First, unlike chained cafés, independent cafés focus on customized service which can fully deliver the uniqueness. Second, the manager of an independent cafés has absolute autonomy to make decisions independently rather than depending on headquarters like chained cafés (Camillo et al., 2008).

2. Independent Café Atmosphere

Atmosphere refers to the quality of the environmental space (Kotler, 1973). When consumers enter a coffee shop, they first perceive the atmosphere such as music, smell, temperature, air quality, product display, indoor decorations, and space arrangement of the coffee shop. In other words, the atmosphere incorporates its design and surroundings (Oh, Fiorito, Cho, & Hofacker, 2008). So far, numerous researchers have discussed the effect of shop atmosphere on customers’ purchase behavior (e.g., Baker, Parasuraman, Grewal, & Voss, 2002; Choi & Kandampully, 2019; Walsh, Shiu, Hassan, Michaelidou, & Beatty, 2011).

Store atmosphere should be well-planned because it could offer an opportunity to influence customer behavior (Miswanto & Angelia, 2017). In this study, the term of atmosphere is defined as the overall perceptions of the peripheral space while staying at an independent café.

3. Service Quality

Service quality is broadly interpreted, meaning that it is associated with consumers’ subjective perceptions instead of an objective judgment (Munusamy, Chelliah, & Mun, 2010), and it is a subjective assessment of the service (Zeithaml & Bitner, 2003). Service quality is a critical elements in service industry (Shin, Kim, & Severt, 2019). Good service quality not only can turn into the decisive factor for the development, but also gives sustainable advantages for the business (Pakurár, Haddad, Nagy, Popp, & Oláh, 2019).

Service quality refers to the difference between consumer’s expectations and perceptions of services (Parasuraman, Zeithaml & Berry, 1985, 1988). According to this definition, they developed the widely known SERVQUAL model to evaluate service quality as perceived by consumers. Parasuraman, Zeithaml, and Berry (1985, 1988) asserted that service quality is an integrative concept consisting of five dimensions, namely tangibles (physical appearance or equipment), reliability (stable provision of services), responsiveness (quick and punctual provision of services), assurance (consumers perceive service providers as being trustworthy), and empathy (provision of services tailored to individual needs). In this study, we define service quality as a subjective perception of services occurred while staying at an independent café.

4. Customer Satisfaction

Customer satisfaction is also as an important component in service industry since it positively impacts the business (Lee et al., 2018). Customer satisfaction is a frequently discussed concept (Oliver, 2014) that has been extensively examined (e.g., Başer, Cintamür, & Arslan, 2015 ; Lin, 2015 ; Mi, Chen, Cheng, Uwanyirigira, & Lin, 2019; Ren, Qiu, Wang, & Lin, 2016). Qiu, Ye, Bai and Wang (2015) defined customer satisfaction as the degree of whole enjoyment or pleasure felt by the customers. Similarly, Lin (2015) posited that customer satisfaction refers to consumers’ emotional and psychological perceptions of personal experiences. Kotler, Bowen, Makens and Baloglu (2017) argued that satisfaction denotes the extent to which consumers experience happiness or disappointment and is derived from consumers’ expectations and perceptions of physical products or intangible services. For this study, the term of customer satisfaction is defined as the overall experience of consumption after

staying at an independent café.

5. Customer Loyalty

Customer loyalty is important for hospitality industry (Tanford, 2016), and it is highly associated with the survival of an enterprise, and is vital to maintain a long-term customer relationship (Cha, Yi, & Bagozzi, 2015; Chen, 2012; Qiu, Ye, Bai & Wang, 2015). Loyal customers are crucial since they are likely to revisit, therefore they are regarded as valuable resources for the operational sustainability (Chen & Myagmarsuren, 2011; Budianto, 2019; Jin, Lee, Huffman, 2012; Tanford, 2016). Chang, Lee, and Chen (2008) contended that customer loyalty is the commitment to repeatedly purchase the same service or product. Developing customers with high loyalty can not only increase sales and market shares but also reduce costs (Palmatier, Scheer, & Steenkamp, 2007). For this study, we define customer loyalty as a customer's attitude toward a store or service after consumption at an independent café.

6. Relationships among Café Atmosphere, Customer Satisfaction, and Customer Loyalty

This study posited that the perceived atmosphere in an independent café enhances customers' satisfaction and loyalty. That is to say, providing comfortable atmosphere helps make customers with ease, the positive sense brings about pleasure, the satisfying enjoyment consequently retain customers, and in turn leads to customers' revisit. Research indicated that the atmosphere can facilitate comfort, and comfort provides customers with satisfaction in the service industry (Kang, Tang, Lee, & Bosselman, 2012; Ryu, Lee, Kim, 2012). According to Lee et al. (2018), higher customers' satisfaction can be achieved with better store atmosphere in the cafés.

In a service industry, customer satisfaction is the foundation to develop customer loyalty (Han & Hyun, 2017; Han et al., 2018; Park & Kang, 2015; Rather, 2018). In general, a satisfied customer tends to be a loyal customer (Nguyen et al., 2018). Consumers are likely to attracted by novel and creative products (Veryzer & Hutchinson, 1998), they also obtain pleasure from engaging in new and unfamiliar designs (Blijlevens, Carbon, Mugge, & Schoormans, 2012), particularly, customers' think highly of tangible cues such as interior design and atmosphere in their decision-making process (Ryu et al., 2012), and they might repeatedly visit the same café because of interesting menu design, and outstanding indoor decorations (Kang et al., 2012). In a similar vein, research also indicated that store atmosphere affect approaching response involving returning to stores (Donovan & Rossiter, 1982) and maintaining customers (Jalil, Fikry, & Zainuddin, 2016b).

Thus, it could be concluded that good atmosphere help enhance customer satisfaction which results in positive customer loyalty.

According to the above statement, we predict and hypothesize the following

H1: Customers' perceptions of atmosphere exert a positive effect on their loyalty.

H2: Customers' satisfaction mediates the effect of their atmosphere perceptions on their loyalty.

7. Relationship among Service Quality, Customer Satisfaction, and Customer Loyalty

This study posited that customers' perceived service quality in an independent café increased their satisfaction and loyalty. In other words, offering value-add (i.e., beyond customers' expectation) service assures the level of customers' positive satisfaction, which is more likely to give rise to eventually attracts their revisit.

In general, it is widely believed that higher quality can create higher satisfied customer (Han & Hyun, 2017; Lai, 2015; Pakurár et al., 2019). Consumer satisfaction is considered a significant antecedent to maintain a long-term customer relationships (Kim, 2018). Kim (2018) indicated that service providers' effort such as sincere greeting, friendly smile and empathy contribute to create customer satisfaction. Moreover, research also pointed out that high degree of perceived quality creates positive attitude such as customer satisfaction, and are more likely to convert intangible satisfaction into tangible behaviors such as repurchase or revisit behavior (Lai, 2015;

Ry, Lee & Kim, 2012) and assures customers' loyalty (Ali, Alam, & Bilal, 2021). Thus, it could be concluded that good service quality helps increase customer satisfaction which results in customer loyalty. According to the above statement, we predict and hypothesize the following:

H3: Customers' perceptions of service quality exerts a positive effect on their loyalty.

H4: Customers' satisfaction mediates the effect of their service quality perception on their loyalty.

Figure 1 illustrates the research framework

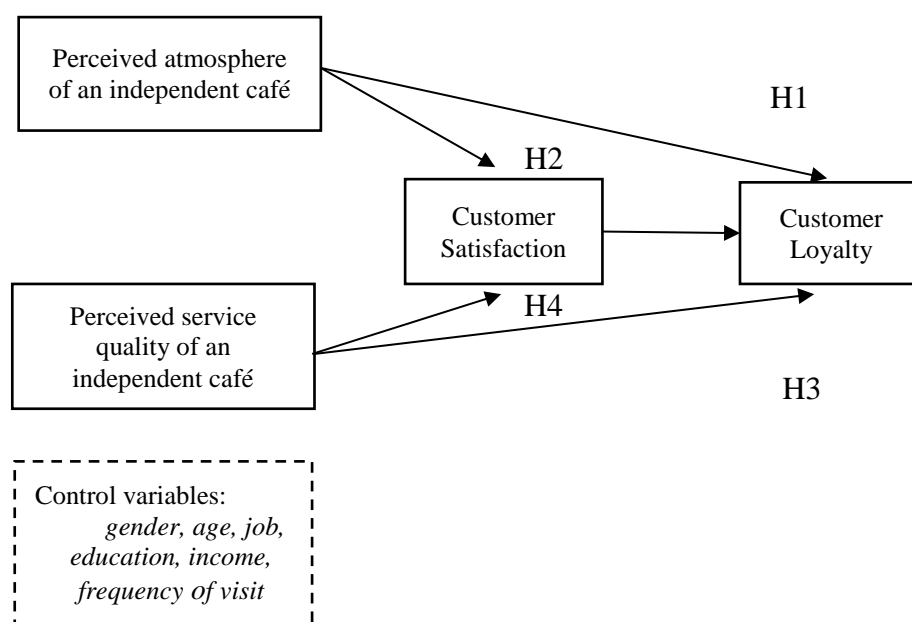


Fig.1 Research Framework

III. Research Methods

1. Procedure and Sampling

This study adopted a cross-sectional, self-administered field survey. We adopted a purposive sampling method and research questionnaires were distributed to customers in total nine independent cafés in two cities in Southern Taiwan. The main reason to select nine independent cafés from these two cities (i.e., Tainan city and Kaohsiung city) was due to wide variety of independent cafés in these two cities. Among these nine cafés, three are nostalgic styles, two are exotic styles, two are vintage-industrial style, and two are modern-industrial styles. These different types of café's not only represent the major characteristic of "independently owed" cafés but also are representative of popular independent cafés in Southern Taiwan. Onsite survey can obtain information directly from customers at the café surroundings. Thus, customers' perceptions about the surroundings are more likely to be clearly in mind (Danaher & Mattsson, 1994). After obtaining permission from the café operator, customers were invited to participate in the survey, and they were well informed about the study purpose, ensuring confidentiality. Moreover, the integrity of research data is biased once the participants are reluctant to response (Tseng, 2016), thus, to encourage participants to fill out and finish the questionnaire, the researchers personally presented a pen as an incentive to each respondent. The onsite survey provides some benefits (i.e., more accurate responses and a higher response rate) although it is more costly than other approaches.

Data were collected through personally administered questionnaire during all operating hours and most of the survey were conducted in the evening and weekends. Customers who agreed to participate provided a complete survey before they left the café. The survey was conducted from October, 2017, over a month-long period (mainly

in October 2017). There were totally 353 questionnaires distributed, excluding 49 incomplete questionnaires, a total of 304 valid questionnaires were collected, with a response rate of 86%.

2. Measures

The self-administered questionnaire comprises two sections. The first section includes demographic information, information regarding gender, age, job, education, income and frequency of visit were asked; and perceptions of café atmosphere, service quality, satisfaction, and loyalty were asked in the second part. The survey items were in English originally and then translated into Chinese following the commonly used procedure of back-translation (Brislin, 1986). Due to the specific characteristics of an independent café as well as limited extant literature and scarce quantitative approach in the context of independent cafés so far, existing measures in the relevant literature were adapted for current study, and proper modifications from the original measure items were necessary accordingly so as to reflect the current research setting. Before the questionnaire was distributed, two experts with at least 3 years of experiences examined the questionnaire and adjustment was made based on the recommendations by two professors at different universities. The adjusted questionnaire from the industry experts and professors was then given to two students who have been to an independent café before. They were asked to read the questionnaire to find out whether the questionnaire was understandable and readable. Then useful feedback was obtained, and some descriptions were reworded based on their recommendations. As such, face validity could be confirmed. This approach made data collection more feasible in the context of an independent café. Responses were measured using a five-point Likert-type scale. This five-point Likert-type scale was used instead of a seven-point one because a five-point scale was easier to handle for the respondents (Malhotra & Birks, 2007). The scale ranged from “strongly disagree=1” to “strongly agree = 5”.

Furthermore, since the data in this study was self-reported from single source (i.e., customers), the bias of Common Method Variance (CMV) may exist (Podsakoff et al., 2003), we adopted two procedural remedies as scholars suggested accordingly. The first procedural remedy of the respondents’ anonymity could make respondents less likely to respond in a socially desirable way (Podsakoff et al., 2003), and the second procedural remedy of adopting a reversed item could reduce CMV caused by potential effects of response pattern biases such as carelessness or consistency of motif (Peng et al., 2006).

(1) Café Atmosphere

Unlike a chained-café, each independent café is unique since it offers distinct atmosphere such as an impressive logo, the indie music, or special furniture design and so on. Accordingly, based on existing scales from relevant literature (Grewal et al., 2003; Ryu & Han, 2010; Shin et al., 2015), a 6-item scale was used so as to reflect the customers’ perception within the setting of an independent café. For instance, the original item from Ryu and Han (2019), namely, “The restaurant had attractive interior design and décor.” was revised to “The design style is attractive in this café”. Cronbach’s alpha of this scale is 0.85.

(2) Service Quality

We theoretically generalized representative items from existing scales in relevant literature. First, both based on the SERVQUAL (Parasuraman et al., 1988), Yuan et al. (2015) presented 15 evaluation criteria of service quality for cafés in Taiwan, besides, Dabholkar et al. (1996) developed a measure of service quality for retail stores as well. Second, based on 10 dimensions identified by Parasuraman et al. (1985), Cronin et al. (2000) adopted a well validated service quality scale containing 10 dimensions with 10 items to evaluate relationships among specific constructs across multiple service industries. These criteria in existing literature provided us guidelines to generalize two representative items from each five dimension (i.e., tangibles, reliability, responsiveness, assurance, and empathy) identified by Parasuraman et al. (1988), while the description of these

10 items with five dimensions could reflect the current research setting. The referent “employees” in the original item was revised to “service providers” to suit the research context. Sample items are “Service providers in this café have neat appearances” and “Service providers in this café are willing to help customers”, and a reversed item is “Service providers are too busy to respond to customers’ requests”. Cronbach’s alpha of this scale is 0.84.

(3) Customer Satisfaction

To capture customer overall satisfaction at independent cafés, based on existing scales from relevant literature within the context of hospitality industry (Cronin et al., 2000; Qiu et al., 2015), a 5-item scale was used in order to reflect the current research setting, and the context of “the hotel” in the original item were revised to “the café”. For instance, the original item from Qiu et al. (2015), namely, “Overall, I am content with the decision to stay at this hotel” was revised to “Overall, I am content to stay at this café”. Cronbach’s alpha of this scale is 0.86.

(4) Customer Loyalty

To be in accordance with the characteristics of independent cafés such as an independent café generally offers specialty coffee with higher price, based on existing scales from relevant literature within the context of hospitality industry (Qiu et al., 2015; Shin et al., 2015), a 5-item scale was used so as to reflect the research setting. For instance, the original item from Shin et al. (2015), namely, “I intend to continuous use even if it is expensive compared to other coffee shop” was revised to “I will visit this café again even if the price is more expensive than other cafés”. Cronbach’s alpha of this scale is 0.83.

3. Analysis of Measurement Reliability and Validity

Kaiser (1975) recommended that Kaiser-Meyer-Olkin (KMO) values should be greater than 0.7, and Bartlett’s test of Sphericity should be significant (Bartlett, 1951). In this study, as indicated from Table 1, KMO values of store atmosphere, service quality, customer satisfaction and customer loyalty are 0.8, 0.9, 0.8, and 0.8, respectively, indicating that a sufficient number of items had been predicted by each construct. Bartlett’s test of Sphericity of store atmosphere, service quality, customer and customer loyalty indicated $\chi^2=806.201$ (df=15), $\chi^2=1316.289$ (df=45), $\chi^2=785.416$ (df=10), $\chi^2=611.448$ (df=10), respectively, and all presented $p < .001$, suggesting that items provided a reasonable basis for factor analysis. Then, employing the principal components factor analysis with varimax method, in this study, factor loadings of all items were greater than 0.5, ranging from 0.5 to 0.9, while one reversed item in the service quality scale, namely, “Service providers in this café are sometimes too busy to respond to customers’ requests” was loaded at 0.312, while there exists a relationship between sample size and acceptable factor loadings, with the sample size of 304 in current study, the loading of the single reversed item is acceptable (Hair et al., 2006; Stevens, 2012). Moreover, we further adopted a confirmatory factor analysis by using M-plus 7 to confirm the five dimensions of service quality scale. As indicated from Table 2, the goodness-of-fit indices ($\chi^2 = 42.588$ 、df = 25、CFI = .98、TLI = .97、RMSEA = .04、SRMR = .02) of the five-factor model (i.e., tangibles, reliability, responsiveness, assurance, and empathy) indicated acceptable, and was better than that of the four-factor model (i.e., tangibles and reliability were combined together, responsiveness, assurance, and empathy) ($\chi^2 = 100.09$ 、df = 29、CFI = .94、TLI = .91、RMSEA = .08、SRMR = .04) and three-factor model (i.e., tangibles, reliability and responsiveness were combined together, assurance, and empathy) ($\chi^2 = 125.10$ 、df = 32、CFI = .92、TLI = .89、RMSEA = .09、SRMR = .05) suggesting that five dimensions were covered. Zaltman and Burger (1975) suggested and cumulative variance explained (%) greater than 40 indicating acceptable. In this study, cumulative variance (%) explained by store atmosphere, service quality, customer satisfaction, and customer loyalty is 58, 45, 65 and 61, respectively, indicating the acceptable level has been reached. Therefore, all items were retained. In this study, Cronbach’s alpha of store atmosphere scale, service

quality scale, customer satisfaction scale, and customer loyalty scale is .85, .84, .86, and .83, respectively, exceeded the critical value of 0.7 recommended by Hair et al. (1998), indicating it was satisfactory. In addition, the validity of the construct was measured using the convergent and discriminant validity. Convergent validity was determined from the evaluation of composite reliability (CR) and average variance extracted (AVE) that should be at least 0.6 and 0.5, respectively (Fornell & Larcker 1981 ; Hair et al., 2010). In this study, CR for all the constructs were all greater than 0.9, and AVE for all the constructs were greater than the value of 0.5, ranging between 0.5 and 0.6, indicating the convergent validity has reached. Finally, for the discriminative validity, as suggested by Anderson and Gerbing (1988), a confirmatory factor analysis (CFA) was conducted using M-plus 6.12 before hypothesis testing. CFA is widely adopted to determine a proposed measurement model that adequately fits the data (Hooper et al. 2008). That is, this analysis was adopted to examine the factor structure of perceived café atmosphere, perceived service quality, customer satisfaction, and customer loyalty. A series of chi-square tests were performed to assess the discriminability of each measurement construct (Hekman et al., 2009). According to the analysis, as indicated from Table 3, the CFA analysis shows the goodness-of-fit indices as follows: the proposed four-factor model ($\chi^2 = 948.24$, $df = 293$, $p < .001$, $CFI = .85$, $TLI = .84$, $RMSEA = .08$, and $SRMR = .07$) was better than that of the three-factor model ($\chi^2 = 1139.92$, $df = 296$, $p < .001$, $CFI = .81$, $TLI = .79$, $RMSEA = .09$, and $SRMR = .07$) and one-factor model ($\chi^2 = 1524.06$, $df = 299$, $p < .001$, $CFI = .72$, $TLI = .70$, $RMSEA = .11$, and $SRMR = .07$). In the one-factor model, the all four factors were combined into a single factor. In the three-factor model, perceived café atmosphere and perceived service quality were combined into a single factor, leaving customer satisfaction and customer loyalty as the remaining factors. The analysis results demonstrated that the proposed four-factor model exhibited the best fit among all possible models, supporting that the study measures are distinct.

4. Statistical Remedies of Common Method Variance (CMV)

For the statistical remedies of CMV, two remedies were also used. First, Harman's one-factor (or single-factor), while Podsakoff and Organ (1986) considered it a post hoc remedy test, is one of the most commonly used techniques (Podsakoff et al., 2003). For a Harman single-factor test, an exploratory factor analysis (EFA) using unrotated principal components factor analysis, all research items were entered into EFA, if one general (i.e., the first) factor accounts for more than the majority (50%) of the covariance among the research items, common method bias exists. The results indicated that the first factor did not account for the majority of the variance (40%). Second, as Podsakoff et al. (2003) indicated that some researchers (e.g., Iverson & Maguire, 2000; Mossholder et al. 1998) used a confirmatory factor analysis (CFA) as a more sophisticated way to detect whether a single factor can account for all of the variance in research data. The one-factor CFA model should fit the data well if common method biases exists. We estimated a CFA model in which all research items were loaded on one general factor accordingly. The CFA indicated that the single-factor model did not fit the data well ($\chi^2 = 1524.056$, $df = 299$, $p = .000$, $CFI = 0.723$; $TLI = 0.699$; $SRMR = 0.074$ $RMSEA = 0.112$). That is to say, two statistical remedies suggested that CMV is not a major concern in current study.

Table 1 Analysis of measurement reliability and validity

construct	item number	variance explained (%)	KMO	Bartlett χ^2	df	p value	CR	AVE	Cronbach's α
Café Atmosphere	6	57.979	.834	806.201	15	.000	.9	.6	.85
Service Quality	10	45.462	.876	1316.289	45	.000	.9	.5	.84
Customer Satisfaction	5	65.223	.810	785.416	10	.000	.9	.7	.86
Customer Loyalty	5	60.572	.831	611.448	10	.000	.9	.6	.83

Table 2 Fit Indices for a Five-Factor Models of Service Quality Scale

Model	χ^2	df	$\Delta\chi^2$	CFI	TLI	RMSEA	SRMR
Five-factor model	42.55	25		0.98	0.97	0.04	0.02
Four-factor model	100.09	29	57.51	0.94	0.91	0.08	0.04
Three-factor model	125.10	32	82.52	0.92	0.89	0.09	0.05

Notes:

1. In the five factor model, the factors were tangibles, reliability, responsiveness, assurance, and empathy.
2. In the four-factor model, tangibles and reliability were combined into a single factor, leaving responsiveness, assurance, and empathy.
3. In the three-factor model, tangibles, reliability and responsiveness were combined into a single factor, leaving assurance and empathy.

Table 3 Fit Indices for Alternative Measurement Models

Model	χ^2	df	$\Delta\chi^2$	CFI	TLI	RMSEA	SRMR
Four-factor model	948.24	293		0.85	0.84	0.08	0.07
Three-factor model	1139.92	296	191.68	0.81	0.79	0.09	0.07
One-factor model	1524.06	299	575.82	0.72	0.70	0.11	0.07

Notes:

1. In the four-factor model, the factors were perceived café atmosphere, perceived service quality, customer satisfaction, and customer loyalty.
2. In the three-factor model, perceived café atmosphere and perceived service quality were combined into a single factor, leaving customer satisfaction and customer loyalty as the remaining factors.
3. In the one-factor model, perceived café atmosphere, perceived service quality, customer satisfaction, and customer loyalty were combined into a single factor.

IV. Results

1. Demographics of Respondents

Among all the 304 respondents, 69.5% and 30.5% were women and men, respectively. Most respondents were 26-30 years old (49%), followed by those aged 21-25 years (24%). Most respondents had a monthly income of NT\$21,000-25,000 (36%), followed by those with a monthly income of NT\$26,000-30,000 (20%).

2. Descriptive Statistics

We illustrated the descriptive statistics to give a detailed picture of all the variables by using Statistical Package for the Social Sciences (SPSS) version 22.0. We identified the relationships among the control, independent, and dependent variables, we performed a Pearson correlation analysis. Table 4 provides the means, standard deviation (SD), reliabilities, and correlations of the measures used in this study. The results revealed that perceived café atmosphere and customer loyalty exhibited a correlation coefficient of 0.58 ($p < .001$).

Table 4 Correlations among research variables

	mean	SD	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
(1)gender	-	.47	(-)									
(2)age	-	.54	-.06	(-)								
(3)job	-	1.44	-.08	.43*	(-)							
(4)education	-	.41	.05	.20**	.03	(-)						
(5)income	-	.82	.15**	.45**	.59***	.08	(-)					
(6)visit frequency	-	.95	.15**	-.18**	-.17**	-.10	-.10	(-)				
(7)atmosphere	3.27	.54	-.07	-.06	.07	.03	.03	-.15	(.85)			
(8)service quality	3.93	.47	-.04	.06	.08	.05	.02	-.22***	.69***	(.84)		
(9)satisfaction	4.09	.54	-.02	.03	.08	.09	.10	-.28***	.62***	.73***	(.86)	
(10)loyalty	3.70	.62	.06	.06	.10	.02	.12*	-.22**	.58***	.59***	.63***	(.83)

Notes:

1. $p < 0.05^*$; $p < 0.01^{**}$; $p < 0.001^{***}$
2. The value in the parentheses represents reliability.
3. $n = 304$

Perceived service quality and customer loyalty exhibited a correlation coefficient of 0.59 ($p < .001$). Customer satisfaction and customer loyalty exhibited a correlation coefficient of 0.63 ($p < .001$). The aforementioned correlations were significant and positive.

3. Hypothesis Testing

We performed a series of hierarchical multiple regressions to test the research hypotheses by adopting Statistical Package for the Social Sciences (SPSS) version 22.0. Hierarchical multiple regression allows researchers to assess the predictive power of each independent variable and the variance that the independent variables can explain after controlling for the effects of one or more variables proposed in the model as a first step (Pallant, 2010). The first step is to enter the variables considered predictors from previous research; then, the second step is to simultaneously enter new predictors specific to the proposed model (Field, 2018), this approach allows researchers to identify improvements in the model.

Furthermore, the method suggested by Baron and Kenny (1986) was adopted for testing the mediating effect between the independent variables, dependent variable. This method suggests that three regression equations must be supported. First, the significance of the effect of the independent variable on the dependent variable must be significantly positive. Second, the significance of the effect of the independent variable on the mediator must be significantly positive. Third, full mediation holds if the independent variable has no effect (β becomes non-significant) when the mediator is controlled, and partial mediation holds if the independent variable has less effect (β is reduced) when the mediator is controlled.

(1) The Main Effect of Perceived Café Atmosphere on Customer Loyalty and the Mediating Effect

Table 5 presents results of H1 and H2. In the first step, the significance of the effect of the independent variable on the dependent variable must be significantly positive. Model 2 revealed that the effect of perceived café atmosphere on customer loyalty was significant and positive ($\beta = .35, p < .001$). Accordingly, H1 was supported. In the second step, the significance of the effect of the independent variable on the mediator must be significantly positive. Model 5 revealed that the effect of perceived café atmosphere on customer satisfaction was significant and positive ($\beta = .23, p < .01$). Finally, the mediator was incorporated into the regression model to assess the changes in the regression coefficient of the independent variable. Model 3 revealed that after customer satisfaction was included in the equation, perceived café atmosphere still exerted a significant effect on customer loyalty, but the β was reduced (from .35 to .26) and the significance level was reduced (from $p < .001$ to $p < .01$). This indicated that customer satisfaction exerted a partial mediating effect on the positive relationship between perceived café atmosphere and customer loyalty; thus, H2 was supported.

(2) The Main Effect of Perceived Service Quality on Customer Loyalty and the Mediating Effect

Table 5 presents the results of H3 and H4. In the first step, the significance of the effect of the independent variable on the dependent variable must be significantly positive. Model 2 revealed that perceived service quality exerted a positive and significant effect on customer loyalty ($\beta = .48, p < .001$). Accordingly, H3 was supported. In the second step, the significance of the effect of the independent variable on the mediator must be significantly positive. Model 5 revealed that the effect of perceived service quality on customer satisfaction was positive and significant ($\beta = .63, p < .001$). Finally, the mediator was incorporated into the regression model to assess the changes in the regression coefficient of the independent variable. Model 3 revealed that after customer satisfaction was incorporated into the regression model, perceived service quality still exerted a significant effect on customer loyalty, but the β was reduced (from .48 to .23), moreover, the significance level was reduced (from $p < .001$ to $p < .05$). This indicated that customer satisfaction exerted a partial mediating effect on the positive relationship between perceived service quality and customer loyalty; thus, H4 was supported.

4. Supplementary Analysis(1)

This study further compared the direct effects of perceived café atmosphere and perceived service quality on customer loyalty. Model 2 (Table 5) revealed that the standardized coefficient of service quality ($\beta = .48, p < .01$) was higher than that of perceived café atmosphere ($\beta = .35, p < .01$) when customer loyalty was regressed on these two factors. This indicated that the effect of perceived service quality on customer loyalty was greater than that of perceived café atmosphere on customer loyalty. Next, this study compared the same pair of direct effects when the mediator was included in the regression model. Model 3 (Table 5) revealed that when customer satisfaction was included in the regression model, the regression coefficient of perceived café atmosphere was reduced (from .35 to .26) and the significance level was reduced (from $p < .001$ to $p < .01$). Similarly, the regression coefficient of perceived service quality was reduced (from .48 to .23) and the significance level was reduced (from $p < .001$ to $p < .05$). This indicated that when the mediator was included, the explanatory power of perceived service quality on customer loyalty was less than that of perceived café atmosphere on customer loyalty. In other words, the mediating effect of customer satisfaction was greater in the relationship between perceived service quality and customer loyalty than in that between perceived café atmosphere and customer loyalty.

Table 5 Results of Hierarchy Regression

	loyalty			satisfaction	
	Model	Model2	Model3	Model 4	Model5
control variables					
gender	.12	.13	.12	.01	.02
age	-.01	.03	.05	-.07	-.05
job	.02	-.00	.00	.01	-.02
education	-.02	-.05	-.07	.08	.05
income	.03	.05	.02	.04	.07
visit frequency	-.14	-.06	-.03	-.16*	-.07
independent variable					
atmosphere		.35***	.26**		.23**
service quality		.48***	.23*		.63***
mediator					
satisfaction			.40***		
R^2	.06	.42	.47	.09	.58
$Adj R^2$.04	.40	.45	.07	.57
ΔR^2	.06	.35	.05	.09	.49
F value	3.39***	27.89***	30.42***	5.16***	54.87***
ΔF value	3.39***	95.34***	30.09***	5.16***	185.93***

Notes:

1. $p < 0.05^*$; $p < 0.01^{**}$; $p < 0.001^{***}$

2. $n = 304$

5. Supplementary Analysis (2)

In order to further verify research hypothesis, the research hypothesis were again examined via structural equation modelling (SEM) implemented in Mplus, 7.0 (Muthén, Muthén, & Asparouhov, 2017). In the structural model analysis, we estimated all the path coefficients, simultaneously controlling for customers' gender, age, job, education, income and visit frequency. The hypothesis1 predicted that customers' perceptions of atmosphere exert a positive effect on their loyalty. This hypothesis was supported ($\beta = .22, p < .001$). Hypothesis 2 predicted that service quality would be positively related to customer loyalty at work; this effect was found to be significant (β

= .17, $p < .05$). Finally, we tested our mediation hypotheses. The mediating effects of customers' satisfaction was examined by the bootstrapping approach, and using Mplus with 2,000 iterations to calculate bias-corrected 95% confidence intervals (CI) for estimating indirect effects (Preacher & Hayes, 2004). Hypothesis 2 predicted that the relationship between atmosphere and loyalty would be mediated by satisfaction. Our bootstrapping results illustrate that the indirect effects of atmosphere on loyalty via satisfaction ($\beta = .09$, $p < .001$, bootstrap bias-corrected 95% CI [0.05, 0.17]) were significant. Hypothesis 4 predicted that the relationship between service quality and loyalty would be mediated by satisfaction. The bootstrapping results illustrate that the indirect effect of service quality on loyalty via satisfaction was supported ($\beta = .03$, $p < .05$, bootstrap bias-corrected 95% CI [0.13, 0.39]). Accordingly to above results, all research hypothesis were again supported. The path coefficients and indirect effects for mediation models is shown in Table 6.

Table 6 Path Coefficients and Indirect effects for mediation models

	Path coefficients		Indirect effects		
	to loyalty	to satisfaction	estimate	lower 95% C.I	upper 95% C.I
atmosphere		.23*** (.06)		.13	.34
service quality		.55*** (.06)		.43	.65
satisfaction	.62*** (.04)			.21	.50
atmosphere	.22*** (.07)			.08	.35
service quality	.17* (.08)			.01	.33
atmosphere → satisfaction → loyalty	.09*** (.03)		.93*** (.03)	.05	.17
service quality → satisfaction → loyalty	.03*** (.07)		.03*** (.07)	.13	.39

Note

1. $n = 304$

2. Bootstrap confidence intervals were constructed using 2000 resamples.

3. Standard error in parentheses

V. Conclusion and Recommendations

1. Research Findings

This study examined factors influencing customer loyalty particularly within the context of independent cafés. The results are as follows:

First, for the main effects, results indicated that after interdependently controlling perceived service quality and perceived café atmosphere, both perceived service quality and perceived café atmosphere still positively affected customer loyalty. Therefore, both main effects were all supported. Second, the mediating effect of customer satisfaction was also investigated. The results revealed that customer satisfaction partially mediated the effect of perceived café atmosphere on customer loyalty as well as the effect of perceived service quality on customer loyalty. That is to say, customers' perceived cafés atmosphere positively impact their loyalty partially through their satisfaction, and customers' perceived service quality positively influence their loyalty partially through their satisfaction. In a word, customers' satisfaction is a crucial mechanism that links the antecedents (i.e., store atmosphere and service quality) and consequence (customer loyalty).

Moreover, we additionally analyzed the research data. The results further indicated that when two main effects were compared, customers' perceived service quality at the independent cafés exerts a greater impact on their loyalty than perceived café atmosphere does. That is to say, compared with the cafés' atmosphere, how customer experience the service provided at the independent cafés is more powerful to predict their loyalty at the independent cafés. In addition, when two mediating effects were compared, the mediating role of customer

satisfaction is stronger between perceived service quality and customer loyalty than between perceived café atmosphere and customer loyalty. That is to say, customers' satisfaction plays a more important role in the relationship between their perceived service quality and their loyalty than that of perceived store atmosphere and their loyalty.

2. Practical Implications

This study attempts to provide a further understanding for marketers and service providers of independent cafés about the critical role of store atmosphere and service quality within the setting of independent cafés. According to the study results, the following practical implications are offered as follows.

First, according to results in current research, both store atmosphere and service quality are important antecedents for the successful operation of independent cafés. Customers in an independent café may more concern what they have experienced (i.e., café atmosphere and service quality) than the food they have consumed. The results are consistent with previous findings that service quality alone is not a competitive advantage any more (Oh, Yoo & Lee, 2019). To most customers, visiting an independent café is no longer just drinking a cup of drip coffee, instead, customers also expect to enjoy the novel store atmosphere. For example, special building materials, friendly menu, decoration, layout, design, and lighting may bring about their aesthetic pleasure. For managers of independent cafés, determining how to create a recommendable store atmosphere that enables the target customers to feel pleasant while visiting the café and have a memorable experience is the key to attracting, satisfying, and retaining customers and eventually increasing long-term profit.

Second, in addition to store atmosphere, sustaining and managing the service quality of service personnel is essential. As previous research suggested that this is now the time to highlight the importance of service quality (Chien & Chi, 2019), managers should consider service providers as crucial assets, thus, the procedure of recruitment, selection, training and retaining must be sound in order to reduce gaps in expected service quality. Susskind, Kacmar, and Borchgrevink (2007) reported that when an enterprise establishes a standard operating protocol for service delivery, services provided are more efficient in customer-oriented industry. Thus, it is beneficial for independent cafés operators to set up service operation guidelines. After all, service must be delivered by frontline employees in a thoughtful and caring manner to demonstrate favorable service quality. The improved service quality thereby increase customers' satisfaction and ultimately leads to their loyalty.

Third, an independent cafés can serve as a private gathering venue. In fact, coffee lovers need more than just a cup of coffee, they expect a value-added experience. Customers' preference of visiting independent cafés might be associated with their particular living styles. Thus, for operators of independent cafés, it is advantageous to consider creating value by offering different types of experiences which can help illustrate consumers' living styles. Besides, to differ from chained-café, several independent cafés have combined hedonic values by offering different types of fresh and new activities (e.g., coffee roasting, latte art). The operator's enthusiasm and belief toward coffee can make each independent café unique. Moreover, in terms of environmental development, more and more customers are beginning to realize the importance of sustainability. As a matter of fact, the coffee industry is considered a leading industry to advocate sustainability, thus, continuously delivering the concept of sustainability (e.g., offering green food, eco-friendly coffee) and carrying out socially responsible practice (e.g., supporting fair trade coffee) will be beneficial approaches to build up a better relationship with customers, particularly eco-friendly lifestyle customers in the long run.

Fourth, nowadays, with the advance of technology, the digital applications (e.g., IoT or AI), the social networking services and even the delivery service all have dramatically shifted consumer behaviors. Since customers' needs are keeping changing, strategically integrate technology for better managing customers' overall experience is of great urgency. Moreover, providing fundamental incentive that prevents customers'

dissatisfaction, and delivering inspirational value that facilitates customers' satisfaction would be a value co-creation strategy to bring out customers' loyalty eventually.

3. Research Limitations and Future Research Directions

Although the current study provided several contributions, there still exist some limitations. They are as follows. First, this study collected samples from only nine independent cafés in Southern Taiwan instead of surveying customers in a wider region. This limits the generalizability, representativeness and applicability of results. Moreover, among respondents, women accounted for approximately 70% of interviewees in this study; most respondents (approximately 70%) were under the age of 30-year old. Therefore, the study results might not be applicable to other types of consumers. Second, this study adopted a cross-sectional approach to collect data, which were inadequate for examining causal relationships between independent variables and the outcome variable. It is suggested that future research can contribute by using longitudinal approaches to collect data so that the causal relationships can be more rigorously examined.

Under the light of the findings of this study, some suggestions can be made for future research. First, scholars can consider other potential predictive variables as well as situational variables (e.g., the leadership style of the shop manager) that might explain customer satisfaction and loyalty for independent cafés. Previous study has indicated that leadership quality is an essential factor for corporate survival (Cucculelli, 2013). Second, in addition, other mediators (e.g., positive customer emotions) can also be discussed. Finally, this study can serve as an inspiration for scholars and experts to examine future research on the brand management of independent cafés, thereby extending knowledge in the field within the context of independent cafés. Finally, researchers can also adopt qualitative approaches (e.g., interview) to further explore this interesting topic in a better way, then it would be necessary to compare the results so as to enrich the literature and provide more insights into practice.

4. Conclusion

As coffee has become one of the most popular beverages around the world, customers' need for coffee experience has become a challenge for the operation of an independent café. When visiting an independent café, consumers expect more than to simply drink coffee, they are eager to experience a pleasant and charming lifetime. Therefore, for managers of independent cafés, creating distinct and wonderful atmosphere and providing extraordinary service are still regarded as a unique advantage in such a competitive food and beverage industry.

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