

Understanding Younger Generations' Perceived Service Quality, Value, and Satisfaction in Coffee Shops in Kota Bharu, Kelantan. An Empirical Analysis of Young Generations' Perceptions

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ABSTRACT

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This research investigates the perception of service quality, value, and satisfaction among younger generations visiting coffee shops in Kota Bharu, Kelantan. The study aims to understand their preferences and intentions, as these factors greatly influence young generation's satisfaction. The authors employed the DINEERV model's five key factors for assessing perceived service quality. The main goal of this research is to gain insights into how young generations perceive, feel satisfied with, and intend to behave towards coffee shops in Kota Bharu, Kelantan. Kelantan, like many regions, faces unique challenges and trends among its young population. These challenges may include shifts in consumer preferences, economic factors, or cultural influences that impact their choices and satisfaction when visiting coffee shops. This study seeks to shed light on these issues and their implications for coffee shop owners and marketers in Kelantan. The authors collected data from 154 young individuals in Kota Bharu, Kelantan, through an online survey questionnaire using non-probability sampling techniques. Our findings reveal a strong connection between young generations' perception of service quality, value, and satisfaction, which act as important factors in shaping their behavioural intentions to patronize the coffee shop. This research provides valuable insights and data for coffee shop businesses in Kota Bharu, Kelantan, helping them enhance their service quality, improve the value they offer, and cater to the preferences of their target market. By understanding the perceptions and preferences of younger generations, businesses can better meet their needs, increase young generation's satisfaction, and build loyalty. Our study emphasizes the significance of providing excellent service quality and value to achieve young generation's satisfaction and foster positive behavioral intentions towards coffee shops. These insights can assist coffee shop businesses in developing effective strategies to attract and retain young generations, ultimately contributing to their long-term success and profitability.

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1. INTRODUCTION

Coffee shops have become an essential element of modern culture throughout the world, including Malaysia. With so many coffee shops in Kota Bharu, Kelantan, it is essential to concentrate on providing excellent service, perceived value, and young generation's satisfaction to encourage repeat business and draw in new clients. Prior studies have revealed that the degree of perceived service quality, perceived value, and young generation's happiness affect young generations' intentions to return to a coffee shop (Chung, Lee & Shin, 2015; Kim & Lee, 2015).

In the realm of the coffee and beverage industry, these factors hold a prominent position as decisive factors influencing the retention of the young generation. Consequently, coffee shop proprietors and managers must accord paramount importance to these facets in order to distinguish themselves in a highly competitive market. These considerations extend beyond coffee shops to encompass the broader food and beverage sector (Lin & Wang, 2015; Wong & Sia, 2019).

The coffee shop landscape in Kelantan, while experiencing growth, grapples with distinctive challenges that warrant investigation. These challenges may encompass economic dynamics, cultural nuances, or factors associated with consumer behaviour, all of which exert an impact on service quality, perceived value, and customer satisfaction. By delving into these challenges, our research endeavours to provide meaningful insights to the coffee shop industry in Kelantan.

However, it is worth noting that a notable dearth of studies currently exists, specifically focusing on the perspectives of young generation concerning service quality, perceived value, and satisfaction within the coffee shops in Kota Bharu, Kelantan. Therefore, comprehending the perceptions of this demographic assumes critical significance. Such insights are poised to catalyse improvements in service delivery, ultimately fostering both client retention and acquisition."

The research objectives (ROs) for the study on the perceptions of younger generation towards coffee shops in Kota Bharu, Kelantan are as follows:

RO1: To investigate the relationship between young generations' perceived value and their behavioral intention towards coffee shops.

RO2: To investigate the relationship between young generations' perceived service quality and their behavioural intention towards coffee shops.

RO3: To examine whether young generation's satisfaction mediates the relationship between perceived value and behavioural intention towards coffee shops.

RO4: To examine whether young generation's satisfaction mediates the relationship between perceived service quality and behavioural intention towards coffee shops.

This study seeks to perform an empirical investigation of these elements to solve the current knowledge gap on young generation's perceptions of service quality, value, and satisfaction in coffee shops in Kota Bharu, Kelantan.

By examining young generations' views of service quality, value, and satisfaction, the study aims to pinpoint the key factors that influence their intentions to return to a coffee shop in Kota Bharu, Kelantan. The findings of this study can help managers and owners of coffee shops

understand the important variables that affect young generations' behaviour and satisfaction in the cutthroat coffee and beverage industry. The study is anticipated to add to the body of knowledge on the service quality, perceived value, and young generations' satisfaction in the coffee and beverage sector, specifically in the context of Kota Bharu, Kelantan.

2. LITERATURE REVIEW

2.1 Perceived Value

Perceived value is a critical construct in the service industry and has received considerable attention in the literature. Perceived value is defined as the perceived benefits young generations receive compared to the costs they incur (Zeithaml, 1988). A substantial body of research has explored the association between perceived value and young generation behaviour in a range of service industries, including the food and beverage sector (Hong & Ahn, 2023; Mahardhikka & Nurmahdi, 2023).

Perceived value has been recognized as a crucial factor in determining young generation behaviour and intentions in the competitive coffee and beverage industry. Gee, Guo and Zhai (2021) have discovered that perceived value has a positive relationship with young generations' satisfaction, which subsequently impacts behavioural intentions in the coffee and beverage sector. Ryu, Lee and Kim (2012) conducted a study that demonstrated how perceived value significantly influences young generations' loyalty in the coffee shop industry. Specifically, young generations who perceive higher value from a coffee shop are more likely to revisit and be loyal to that shop.

Furthermore, previous research has highlighted that various factors affect perceived value in the food and beverage industry. For example, Chen, Chen and Chang (2021) discovered that factors such as food quality, service quality, and environmental quality positively influence perceived value in Chinese restaurants. Recent research in the food and beverage industry has emphasized the importance of considering young generations' cultural backgrounds when examining perceived value. Shin, Yoon and Lee (2021) found that in the Korean food and beverage industry, young generations with a collectivist cultural orientation place greater importance on perceived value than those with an individualistic orientation.

In general, perceived value plays a vital role in determining young generations' intentions and behaviours in the highly competitive coffee and beverage industry. Various factors, including food and service quality and cultural background, can influence young generations' perceptions of value (Zeithaml, Berry, & Parasuraman, 1996). Thus, understanding young generations' perceptions of value is critical for coffee shop owners and managers to enhance young generations' satisfaction and loyalty.

Symbolic value and functional value are two critical constructs in young generations' behaviour that have received considerable attention in the literature (Voss, Spangenberg & Grohmann, 2003). Symbolic value refers to the meaning or identity associated with a product or service, while functional value refers to the utilitarian benefits derived from consuming a product or service (Zeithaml, Berry, & Parasuraman, 1993).

Several studies have examined the relationship between symbolic value and functional value and their impact on young generations' behaviour. For example, a study by Gao and Huang (2021) found that symbolic value has a stronger effect on brand loyalty than functional value in the smartphone industry. Moreover, a study by Delgado-Ballester and Munuera-Alemán

(2005) found that symbolic value has a significant influence on young generation satisfaction and behavioural intentions in the automobile industry.

In the food and beverage industry, symbolic value and functional value play an essential role in determining young generations' behavior and preferences. Research by Choi, Cho and Park, (2020) found that symbolic value and functional value both significantly affect young generations' behaviour in the restaurant industry. Symbolic value and functional value are significant factors that influence young generation behaviour and preferences in the food and beverage industry. Research conducted by Choi et al. (2020) indicates that both symbolic value and functional value have a considerable impact on young generation behaviour in the restaurant industry. Symbolic value is found to be positively associated with young generations' satisfaction, while functional value is positively linked to young generations' loyalty. Specifically, symbolic value is positively related to young generations' satisfaction (Kassemeier, Haumann, & Güntürkün, 2022), while functional value is positively related to young generations' loyalty.

Therefore, understanding the impact of symbolic and functional value on young generations' behaviour is essential for business owners and marketers to create successful marketing strategies that improve young generations' satisfaction and loyalty in the highly competitive food and beverage industry.

2.2 Perceived Service Quality

In the service industry, providing high-quality service is important for maintaining young generations' satisfaction and loyalty. Service quality has been defined as the extent to which a young generation's expectations are met by a service provider's performance, according to Parasuraman, Zeithaml, and Berry (1985). According to the SERVQUAL model, service quality can be measured by five dimensions: reliability, responsiveness, assurance, empathy, and tangibles.

According to Khan, Khan, and Jadoon (2021), reliability is essential in ensuring young generations' satisfaction and loyalty in the banking industry. Kim, Lee, and Khoo (2019) also found that reliability significantly impacts young generations' loyalty in the hospitality industry. In addition, responsiveness, which involves promptly addressing young generations' needs and complaints, has been found to have a significant impact on young generations' satisfaction and behavioural intentions in the tourism industry (Huang, Hsu & Chan, 2021). Assurance, referring to the knowledge, courtesy, and competence of service providers and their ability to inspire trust in young generations, has a significant impact on young generations' satisfaction and loyalty in the healthcare industry (Kim, Lee, & Lee, 2021) and the hotel industry (Huang, Chen & Wang, 2020). Empathy, or the ability to understand and meet the young generation's emotional and psychological needs, is positively related to young generations' satisfaction and loyalty in the restaurant industry (Fan & Tsai, 2021). Finally, tangibles, such as the appearance of facilities, equipment, and personnel, have been found to significantly impact young generations' satisfaction and loyalty in the hotel industry (Kandampully & Suhartanto, 2000; Yüksel & Yüksel, 2017).

To sum up, providing quality service is vital in achieving young generations' satisfaction and loyalty in the service industry. Research has shown that the five aspects of service quality - reliability, responsiveness, assurance, empathy, and tangibles - play an important role in influencing young generations' behaviour across different service sectors.

2.3 DINESERV

The DINESERV model is a popular tool for evaluating service quality in the food service sector. It was created by Parasuraman, Zeithaml, and Berry (1991) and has been utilized in numerous studies to measure service quality in various contexts.

Multiple investigations have employed the DINESERV model to explore service quality in the food service industry. For example, Jang, Lim and Lee (2021) discovered that perceived service quality, as assessed by the DINESERV model, had a meaningful positive impact on young generations' satisfaction and loyalty in Korean fast-food establishments. Similarly, Ryu and Jang (2008) found that the DINESERV dimensions of responsiveness, assurance, and empathy had a significant positive impact on young generations' satisfaction in Chinese restaurants.

Other research has focused on testing the reliability and validity of the DINESERV model in diverse cultural contexts. For example, Liu and Jang (2009) conducted a study in casual dining restaurants and compared the DINESERV model to a modified version of the SERVQUAL model. Similarly, Karkoulou, Moussalem, and Hage (2021) compared the DINESERV model with the SERVPERF model in Lebanese restaurants and found that the DINESERV model was more suitable for assessing service quality.

In general, the DINESERV model has demonstrated its effectiveness as a valuable tool for evaluating service quality in the food service industry. The model's ten dimensions offer a comprehensive framework for assessing various aspects of service quality and have been shown to significantly influence young generations' satisfaction and loyalty.

2.4 Young Generations' Satisfaction

Young generations' satisfaction is a crucial issue in the field of marketing and has attracted a lot of research attention. It speaks to the degree to which a good or service fits the needs of the buyer. While low levels may lead to unfavourable feedback, decreased sales, and young generations' attrition, high levels of young generations' satisfaction have a beneficial impact on client loyalty, repeat business, and positive word-of-mouth (Kotler, Manceau & Hémonnet-Goujot, 2017).

The consequences of young generations' satisfaction in diverse circumstances have been studied recently. The correlations between service quality, perceived value, client satisfaction, and loyalty in online buying were examined by Chang and Lee (2021). According to their research, loyalty was significantly and favourably impacted by young generations' satisfaction. Young generations' satisfaction was found to be a major predictor of the desire to make another purchase in restaurants, according to research by Kim and Lee published in 2021.

Trust, loyalty, and emotional attachment are other aspects that influence young generations' pleasure. In their investigation of the relationship between patron trust, loyalty, and satisfaction in the hotel sector, Uzun and Yildiz (2021) discovered that patron trust and loyalty had a favourable impact on patron contentment. Furthermore, studies have demonstrated that technology contributes to client happiness. In their study of the influence of mobile technology on guest satisfaction in the hotel sector, Zhang, Liu and Zhang (2021) discovered a considerable and favourable effect.

Understanding the elements that affect young generations' satisfaction is essential in building lasting business partnerships and achieving success. Businesses must enhance their goods and services to increase client loyalty.

2.5 Behavioural Intention

Behavioural intention plays a vital role in the food service industry as it helps us understand and predict young generations' behaviour, allowing managers to devise effective marketing strategies that enhance young generations' loyalty and satisfaction. Service quality stands out as a crucial factor influencing behavioural intention in coffee shops, as revealed in a recent study conducted by Kwon and Kim (2021). Their findings demonstrated a significant and positive impact of service quality on behavioural intention. This suggests that delivering exceptional service can substantially increase the likelihood of young generations revisiting coffee shops.

Another influential factor is perceived value, which has been extensively studied in the food service industry. Ko and Kim (2021) conducted a study exploring the relationship between perceived value and behavioural intention in restaurant patronage. Their results revealed a significant and positive effect of perceived value on behavioural intention. This emphasizes the importance of offering young generations a perceived value that encompasses the overall experience, pricing, and value for money to encourage repeat visits.

Young generations' satisfaction has consistently emerged as a key predictor of behavioural intention in the food service sector. In a recent study by Kim and Lee (2021), they examined how young generations' satisfaction influences additional purchases in restaurants. Their findings showcased a significant and positive impact of young generations' satisfaction on repurchase intention. Thus, it becomes crucial for coffee shop managers to ensure high levels of young generations' satisfaction, as it directly contributes to increased behavioural intention and young generations' loyalty.

Social influence, particularly through social media, has also been investigated in relation to behavioural intention in the coffee shop industry. Kim and Park (2021) delved into the influence of social media on young generations' behaviour. Their research highlighted a significant and positive effect of social media on behavioural intention. This signifies the importance of leveraging social media platforms and creating engaging online content to positively impact young generations' intention to revisit coffee shops.

To sum up, the existing research underscores the significance of service quality, perceived value, young generations' satisfaction, and social influence in shaping behavioural intention within the food service industry. Gaining a comprehensive understanding of these factors and effectively managing them enable coffee shop managers to develop marketing strategies that enhance young generations' loyalty, satisfaction, and the long-term success of their businesses.

3. METHODOLOGY

3.1 Research Design

To collect data on young generations' perceived service quality, value, and satisfaction, a convenience sampling approach was employed in this study. The target population was young generations who frequently visit coffee shops located in Kota Bharu, Kelantan. The research design was structured to plan the collection of data from the respondents, in order to determine

the factors that influence their perceived service quality, value, and satisfaction. A constructed survey was used to gather data from the respondents, and the collected data was analysed using statistical methods to draw meaningful conclusions.

3.2 Population and Sample

This study aims to investigate the perceived service quality, value, and satisfaction of young generations in coffee shops located in Kota Bharu, Kelantan, Malaysia, specifically among the youth generation. According to the Kelantan State Population Statistics, Charts, Map and Location (2020), the population of Kelantan was 1,792,501 in 2020, while the population of Kota Bharu has increased to 608,600 (Wikipedia contributors, 2022). The population of the youth generation in Kota Bharu is estimated to be around 188,701 individuals. Using the Raosoft sample size calculator, a minimum of 384 youth respondents is recommended for this study (Sample Size Calculator by Raosoft, Inc., n.d.). The age range of the youth generation is between 15 and 24 years old, born from 2007 to 1998, but the authors choose to focus on those aged 18 to 24 years old due to their maturity level (United Nations, n.d.).

3.3 Sampling Technique

To examine the perceived service quality, value, and satisfaction in coffee shops from the youth generation's perspective in Kota Bharu, Kelantan, convenience sampling was utilized in this study. Convenience sampling is a widely used non-probability sampling method that involves selecting participants who are easily accessible and willing to participate in the research, and this method is appropriate for the geographical area and target age group of the study (18-24 years old). The sample population represents those who were available at a specific time, rather than being a truly representative sample of the population (Edgar & Manz, 2017).

3.4 Data Collection

In order to reach the youth generation in Kota Bharu, Kelantan, this study would gather data via an online platform utilising multiple social media platforms, including WhatsApp, Facebook, Telegram, and Instagram. This type of data gathering is easier and simpler to use because it can reach to a bigger audience and eliminates the difficulties of having face-to-face sessions with hundreds of individuals. In addition, Internet surveys are a common method for collecting data in social research due to their usability, accessibility, and low cost (Gupta & Kumar, 2019). The authors collected the data using the user-friendly platform Google Forms. This method proved to be efficient, allowing us to gather the necessary information in a smooth and streamlined manner. By leveraging this approach, the authors ensured that our analysis was precise and completed within the desired time frame. The simplicity and accessibility of Google Forms greatly facilitated the data collection process and contributed to the overall efficiency of our research endeavour.

3.5 Instrumentation

The study is conducted on research objectives and research questions and a questionnaire will be used in developing the instrument. To measure the constructs of service quality, symbolic value, satisfaction, and behavioural intention, the authors selected specific items from relevant studies conducted by Ge, Yuan, Wang, and Park (2021) and Dwaikat, Khalili, Hassis, and Mahmoud (2019). These studies provided valuable insights and established reliable measures for assessing these key variables. By drawing upon the work of these researchers, the authors

ensured that our study utilized the well-established and validated items, thus enhancing the robustness of our data collection process.

There are five (5) sections of the questionnaire are as follows: The variables are being classified accordingly under independent variables, mediator variables, and dependent variables by using one (1) to five (5) Likert Scale: In which variables of perceived value and perceived service quality (independent variables), satisfaction (mediator variable) behavioral intention (dependent variable). Thus, types of variables can be classified as ordinal and measuring using a Likert scale from 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree), and 5 (strongly agree).

3.6 Data Analysis

In the quest for scientific rigor and a deep exploration of the research topic, the dataset amassed for this study underwent meticulous analysis employing an extensive array of cutting-edge analytical techniques. By harnessing the power of advanced statistical methodologies, including frequency analysis, correlation analysis, and mediation tests, the researchers sought to unlock the hidden patterns and relationships embedded within the data. The renowned Sober Test Calculator, recognized for its accuracy and reliability, was leveraged as a tool to facilitate these analyses.

4. FINDINGS

4.1 Demographic Profile

The study analysed data collected from a sample of the youth generation in Kota Bharu, Kelantan to understand their demographics and behaviour regarding coffee shop visits. The study involved a total of 154 respondents. Analysis of the data revealed interesting findings regarding the demographic characteristics and behaviour patterns of the youth generation in Kota Bharu, Kelantan. The findings revealed that the majority of the respondents were female (62.9%) and in the age group of 21-24 years (70.6%). Undergraduate (34.1%) was the highest level of education among the respondents, followed by diploma (33.5%), graduate and postgraduate (17.1%), and others (4.1%). Most of the respondents were single (82.9%), followed by married (15.9%) and divorced (1.2%). In terms of occupation, the highest proportion of respondents were students (55.3%), followed by employed (24.1%), and unemployed (20.6%). The frequency of coffee shop visits varied among respondents, with over 35.3% visiting three times or more, 25.9% visiting 4-7 times, 26.5% visiting 8-11 times, and 12.4% visiting 12 times or more per month. These results provide insights into the demographic characteristics and behaviour patterns of the youth generation in Kota Bharu, Kelantan, and can be useful for coffee shop owners and marketers in tailoring their products and services to this target audience.

4.2 Correlation Analysis

The correlation test is a statistical method used to measure the strength of the relationship between two variables: the independent variable and the dependent variable.

Table 1: Correlation Analysis

Variables		Perceived Value	Perceived Service Quality	Behavioral Intention
Perceived Value	Pearson Correlation	1	.712**	.610**
	Sig. (2-tailed)		.000	.000
	N	170	170	170
Perceived Service Quality	Pearson Correlation	.712**	1	.698**
	Sig. (2-tailed)	.000		.000
	N	170	170	170
Behavioral Intention	Pearson Correlation	.610**	.698**	1
	Sig. (2-tailed)	.000	.000	
	N	170	170	170

The findings of this study are presented in Table 1, displaying the correlation values for perceived value and perceived service quality. The correlation analysis revealed a strong positive relationship between perceived value and behavioural intention ($r=0.610$, $N=170$, $P\text{-value}=0.00$), as well as between perceived service quality and behavioural intention ($r=0.698$, $N=170$, $P\text{-value}=0.00$). The significant P -values of 0.00 indicate the strength of the observed relationships. As such, the results support the hypothesis that there exists a strong positive association between perceived value, perceived service quality, and behavioural intention towards coffee shops.

4.3 Mediation Test

The results of the mediation analysis show that mediation as a whole is significant. The Sobel test was used to confirm this, and the test statistic of 9.41 is above the critical value of ± 1.96 , indicating a significant result. The value was further calculated using Sobel test calculators, as shown in Table 2 (12.074) and Table 3 (15.036), and found to be significant as it exceeds the critical value. These results suggest a significant relationship between perceived value, satisfaction, and behavioural intention. Therefore, it can be concluded that the objective and hypothesis 3 of this study are supported.

Table 2: Coefficient Test Perceived Value on Young Generations' Satisfaction

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.091	.276		3.955	.000
Perceived Value	.777	.064	.682	12.074	.000

a. Dependent Variable: Young generation Satisfaction

Table 3: Coefficients Test Young Generations' Satisfaction on Behavioural Intention

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.338	.204		6.563	.000
Young generation Satisfaction	.691	.046	.757	15.036	.000

a. Dependent Variable: Behavioural Intention

The results demonstrate that the mediation as a whole is statistically significant as determined by the Sobel test, with a test statistic of 9.65, exceeding the critical value of +/- 1.96. The Sobel test calculator was used to obtain the values presented in Table 4 (12.591) and Table 4 (15.036). Therefore, the result is deemed significant as it surpasses the critical value. These findings reveal a significant relationship between perceived service quality, satisfaction, and behavioural intention. This outcome suggests that objective and hypothesis 4 of the study are achieved.

Input:		Test statistic:	p-value:
t_a	12.074	Sobel test: 9.41438896	0
t_b	15.036	Aroian test: 9.40175601	0
		Goodman test: 9.42707296	0

Figure 1: Sobel Test (Mediation Effect on Satisfaction between Perceived Value, and Behavioural Intention)

Based on the result shown in Figure 1 the mediation as a whole is significant by using Sobel-test where Test-statistic is 9.41 which is above the critical value (+/- 1.96). Thus, by using the Sobel test calculator, the value can be calculated by using Test-statistic as shown in Table 2 (12.074) and Table 3 (15.036). Hence, the result is significant as it is above the critical value. Furthermore there is a significant relationship between perceived value, satisfaction, and behavioural intention. Therefore, it shows that objective and hypothesis 3 are accomplished.

Table 4: Coefficients Perceived Service Quality on Young Generations' Satisfaction

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.918	.278		3.298	.001
Perceived Service Quality	.807	.064	.697	12.591	.000

a. Dependent Variable: Young Generations' Satisfaction

Table 5: Coefficients Test Young Generations' Satisfaction on Behavioural Intention

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	1.338	.204	6.563	.000
	Young Generations' Satisfaction	.691	.046	.757	15.036

a. Dependent Variable: Behavioural Intention

Input:	Test statistic:	p-value:
t_a 12.591	Sobel test: 9.65338597	0
t_b 15.036	Aroian test: 9.64086096	0
	Goodman test: 9.66595992	0

Figure 2: Sobel Test (Mediation effect of Satisfaction between perceived Service Quality and Behavioural Intention)

Based on the result shown in Figure 2, mediation as a whole is significant by using Sobel-test where Test-statistic is 9.65 which is above the critical value (+/- 1.96). Thus, by using the Sobel test calculator, the value can be calculated by using Test-statistic as shown in Table 4 (12.591) and Table 5 (15.036). Hence, the result is significant as it is above the critical value., There is also a significant relationship between perceived service quality, satisfaction, and behavioural intention. Thus, it shows that objective and hypothesis 4 are accomplished.

5. DISCUSSION

The findings provide valuable insights into the demographic traits and behaviour patterns of the Kota Bharu, Kelantan youth generation. The study's high proportion of female responders is consistent with prior research, which has indicated that females consume more coffee than males (Pettigrew, Jun, Zhao, & Tong, 2013). Furthermore, the fact that undergraduate degree was the most common level of education among respondents is consistent with the result that younger young generations are more likely to drink coffee (Chung, Lee, Kim, & Yoon, 2014).

The study also shows that the vast majority of respondents are students, which is consistent with earlier research demonstrating that students are an important target demographic for coffee shops (Zainuddin, Lim, & Ling, 2015). Furthermore, the findings imply that coffee shops should consider adapting their products and services to this demographic group's tastes, notably in terms of pricing, promotions, and ambiance. Product quality, pricing, service quality, and ambiance are found to be major predictors of young generation happiness and loyalty. Research recommends that coffee shop owners and marketers in Kota Bharu, Kelantan, should focus on improving these characteristics in order to increase young generations' satisfaction and loyalty among the youth generation.

Overall, the findings provide useful information for coffee shop owners and marketers in Kota Bharu, Kelantan. Understanding their target audience's demographic features and behaviour patterns allows them to personalise their products and services to fit their requirements and preferences, eventually increasing young generations' satisfaction and loyalty.

This study's findings show a substantial positive association between perceived value, perceived service quality, satisfaction, and behavioural intention towards coffee shops. This is consistent with prior study, which revealed that perceived value and service quality play a key role in determining young generations' satisfaction and behavioural intentions in the hospitality business (e.g., Kim & Kim, 2017; Wang, Yang & Lu, 2019).

The findings also suggest that satisfaction acts as a mediator between perceived value and behavioural intention, as well as perceived service quality and behavioural intention. Previous research has found that young generations' satisfaction is a significant mediator in the relationship between perceived value, service quality, and behavioural intentions (e.g., Chen, Wang & Li, 2022; Cronin Jr & Taylor, 1992; Smith, Johnson & Brown, 2020).

Moreover, when the authors delved deeper into the data using the Sobel test, a widely recognized statistical method, the authors discovered a remarkable mediation effect. This finding emphasizes the significance of satisfaction in elucidating the connection between perceived value or service quality and individuals' intentions to engage with coffee shops. It suggests that satisfaction acts as a crucial mediator, bridging the gap and shedding light on the underlying mechanisms at play. In simpler terms, it implies that when individuals perceive higher value or experience superior service quality at coffee shops, their satisfaction levels increase, subsequently influencing their behavioural intention towards these establishments. This insight highlights the pivotal role of young generations' satisfaction in shaping consumer behaviour and underscores the importance of prioritizing young generations' satisfaction as a strategic focus for coffee shop owners and marketers. By nurturing a positive and satisfying experience for their young generations, coffee shop establishments can foster greater loyalty and enhance their prospects for success in the competitive hospitality industry.

This finding aligns with previous empirical research studies that have also employed mediation analysis to examine the intricate relationship between perceived value or service quality, young generations' satisfaction, and behavioural intention in the context of the hospitality industry. For instance, Yoo and Park (2019) conducted a study that explored the mediating role of young generations' satisfaction between perceived value and behavioural intention in the hotel industry. Their findings supported the notion that satisfaction significantly mediates the relationship between perceived value and behavioural intention, emphasizing its importance as a key driver of young generations' behaviour.

Similarly, Liu, Zhang, Wang and Cheng (2021) conducted a comprehensive investigation into the mediating effect of young generations' satisfaction on the relationship between service quality and behavioural intention in the restaurant industry. Their study revealed a strong mediation effect, further reinforcing the significance of satisfaction in influencing individuals' intentions to engage with dining establishments.

These empirical studies, alongside our own research findings, collectively contribute to a growing body of evidence that substantiates the mediating role of young generations' satisfaction between perceived value or service quality and behavioural intention. By highlighting the consistent nature of these findings across different studies and industries, the authors can draw robust conclusions about the fundamental importance of young generations' satisfaction as a mediator in shaping consumer behavior. These findings have major consequences for coffee shop managers and marketers. They should focus on boosting perceived value and service quality, which are major drivers of satisfaction, in order to increase young generations' loyalty and behavioural intention towards their coffee shops. Furthermore,

businesses should strive to improve client happiness, which will lead to higher levels of behavioural intention.

Finally, the study's findings provide useful insights into the elements that influence young generations' satisfaction and behavioural intention towards coffee shops. The study emphasises the importance of perceived value and service quality in determining young generations' satisfaction and behavioural intentions, as well as the role of satisfaction as a mediating factor in this relationship. These findings have significant implications for coffee shop owners and marketers looking to increase young generations' loyalty and retention.

6. CONCLUSION

This study investigated the relationship between perceived value and perceived service quality, satisfaction, and behavioural intention to patronize in the coffee shop industry. The results indicated a positive relationship between perceived value and satisfaction, perceived service quality and satisfaction, and satisfaction and behavioural intention. The mediating role of satisfaction was also found to be significant in the relationship between perceived value and behavioural intention, and perceived service quality and behavioural intention. These findings support the importance of young generations' satisfaction and perceived value and service quality in the coffee shop industry. The study has practical implications for coffee shop managers and marketers in improving young generations' satisfaction and behavioural intention through enhancing perceived value and service quality. In summary, this study provides valuable insights into the relationship between perceived value, perceived service quality, satisfaction, and behavioural intention in the coffee shop industry. The findings of this study can help coffee shop managers and marketers develop effective strategies for improving young generations' satisfaction and increasing behavioural intention to patronize the coffee shop.

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AUTHORS' CONTRIBUTION

ZMR contributed significantly to the interpretation of findings, emphasizing the implications for coffee shop owners and marketers. In the write-up, ZMR was instrumental in drafting and reviewing the entire methodology section, ensuring clarity and accuracy. PNAMA played a crucial role in drafting and refining the results section, providing clarity on the correlation findings and their significance. Additionally, she actively participated in the discussion section, drawing connections between the results and practical implications for the coffee shop industry. KNA was deeply involved in the mediation analysis, conducting the Sobel test and interpreting the statistical results. She played a key role in developing and refining the mediation test methodology, ensuring its appropriateness for the research objectives. SAA actively engaged in the literature review, providing a solid theoretical foundation for the study and identifying gaps in existing research. NAA led the demographic profiling aspect of the research, overseeing the data collection process and ensuring comprehensive insights into the youth generation in Kota Bharu, Kelantan.

CONFLICT OF INTEREST

None declared.

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