



LOCAL COFFEE SHOP SUCCESS: A CASE STUDY ON QUALITY MANAGEMENT AND CUSTOMER SATISFACTION IN GENERAL SANTOS CITY

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ABSTRACT

This Case Study examines Quality Management and Customer Satisfaction in Local Coffee Shops in General Santos City, Philippines, wherein independent establishments face intense competition due to the tremendous growth of the Coffee Market, making Quality Standards and Business Differentiation crucial for survival in an Overcrowded Market. A descriptive survey method was used to collect data from 300 respondents from various coffee shops; to assess their perceptions and experiences on their overall satisfaction regarding Coffee Quality, Service Quality and Quality Management Practices. Data analysis utilized weighted mean to determine the respondents' level of satisfaction. Analysis result revealed that Quality Management Practices had the highest Grand Mean at 4.55 (Very High); followed by Coffee Quality at 4.51 (Very High) and Service Quality at 4.47 (High). Results also showed Coffee Presentation received the highest rating at 4.66 while Waiting Time received the lowest rating at 4.11. In conclusion, the study found that the strengths of the local coffee shops in General Santos City are mainly based on how well they present their coffee, how clean their store environments are and how standardized their procedures. Conversely, their weaknesses are their preparation speed, product quality consistency, and how adequate their employee training. The findings of the study suggest that local coffee shops in General Santos City have developed a solid operational base and therefore will require strategic changes in terms of employee training during peak hours and standardizing preparation methods to increase customer satisfaction and maintain competitiveness within the emerging specialty coffee sector.

KEYWORDS – *Coffee Quality, Customer Satisfaction, General Santos City, Quality Management, Service Quality Experience*

INTRODUCTION

Over the past decade, the coffee industry in the Philippines has developed to become among the most dynamic service industries in the Philippines due to the shifting consumer lifestyles, globalization, and the development of the cafe culture among the young professionals and students [1]. With coffee shops already established as part of the micro, small and medium-sized businesses (MSMEs), the food and beverage sector has also been on the rise with accommodation and food service activities reporting 190,899 MSMEs establishments as some of the largest sources of local employment and entrepreneurship [2]. General Santos City is one of the commercial heart cities in the Mindanao and has been enjoying a tremendous rise in the number of local coffee shops and beverage serving outlets and intimate social places [3]. This progress is consistent with such Sustainable Development Goals as decent work and economic growth (SDG 8), responsible consumption and production (SDG 12), and sustainable cities and communities (SDG 11) [2, 4]. This growth highlights the importance to focus on quality and service consistency as competitive advantages.

Quality management entails a methodical plane of sustaining and enhancing organizational performance by being customer-centric, engaging employees and through continuous enhancement [4]. Deming (1986) suggested that to guarantee customer satisfaction and sustainability, organizations should incorporate quality in all the processes that they are involved in [5]. In a small business, the quality management is not just the management of products, but also the efficiency of services, cleanliness, competency of the staff and physical environment [6]. Oakland (2014) pointed to the idea that quality management is based on the commitment of the leaders, training, and clear performance



standards [7]. Customer satisfaction indicates the extent to which expected performance has been surpassed or met by the perceived performance [8]. The customer loyalty and business success in service-oriented industries depends on satisfaction [9]. Dimensions of service quality including reliability, responsiveness, and assurance have direct implications on the customer perceptions and buying decision [10]. Customer satisfaction can only be achieved through a quality management system that is totally integrated throughout all interactions [11]. Although previous studies about quality management in big hospitality businesses have been conducted, little academic focus exists concerning independent coffee shops in Philippine cities [12]. This is a serious gap since large-scale operators have different issues and resource pools than the corporate ones do [13]. The knowledge of the quality factors that have the greatest impact on the satisfaction process will help the independent operators in the allocation of resources. This research is responding to the gap in empirical research that has not been conducted on the quality management practices in the local coffee shops in the general Santos City. This study offers evidence-based information to independent operators in terms of competitive positioning as it can be determined by studying how customers perceive quality of coffee, the quality of service, and quality management practices. The results give practical findings to the owners of the coffee shops, develop strong local entrepreneurship, fill the gaps in hospitality management literature, and improve the overall customer experience in the coffee shops within General Santos City.

OBJECTIVES OF THE STUDY

The general objective of this study is to examine the quality management methods being utilized and how these practices are affecting customer satisfaction levels within the various coffee shops located in General Santos City. In particular, the research will aim to determine how customers perceive the quality of coffee, determine how customers are satisfied in terms of the quality of services and also find out the awareness and the perceptions of the quality management practices used by owners of the coffee shops. In addition, this research will determine which factors between coffee quality, service quality, and quality management practices have most impacts on overall customer satisfaction. Lastly, this study will also identify the strengths and opportunities for improvement in the three categories given in this study in order to provide evidence-based recommendations to improve customer satisfaction and the operational effectiveness of coffee shops throughout General Santos City.

MATERIALS AND METHODS

To determine the extent to which quality management procedures are being implemented by local coffee shops in General Santos City and to analyze the satisfaction levels of their customers, we used a descriptive survey research design to achieve our objectives. Thus, we employed an approach of quantitative research using a structured questionnaire. This approach permitted us to collect large amounts of standardized data for statistical analysis and generalization of results.

Sampling and Participants

A combination of purposive and convenience sampling was used to select 300 participants from local coffee shops in General Santos City who frequently purchase food and beverage products. In order for participants to participate in the study, they had to have an actual experience with purchasing food and/or drink products from local coffee shops. The sample included subjects who purchased from local coffee shops on a regular basis, as well as those that only occasionally visited coffee shops, in order to provide a representative cross-section of customers. Participation in this study was voluntary and all responses were kept completely confidential and anonymous.

Research Instrument

A structured questionnaire with the aim of evaluating service quality and quality management of food and beverage establishment and customer satisfaction was designed in the context of this research through the already established frameworks. The initial part of the questionnaire was aimed at gathering demographic data about the participants and obtaining the data on their frequency of visiting coffee shops in General Santos City and preferred places to visit.

The second part of the questionnaire was devoted to the perceptions of the customers about the quality of the coffee products they bought because it aimed at making the participants assess the coffee products in terms of particular qualities including taste, aroma, freshness, consistency and appearance. These items were modulated based on DINESERV scale that was designed to offer both service quality and product quality measures to restaurants and cafes (Stevens, Knutson, and Patton, 1995) [14]. The third section rated service quality as per eight quality indicators comprising staff treatment, attention, accuracy of taken order, capability of handling a problem, wait time before



getting an order, knowledge of products, consistency of service quality and facilities cleanliness. Such indicators are founded on SERVQUAL model (Parasuraman, Zeithaml, and Berry, 1988) of measuring the five primary dimensions of service quality namely: reliability, responsiveness, assurance, empathy and tangibles [10].

The fourth section of the research measured the quality management of organizations through five indices namely staff training, equipment maintenance, standard operating procedure(s), quality control checks, and provision of feedback concerning the quality of service they offer. The indicators employed in section three and four are a modification of ISO 9001: 2015 Quality Management System (QMS), which facilitates the seamless operation, maintenance, and enhancement of employees and organization [15]. The ratings were done on all the indicators on a Likert scale of five points where 1 (very dissatisfied) to 5 (very satisfied). Content validation of survey was also provided to a business management expert who have a background in hospitality industry before the survey was distributed.

Data Collection and Analysis

Data collection was obtained in a six-week period, following ethical institutional clearance. The data collection process included on-site surveys administered immediately to customers after order delivery and at different times of the day, to ensure a diverse sample of respondents. Data collection also occurred through the use of Google Forms by distributing the survey link through various online platforms (e.g., social media and group chats), to provide ease of access to survey participants. The participants were also briefly informed of the nature of the study before they took the survey and assured that their responses would be kept confidential. The quantitative data from the survey were analyzed using the weighted means, which were interpreted using the five-point response scale (0-1.50 = Very Dissatisfied; 1.51-2.50 = Dissatisfied; 2.51-3.50 = Neutral; 3.51-4.50 = Satisfied; 4.51-5.00 = Very Satisfied). The results of the weighted mean (average) scores were organized in tabular format where descriptive labels for each mean score are identified and interpreted as provided above. Comparative analysis was used to identify the highest and lowest performing indicators within each dimension of the survey.

Ethical Considerations

This research followed ethical principles, including using the ethics of research practices to inform participants about what they would be participating in as well as informing participants about the confidentiality and anonymity of their participation. The research was approved at an institutional level, and all research was collected and analyzed after obtaining the institutional ethical approval. Participants were advised on the purpose of the research and how their responses would be used solely for academic purposes.

RESULTS AND DISCUSSIONS

This section presents the findings from the research that was conducted about the coffee quality, service quality, and practices of managing quality in local coffee shops in General Santos City, based on three hundred (300) responses collected from participants. Each participant's responses were analyzed, using the weighted mean method, to assess the extent of the performance of the quality management practices and services provided. The findings of the study have been presented in tables; each table is followed by a description of the phenomenon. The results, including the highest, lowest, and overall mean, are presented in the study.

Customer Demographics

The sample illustrate a diverse visitation pattern. The majority of participants were loyal customers of a regular basis. Therefore, the results indicate that customers within General Santos City are highly committed to supporting coffee shops. Secondly, customers' preferences are spread across a wide range of local coffee outlets thereby creating competition within the marketplace while competitively providing many different choices for customers.

**Table 1.1 Coffee Quality Assessment**

Indicators	Mean	Description	Interpretation
1. The taste and flavor of coffee meets my expectations.	4.54	Very Satisfied	Very High
2. The coffee has a pleasant and appealing aroma when served.	4.48	Satisfied	High
3. Coffee is served at the right temperature for my preference.	4.53	Very Satisfied	Very High
4. The coffee is prepared fresh and does not taste stale or bitter.	4.43	Satisfied	High
5. I receive the same quality of coffee every time I visit.	4.42	Satisfied	High
6. The coffee presentation and appearance meet professional standards.	4.66	Very Satisfied	Very High
Grand Mean	4.51	Very Satisfied	Very High

Table 1.1 shows the coffee quality evaluation from local coffee shops uses customer satisfaction ratings. The indicator with the **highest weighted mean of 4.66**, corresponds to *coffee presentation and professional appearance*. Therefore, when comparing these two results, it is clear to see that coffee shops excelled at both areas. This reflects that the attention to detail put into the development of these items maximizes and improves the customer experience. The careful presentation of their beverages shows their professionalism and increases the value of how customers perceive for the coffee shops' products.

The indicator with the **lowest weighted mean of 4.42**, which refers to consistency in coffee quality across visits, still falls within the high range but indicates a minor area for improvement. While customers generally have an outstanding coffee experience, there can be the occasional variation in how their coffee is prepared that will result in an inconsistency in the total experience. There are a number of factors that contribute to this potential for inconsistency; e.g., variations in who is working at the time of visit (i.e., different baristas), variations in brewing methods and in the amount of ingredients used by each barista, especially during peak hours.

The **overall grand mean of 4.51** indicates a **very high** level of quality, which indicates that the coffee shop does an excellent job of providing quality in all aspects of its products. This means that from sourcing quality beans to finally presenting the coffee in a way that meets the customer's expectations. It appears from the data that the coffee shop has been able to establish itself as a reputable source of high-quality coffee products, with a particular emphasis on presentation and freshness.

Table 1.2 Service Quality Assessment

Indicators	Mean	Description	Interpretation
1. Staff treat me in a friendly and welcoming manner.	4.60	Very Satisfied	Very High
2. Staff are attentive to my needs throughout my visit.	4.37	Satisfied	High
3. I receive exactly what I ordered without mistakes.	4.64	Very Satisfied	Very High
4. Staff handle any problems or complaints I have professionally.	4.60	Very Satisfied	Very High
5. I don't have to wait too long for my order to be ready.	4.11	Satisfied	High
6. Staff demonstrate good product knowledge when making recommendations.	4.38	Satisfied	High
7. The service I receive is consistent regardless of which staff serves me.	4.38	Satisfied	High
8. The coffee shop is clean and maintains good hygiene standards.	4.69	Very Satisfied	Very High
Grand Mean	4.47	Satisfied	High



Table 1.2 outlines the assessments made concerning service quality of the coffee shop by evaluating the ratings provided by the customers. The rating with the **highest weighted mean of 4.69** corresponds to *cleanliness/hygiene standards of the establishment*. Having a high score of cleanliness and hygiene shows that the establishment has done what they needed to do in maintaining clean and safe facilities, which is required in the food and beverage industry. Clean facilities assist in safety of the customer and professionalism and conformity to standards in regard to working practices.

The **lowest weighted mean of 4.11** is associated with the duration of time taken by customers prior to their food being prepared. Even though customers also stated that they were mostly satisfied with the wait, this was the part where the most growth could be achieved in terms of service quality.

The **overall grand mean of 4.47** interpreted as **high**, means that customers are overall pleased with the entire experience of service delivery of the coffee shop. The findings suggest that the place provides stability in the provision of its services in terms of well-trained employees, professional problem-solving methods, and the culture of customer orientation. The combination of good interpersonal skills, operational efficiency, and maintenance of the facilities produces a holistic service environment that satisfies the customer expectations. Nevertheless, the results also imply that a strategic acceleration of order fulfillment speed and service standardization may take the customer experience to the next higher satisfaction levels.

Table 2. Quality Management Practices

Indicators	Mean	Description	Interpretation
1. Coffee shops provide adequate training programs for their staff.	4.45	Satisfied	High
2. Equipment is properly maintained and regularly serviced.	4.58	Very Satisfied	Very High
3. Coffee preparation follows standardized recipes and procedures.	4.62	Very Satisfied	Very High
4. Regular quality control checks are conducted on products and services.	4.57	Very Satisfied	Very High
5. Customer feedback and complaints are handled promptly and effectively.	4.52	Very Satisfied	Very High
Grand Mean	4.55	Very Satisfied	Very High

Table 2 indicates the quality management practices adopted by the coffee shop according to the customer perceptions. The indicator that has the **highest weighted mean of 4.62** belongs to *adhering to standardized recipes and processes* in making coffee and it means that there is an excellent compliance with operating instructions. This is a sign that the establishment has a standard of consistency in its quality when it comes to all orders and that the preparation of coffee is done professionally.

The indicator having the **lowest weighted average of 4.45** which represents staff training programs reflects the fact that training is offered and, in most cases, satisfactory, however this area offers a point of improvement.

The **overall grand mean of 4.55**, which is considered as **very high**, indicates the high adherence of the coffee shop to systematic quality management. The great average scores in standardized procedures (4.62), equipment maintenance (4.58), quality control checks (4.57) and feedback handling (4.52) show that the establishment has incorporated effective quality assurance practices into daily operations and has a culture of continuous improvement.

The statistics show that there were varying performance levels according to quality of coffee, quality of service delivery, and the overall ways through which they are proactively handled. The findings demonstrate that the coffee shop within General Santos City possesses a robust operational foundation, and coffee presentation, cleanliness standard, and consistent operations are only some of the best attributes of the coffee shop. But there are still some areas in which improvement is required, wait times when ordering food (4.11), consistency of coffee quality between one visit to the next (4.42), and proper training of employees (4.45) are the three lowest-performing indicators across all dimensions of the evaluation. Enhancing the general performance and satisfaction of the customers through the provision of better work force training, better staffing plans in the times of peak customers flow and the enforcement



of more standards in coffee preparation. Irrespective of these areas of improvement, the coffee shop maintains a good reputation in terms of customer expectation and it has a show of adherence to the quality management practices that enhance sustainable business operations.

CONCLUSION AND RECOMMENDATIONS

The results of the study showed that the local coffee shops located in and around General Santos City have a high standard of quality management and high levels of consumer satisfaction. These results indicated that coffee shop industries in the region appear to be well established as Quality Management Practices have a grand mean of 4.55, Coffee Quality a grand mean score of 4.51 and Service Quality a grand mean score of 4.47. Therefore, it may be concluded that the local coffee shops have managed to build a strong operational base that meets the expectations of customers on a regular basis.

The main strengths are outstanding coffee presentation (4.66), excellent cleanliness (4.69), and dependable standardized procedures (4.62) which showed that operators are aware of the necessity to use basic elements of quality to gain customer trust and loyalty.

However, the study also indicates that customer service could be improved in certain areas. Specifically, customer wait times received the lowest rating which is 4.11, suggesting operational delays in service delivery. Additionally, the consistency of the quality of the product(s) varied between visits or time intervals which led to a score of 4.42. Also, staff training received a positive rating of 4.45 but it indicated that there are gaps within the company concerning employee training or development. There are opportunities in several different areas that will help the company create a better customer experience. The findings of the study provide a regular systematic quality care; local coffee shops are able to provide high levels of satisfaction. However, by increasing operational efficiency, increasing employee development, and increasing consistency monitoring, local coffee shops will be able to be more competitive.

The correlation between the practices associated with Quality Management Practices, Quality of Coffee, and Quality of Service indicates that businesses utilizing an integrated quality approaches yield higher customer satisfaction. This supports the Quality Management Theory that states that excellence stems from the organization's organization-wide commitment rather than isolated improvements [15]. To local coffee shop owners, this creates the need to carry out large-scale quality interventions that create cascading effects on various parts of operation that eventually enhances product and services and their competitive position in the market.

Contribution to Sustainable Development

Local coffee shops in General Santos City play an important role in the sustainable development by contributing to some **Sustainable Development Goals (SDGs)**. For example, local coffee shops support **SDG 8 (Decent Work and Economic Growth)** through the creation of jobs for service staff (e.g., baristas) and their involvement in creating new independent coffee shops in General Santos City as a result of entrepreneurial activity [2]. The coffee shops are also committed to **SDG 12 (Responsible Consumption and Production)** through their standard operating procedures (mean of = 4.62), routine maintenance on equipment (mean of = 4.58) and consistent quality control checks (mean of = 4.57). Because of this combination, local coffee shops have a reliable way of producing consistent quality products using a systematic way of both managing quality and monitoring quality [4,11]. Local coffee shops also support **SDG 11 (Sustainable Cities and Communities)** by providing students, young professionals and other members of the general public with places where they can meet to study and work together [1,3]. Briefly, local coffee shops in General Santos City illustrate how localized sustainable development efforts can be accomplished through small business operations. The coffee shops emphasize the value of operational sustainability, the importance of engaging the community in and through local methods and the focus on using sound management practices to achieve quality [6,7].

Recommendations

Based on the findings, the following recommendations are proposed:

For Coffee Shop Owners and Managers:

1. They may provide comprehensive training to employees, develop a combination of technical skill training, customer service training, time management training and problem-solving training for employees. Training should consist of ongoing refresher courses and hands-on demonstrations, as well as mentorship programs



pairing experienced employees with new employees. Owners may cross train employees to handle multiple tasks during peak hours in order to prevent future delays.

2. They may collect customer feedback through comment cards, digital surveys, and social media monitoring. Analyze the pattern of feedback in order to understand the most frequent problems and areas of priority for improvement. Respond quickly to complaints, communicating the corrective measures taken to reflect customers' satisfaction.
3. Owners may participate in collaborative learning among other local operators via industry associations or other informal knowledge-sharing forums. Sharing best practices, challenges, and solutions can accelerate quality improvements across the local coffee shop community with minimal financial investment.

For Academic Researchers

1. They may conduct longitudinal studies examining the development of quality management practices over time in local coffee shops and subsequently their long-term impact on business sustainability and customer loyalty.
2. They may further research the relationship between certain quality investments-such as training expenditures or equipment upgrades-and measurable business performance outcomes, including revenue growth, customer retention, and market share.
3. Assess the performance-enhancing and/or integrated service quality improvement of various methods of employee training for small-scale hospitality operators and identify the most effective training method to improve service quality, consistency, and customer satisfaction.

For Students and Future Customers

1. They ought to appreciate the fact that patronizing local coffee shops will help achieve wider economic development objectives such as creating employment opportunities to service personnel and baristas (SDG 8), and allowing responsible business operations in the community (SDG 12). Their patronage is a direct contributor to the employment and entrepreneurial development in the General Santos City.
2. Customers are to be aware that waiting time is the most difficult part of service delivery. It is greatly appreciated that they show tolerance and goodwill during rush hours because coffee shops are trying to strike a balance between quality preparation and speed of service. The patience of customers helps employees to uphold quality benchmark even when there is a high demand
3. They may give constructive feedback whenever there will be problem regarding with either product or service. Having constructive comments is a great help towards owners when solving issues as well as focusing on improvements which matter most to customers.

This study contributes to the very small number of published studies about how independent coffee shops manage quality in the Philippines. It shows that local coffee shops in General Santos City that employ systemic attention to the quality fundamentals are able to create high levels of customer satisfaction. While there are opportunities for improvement in operational efficiencies and employees' skills development, the overall high performance of local coffee shops indicates that those businesses have met the challenges presented by competing coffee shops in General Santos City through quality-focused practices. Therefore, there are recommendations based on this study for establishing a strong foundation for local entrepreneurs to continue to support local customers' experiences and build a sustainable and competitive advantage in the ever-changing landscape of coffee/beverage industries in the country.

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