

Customer satisfaction with the services of starbucks

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In an increasingly capitalistic and commodified world, there is a constant need for manufacturers and companies to innovate, to lead their competitors in terms of sales and customer loyalty. One important strategy being used is the development of customer loyalty is to give them unique benefits. Undoubtedly, all managers were right in believing that it is only through satisfying their customers that they shall be able to improve their profits. However, this is still not enough.

Customer satisfaction may not be able to ensure a certain company, or a certain business for this matter that customers will return to purchase. The trend then now is not just to ensure the satisfaction of their customers but to also make sure that their customers would return (Kandampully and Suhartanto, 2000). When relating customer service and customer satisfaction, creativity becomes a very important aspect. Creativity is said to allow people to handle or disseminate problems at hand or deal with them later in the process of conducting daily businesses.

In the same manner, the organization does not only deal with the activities it perform with the customers but also gives importance to the loyalty the customers are willing to give at the end of the transaction. In ensuring the satisfactions customers receive from a certain organization, those who attend to them must know what they want. Satisfaction, then is achieved when a certain organization or institution is able to meet the demands of the customers. It is only through this that customers are delighted, making them want to come back for future business transactions (Williams, 2006).

Starbucks is one of the most successful and established coffee shops around the world, having branches in almost every country in the world (Australia, Bahrain, Canada, Hong Kong, Israel, Japan, Kuwait, Lebanon, Malaysia, New Zealand, Oman, Peoples Republic of China, Philippines, Qatar, Saudi Arabia, Singapore, South Korea, Switzerland, Taiwan, Thailand, United Arab Emirates, and United States). The success of their business is attributed to their provision of a unique experience to their customers which significantly increases the latter are satisfaction.

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It is proposed that this research be conducted to look at the role of customer satisfaction in making this business one of the most successful ones in the whole world.

REVIEW OF RELATED LITERATURE

Service Theories

Theories of service design state that service can be tangible and intangible. It involves communication, environment and behaviors. It must be consistent, easy to use and strategically applied. Service design must then be devoted to the designing and constructing of technologically advanced social practices that could provide customers with better services.

According to Routio (2007) theories of service are concerned with what is permanent and normal in producing a service. Traditionally it has only included the professional skills of people who are included in the service. Service theories use either the descriptive or normative purposes, two

approaches being used by theories of service. Descriptive theory is normally concerned with the knowledge about past or present activities that produce or use a service but does not contribute much in the modification process for the service to keep up with the latest requirements.

This theory is categorized into extensive studies of a large number of cases and intensive studies of one or a few cases. On the other hand, normative theory of service deals with the applicable knowledge and tools that can be utilized in giving the service that customers need. It is usually extensive in nature as it requires a big number of cases for the material. A third kind of research also gives importance to the request of service (see Figure 1) that gives importance to the role of clients in the planning of service.

Basically, this particular research is simply concerned with studying and planning the implementation of one's tasks in coming up with newer services and ensuring that the problems that exist in other services is removed. The Elements of Service According to William (2006) customer service is actually the combination of five basic elements. These are:

- (a) Organizational culture,
- (b) Employee Temperament,
- (c) Leadership Example,
- (d) Communicated Expectations, and
- (e) Management Leadership Training.

Organizational Culture is defined as the way things work when the superiors are not looking. Read also Research Proposal sample on customer satisfaction

Institutions should then create an organizational culture of superior customer service that does not really require much attention from the bosses. The leaders of different organization should make their staff aware of the importance of excellent customer service. At the same time, they must exhibit a high level of service with their actions. Thus, their employees follow the examples they have shown (p 13.) The second element is employee temperament, related to what is more commonly known as personality. There are some personalities that are efficient in delivering superior customer service than others.

Because of this, management should devise ways by which they could help in improving the personalities of some of their employees who do not possess the personality one needs in customer service (Williams, 2006). The third element of customer service is the example of customer service demonstrated by the leaders, or simply leadership example. A leader then should not expect his or her subordinates to perform a level of customer service that is higher than what the employee does in his or her daily activities.

Whenever a higher level of customer service is to be delivered, leaders should perform them by setting examples for their staff to follow, thus performing the same kind of effective customer service at the lower level. However, there are times when providing example is not enough; employees

must be constantly reminded what is expected from them in treating their customers. The fourth element thus, is related to the extent by which the leaders communicate their expectations to their staff. Employees must be constantly reminded of what is expected from them in the treatment of their customers.

The fifth element is concerned with customer service and management leadership training. Not everyone is gifted with the talent of actually being able to be of great service to the customers. Smiling and greeting customers are unfortunately, never enough. Also, most customer service happen when something goes wrong; situations which could win or lose a customer depending on how staff members address these concerns. Thus, employees should be given proper training in handling customers in times like these.

The Impact of Service on Customer Satisfaction

When relating customer service and customer satisfaction, creativity becomes a very important aspect. Creativity is said to allow people to handle or disseminate problems at hand or deal with them later in the process of conducting daily businesses. In the same manner, the organization does not only deal with the activities it perform with the customers but also gives importance to the loyalty the customers are willing to give at the end of the transaction. In ensuring the satisfactions customers receive from a certain organization, those who attend to them must know what they want.

Satisfaction, then is achieved when a certain organization or institution is able to meet the demands of the customers. It is only through this that customers are delighted, making them want to come back for future

business transactions (Williams, 2006b). Because of this, factors that organizations should give importance to ensure that their service would yield a positive impact the satisfaction being experienced by the customers. Organizations should avoid these guarantee failure in sales, satisfaction and most importantly, loyalty. First to be avoided is that employees are forced to comply with a firm chain of command.

Second, they also fail when employees are closely being supervised. In the same way, when conflicts, in whatever form have arisen. A failure in service that could also lead to the dissatisfaction of the consumers could be caused by rewards systems that are based on carrot-and-stick principles. Lastly, another issue that could guarantee failure in sales, satisfaction and loyalty is when wrong objectives are measured. Haworth (2005) defines Quality customer service as communicating one's best through body language, the sound and tone of one's voice which is said to be more important than the words being used.

In the same way, quality in customer service is seen when staff members are able to identify, understand, and anticipate the needs of their customers by being sensitive to cultural differences, knowing their time requirements, being attentive, and developing the skill they need to read what the customers want and be able to understand them (Haworth, 2005). In the same manner, it also includes instilling trust and confidence by treating customers with respect and courtesy, making them feel welcomed and important.

Employees must provide their customers with a comfortable environment, keeping up their energy together with projecting a positive attitude. Staff members should also listen, obtain feedback, send clear messages, say the right thing, and know their business by educating themselves about their products and services. Organization is needed to ensure that they give quality customer service. Upon the arrival of a customer in one of the numerous coffee shops of Starbucks, they ensure that these get a personalized experience of their coffee shop.

Undoubtedly, few brands could go beyond Starbucks, a coffee company which humble origins could be traced back twenty years ago, as a single coffee shop in Seattle. Although its financial records are quite impressive in nature, Postrel (2003) says that these numbers do not tell the whole story of Starbucks' incorporation into popular culture. This particular company surely contributed so much to dramatic resurgence of coffee consumption in the United States which then affected and changed the leisure practices and daily routines of its customers.

The coffee being served at this very popular coffee shop is not just the reason why consumers patronize Starbucks. Postrel (2003) also recognizes the importance of the aesthetic look, feel, and sound of Starbucks which influenced the design of the retail services being offered. The so-called Starbucks Revolution became an important cultural icon that created the growing market for coffee shops and premium-priced gourmet coffee beans, as Helliker and Leung (2002) explicitly states.

The rise of Starbucks is credited to its successful emotional brand planning and brand positioning which contributed so much to the level of satisfaction that customers who have receive upon entering the business establishment. There are other factors that consumers take into consideration although majority does not hold the share opinions; these factors include, the coffee (or pastries) being served, the ambience, the design of the coffee shop, the service they receive from the waiters/stag, etc (Shapiro, 2006).

Starbucks have been true to its saying: Everything Matters. According to the owner of this big coffee business, Howard Schultz, as mentioned by Shapiro (2006), they make sure that each coffee shop is designed in such a way that it would enhance the quality of everything that the customers would see, touch, hear, smell and taste. It is because of this that artworks, music, aromas and surfaces are designed in such a way that it would be sending the same message. Customer Satisfaction

Joan and Cote (2000) defines customer satisfaction as when a customer is satisfied with a product or service that meets the customer's needs, wants and expectations. At the same time, the article (title) also defines it as the provision of goods or services which fulfill the customer's expectations in terms of quality and service, in relation to price customers paid (Joan and Cote, 2000). It has been said that relying on customer loyalty is more effective than actually having to rely on pricing strategies to keep businesses alive.

According to the different studies made in relation to the said topic, a five percent increase in customer loyalty that is often related with customer

satisfaction produces a profit increase which range from about 25 to 85 percent. Managers should ensure that their services fully satisfy their customers as this is the only way that could increase their profits. In the same manner, hotel managers should know that the satisfaction their customers receive on their first transaction with their businesses should in return, ensure them of the customers' loyalty, existing or prospective (Kandampully & Suhartanto, 2000).

According to Kandampully and Suhartanto (2000), is said to be most important results. Satisfied customers are necessary to expand the businesses in order to gain a higher market share that could bring about a repeat or referral business that in turn, would bring more profits to a business. Different studies show that customer satisfaction has significantly affected purchasing practices in different industries and sectors. There are many theories that often point out to the best method by which one could measure customer satisfaction.

These theories include: (a) the expectancy-disconfirmation approach, (b) the performance-only approach, (c) the technical and functional dichotomy approaches, (d) the service quality versus service satisfaction approach and (e) the attribute importance approach. The confirmation-disconfirmation approach basically deals with the comparison of the customer's expectations versus what he or she actually experienced. In this particular approach, the use of Customer Satisfaction Index or CSI is applied. The scores obtained through the CSI function as the financial capability of companies and industries.

On the other hand, the performance-only approach measures the features of services and relates them to the satisfaction being experienced by a particular customer with regard to a particular service. In this particular approach, the Customer Satisfaction Survey plays a very important role (Customer Satisfaction Model, n. d.). This is would be essential in the evaluation of the satisfaction that the people receive from their stay at one of the many establishments of the Starbucks chain all over the world. Were the customers really satisfied with what has been offered to them based on the use of the customer satisfaction index?

Hypothesis The provision of a personalized experience significantly increases the level of satisfaction that customers receive from Starbucks. Null

Hypothesis The provision of a personalized experience does not significantly increase the level of satisfaction that customers receive from Starbucks.

METHODOLOGY Subjects The researcher shall use simple random sampling to obtain the 50 participants needed for surveys. One of the advantages of performing simple random sampling is that it gives each member an equal chance of being included in a particular study.

One way of doing this particular sampling is to give each member of the population a specific number. The researcher then draws numbers to select the sample they need. The use of simple random sampling can be advantageous to the researcher as this is ideal for statistical purposes. However, it seems like disadvantages outnumber the said advantage as this particular sampling method is hard to achieve in practice, requires an

accurate list of the whole population, and lastly, expensive to conduct as the members of the population may be scattered over a wide area.

As the respondents shall be selected randomly, the researcher shall not look at the ages, gender or profession of the participants. Instrument The researcher shall make use of a ten item survey that would include an evaluation of all the services being provided by Starbucks. A reliability pilot study and was conducted before the actual study began for reliability purpose. The questionnaire had ten questions using Likert-style rating scale. It would focus on the variety of the menu, the quality of the coffee, the design of the coffee shop, the attitudes and behavior of the baristas and other employees, advertising materials, etc.

Procedure The researcher shall collaborate with the management of Starbucks to gain permission for conducting a survey in their coffee shops. Upon getting their permission, the researcher shall leave a box that is fully sealed where the respondents would drop the accomplished survey forms. The staff would hand out a survey form to each questionnaire upon ordering. The respondent may or may not accept this form. They are required to tick the boxes to indicate their answers in rating the services of Starbucks.

Afterwards, the respondent places the accomplished survey inside the envelope that was also provided by the researcher. He or she seals it and affixes his or her signature on the flap of the envelope. The envelope will be handed over to the manager on duty and the latter then ensures that these are dropped in the box provided by the researcher. The researcher then picks the box up after three (3) days. Analysis The pieces of information that

the researcher shall obtain from the study shall analyzed using the statistical package for the social sciences or SPSS.

Descriptive statistics and group statistics shall be obtained. T-tests, Levene's test for the equality of variance, ANOVA and Multiple Comparisons tests shall be performed to ensure the reliability and quality of the data produced and to ensure that the data analysis would be dependable, tables and graphs will also be presented to show the frequency of the data collected. The acceptance of either the null or alternative hypothesis will depend on the value of either the f or t tests based on the table, making use of the 0.05 level of significance.

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