

VIETNAM NATIONAL UNIVERSITY – HO CHI MINH CITY

INTERNATIONAL UNIVERSITY

SCHOOL OF BUSINESS



**EVALUATING CUSTOMER SATISFACTION ON  
PRODUCTS OF STARBUCKS IN HO CHI MINH CITY**

A Thesis Submitted In Partial Fulfillment of the Requirements of Degree of

**BACHELOR OF ARTS IN BUSINESS ADMINISTRATION**

**STUDENT'S NAME: VO THI CHAU (BA070051)**

**ADVISOR:PHD. HO NHUT QUANG**

Ho Chi Minh City, Vietnam

2013

# **EVALUATING CUSTOMER SATISFACTION ON PRODUCTS OF STARBUCKS IN HO CHI MINH CITY**

APPROVED BY Advisor

---

PHD. HO NHUT QUANG

APPROVED BY:

---

PHD. MAI NGOC KHUONG

---

PHD. NGUYEN VAN PHUONG

---

LLM. VO TRUONG HUAN

## Contents

CHAPTER 1: INTRODUCTION .....	1
1.1. RATIONALE: .....	1
1.2. BRIEF IN INTRODUCTION ABOUT STARBUCKS .....	2
1.3. PROBLEM STATEMENTN: .....	3
1.4. RESEARCH OJECTIVE: .....	4
1.5. RESEARCH METHODOLOGY AND RESEACH FRAMEWORK .....	4
1.6. RESEARCH SCOPE AND LIMITATION: .....	6
1.7. IMPLICATION : .....	6
1.8. RESEARCH STRUCTURE :The study is designed with six chapters. ....	6
CHAPTER 2: LITERATURE REVIEW .....	7
2.1. CONCEPTS AND DEFINITIONS .....	8
2.1.1. Product .....	8
2.1.2. Customer Satisfaction .....	9
2.1.3. Product and Customer Satisfaction .....	10
2.1.4. Brand awareness .....	11
2.2. REVIEW OF PREVIOUS STUDIES :: .....	12
2.2.1. Factors product influencing customer satisfaction .....	12
Table 2.1 :Universal performance attributes (Dutka, 1995) .....	12
2.2.2. The three levels of Product model .....	15
The proposel model : Impact of After Sale Service Characteristics on Customer Satisfaction .....	16

2.3. Development of hypothesis and model for analysis.....	17
2.3.1. Brand awareness:.....	18
2.3.2. Core product level .....	18
2.3.3. Actual product level .....	19
2.3.4. Augmented product level .....	19
CHAPTER 3: METHODOLOGY .....	21
3.1. RESEARCH DESIGN .....	21
3.2. QUANTITATIVE APPROACH.....	23
3.2.1. Sampling.....	23
3.2.2. The interview in customers .....	23
3.2.3. Pilot study.....	23
3.2.4. Data collection.....	24
3.2.5. Data analysis .....	25
3.2.6. Descriptive Statistics .....	25
3.2.7. Reliability Statistic .....	25
3.2.8. Exploratory Factor Analysis .....	26
3.2.9. Correlation Testing.....	27
3.2.10. Regression Analysis .....	27
3.2.11. The measurement scale .....	28
CHAPTER 4: FINDINGS .....	32
4.1. OVERALL SITUATION.....	33
4.1.1. Introducing Starbucks products.....	33

4.2. SAMPLE DEMOGRAPHICS .....	34
4.3. DESCRIPTIVE ANALYSIS .....	38
4.3.1. Brand awareness.....	38
4.3.2. Core Product.....	40
4.3.3. Actual Product.....	40
4.3.4. Augmented product .....	41
4.3.5. Customer Satisfaction .....	42
4.4. Reliability statistics .....	43
4.4.1. Brand awareness.....	44
4.4.2. Core Product Level.....	44
4.4.3. Actual Product Level.....	45
4.4.4. Augmented Product Level.....	46
4.5. Exploratory factor analysis: .....	48
4.5.1. Exploratory Factor Analysis of Independent Variables .....	48
4.5.2. Exploratory Factor Analysis of Dependent Variable .....	54
4.6. Revision of hypotheses and model.....	55
4.7. Cronbach's Alpha After Exploratory Factor Analysis .....	56
4.8. Correlation testing .....	58
4.9. Regression analysis and hypotheses testing .....	60
CHAPTER 5: CONCLUSION AND RECOMMENDATION .....	65
5.1. CONCLUSION .....	65
5.2. RECOMMENDATION .....	67

5.2.1. Core Product Level : .....	68
5.2.2. Actual Product Level and Basic Product Level : .....	68
5.2.3. Augmented Product Level.....	70
5.3. Limitations and Recommendations for further research.....	71

## ACKNOWLEDGMENTS

To be honest, this thesis can be finished by helping of many people. I am very thankful to. First of all, I would like give my sincere thanks with deepest gratefulness to my advisor Dr. Ho Nhut Quang for his guidance in SPSS analysis and questionnaire development. It 's extreme invaluable to be sensitive solution of problems.

Then, I am grateful for the wise advice, love, affection and support of my parents and my older brother, they have extended me every step of my life. They are the strongest motivation and all of my life.

Another thank you goes to my professors and lectures at International University Ho Chi Minh city who teached and trained since these years. From knowledge and skill are fundamental propertiy of the my life.

Finally, thank to appreciate my friends, who doing thesis as the same time with me ,cause of your share and encouragement. Especially, my friend,Nguyen Thi Hai Yen, thank you for your helps that you have given me during this process.

## LIST OF TABLES

Table 2.1 :Universal performance attributes (Dutka, 1995) .....	18
Table 3.1: Measurement scale.....	36
Table 4.1 Descriptive Statistics of Brand awareness.....	39
Table 4.2 Descriptive Statistics of Core product level.....	40
Table 4.3 Descriptive Statistics of Actual product level.....	41
Table 4.3 Descriptive Statistics of Augmented product level.....	42
Table 4.3 Descriptive Statistics of Customer satisfaction.....	43
Table 4.4 Descriptive Statistics of Customer satisfaction.....	44
Table 4.5 Reliability Statistics of Brand Awareness.....	45
Table 4.6 Reliability Statistics of Core product level .....	46
Table 4.7 Reliability Statistics of Actual product level .....	47
Table 4.8 Reliability Statistics of Augmented product level .....	49
Table 4.9 Reliability Statistics of Customer satisfaction .....	50
Table 4.11 : KMO and Bartlett's Test for Independent Variables.....	51
Table 4.12 :Total Variance Explained.....	51
Table 4.12 Rotated Component Matrix <sup>a</sup> of Independent Variables (1 <sup>st</sup> round).....	52
Table 4.13 Rotated Component Matrix <sup>a</sup> of Independent Variables (Final round).....	54
Table 4.14: KMO and Bartlett's Test for Dependent Variable.....	56
Table 4.15: Component Matrix <sup>a</sup> for Dependent Variable.....	56
Table 4.16 : Reliability Statistics of Independence varibales after EFA.....	58
Table 4.17: Correlations between variables.....	60
Table 4.18 Model summary.....	61
Table 4.18: ANOVA table.....	61
Table 4.20 : Coeficients table.....	62
Table 21:Hypotheses testing results.....	64
Table 5.1 : Descriptive statistics component Product levels.....	66
Table 5.2 : Descriptive statistics component CoreProduct levels.....	67
Table 5.3 : Descriptive statistics component Actual and Basic Product levels.....	68
Table 5.4 : Descriptive statistics component Augmented Product levels.....	70



## LIST OF FIGURES

Figure 2.1: Conceptual model adapted by Foy Dino Manudo 2007.....	13
Figure 2.2 Brand awareness has relative with customer satisfaction.....	13
Figure 2.3 :Kotler, P. And Armstrong, G., Principle Marketing , 11 <sup>th</sup> ed., 2005...15	
Figure 2.4 Proposal model source Zafarullha Siddique, Asif Mughal 2011.....	17
Figure 2.5 :Conceptual model.....	20
Figure 3.1: Research Design.....	21
Figure 3.2: Research Process.....	22
Figure 4.1 Percentage of gender of Starbucks customers .....	35
Figure 4.2 Percentage of Age of Starbucks customers.....	36
Figure 4.3 Percentage of Education Level of Starbucks customers.....	37
Figure 4.4 Percentage of Income Level of Starbucks customers 44.....	38
Figure 4.5 :Revised research model.....	57
Figure 4.6 Final model result of this study.....	65

## **ABSTRACT**

This study was conducted to evaluate customer satisfaction on products of Starbucks in Ho Chi Minh city. Emphasis of the research is to illustrate the relationship between three levels of product such as Core product level, Actual product level, Augmented product level, as well as Brand Awareness with Customer satisfaction of products Starbucks. In the research, data was collected from 220 respondents selected from customers at Starbucks store. The validity of the measurement scale was tested by Cronbach's Alpha indicator. To analyze the data, several statistical tools were used such as descriptive analysis, principle component analysis, Pearson correlation analysis and regression analysis.

With three months doing this thesis, together with the enthusiastic guidance of the advisor and useful documents author collected from many sources as well as the help from IU friends, the thesis can be completed on schedule.

## CHAPTER 1: INTRODUCTION

### 1.1. RATIONALE:

In February 2012, according Vietnam ranked among top ten in CNBC a list of best countries for long term investment in the world. Likewise, Vietnam is evaluated as a rightful emerging market, offered programmes for *infrastructure development and growth opportunities for foreign investors*. In the development of Vietnam, Ho Chi Minh has always played a leading role. As the economic center of country, Ho Chi Minh city is the most significant target for foreign investment. It is considered the city grew of impressive VND224,268 billion (US\$10.7 billion) budget revenue as well as economic growth with an average growth rate of 9.22 percentage per year. Take advance this economic performance, Ho Chi Minh city has established a series of achievement facilitate businesses, especially attractive to the activity of foreign trade.

At the moment, monthly average income per capita in Ho Chi Minh City generally reached 2,800 US\$ (2012). Income levels supported strong growth rate. Result, people concern about being able to maintain standard of living at a new high. Besides, the middle class in Ho Chi Minh city also among high growth. This rising is basically influence on expansion in financial services and in basic sectors such as food and beverage.

In the recent year, young customers also are changing in the buying pattern. And continuous changes in consumer expectation for using food and drink are affected on Western Style. This situation is shift in food and drinking consumption directly leading to increase in perception of foreign brands. In fact, Ho Chi Minh market non stop showing up famous brands in food and drink especially in coffee section. Besides, they provide fact on trend in satisfaction of customer to diversify in appering: Gloria Jeans Coffee, Lee's Coffee, Coffee Bean & Tea Leaf, Starbucks. It is great challenge for all coffee brands locating in Ho Chi Minh market, further to deliver consumers how good quality of a

cup of coffee. These days, domestic coffee marketers are trying to gain Vietnamese consumers by producing a wide range of roasted, ground and instant coffee products. Coping with the product range, efficient sales channels are also exploited including wholesale, retail supermarkets, and shops. Besides, stylish coffee chains such as Trung Nguyen Coffee, Highlands Coffee, and Gloria Jean's Coffee are opened all over the country, especially in the big cities. Numerous bookstore and internet coffee shops also appear in several big cities which create new entertain'ment trend for Vietnamese teenagers. Coffee consumption at home also has a gradual increase. (Nguyen & Tran 2012).Consequence, event for first debut at Ho Chi Minh city, Starbucks has not only attracted hundrends of young customer at the opning day, but also attention of mass media to promote US coffee brand in Vietnam.

## **1.2. BRIEF IN INTRODUCTION ABOUT STARBUCKS**

Starbucks Corporation was founded in 1971 by Howard Schultz. In the current period, this is a totally popular brand name in coffee shop industry as well as Ho chi minh city. Its first store was opened in 31th January, 2013 at 76 Le lai street, District 1, Ho Chi Minh city. Nearly New world hotel is so crowd as the central place with many foreign vistors walking every day. Moreover, Starbuck store allocated at the heart in Ho Chi Minh which centralized place : Ben Thanh Market, 23/9 Park, Le lai street, De Tham street, Tran Hung Dao street .. This location is really good for Starbucks to attract attention.

In company with coffee was the core product of Starbucks, alongs with various beverages and delicious foods. According to Starbucks CEO Howard Schultz in May ,2013 The Wall Street Journal : “Schultz said Starbucks sells more than just coffee. The environment that we create, the store design, the experience...they all add up to occupy a much different position than anything anyone else in Vietnam,”

<http://english.vietnamnet.vn/fms/business/74625/starbucks-revenues-in-vietnam-exceed-target.html>. More than this point, the interesting story *are been telling by Starbucks coffee* in Vietnam, the more customers pay for a high quality cup of coffee.

### **1.3. PROBLEM STATEMENT:**

In Vietnam, it is not difficult to see coffee everywhere in Vietnam, whether on the walking along streets or on a country road. Vietnamese drink coffee with their breakfast or lunch, enjoy coffee with friends in the evening outside of the street or in bar coffee shops. Coffee is fallen into a habit as passing on foot, on their motorbikes, or cars. In fact that coffee is maintained as the essence of Vietnam's unique culture. The challenge of new-comer Starbucks issued that most of Vietnam are familiar with drinking traditional taste: black coffee with strong flavor to compare European style espresso from Starbucks.

Besides, also according to Mr Dang Le Nguyen Vu, Starbucks is “selling coffee-flavored water with sugar in it.” as same as many Vietnamese coffee drinkers.

On the one hand, with Starbucks join in Vietnam market, coffee section become more and more eventful with competition among foreign brands names: Coffee Bean & Tea Leaf, Gloria Jean's Coffee, Italy's Expressmenete Illy Cafe, and Florida-based Hard Rock Café as well as domestic brand names including Trung Nguyen coffee, Highland coffee....v.v.v In the race of domestic market, Starbucks has ambition that will be leading the Vietnam coffee market.

In my thesis, I will do a research about customer satisfaction on products of Starbucks and then find out the current situation of products, that may help to improve Starbucks products especially Starbucks coffee toward customer successful.

From these above reasons, my thesis's topic is chosen that is:

“EVALUATING CUSTOMER SATISFACTION ON PRODUCTS OF STARBUCKS IN HO CHI MINH CITY “

The research question of the thesis will be:

“What factors of Starbucks products influence customer satisfaction?”

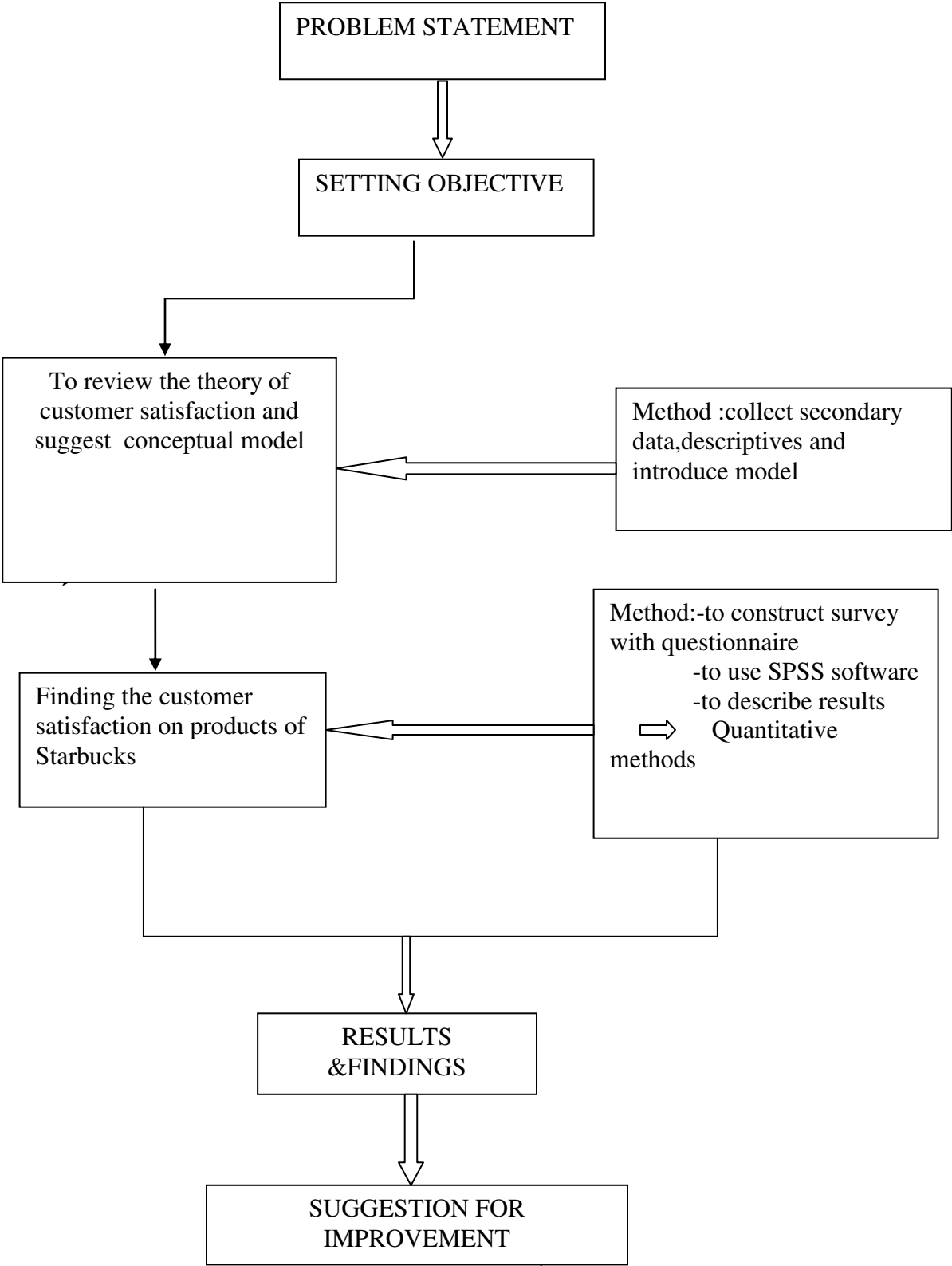
#### **1.4. RESEARCH OBJECTIVE:**

- Review the theory of product and customer satisfaction , introduce the conceptual model.
- The aims of research was to identify and measure the levels of customer satisfaction on products of Starbucks
- Give suggestion and recommendation to improve the products of Starbucks

#### **1.5. RESEARCH METHODOLOGY AND RESEARCH FRAMEWORK**

- For the first objective, I review the theory of customer satisfaction and the model of researching on customer satisfaction .I use secondary data such as books and previous studies.
- For the second objective, this study is conducted through quantitative research by taking survey on five factors of Starbucks product that affect on customer satisfaction , I use survey that built up Conceptual Model as a theoretical guide.
- For the last objective, I use Statistical Package for the Social Sciences (SPSS) to analyze the collected data to determine the major factors that affect customer satisfaction, then propose the suggestions to increase Starbucks product performance.

**Methodology Framework**



## **1.6. RESEARCH SCOPE AND LIMITATION:**

Young consumers are the main subject matter we want to analyze in this research, particularly; we focus on the medium and high income students and officers in Ho Chi Minh City-the leading economy city in Viet Nam. All respondents are chosen in Ho Chi Minh City because of opening the first Starbuck store in Ho Chi Minh. The study is also limited in time :the survey questionnaire carried out in March-April, 2013.

## **1.7. IMPLICATION :**

The purpose of this study is to help Starbuck understand the factors of product effect to customer satisfaction. Moreover, it is the undamental for Starbuck to expand and adapt in Vietnam market. Furthermore, this thesis also gives me the chance to apply what I have learned in realistic practice, help me improve my research ability.

## **1.8. RESEARCH STRUCTURE :The study is designed with six chapters.**

**Chapter 1: Introduction:** this chapter presents general background of the thesis.

**Chapter 2: Literature Review:** this chapter introduces the concepts of customer satisfaction, factors that affect customer satisfaction

**Chapter 3: Research Methodology:** this chapter shows an overview of the approach use to conduct the research

**Chapter 4: Main Findings:** this chapter focuses on analyzing the collected data and presents the product of Starbuck impact customer satisfaction.

**Chapter 5: Conclusion and Recommendation:** this chapter discuss about the result of the study and suggestion for improvement.



## CHAPTER 2: LITERATURE REVIEW

*This chapter focuses on introducing the related concepts and theories that are used in my thesis. It means this chapter will introduce the Literature review of customer satisfaction, product and three levels of product Model in order to give a clear idea about the research area and discuss previous studies on customer satisfaction*

## 2.1. CONCEPTS AND DEFINITIONS

### 2.1.1. *Product*

Product is actually a complex, multidimensional concept. It is defined broadly enough to include services, programs, and attitudes and includes whatever you are offering the target market in an effort to meet their needs. It involves all tangible and intangible aspects of the good or service you offer your target market. These are things which have value and are balanced against the value you expect to receive from the target consumer. Product in the NPS world would probably be interpreted as programs, activities, interpretation, as well as services. (Dr. Steve Hutchens)

Dibb et al (2006 p289) say a product is, 'everything, favourable and unfavourable, tangible and intangible, received in an exchange of an idea, service or good.'

Kotler and Keller (2006 p372) say very much the same, 'A product is anything that can be offered to a market to satisfy a want or a need. Products that are marketed include physical goods, services, experiences, events, persons, places, properties, organizations, information and ideas.'

The marketing mix includes product but as discussed above this can be something that is tangible or a service selling information and ideas.

A product is something that you can actually get hold off, it is tangible such as a bottle of perfume or aftershave, whereas a service is intangible. 'It is the result of the application of human and mechanical efforts to people or objects.' (Dibb et al p289)

.'

### **2.1.2. Customer Satisfaction**

According to Hasemark and Albinsson (2004) cited in Singh (2006:1) “satisfaction is an overall attitude towards a product provider or an emotional reaction to the difference between what customers expect and what they actually receive regarding the fulfillment of a need”.

“ There is general agreement that: Satisfaction is a person’s feelings of pleasure or disappointment resulting from comparing a product’s perceived performance (or outcome) in relation to his or her expectations (Kotler, 2003). Based on this review, customer satisfaction is defined as the result of a cognitive and affective evaluation, where some comparison standard is compared to the actually perceived performance.

If the perceived performance is less than expected, customers will be dissatisfied. On the other hand, if the perceived performance exceeds expectations, customers will be satisfied. Otherwise, if the perceived expectations are met with performance, customers are in an indifferent or neutral stage.

Customer satisfaction is defined as a customer’s overall evaluation of the performance of an offering to date. This overall satisfaction has a strong positive effect on customer loyalty intentions across a wide range of product and service categories (Gustafsson, 2005).

Whether the customer is satisfied after purchase also depends on the offer’s performance in relation to the customer’s expectation. Customers form their expectation from past buying experience, friends’ and associates’ advice, and marketers’ and competitors’ information and promises (Kotler, 2000).

Information about the opinion of the customer regarding a product or service is of essential importance, and can be obtained in several ways, such as customer surveys, phone interviews, and customer panel discussions. It is also important to measure

customer orientation continuously (Rampersad, 2001)” (cited in Seyed Hossein Siadat, 2008).

Kotler (2000); Hoyer & MacInnis (2001) also define satisfaction as a person’s feelings of pleasure, excitement, delight or disappointment which results from comparing a products perceived performance to his or her expectations.

### ***2.1.3. Product and Customer Satisfaction***

Yi (1993) suggest that ambiguity is another product characteristic that affects consumer satisfaction. When products are are ambiguous, consumer satisfaction is determined largely by their prior expectation .On the other hand, for products that are unambiguous or easy to evaluate, consumer’s satisfaction judgements are determined primarily by product performance.

Likewise, customer satisfaction has been the subject of many studies since the early 1970s which have shown it to be a construct with reasonably good reliability that is distinct from related constructs such as customer attitudes, product performance and service quality (Oliver, 1980, 1981; Westbrook and Oliver, 1981; Churchill and Surprenant, 1982; Tse and Wilton, 1988;Iacobucci et al., 1995; Spreng et al., 1996

To increase satisfaction levels related to product quality, however our effort might best be focused on factors that directly affect that quality of tangible product ( such as food quality and coffee drink flavor) (Bob.E.Hayes, 2008)

Eleven quality aspects can be devrived that are important for a customer assessment of satisfaction in mass customization context that build the basis for research activity : performance, features, reliability, conformance, durability, servicebility, aethetics as dimension of product quality, futhermore reliability, assurance, empathy and

responsiveness of the service employees that the company as well as tangible things ( Crosby et al. 2003)

#### **2.1.4. Brand awareness**

Brand awareness can be referred as the degree of consumers familiarity with a brand (Aaker 2001 and Keller 2003 “stated that brand awareness is a vital element of brand” equity in which when the brand is well known it become important to the company since customers may be influenced by the brand (Rossiter and Percy 2007) brand is the ability of customers to distinguish the brand amongst other brand” In other word, brand awareness is important since a lot of customers feel that if brand is well know it has good quality. Most important is not that the brand is well know; it is what it is known for (Merlin, 1999). Aaker (1996) clarified brand awareness into four main levels as, brand recognition, brand recall, top of mind and dominance:

- \* Brand recognition: It related to consumers’ ability to confirm prior exposure to that brand when given the brand a cue. It requires that consumers can correctly discriminate the brand as having been previously seen or heard.

- \* Brand recall: Brand recall relates to consumers’ aptitude to retrieve the brand from memory given the product category, the needs fulfilled by the category or a purchase or usage situation as a cue. It requires consumers to correctly generate the brand from memory when given a relevant cue.

- \* Top-of-mind brand: This is the brand name that first comes to mind when a consumer is presented with the name of a product classification.

- \* Dominant Brand: The ultimate awareness level is brand name dominance, where in a recall task; most consumers can only provide the name of a single brand.

In addition to brand awareness based on customer recognizing brand names who are highly satisfied with brand name, normally have highly brand awareness.

On the other hand, customers who are dissatisfied with the brand may have highly brand awareness, and then both customer satisfaction and customer dissatisfaction have relationship and affect brand awareness (Pappu and Quester, 2006)

## 2.2. REVIEW OF PREVIOUS STUDIES ::

### 2.2.1. *Factors product influencing customer satisfaction*

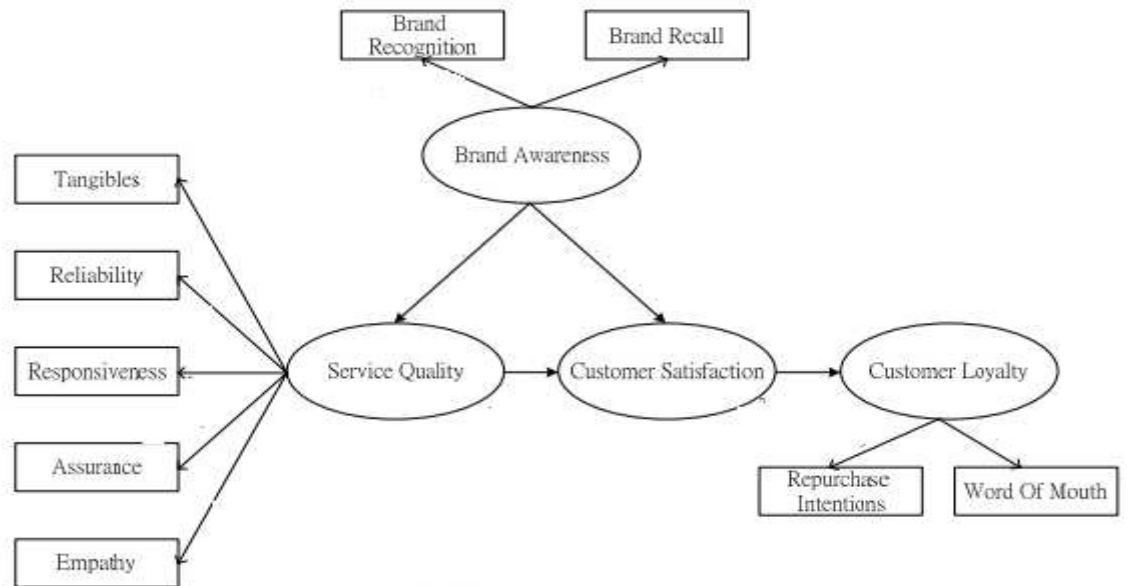
Based on other categories of customer satisfaction criteria may be found by Dutka (1995) . The attributes focus on satisfying customer from the product/service. Furthermore, the overall customer satisfaction is mostly identified by the attributes of products following :

Category	Attributes
Attributes related to the product	Product benefits
	Product quality
	Product features
	Product design
	Product reliability and consistency
	Range of product or service
Attributes related to the service	Guarantee
	Delivery
	Complaint handling
	Resolution of problems

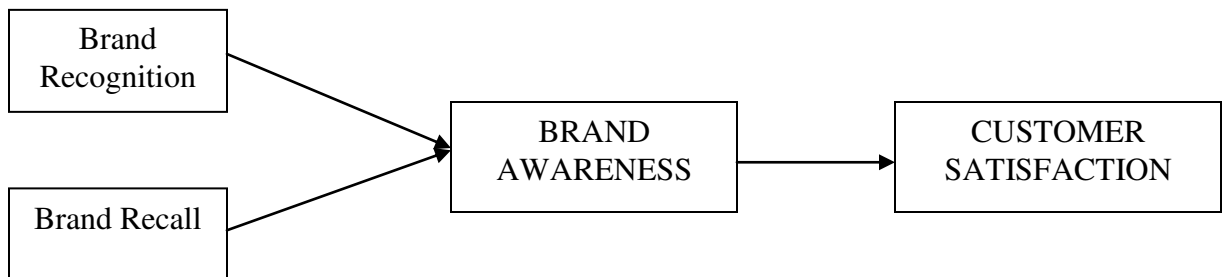
**Table 2.1 :Universal performance attributes (Dutka, 1995)**

Due to the reliability of these factors illustrated in tables above which is directly used for our research . It is evidence to adapt factors of Starbucks ‘s products and satisfaction in HCM city.

### 2.5.2 *Brand Awareness as a factor influencing Customer satisfaction*



**Figure 2.1: Conceptual model adapted by Foi Dino Manudo 2007**



**Figure 2.2 Brand awareness has relative with customer satisfaction (from initial model)**

According to Foi Dino Manudo 2007 , the research presented Brand Awareness as an aspect that is affecting on customer satisfaction. This model also include seven items in three dimensions of Brand Awareness, Service Quality, Customer Satisfaction . Reliability (the ability to performanceto promised services dependably and accurately), Responsiveness ( this willingness to provide help and prompt service to

customers), Assurance (the knowledge and courtesy of employees and their ability to convey trust and confidence ), and Tangible (the appearance of physical factors such as equipment, facilities and personnel ) which are belongs to Service Quality.

Second dimension, Brand Awareness, has also had two main sub-dimensions : Brand Recall (is spontaneously named in the product category, but it is not the first brand that is mentioned” (Apéria, 2004:44).

Brand recognition (awareness the consumer only recognizes the brand and which product category it belongs to, when the consumer is tickered by some external factors (Apéria, 2004: 45-46).

Customer satisfaction is the third dimension which overall satisfaction has a strong positive effect on customer loyalty intentions across a wide range of product.

From the figure 2.2 the Brand Awareness is considered strongly relative with customer satisfaction as a dimension to apply for suggestion conceptual model following Starbucks product.



2.2.2. *The three levels of Product model*

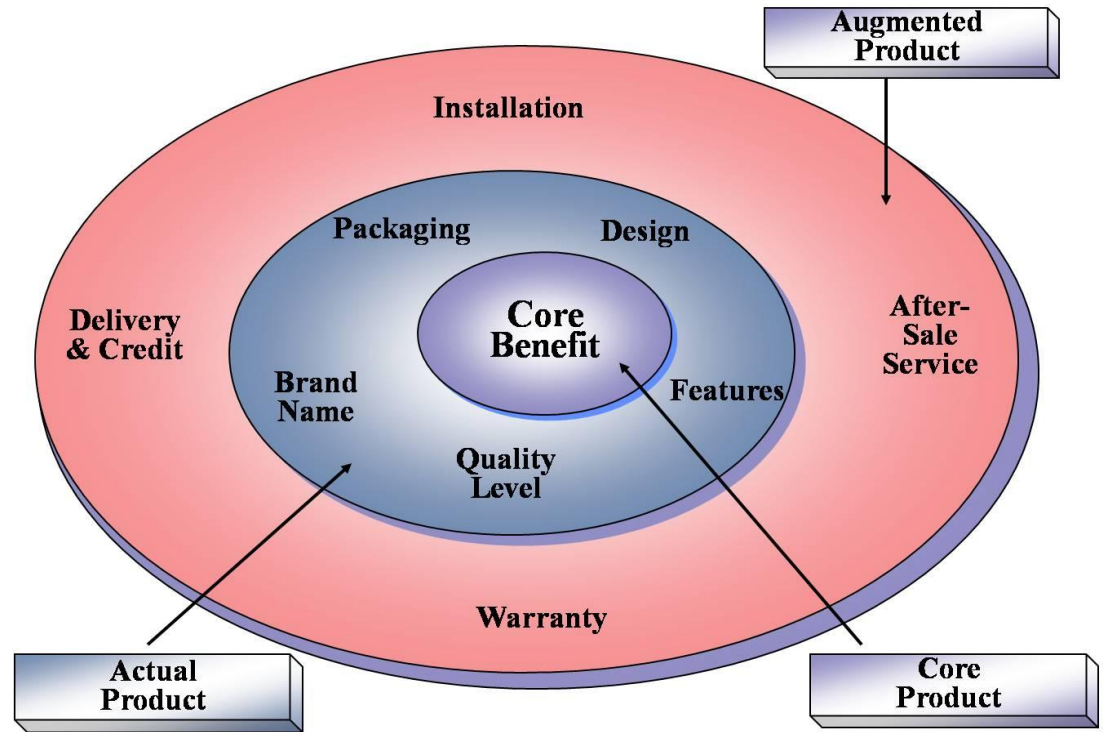


Figure 2.3 :Kotler, P. And Armstrong, G., Principle Marketing , 11<sup>th</sup> ed., 2005

Kotler and Armstrong (2004) developed their original definition of products containing a degree of service. The concept was termed in three levels of product. Three levels of product include the core product, the actual product as well as augmented product in order to identify overall product.

Figure 2.3 and all items involves in three levels of product following:

Core product: this is the “meat” or essence of product. It is part of total product that consumer is actually buying. The seller in this level provides the buyer with the major benefits in buying the product,aside from the additional accompanying features and privileges that the consumer may receive. (Cristobal M.Pagoso and Fellina C.Young ,2008

Actual product :It is the physical and touchable property of a product.This includes the product’s name, label, brand name, style, pacaging, features and quality level. It can be said this level provides the consumer a clearer and more material image of total product (Cristobal M.Pagoso and Fellina C.Young ,2008)

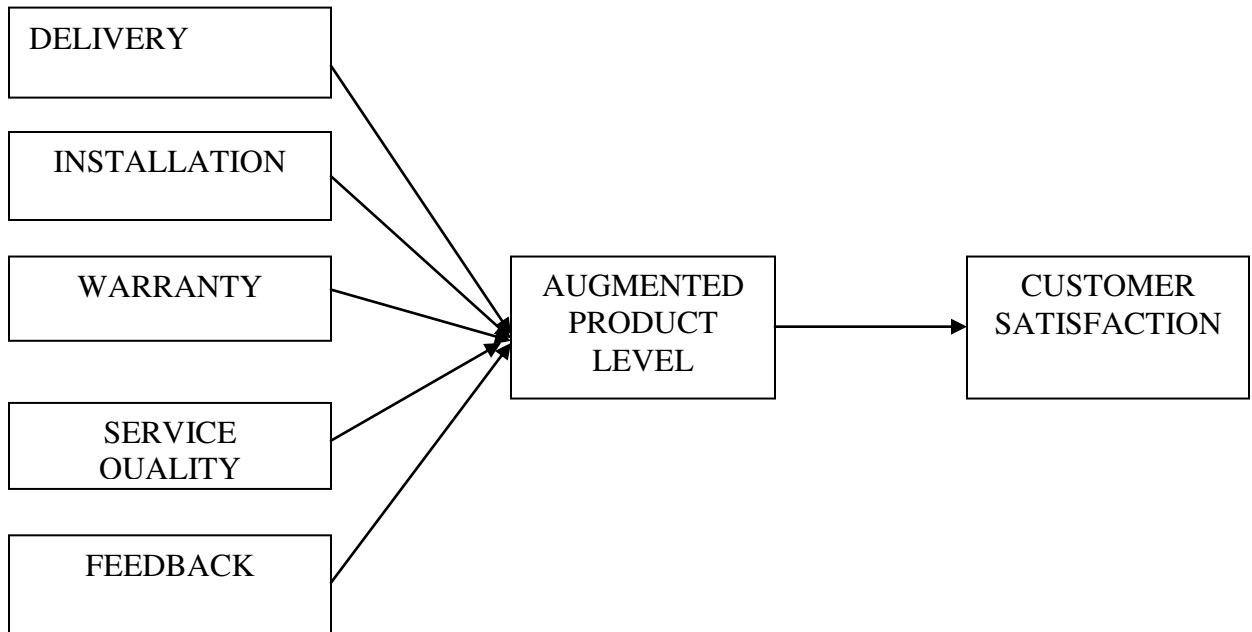
Augmented product: this level is a part where seller provides additional services and privileges to consumers of the product. These services can take several forms like discount, maintainance, additional purchase.In particular, product argumention deals with buyer preferences and consumption attitude. (Cristobal M.Pagoso and Fellina C.Young ,2008)

Beyond, these factors might be determinated the customer’s basic wants and needs to design tangible product that will meet satisfaction of these needs.The seller can then add more augmented benefits and privileges to help bring out consumer satisfaction (Fellina C.Young , 2008 )

### ***The proposal model : Impact of After Sale Service Characteristics on Customer Satisfaction***

Dibb et.al (2006) proposed the augmented product level supports aspects of the product, including customer service, warranty, delivery and credit, personnel, installation and after-sales support.’ In Dec 2011, Zafarullha Siddique , Asif Mughal examines the impact of after sale service characteristics on customer satisfaction.And they mentioned

that there are 5 main after-sale service characteristics i.e delivery, installation, warranty, service quality and feedback.



**Figure 2.4 Proposal model source Zafarullha Siddique, Asif Mughal 2011**

The figure 2.4 indicated that the augmented product level had full meaning to explain directly relationship with customer satisfaction. This reason is most suitable Augmented Product level dimension to be built in this study.

### **2.3. Development of hypothesis and model for analysis**

The model is analysed the relationship among several factors relevant to the study. It is also known as the conceptual model. A researcher may use the conceptual model to elaborate the relationships among variables, explain the logic underlying these relationships and describe the nature of the relationships.

Four dimensions along with relevant elements were developed to indentify attributes to customer satisfaction toward product

**2.3.1. Brand awareness:**

Brand awareness is defined as the ability of possible consumer to remember that a special brand belongs to a special product. Based on that there are four levels of brand awareness depending on the ease with customer :Recall brand, Brand recognition, Top of mind brand, Dominant brand” (Kottle, 2010)

**H<sub>1</sub>: There is a positive relationship between brand awareness and customer satisfaction on product**

**2.3.2. Core product level**

“This is the basic product, and represents the main benefits for which the product is purchased in the first place. The core product usually provides the same benefits as competing products in the same category, so there is little or no differentiation at this stage”. According to Jim Blythe (2009) denoted that the feature of core product which if present, do not create any satisfaction or motivation in themselves, but which ( if absent) create dissatisfaction and demotivation.

**H<sub>2</sub>: There is a positive relationship between core product and customer satisfaction on product**

### **2.3.3. *Actual product level***

Actual product level “describes the key features that a customer expects from a product. it represent the level of quality and type of featurea that enable a product deliver the core benefits desire. Therefore, these often represent then minimum require for a product competitive envirnment” (David Stokes & Wendy Lomax, 2008)

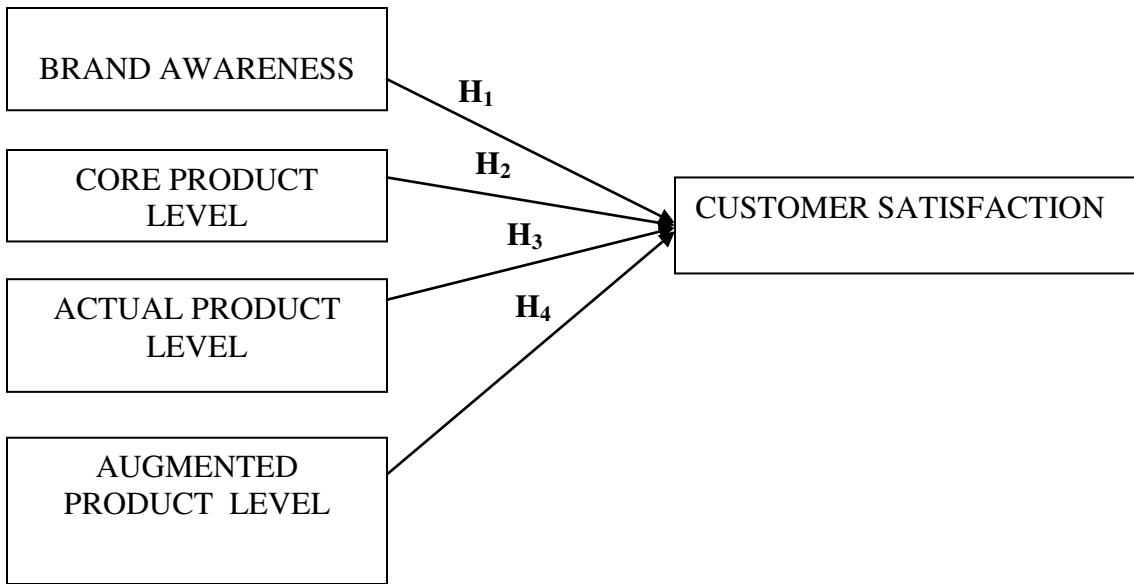
H<sub>3</sub>: There is a positive relationship between actual product and customer satisfaction on product

### **2.3.4. *Augmented product level***

“Augmented peoduct level includes additional service dimension is supported by additional consumer services and benefit. It is broader of the product. it represents the totallity of benefits that consumer may receive or expericence by using the formal product. Augmented features may include after sale support, loyalty schenmen membership, credit term..etc” ( Scott Mc Cabe, 2009 )

**H<sub>4</sub>: There is a positive relationship between augmented product and customer satisfaction on product**

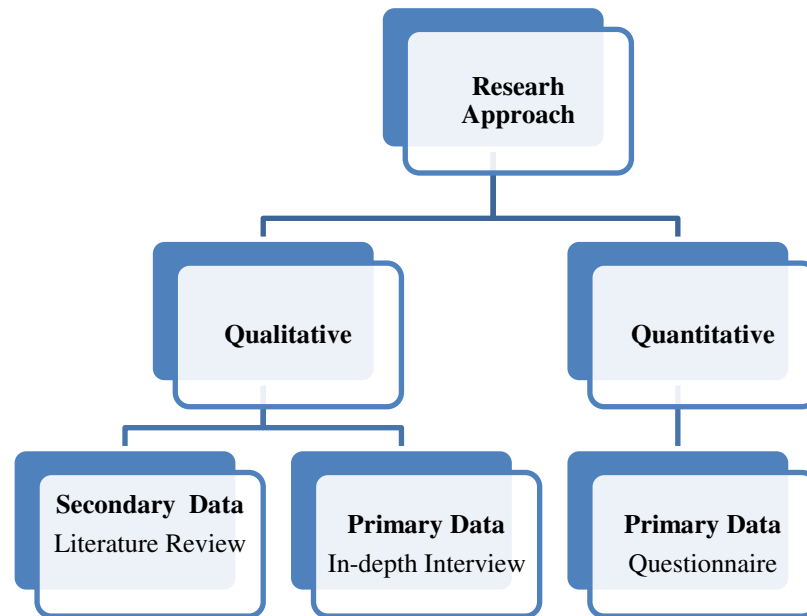
Framework for development of customer satisfaction on products of Starbucks is given in



**Figure 2.5 :Conceptual model**

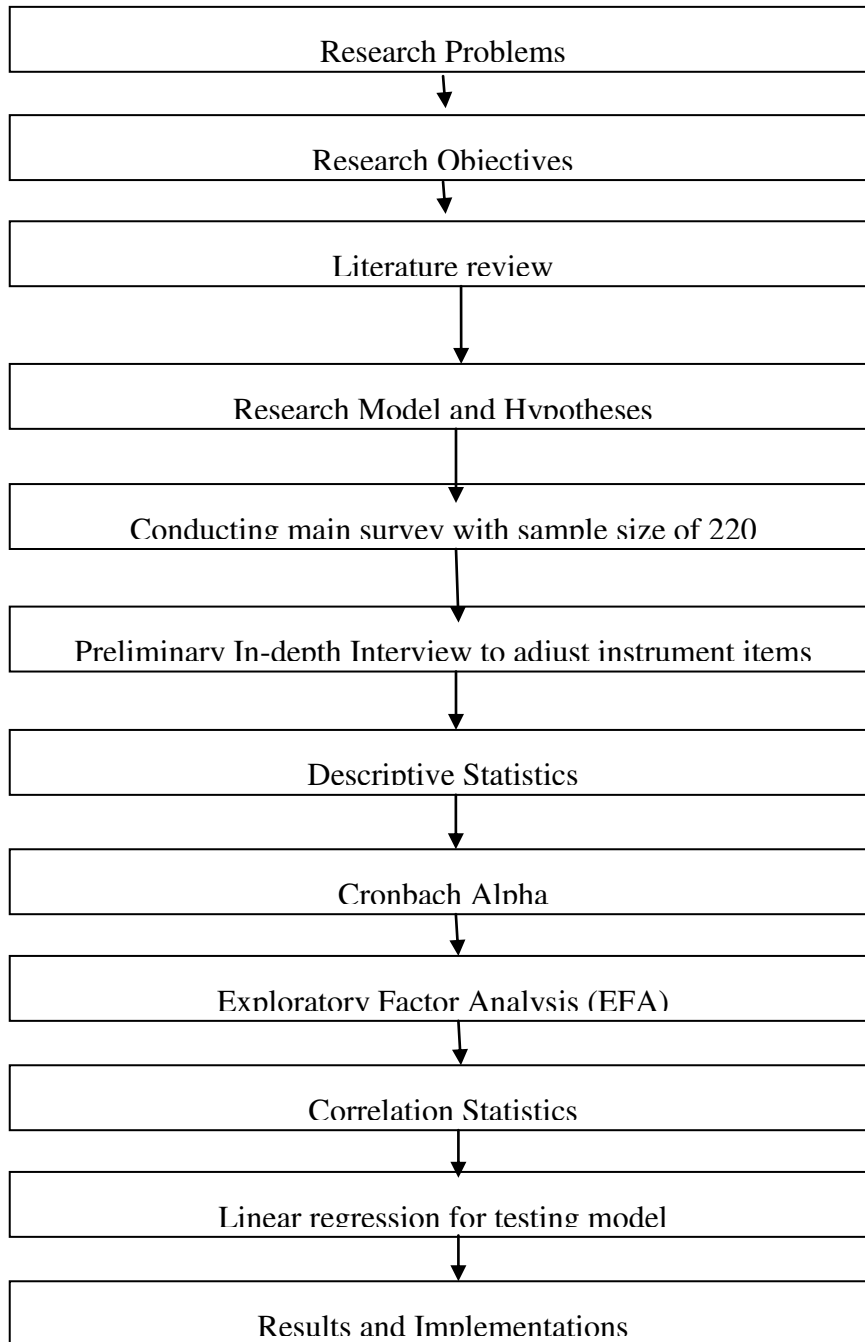
## CHAPTER 3: METHODOLOGY

### 3.1. RESEARCH DESIGN



**Figure 3.1: Research Design**

In Research Design, there are 2 main stages that Preliminary by Qualitative approach and Formal by Quantitative approach. To be more detail, in Preliminary while Secondary data is used to review former researches and related theories as literature review, Primary data is gained through direct interviews to adjust instrument scale. In Formal stage, again Primary is conducted with questionnaires distributed Starbucks. After conducting the process by collecting data, SPSS software is applied to analyze the data for some statistics and tests. Finally, the results and findings are debated to get the last mission as the final conclusions and recommendations. The research process is visualized in the following figure.



**Figure 3.2: Research Process**



## **3.2. QUANTITATIVE APPROACH**

### **3.2.1. *Sampling***

“A population was a group of potential participants to whom you want to generalize the results of a study” (Salkind 2006). Or a population could be defined as including all people or items with the characteristic one wishes to understand. In order to conduct a survey, the population should be defined. But in some conditions we couldn’t access all the units of the population because it could waste a lot of time, or some others factors that constraint our efforts. In this case, a sample was a good solution, sample was defined as a small percentage of a population. In this research, the population was defined that was all customer of Starbucks in the Ho Chi Minh city. Sample consists of people who comes and taste Starbucks products. So, they will have general views of all product, their satisfaction was evaluated more clearly and fully.

In order to estimate the sample size which was used in exploratory factor analysis, Hair et al. (1998) mentioned that at least 5 samples should be used to estimate 1 item. I had 27 observed variables in this thesis, therefore the sample size was at least  $5 * 27 = 135$ . In order to adapt with the sample size criterias of Hair (1998), the sample size research targeted in this research is 220

### **3.2.2. *The interview in customers***

According to Cooper and Schindler (2006), “the interview is the primary data collection technique for gathering data in qualitative methodology; an interview can be conducted individually or in groups”. My research was done individually.

I interviewed ten consumer at Starbucks , in order to test and get more opinions for my questionnaire adjusted.

### **3.2.3. *Pilot study***

“Cavana et al (2001) suggested that a questionnaire should be piloted with a reasonable sample of respondents coming from the target population. Pilot testing can help detect the weakness in questionnaire design”. Therefore, it was considered that the pilot survey would be useful in order to test the content and the meaning of words, or if necessary modify measurement scales to be suitable with the context of Starbucks

In my study, the pilot survey was conducted at Starbucks store using the qualitative method through questionnaire with 10 consumers. It has been suggested that for most student questionnaires the number of respondents for a pilot study should be at least 10 (Fink, 1995). The purpose of the pilot study is able to check the content, meaning of words and get suggestions from the students for possible questionnaire revision of the instrument for validity assessment.

#### **3.2.4. Data collection**

The main research was conducted by quantitative research. Data for my thesis is gathered at Starbucks store and the participants are the all customer. This data is collected from April 1<sup>st</sup> to April 15<sup>th</sup>, 2013.

To be more detail that they are approached directly at location. Moreover, to get accurate data, the researchers came to these places to meet and give the questionnaires directly to the customers there, specifically during free time which helps convenient time and suitable mood for them. Then we asked them to fill the questionnaires and collect right after that. Besides, to make it efficient for the data collecting process, the researchers come to meet the managers of these offices, show the purposes and implications of this research and ask them to support the process of data collection at these location

After collecting back the questionnaires, “the questionnaires will be reviewed and eliminated which are not satisfied: answers of questionnaire are the same

for all statements; the questionnaire has 10% of all statements can not be answered (Gilbert & ctg, 2004)”

### **3.2.5. Data analysis**

In my research, I used SPSS software version 16.0 in order to analyze the collected data. My data analysis procedure has 4 steps: first step is Descriptive Statistics; second step is Reliability Test; third step is Exploratory Factor Analysis; and the final step is Regression Analysis.

### **3.2.6. Descriptive Statistics**

“Descriptive statistics are used by researchers to summarize and "describe" data found during research. Typically researchers deal with lots of data and descriptive statistics provide a way for the researchers to summarize the main properties of a large group of data into just a few numbers. This lets the researcher show what the data are without tons and tons of numbers. Some examples of descriptive statistics are frequency distributions, measures of center (i.e., mean, median, mode), range, and standard deviation.

Descriptive Statistics in my research will present the minimum value, maximum value, Std. Deviation, and mean of all variables.

### **3.2.7. Reliability Statistic**

“Reliability Statistic indicates how well the items in a set are positively correlated to one another” (cited Nguyen Phan To Chan, 2012).

To assess the reliability and validity of measurement scales, Cronbach’s Alpha was used in this research. Cronbach’s Alpha was used to eliminate garbage items

with low item – total correlations ( $< .3$ ). The measure would be chosen if Cronbach's Alpha was from .6 (Tho et al, 2009).

### **3.2.8. Exploratory Factor Analysis**

After data collection was completed, descriptive statistics were initially conducted to provide an overview of the sample. Secondly, the reliability tests and exploratory factor analysis (EFA) were applied to the data of the main survey in order to conduct a primary test of the validity and reliability of the instrument. The purpose of this test is to assess the scales used to measure the constructs, i.e. to refine the measures; the refinement is based on reliability and dimensionality.

“Consider the accordance of EFA: KMO coefficient (Kaiser-Meyer-Olkin), is a criteria for evaluating the accordance of the data for EFA. The EFA is appropriate when  $0.5 \leq KMO \leq 1$ ” (Hoang Trong & ctg, 2005). “A value of 0 indicates that the sum of partial of correlations is large relative to the sum of correlations, indicating diffusion in the pattern of correlations (hence, factor analysis is likely to be inappropriate). A value close to 1 indicates that patterns of correlations are relatively compact and so factor analysis should yield distinct and reliable factors” (Andy Field, 2009)

- The criteria to determine the number of factors are extracted: all extraction factors must have Eigenvalue  $> 1$ . This standard is widely accepted as the basic for adding or removing any factor (Kaiser, 1960, Rummell, 1970 – extract from Hoang Trong & ctg, 2008).
- We consider the hypothesis of Bartlett's test of sphericity ( $H_0$ ) is variables that do not have correlation with overall (overall matrix is homogeneous). When  $\text{sig.} \leq 0.05$ , the hypothesis of correlation between observed variables is zero in overall (Hoang Trong & ctg, 2008). This data is appropriate when the hypothesis  $H_0$  is rejected.

- The cumulative coefficient of variance explained criteria  $\geq 0.5$ .

After EFA, some factors and variables are unvalued will be rejected or combine with other factors to establish a new factor.

### **3.2.9. Correlation Testing**

According to Hoang Trong & ctg (2008), “the correlation coefficient Pearson is used to measure the degree of close relationship between two or more variables”.

“If any variables have correlation below .3 then consider excluding them from factor analysis” (Andy Field, 2009)

### **3.2.10. Regression Analysis**

For testing the relationship between the independent variables and the dependent variable, Multiple Linear Regression was used in my research.

Regression model (Sig. < 0.05)

$$Y = \alpha_1 * X_1 + \alpha_2 * X_2 + \alpha_3 * X_3 + \alpha_4 * X_4 + \alpha_5 * X_5 + u$$

- Y: Students’ satisfaction
- $\alpha_1 - \alpha_5$ : Regression coefficients
- $X_1 - X_5$ : factors affect to student satisfaction

- u: error rate

### 3.2.11. *The measurement scale*

The literature review presented in chapter 2 is a theoretical guide for my study to develop the measurement statement, and the measurement scales of my thesis were measured basing on the Likert 5 point, with 1: strongly disagreed; 2: disagreed; 3: neutral opinion; 4: agreed; 5: strongly agreed, coded as follow:

	STATEMENT	CODE
<b>No.</b>	<b><u>Dimension 1: BRAND AWARENESS</u></b>	
1	Starbucks would my first choice	BR1
2	I can quickly recall logo and symbol of Starbucks .	BR2
3	As thinking about coffee , Starbucks come first in my mind.	BR3
4	I can recognize Starbucks among other coffee brands.	BR4
5	I am aware of drink and food from Starbuck.	BR5
6	I can recognize Starbucks when I see logo or symbol .	BR6
<b><u>Dimension 2: CORE PRODUCT LEVEL</u></b>		
7	Drinking Starbucks coffee give me an energy boost	CR1
8	Customers enjoy the Western unique and style .	CR2
9	Starbucks represents my fashionable and lifestyle .	CR3
10	Starbucks defines high social class and professional manner.	CR4
11	Drinking coffee Starbucks to help me awake, relax and refresh	CR5

<b><u>Dimension 3: ACTUAL PRODUCT LEVEL</u></b>		
12	Drink and food of Starbucks are good in quality.	ACT1
13	Food and beverages at Starbucks actually tasted delicious	ACT2
14	Starbucks has several varieties of drink that customers have more choices.	ACT3
15	Food and beverages at Starbucks are designed visual appeal.	ACT4
16	Starbucks's packaging are very convenient to use and take-away	ACT5
17	Starbucks is famous brand of coffee	ACT6
18	Waiting for less time to get our drink and food	ACT7
19	Label creates Starbucks to make more attractive and user-friendly.	ACT8
<b><u>Dimension 4: AUGMENTED PRODUCT LEVEL</u></b>		
20	Starbucks releases discount voucher to customer care and satisfy demand .	AUG1
21	Customers can pay a bill with cash and direct payment card.	AUG2
22	Starbucks issues information on facebook ,website, phone call to support customer service	AUG3
23	Customers join Coffee Tasting Activiy to learn more about Starbucks coffee	AUG4
<b>THE CUSTOMER SATISFATION</b>		
24	I am satisfied with drink and food of Starbucks	SAT1
25	I am satisfied with material facilities of Starbucks and customer's support in my problem solving.	SAT2

26	I am satisfied with decoradtion in Starbucks store	SAT3
27	I am satisfied with overall product performance	SAT4

**Table 3: Measurement scale**

	STATEMENT	CODE
<b>No.</b>	<b><u>Dimension 1: BRAND AWARENESS</u></b>	
1	Starbucks would be my first choice.	5 points Likert
2	I can quickly recall logo and symbol of Starbucks .	5 points Likert
3	As thinking about coffee , Starbucks come first in my mind.	5 points Likert
4	I can recognize Starbucks among other coffee brands.	5 points Likert
5	I am aware of drink and food from Starbuck.	5 points Likert
6	I can recognize Starbucks when I see logo or symbol .	5 points Likert
<b><u>Dimension 2: CORE PRODUCT LEVEL</u></b>		
7	Drinking Starbucks coffee give me an energy boost	5 points Likert
8	Customers enjoy the Western unique and style .	5 points Likert
9	Starbucks represents my fashionable and lifestyle .	5 points Likert
10	Starbucks defines high social class and professional manner.	5 points Likert
11	Drinking coffee Starbucks to help me awake, relax and refresh	5 points Likert
<b><u>Dimension 3: ACTUAL PRODUCT LEVEL</u></b>		
12	Drink and food of Starbucks are good in quality.	5 points Likert
13	Food and beverages at Starbucks actually tasted delicious	5 points Likert



14	Starbucks has several varieties of drink that customers have more choices.	5 points Likert
15	Food and beverages at Starbucks are designed visual appeal.	5 points Likert
16	Starbucks's packaging are very convenient to use and take-away	5 points Likert
17	Starbucks is famous brand of coffee	5 points Likert
18	Waiting for less time to get our drink and food	5 points Likert
19	Label creates Starbucks to make more attractive and user-friendly.	5 points Likert
<b><u>Dimension 4: AUGMENTED PRODUCT LEVEL</u></b>		
20	Starbucks releases discount voucher to customer care and satisfy demand .	5 points Likert
21	Customers can pay a bill with cash and direct payment card.	5 points Likert
22	Starbucks issues information on facebook ,website, phone call to support customer service	5 points Likert
23	Customers join Coffee Tasting Activiy to learn more about Starbucks coffee	5 points Likert
<b>THE CUSTOMER SATISFATION</b>		
24	I am satisfied with drink and food of Starbucks	5 points Likert
25	I am satisfied with material facilities of Starbucks and customer's support in my problem solving.	5 points Likert
26	I am satisfied with decoradion in Starbucks store	5 points Likert
27	I am satisfied with overall product performance	5 points Likert

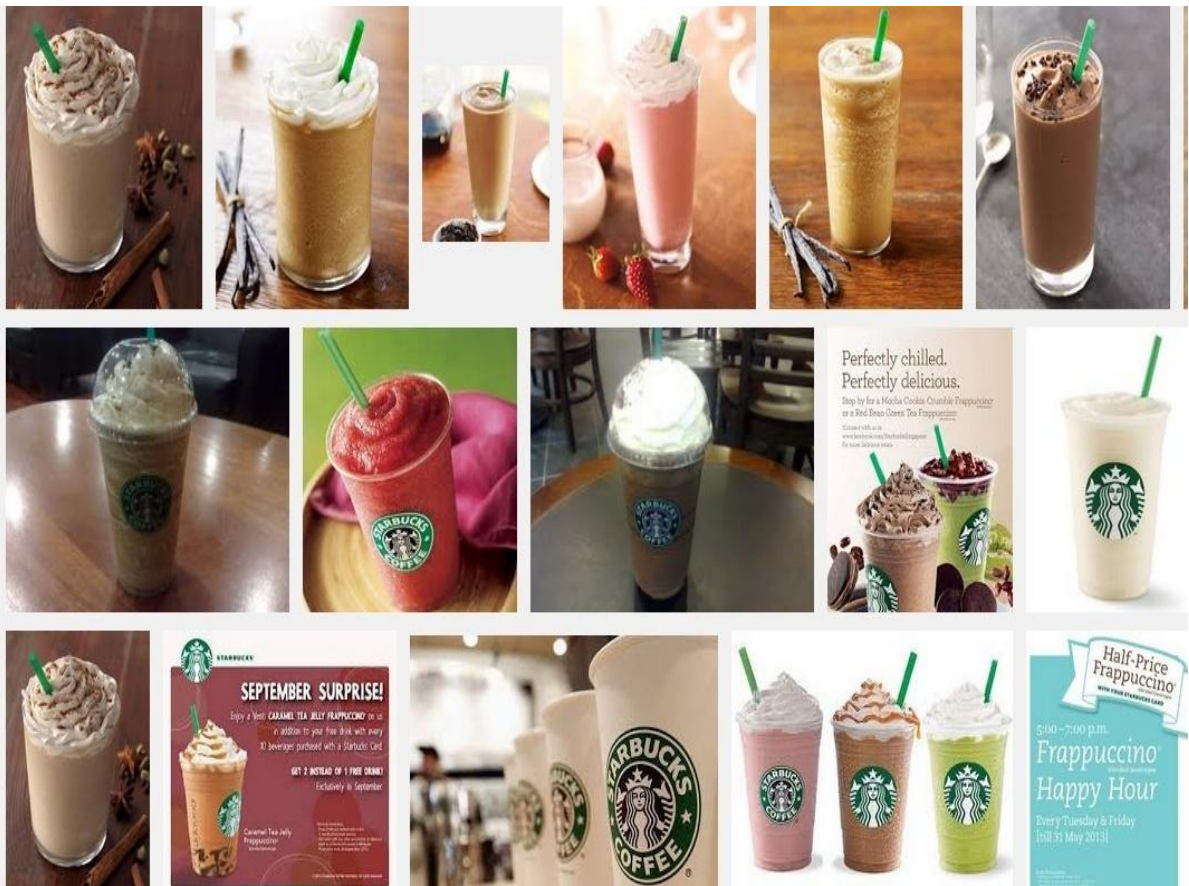
## CHAPTER 4: FINDINGS AND ANALYSIS

*In this chapter, collected data is employed while survey responses are discussed. Moreover, the content originates through demographic description that supplies an overview of sample. Next turns the descriptive statistics and reliability test of factor-based result which can be seen the mean of central tendency and dispersion Besides, Exploratory Factor Analysis (EFA) is displayed to figure out each construct's dimensions and Cronbach's Alpha is recomputed for the scale whose items are excluded. Last but not least, correlation between individual level of products affect customer satisfaction on products of Starbucks tested and the regression provided the coefficients that show the importance level between the independent variables with their hypotheses testing..*

## 4.1. OVERALL SITUATION

### 4.1.1. *Introducing Starbucks products*

In Vietnam market, Starbucks introduces American coffee style and culture throughout present in catalog of foods and drinks. Besides, superior drink with colourful appeal and delicious beverage such as espresso, cappuccino, Chocolate Beverages, Frappuccino® Blended Coffee, Frappuccino® Blended Crème®, Brewed Tea



Drinks are designed not only attractive visual appeal but also unique taste associate with trend habit of young consumer. Besides, the diversification in menu such as Bakery , Muffins ,Cakes ,Cold Sandwiches ,which consumers prefer to convenience choice

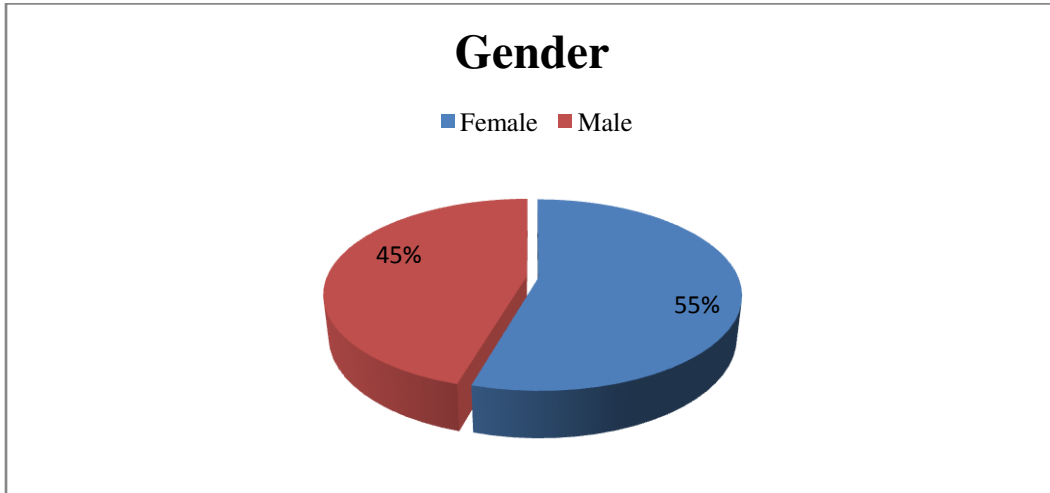


Although, VIP card or Starbucks card, delivery, phone order other services still are not available acceptance . Nevertheless, which offer Wifi, television, gift card, vouch especially coffee tasting activity every Monday ,which customers are desired comfort and pleasure. Moreover, Starbucks is the place for you experiencing “Expect more than coffee”.

#### 4.2. SAMPLE DEMOGRAPHICS

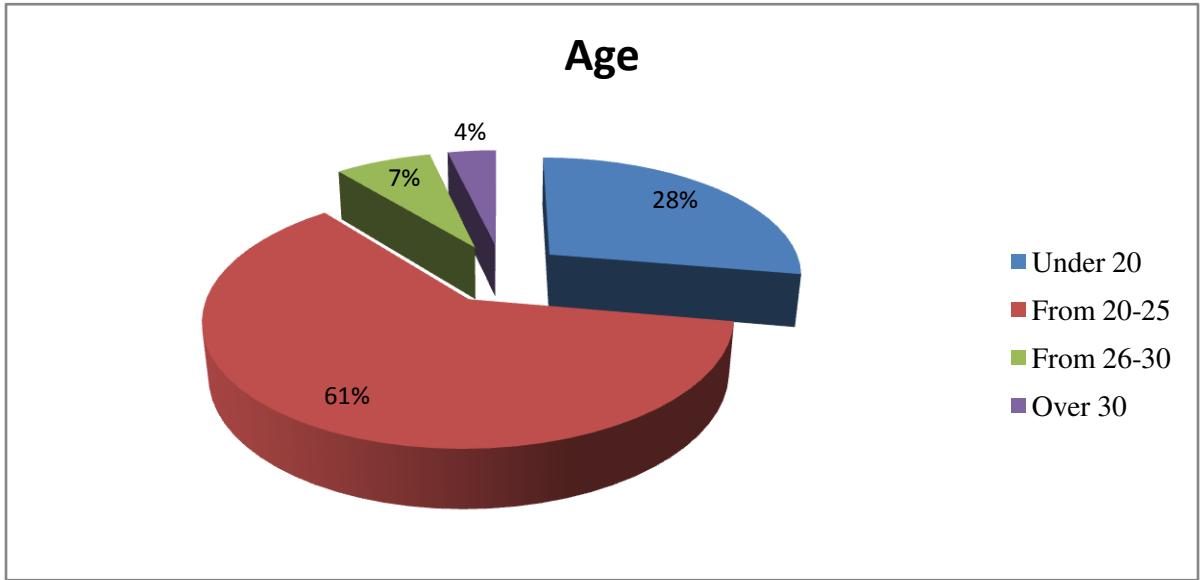
There are 230 questionnaires delivered at the Starbucks store in Ho Chi Minh city. Among 230 questionnaires collected , 10 questionnaires were invalid because they are low quality of responses. So they are removed from data analysis process. After editing stage, 220 ones were accepted and analyzed with the SPSS software.

Figure presents the frequency statistics about the proportion of sample demographics significantly



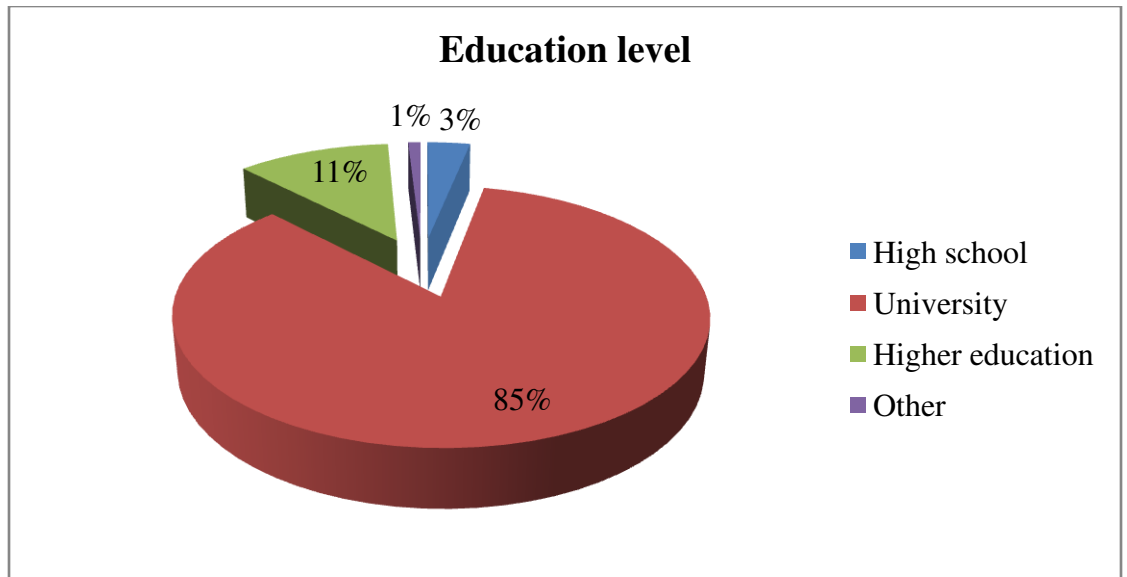
**Figure 4.1 Percentage of gender of Starbucks customers**

The ratio of female over male customers of these target customers is about 10%. The disparity between female and male is quite not significant, 55% compared to 45% hence the sample is highly representative to the population of this study.



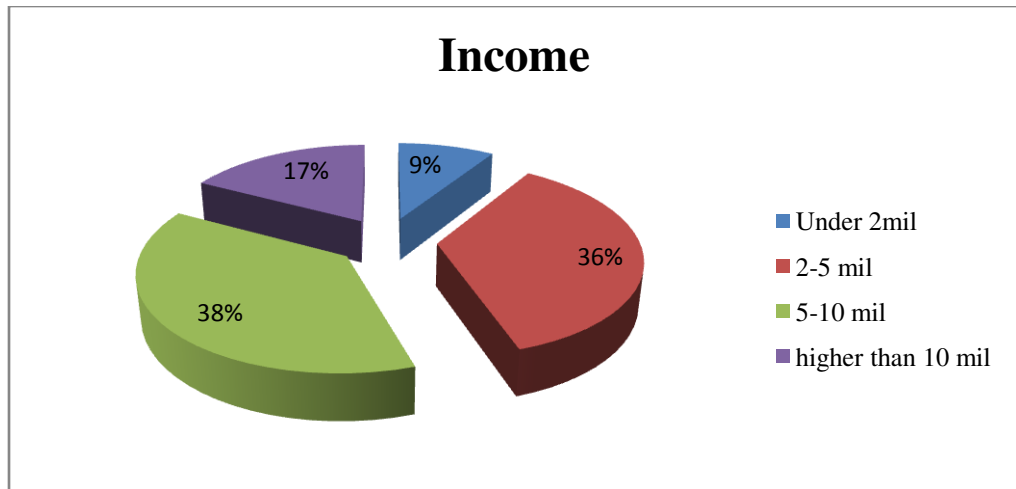
**Figure 4.2 Percentage of Age of Starbucks customers**

In the figure above, the highest percentage of age is from 20-25 years old with 61%. Upon this age, young people who are studying or working and making money by themselves. Next position is the group of under 20 years old who including almost students from college and university. The other group is customers from 26-30 and over 30 years old.



**Figure 4.3 Percentage of Education Level of Starbucks customers**

According to the survey result show the education level of Starbucks customers are divided into 4 levels from high school to higher. The dominant group in dimension is the education level of university which account for 85% of the sample. Approximately 15% of education level can be combined with students in high school, higher education and other. Thus, the major of Starbucks customers are people with relatively high education level.



**Figure 4.4 Percentage of Income Level of Starbucks customers**

According to the reference of Income, the quantity of “2-5 million VND”, “5-10 million VND” and “higher10 million VND” is 200 over 220 people surveyed, which took 91% collectively. They are mainly students and officers who are having part time job or making money by themselves. This means that they are suitable customers who willing to pay for Starbucks products which usually comprise high cost than others. Besides, the term of “under 2 million” with 9% indicates that they are a major of students who strongly depend on income from family. However, the results of that dimension are still significantly reflect positive to the direction of our study.

### **4.3. DESCRIPTIVE ANALYSIS**

#### **4.3.1. Brand awareness**

The brand awareness aspect aims to perception of customers about aware of Starbucks brand , paid attention of Starbucks coffee , recognized and recalled Starbucks



brand. The satisfaction is measured by customer agreement level on each statement, the indicate that the scale from 1 to5 or from strongly disagree to strongly agree

Among 6 element in Brand Awareness, the average mean value of 3.899 with the range from 3.4136 to 4.1318 indicates a pretty good perception of customers about Starbucks brand awareness. The most of customers agreed with the factor BR6 “recognition brand”, illustrated by the highest Mean value of 4.1318. My first choice (BR1), Brand recall (BR2), First come in mind (BR3), Fast to mind (BR4), Awareness (BR5) also gain attention indicated by high Mean values of 4.0182, 3.9591, 3.4136 and 3.7545.

**Table 4.1 Descriptive Statistics of Brand awareness**

<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic
BR1	220	1.00	5.00	4.0182	.70201
BR2	220	1.00	5.00	3.9591	.87750
BR3	220	1.00	5.00	3.4136	.91999
BR4	220	2.00	5.00	3.7545	.80734
BR5	220	2.00	5.00	4.1227	.73927
BR6	220	2.00	5.00	4.1318	.75603
Valid N (listwise)	220				
Average				3.8999	

#### 4.3.2. Core Product level

The Core Product level dimension measures how well benefit of Starbucks products supply for principle requirement to its customers.

**Table 4.2 Descriptive Statistics of Core product level**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
CR1	220	2.00	5.00	3.4955	.74942
CR2	220	2.00	5.00	3.6545	.70790
CR3	220	1.00	5.00	3.3727	.78640
CR4	220	1.00	5.00	3.8182	.74860
CR5	220	2.00	5.00	3.6909	.79088
Valid N (listwise)	220				
Average				3.6636	

The Starbucks customers accepted the Core product level dimension to point out the average mean value equals to 3.6636. The average mean value range from 3.3727 to 3.8182 which indicate that customers are positive with core product of Starbucks. The highest mean value (Mean= 3.8182) of CR4 present that customer is the most satisfies with “coffee Starbucks help refresh and relax” .However, the over items of Core product level have mean value around 3.3-3.8 ,which indicate majority evaluation of customers belongs to neutral to argee.

#### 4.3.3. Actual Product level

In the levels of product, Actual product level dimension is useful for suggestion satisfaction levels of customers toward design and style of food and drink, the quality and feature of product as well as the labelling and packaging are more attractive appearance.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
ACT1	220	2.00	5.00	3.8227	.75273
ACT2	220	1.00	5.00	3.6273	.71333
ACT3	220	1.00	5.00	3.7591	.71587
ACT4	220	1.00	5.00	3.9273	.74893
ACT5	220	1.00	5.00	3.9500	.72291
ACT6	220	1.00	5.00	4.2591	.72852
ACT7	220	2.00	5.00	3.6864	.74441
ACT8	220	1.00	5.00	3.8773	.68808
Valid N (listwise)	220				
Average				3.86365	

**Table 4.3 Descriptive Statistics of Actual product level**

The descriptive Statistic table show that Actual Product level , there are eight items combination into this dimension. The average value of them are 3.86365 ,indicates that customers tend seldom to agree . With the (ACT6) item illustrated the highest mean value of 4.2591 ,which indicate the customer satisfied with Starbucks Brand name . To compare ACT6, the rest of items approach to 3.95, it means the items make pretty impression to customers . Overall, most of customers similarly respond to this dimension.

#### **4.3.4. Augmented product level**

The augmented product dimension mesure how customer perceive the customer service after sale, tasting the new products every week as well as addition other service .

**Table 4.4 Descriptive Statistics of Augmented product level**

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
AUG1	220	1.00	5.00	3.7182	.75407
AUG2	220	1.00	5.00	3.9318	.74631
AUG3	220	1.00	5.00	3.8091	.73398
AUG4	220	2.00	5.00	3.8500	.72795
Valid N (listwise)	220			3.827	
Average				3.827	

The customer perception toward the augmented product toward are presented via the mean and standard deviation in the table above. The lowest mean value is 3.7182 of item AUG1 “After sale service”, the highest mean is 3.9318 of item AUG3 “Customer service”. The average value at 3.827, show with all items in this dimension are considered positive by major customers.

**4.3.5. Customer Satisfaction**

The customer satisfaction dimension refers to measure the perception and satisfaction of customers on general products of Starbucks.

**Table 4.4 Descriptive Statistics of Customer satisfaction**

<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Std. Deviation

SAT1	220	2.00	5.00	3.6773	.62697
SAT2	220	2.00	5.00	3.8591	.69121
SAT3	220	1.00	5.00	3.9818	.74615
SAT4	220	1.00	5.00	3.8091	.75241
Valid N (listwise)	220				
Average				3.832	

The Customer satisfaction dimension consists of four items that used for testing the overall satisfaction of customers toward Starbucks 's products. The mean values of items fluctuate from 3.6773 to 3.9818 with the average value equals 3.832. Among four satisfaction items, SAT3 item value is 3.9818 specifies the customers are mostly satisfied with decoradtion in Starbucks store. The mean value of SAT1,SAT2, SAT4 items in turn equal 3.6773, 3.8591,3.8091 show that three items come near to appreciation of customers.

Consequently, the overall satisfaction of customers directly positive effects on Starbucks 's product ,however the level of satisfaction is not still high. General increasing satisfaction of customer toward products of Starbucks become in important . The process details , will be indicated in the next part of the study.

#### **4.4. Reliability statistics**

Using the *Cronbach's alpha* is to estimate internal consistency of reliability of research data. Consequently, Cronbach's alpha was computed and the result were compared with the 0.7 recommened as cut-off point by Nunnally (1978) indicating that scale were reliable (Nunnally& Bernstein, 1994), although as previous detailed, a reliability between 0.5 and 0.6 is considered suffice by Nunnally (1967), Churchill (1979).

**4.4.1. Brand awareness**

**Reliability Statistics of Brand Awareness**

Cronbach's Alpha	N of Items
.763	6

The Brand awareness dimension has the well reliability Cronbach’s alpha of 0.763. It indicates that all of six items in Brand awareness are accepted reliable

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
BR1	19.3818	8.310	.457	.741
BR2	19.4409	7.499	.496	.732
BR3	19.9864	7.840	.382	.766
BR4	19.6455	7.828	.481	.735
BR5	19.2773	7.708	.584	.710
BR6	19.2682	7.302	.680	.684

**Table 4.5 Reliability Statistics of Brand Awareness**

Based on the value of Cronbach’s Alpha if item deleted, if one of six items is eliminated , the cause of decrease in internal consistent of Brand awarness. Therefore, all items will remain to use in next stage.

**4.4.2. Core Product Level**

**Reliability Statistics of Core Product Level**

Cronbach's Alpha	N of Items
.698	5

In the Cronbach’s Alpha in the table indicates that the scale of Core Product dimension is 0.698 which is accepted reliability.

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
CR1	14.5364	4.341	.510	.625
CR2	14.3773	4.811	.381	.678
CR3	14.6591	4.244	.504	.627
CR4	14.2136	4.379	.497	.631
CR5	14.3409	4.582	.381	.681

**Table 4.6 Reliability Statistics of Core product level**

Moreover from the table above, every items of CR1, CR2, CR3, CR3, CR4 as well as CR5 are removed , it cannot increase the value of Cronbach’s alpha. None of items is eliminated from the Core Product level

**4.4.3. Actual Product Level**

**Reliability Statistics**

Cronbach's Alpha	N of Items
.808	8

In the Actual Product level dimension, the Cronbach’a Alpha value is 0.808 that is ranged in good set of items.With good internal consistency of the items in scale is indicated under Cronbach’s Alpha.

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
--	----------------------------	--------------------------------	----------------------------------	----------------------------------

ACT1	27.0864	11.568	.450	.797
ACT2	27.2818	11.573	.486	.792
ACT3	27.1500	10.904	.639	.769
ACT4	26.9818	11.077	.562	.780
ACT5	26.9591	10.944	.622	.771
ACT6	26.6500	11.361	.519	.787
ACT7	27.2227	11.526	.467	.795
ACT8	27.0318	11.912	.432	.799

**Table 4.7 Reliability Statistics of Actual product level**

The option deleted the one of eight items in this dimension, the result of dimension value had be decreased the Cronbach's Alpha value. Then all of eight items are kept from Actual Product Level

**4.4.4. Augmented Product Level**

**Reliability Statistics**

Cronbach's Alpha	N of Items
.711	4

The result of Cronbach's Alpha (=0.711) in the table shows that the testing of this dimension is closely reliable. Four items in Augmented Product level items are contributing to acceptable reliability.

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
AUG1	11.5909	2.964	.449	.677



AUG2	11.3773	2.884	.496	.649
AUG3	11.5000	2.763	.573	.601
AUG4	11.4591	2.980	.473	.662

**Table 4.8 Reliability Statistics of Augmented product level**

Sine no item deleted can increase the current value of Cronbach Alpha. It demonstrate that current scale is well composed. And all factor items relatively represent to measure the Augmented product level

**4.5.5 Customer satisfaction**

**Reliability Statistics**

Cronbach's Alpha	N of Items
.699	4

The Cronbach's alpha of Customer satisfaction indicates that the scale of this dimension is highly reliable. Four items in this dimension is *approach* to assess the *reliability*.

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
SAT1	11.6500	2.850	.449	.657
SAT2	11.4682	2.597	.502	.624
SAT3	11.3455	2.382	.545	.595
SAT4	11.5182	2.552	.447	.661

**Table 4.9 Reliability Statistics of Customer satisfaction**

From the table above , the original scale of this dimension is well set the items and internal *consistency* .The elimination of one of SAT1, SAT2, SAT3, SAT4 item will decrease the value of Cronbach's alpha. Therefore, all items above will be kept .

#### **4.5. Exploratory factor analysis:**

After finishing reliability test for the scale measurement, we conduct the Factor analysis to test the validity of the scale. In order to explore the structure of a collection of the observed variables.

The process will apply Kaiser-Meyer-Olkin test (Kaiser 1970, 1974), Bartlett's test (Bartlett 1954) combined with Varimax rotation to get the final result. In this study, the processing data for research purpose involve 2 mainly steps. The first is the exploration factors analysis of independent variables (Brand awareness, Core product level, Actual product level , Augmented Product level) and the second is the factor analysis of dependent variable (Customer Satisfaction).

In the result, the Kaiser-Meyer-Olkin (KMO) index ranges from 0 to 1, with 0.6 suggested as the minimum value for a good factor analysis and Bartlett's test of sphericity should be significant ( $p < 0.5$ ) for the factor analysis to be considered appropriate (Tabacknick&Fideller, 2007). Moreover, Total Variable Explain are above 50% and Eigenvalue of each factor must be more than 1. Items which are less than 0.5 (50%) and which distribute two or more components with difference less than 0.3 will be eliminated (Kaiser 1970, 1974). These items are called low-loading and cross-loading are eliminated.

##### ***4.5.1. Exploratory Factor Analysis of Independent Variables***

The process of factor analysis conduct four independent variables including 23 independent items. The table below presents the result of KMO and Bartlett's test for independent variables.

**Table 4.10 : KMO and Bartlett's Test for Independent Variables**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.819
Bartlett's Test of Sphericity Approx. Chi-Square	1667.94
Df	253
Sig.	.000

From KMO and Bartlett’s Test table , the Kaiser-Meyer Olkin (KMO) index is 0.819 exceeding requirement above 0.6, beside, the Bartlett’s Test of Sphericity is significant (Sig.=0.000 <0.05). Therefore, the EFA method is suitable for this study.

**Table 4.11 Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
	1	5.865	25.500	25.500	5.865	25.500	25.500	2.645	11.501
2	2.013	8.753	34.253	2.013	8.753	34.253	2.418	10.512	22.012
3	1.835	7.979	42.232	1.835	7.979	42.232	2.291	9.963	31.975
4	1.540	6.698	48.930	1.540	6.698	48.930	2.240	9.741	41.716
5	1.129	4.908	53.838	1.129	4.908	53.838	2.000	8.697	50.413
6	1.031	4.483	58.321	1.031	4.483	58.321	1.819	7.908	58.321
7	.933	4.059	62.380						
8	.894	3.887	66.267						
9	.855	3.716	69.983						
10	.782	3.398	73.381						

11	.759	3.299	76.680					
12	.701	3.048	79.728					
13	.643	2.797	82.524					
14	.590	2.563	85.088					
15	.549	2.386	87.474					
16	.488	2.120	89.594					
17	.469	2.038	91.632					
18	.427	1.856	93.488					
19	.396	1.720	95.208					
20	.366	1.591	96.799					
21	.338	1.471	98.270					
22	.288	1.254	99.524					
23	.110	.476	100.000					

Extraction Method:  
Principal Component Analysis.

**Table 4.12: Rotated Component Matrix<sup>a</sup> of Independent Variables (1<sup>st</sup> round)**

Rotated Component Matrix<sup>a</sup> of Independent Variables (1<sup>st</sup> round)

	Component					
	1	2	3	4	5	6
BR1						
BR2						.740
BR3		.433				.547
BR4						.704
BR5					.914	
BR6					.871	
CR1		.757				
CR2		.448				
CR3		.715				
CR4		.620				
CR5		.578				

ACT1				.607	
ACT2				.613	
ACT3	.683				
ACT4	.765				
ACT5	.778				
ACT6	.591				
ACT7				.703	
ACT8				.592	
AUG1			.603		
AUG2			.750		
AUG3			.771		
AUG4			.691		

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

In the first round ,23 items of independent variables are divided into 6 components. Variables are deleted because of their low loading (<0.5) and cross-factor loading. They are “first choice brand “ (BR1) , first come in mind” (BR3) and “Core product level 2” (CR2) . “ The 20 remaining items are continued in the second rotated round.

The 20 items here are conducted by recurring process .After third rotated round, these 20 items are grouped into 5 components. There is no low-loading and cross-loading happen, thus, all items are not remove. The final result of rotation is describe in the table below:

**Table 4.13 Rotated Component Matrix<sup>a</sup> of Independent Variables (Final round)**

Rotated Component Matrix<sup>a</sup> of Independent Variables (Final round)

	Component				
	1	2	3	4	5
BR2		.564			
BR4		.601			
BR5		.860			
BR6		.865			
CR1				.756	
CR3				.736	
CR4				.645	
CR5				.600	
ACT3	.732				
ACT5	.779				
ACT6	.628				
ACT4	.743				
ACT1					.581
ACT2					.703
ACT7					.690
ACT8					.598
AUG1			.593		
AUG2			.748		
AUG3			.785		
AUG4			.712		

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

The result shows that total 3 items/variables were eliminated from initial measurement scale due to their low-loading and cross-factor loadings. After processing EFA, 5 new components are created from the 4 basic components. Therefore, there are five components in the next testing procedure.

The 20 remain items are group into 5 components. The component 1 consists of 4 items that are “Recall brand” ( BR2), “Brand fast in mind” (BR4) , “Brand awareness” (BR5), “Brand recognition” (BR6). This component has high loading and it is still term itself as BRAND AWARENESS.

The component 2 includes in Core Product level1 (CR1), Core Product level3 (CR3), Core Product level 4 (CR4), Core Product level 5 (CR5) which have high loading. Thus, these items remain to call as CORE PRODUCT LEVEL.

The ACTUAL PRODUCT LEVEL dimension are separated 8 items into Product Design (ACT3), Various types of Product (ACT4), Packaging (ACT5), Brand name (ACT6) are grouped as component and other ones are Product Quality (ACT1), Product Feature (ACT2), Support service (ACT7), Labelling (ACT8). The four items of Product Design (ACT3), Various types of Product (ACT4), Packaging (ACT5), Brand name (ACT6) are 4 parts of BASIC PRODUCT .This is finding the former article of Five Product levels which is created by Phillip Koetler ,1999 marketing book. In these research result , 4 items of Product Design (ACT3), Various types of Product (ACT4), Packaging (ACT5), Brand name (ACT6) are included new concept as BASIC PRODUCT.

The four remain items with high-loading are kept in component 4,formed ACTUAL PRODUCT. This component consists of Product Quality (ACT1), Product Feature (ACT2), Support service (ACT7) and Labelling (ACT8).

“After sale service” (AUG1), “Credit” (AGU2), Custome service (AGU3) and Testing activies (AUG4) which are belongs to intial AUGMENTED PRODUCT dimension, keep to maintain the content in component 5.

In general, after EFA processing, there are five main compontents : BRAND AWARENESS, CORE PRODUCT LEVEL, BASIC PRODUCT LEVEL , ACTUAL PRODUCT LEVEL and AUGMENTED PRODUCT LEVEL

4.5.2. *Exploratory Factor Analysis of Dependent Variable*

**Table 4.14: KMO and Bartlett's Test for Dependent Variable**

<b>KMO and Bartlett's Test for Dependent Variable</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.698
Bartlett's Test of Sphericity	Approx. Chi-Square	155.052
	df	6
	Sig.	.000

**Table 4.15: Component Matrix<sup>a</sup> for Dependent Variable**

	<b>Component Matrix<sup>a</sup> for Dependent Variable</b>	
	Component	
	1	
SAT1	.697	
SAT2	.749	
SAT3	.771	
SAT4	.685	

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

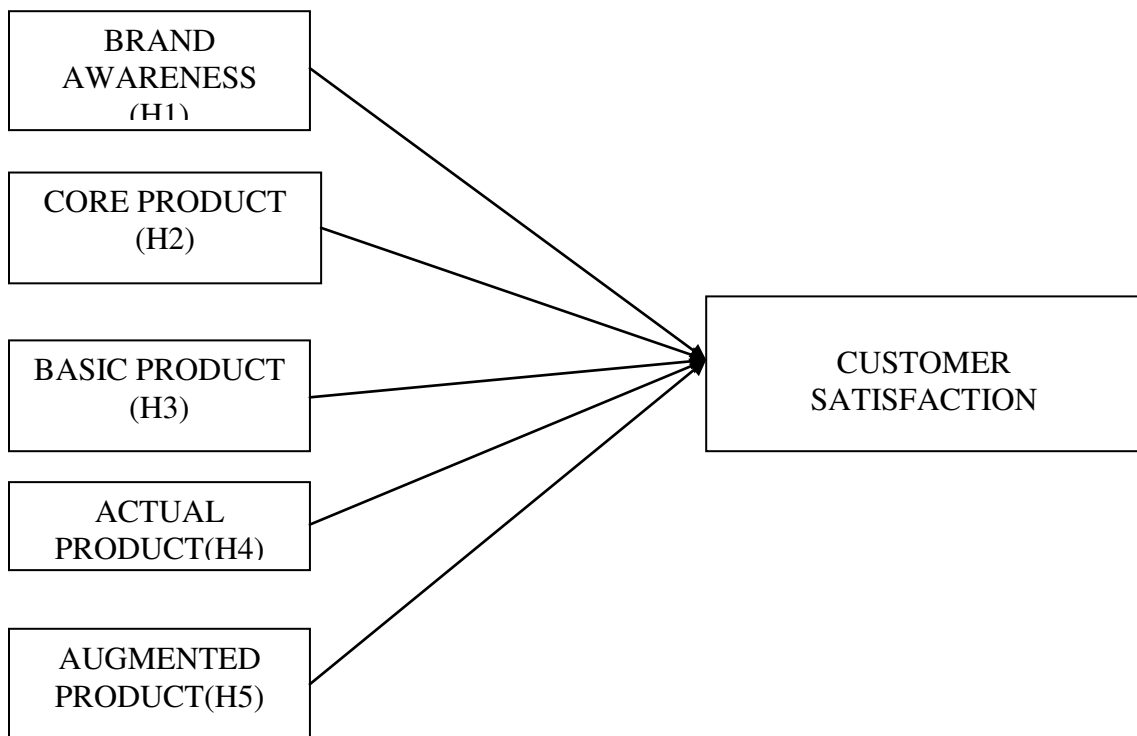
The result show that the KMO value is 0.698 satisfy requirement of above 0.6 and the Bartlett's test of sphericity is significant (Sig.=0.000<0.05). Four items of Customer satisfaction are also high-loading in only one component. Thus, these are interrelationship among them of Customer Satisfaction.



#### 4.6. Revision of hypotheses and model

After the test of Reliability and Validity for the scale measurement presented in previous part, the result will be applied to revise model of this study as well as Hypotheses to be test.

The five new formed dimensions are proposed to the research model instead of the four intial dimensions. The revised model is show below:



**Figure 4.1 :Revised research model**

Based on the revised research model, the revised hypotheses are presented below:

**H1: These is a positive relationship between Brand Awareness level and Customer Satisfaction on product**

**H2: These is a positive relationship between Core Product level and Customer Satisfaction on product**

**H3: These is a positive relationship between Basic Product level and Customer Satisfaction on product**

**H4: These is a positive relationship between Actual Product level and Customer Satisfaction**

**H5: These is a positive relationship between Augmented Product level and Customer Satisfaction on product**

#### **4.7. Cronbach's Alpha After Exploratory Factor Analysis**

After applied Exploratory Factor Analysis, five new dimensions were extracted from four intial dimension. These dimension will be tested with Cronbach's alpha in order to determine how well its items are related to each other .

**Table 4.16 : Reliability Statistics of Independence varibales after EFA**

Construct	Cronbach's Alpha	Cronbach's Alpha if Item Deleted
BRAND AWARENESS	.749	
BR2		.756
BR4		.752
BR5		.636
BR6		.592
CORE PRODUCT LEVEL	.740	

Construct	Cronbach's Alpha	Cronbach's Alpha if Item Deleted
BRAND AWARENESS	.749	
BR2		.756
BR4		.752
BR5		.636
CR1		.798
CR3		.597
CR4		.658
CR5		.646
ACTUAL PRODUCT LEVEL	.656	
ACT1		.599
ACT2		.565
ACT7		.576
ACT8		.614
BASIC PRODUCT LEVEL	.798	
ACT3		.725
ACT4		.744
ACT5		.720
ACT6		.798
AUGMENTED PRODUCT	.711	
AUG1		.677
AUG2		.649
AUG3		.601
AUG4		.662

**Component 1 (BRAND AWARENESS):** This dimension contains only 4 items BR2, BR4, BR5. The Cronbach's alpha of this dimension is 0.746. It indicates that all four items in Brand Awareness are related and data is reliable.

**Component 2 (CORE PRODUCT level)** : This dimension contains CR1, CR3, CR4 and CR5. The coefficient value of Cronbach's alpha states that four items in this dimension are not only closely related. Four items still support relatively to represent for the Core Product dimension. In addition, deleting any item the cause of decreasing the value of Cronbach's alpha. The Cronbach's alpha of this dimension is 0.74.

**Component 3 (ACTUAL PRODUCT level)** ) remains only 4 items ACT1, ACT2, ACT7 and ACT8 .The Cronbach's alpha of this dimension is 0.656 which still indicated all items are related. Besides, deleting any item can cause of decrease of Cronbach's alpha. All of items are retained.

**Component 4 (BASIC PRODUCT level)** ): the new dimension are created from ACT 3, ACT4, ACT5 and ACT6. With an good value of Cronbach's alpha is 0.798 , all of items in Basic Product are strongly related and data is really reliable.

**Component 5 (AGUMENTED PRODUCT level)** ): all of items initial dimension are kept. The Cronbach's alpha of this dimension is still 0.711 which are related in all items and data is reliable.

#### **4.8. Correlation testing**

In the study, Pearson Correlation (developed by Karl Person) is conducted to determine the linear relationship between two variables. Two tailed test is chosen to test the positive or the negative relationship of them.

In the revised research model, six pair of dimension are chosen to test the correclation: Brand awareness, Core Product, Actual Product, Basic Product, Augmented Product and Customerr Satisfaction. The avarage score of all items in a dimension will be the score of that dimension.

In main result of the correlation is called the correlation coefficient ( or "r"). It range from -1.0 to +1.0. The close r is to +1 or -1, the more closely the two variable in each

pair above are related. If  $r$  is close to 0, the relation between variables are not exist. If  $r$  is positive number ,one variable gets larger and the other gets larger. On the other hand, if  $r$  is negative, one variable gets largers, the other gets smaller.

**Table4. 17: Correlations between varibales**

**Correlations**

		BR	CR	BAS	ACT	AUG	SAT
BR	Pearson Correlation	1	.253**	.411**	.360**	.161*	.318**
	Sig. (2-tailed)		.000	.000	.000	.017	.000
	N	220	220	220	220	220	220
CR	Pearson Correlation	.253**	1	.323**	.301**	.193**	.382**
	Sig. (2-tailed)	.000		.000	.000	.004	.000
	N	220	220	220	220	220	220
BAS	Pearson Correlation	.411**	.323**	1	.654**	.258**	.463**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	220	220	220	220	220	220
ACT	Pearson Correlation	.360**	.301**	.654**	1	.342**	.476**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	220	220	220	220	220	220
AUG	Pearson Correlation	.161*	.193**	.258**	.342**	1	.410**
	Sig. (2-tailed)	.017	.004	.000	.000		.000
	N	220	220	220	220	220	220
SAT	Pearson Correlation	.318**	.382**	.463**	.476**	.410**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	220	220	220	220	220	220

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

The table show that the correlation coefficient between variables. The dependent variable SAT shows relationship with the five independent variable BR, CR, ACT, BAS and AUG via the correlation coefficients of 0.318, 0.382, 0.463, 0.476 and 0.410. The correlation coefficient of all independent variables are positive . There are positive linear relationship correlations among independent variables and dependent variable.

In addition, all of correlation coefficient are positive,  $\text{Sig.}=0.000<0.05$  and none of them have any variable is removed. All of variable are used to the next stage of analyzing process.

#### **4.9. Regression analysis and hypotheses testing**

Multiple Linear Regression is estimated the relationship among the five independent variables and one dependent variable in including Brand Awareness (BR), Core Product (CR), Basic Product ( BAS), Actual Product (ACT), Augmented Product (AUG) are independent variables as well as dependent variable: Customer Satisfaction (SAT).

Specifically, multiple linear regression is useful for predicting the outcome of dependent variable when the independent variables are given. Furthermore, regression extends prediction and analyzing addition capacities.

The model summary table below show that the value of R square is 0.376 R square shows how much the variance of the dependent variables (customer satisfaction) is explained by the research model (which comprises the independent variables of BR, CR,ACT,BAS and AUG ). It means the reasearch model explain 37.6% of variance in overall customer satisfaction, so 62.4% remain of customer satisfaction is interpreted by other dimension.

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.613 <sup>a</sup>	.376	.361	.79923485

a. Predictors: (Constant), AUG, BR, CR, ACT, BAS

**Table 4.18 Model summary**

The ANOVA table show the Significance value presents statistical significance of regression

model for use in next stage. With Sig. Value = .000<sup>a</sup> is smaller than .05, therefore, it can be started that model of this study has reach statistic significance.

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	82.302	5	16.460	25.769	.000 <sup>a</sup>
	Residual	136.698	214	.639		
	Total	219.000	219			

a. Predictors: (Constant), AUG, BR, CR, AACT, BAS

b. Dependent Variable: SAT

**Table 4.18: ANOVA table  
Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.095E-16	.054		.000	1.000
	BR	.088	.060	.088	1.463	.145
	CR	.199	.058	.199	3.423	.001

BAS	.178	.074	.178	2.395	.017
ACT	.183	.074	.183	2.464	.015
AUG	.249	.058	.249	4.303	.000

a. Dependent Variable: SAT

**Table 4.20 : Coefficients table**

To compare the independent variables, we look at Beta under Standardized Coefficient. Under this column, each of variables is converted into same scale to make more easier compare other variables. In the above table, the largest Beta coefficient is 0.249 for Augmented Product level (AUG). It means this variable is the strongest unique contribution in order to explain the dependent variable (SAT) when the variance explained by all other variable in the model is controlled for. The second large variable is Core Product level (CR) which Beta coefficient is 0.199. This variable is a little less than AUG, indicates that the variable is the strong unique contribution for explanation of dependent variable ( SAT) is little smaller than Augmented Product level . The next ones are 0.183 of Actual Product level (ACT) and 0.178 belongs to Basic Product level ( BAS ). This estimates that both variables also contribute to explain the dependent variable, but the percentage of contribution is less than BAS.

The Sig. Column in Coefficient table shows that the significant value of CR, BAS, ACT and AUG are all less than 0.05. Hence, all of CR, BAS, ACT and AUG variables are significant unique contribution to predict value of independent variable Customer satisfaction (SAT). Since, the significant value of Brand Awareness Sig.=0.145 is more than 0.05. The Brand Awareness are not making unique contribution to explain the dependent variable SAT in the 220 sample.

On the other hand, the Brand Awareness is dimension relationship with customer satisfaction which indicated the highest mean value equal 3.899 in descriptive statistics.

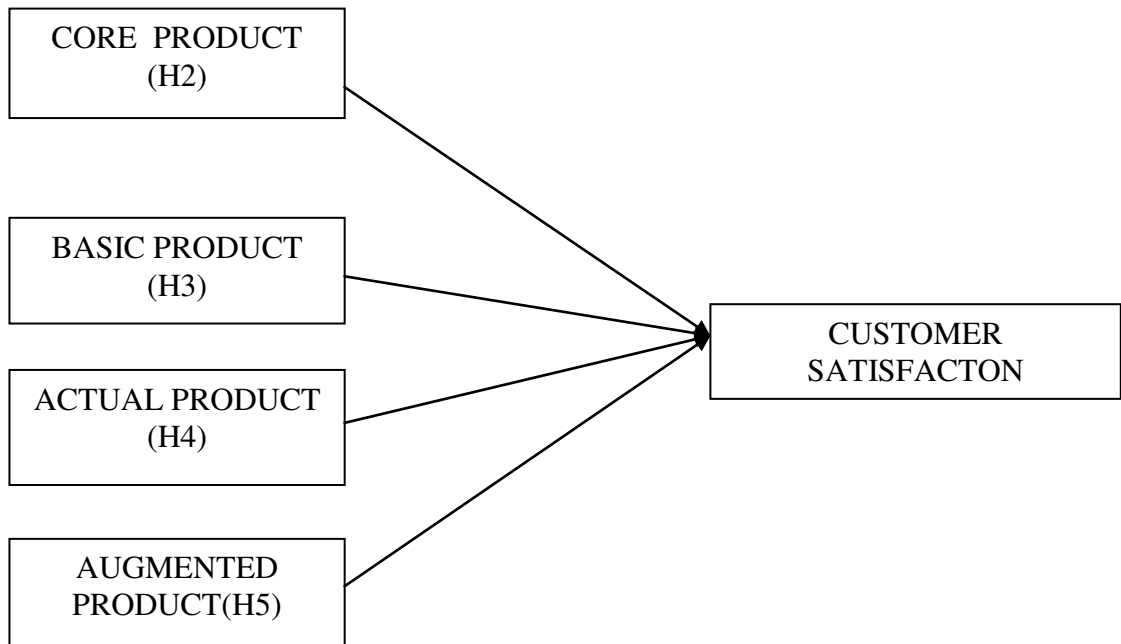


In consequences, the directly influence dependent variables ( CR, BAS, ACT, AUG) are positive and then there are strong relationship between four dependent variable with independent variable customer satisfaction which is clasified in Linear Regression equation:

$$\text{SAT} = 0.199\text{CR} + 0.183\text{ACT} + 0.178\text{BAS} + 0.249\text{AUG}$$

**Table 21: Hypotheses testing results**

Hypotheses	Description	Results
H1	These is a positive relationship between Brand Awareness and Customer Satisfaction	Not support
H2	These is a positive relationship between Core Product and Customer Satisfaction	Support
H3	These is a positive relationship between Basic Product and Customer Satisfaction	Support
H4	These is a positive relationship between Actual Product and Customer Satisfaction	Support
H5	These is a positive relationship between Augmented Product and Customer Satisfaction	Support



**Figure 4.6 Final model result of this study**

## CHAPTER 5: CONCLUSION AND RECOMMANDATION

### 5.1. CONCLUSION

This reseach, under the name “ To evaluate customer satisfaction on products of Starbucks in Ho Chi Minh city ,but also find out the most important factors that can help improve the customer satisfaction in Stackbucks

The research has been condutced from March to April in HCM city. After reviewing the literature of related concepts, related and former researches, the conceptual model with 4 dimension include 3 product level dimensions and brand awareness in its scale is chosen to use the theoretical guid to build up measurement scae for study.

The data collected is answered by surveys of 220 customers which was analyzed by SPSS soft ware. Five SPSS TOOLS in SPSS soft ware are used; they are Descriptive Statistic tool, Reliability Statistic tool, Factor Analysis tool, Correlation Testing tool and Regression tool

The final result with three product levels components that use in predicting the satisfaction on product of Starbucks . There are 16 items consists on these four components, their detail items are showed up :

**Table 5.1 : Descriptive statistics component Product levels**

<b>Components</b>	<b>Item</b>	<b>Code</b>
<b>Core Product Level</b>	Drinking Starbucks coffee give me an energy boost	CR1

	Starbucks represents my fashionable and lifestyle .	CR3
	Starbucks defines high social class and professional manner.	CR4
	Drinking coffee Starbucks to help me awake, relax and refresh	CR5
<b>Actual Product Level</b>	Drink and food of Starbucks are good in quality.	ACT1
	Food and beverages at Starbucks actually tasted delicious	ACT2
	The attitude of faculties is closely and friendly	ACT7
	Label creates Starbucks to make more attractive and user-friendly.	ACT8
<b>Basic product Level</b>	Starbucks’s packaging are very convenient to use and take-away	BAS1
	Starbucks is famous brand of coffee	BAS2
	Waiting for less time to get our drinks and food	BAS3
	Label creates Starbucks to make more attractive and user-friendly.	BAS4
<b>Augmented Product Level</b>	Starbucks releases discount voucher to customer care and satisfy demand .	AUG1
	Customers can pay a bill with cash and direct payment card.	AUG2
	Starbucks issues information on facebook ,website, phone call to support customer service	AUG3
	Customers join Coffee Tasting Activiy to learn more about Starbucks coffee	AUG4

By combining the Core Product Level dimension with four over five because of their identical component loading and cross loading, after factor analysis, the Base Product component is built up. The term of “Base Product level” is found based on thr

former article about managing in which the aspects of customer care are defined, this article is addressed by Phillip Koetler 1999.

This linear regression equation that explains the relationship in prediction of SAT:

$$\text{SAT} = 0.199\text{CR} + 0.183\text{ACT} + 0.178\text{BAS} + 0.249\text{AUG}$$

There are 5 components that have positive linear relationship with Customer satisfaction. However, four of them were valid to use the prediction of customer satisfaction. There was Brand Awareness component could not be used to predict Customer satisfaction for whole population of Starbucks because the hypotheses on positive relationship of this component on customer satisfaction were not supported by the empirical data in this study

Based on the statistical result, customers of Starbucks are satisfaction with products to express on the average mean value of 3.83. Customer satisfaction dimension in case of maximum value for mean is 5. However the mean value is still not really high indicate that there are some issue in products of Starbucks of customer dissatisfaction feeling. Customers are not fully satisfaction with Starbucks product so it need to be improved in future in order to benefit.

Therefore, the result is reasonable to concern and apply the result as well as improve product dimension such as Core Product Level, Basic Product Level, Actual Product Level, especially Augmented Product Level aspect because it has significant impact on the satisfaction levels of Starbucks products

## **5.2. RECOMMENDATION**

After summarizing of main finding of the study, this part will propose some suggestions and recommendation to improve the levels of product and customer

satisfaction of Starbucks. Among the four factors, we found that it is necessary for these companies apply all CORE PRODUCT LEVEL , ACTUAL PRODUCT LEVEL, BASIC PRODUCT LEVEL and AUGMENTED PRODUCT LEVEL factors, so this section will pay attention to discuss issues relating to such four factors.

**5.2.1. Core Product Level :**

This factor cover the core benefit for using Starbucks products as well as Starbucks coffee that the functional basic to customers receive when come to Starbucks.

**Table 5.2 : Descriptive statistics component Core Product level**

Component	Item	Mean
<b>Core product level</b>	Drinking Starbucks coffee give me an energy boost	3.4955
	Starbucks represents my fashionable and lifestyle .	3.3727
	Starbucks defines high social class and professional manner.	3.8182
	Drinking coffee Starbucks to help me awake, relax and refresh	3.6909

➤ In this study , many customers suggested that Starbucks should pay attention coffee quality to build strongly Core Product to satisfy customer coffee to make differentiation taste and create professional feeling. Moreover, Starbucks should consider how to make should adapt the Vietnamese culture .Then, add new core product level such as healthy food or convenience food and drink.

**5.2.2. Actual Product Level and Basic Product Level :**

Actual Product and Basic Product are divided into 2 factors from the intial Actual Product . Both Actual Product and Basic Product are components having the highest influence on customer satisfaction of Starbucks products. They are same essential characters that describes the key features that a customer expects from a product.

However, the situation with them are not to reach agree cause it is still exist th firms relate to insignificant items realtive satisfaction. Therefore, the following recommendations are proposed.

**Table 5.3 : Descriptive statistics component Actual and Basic Product level**

<b>Components</b>	<b>Item</b>	<b>Mean</b>
<b>Actual &amp; Basic product Level</b>	Drink and food of Starbucks are good in quality.	3.8227
	Food and beverages at Starbucks actually tasted delicious	3.6273
	Starbucks has several varieties of drink that customers have more choices.	3.7591
	Food and beverages at Starbucks are designed visual appeal.	3.9273
	Starbucks's packaging are very convenient to use and take-away	3.9500
	Starbucks is famous brand of coffee	4.2591
	Waiting for less time to get our drinks and food	3.6864
	Label creates Starbucks to make more attractive and user-friendly.	3.8773

➤ First of all, increasing the quality of products which still matches affordable budget is one of the most important things that these companies have to concern. Moreover, the factor "good quality " should be more emphasized in addition to products. It can be demonstrated through release the necessary information have to be focused on full of information on the packaging of the products before launching. Thus, customers will recognize clearly the professional as well as improving the quality of the company to get a better assessment.

➤ Starbucks menu is diversified with many kind of food such as Cinnamon Ring Doughnut, Quiche Bacon & Onion, kinds of Muffins, Cake, Cold Sandwiches..v.v which are made from exported raw material . Addition, the process of producing food

should control especially famous chievious. Most of customers recommended that the cakes themselves were really delicious , if better add less ratio of surger to certain cooking foods.Besides, Starbucks should add rice recipes into menus to attract more customers who love eating rice dishes.

➤ The modern drink menu with many kinds of Espresso Beverages, Chocolate Beverages, Frappuccino Blended Coffee, Frappuccino Blended Crème’, Brewed Tea. General, compare to other foreign Starbucks store , it can not provide customers with diverse product range. Some of drinks such as white chocolate mocha, cotton candy frapuchino or weasel coffee ... at the moment are not appearing in Vietnam while still offereing as Starbucks in some other region. Hence, managers practically customize enough list of drinks and create new product sucessfully in Vietnam market.

➤ Although Starbucks had already entered in Vietnam market for four months .The brand name Starbucks is relied by most of customer. The retail should take avantage of the famous brand to contiuous promotion and advertising campagins. In addition, the store should increase diversify their drink and food , concentrate on the product with Starbucks brand.

### 5.2.3. *Augmented Product Level*

This is factor that indicate innovations to their products to capture and hold consumer attention that create competitive differentiation

**Table 5.3 : Descriptive statistics component Augmented Product level**

Component	Item	Mean
<b>Augmented Product Level</b>	Starbucks releases discount voucher to customer care and satisfy demand .	3.7182
	Customers can pay a bill with cash and direct payment card.	3.9318



	Starbucks issues information on facebook ,website, phone call to support customer service	3.8091
	Customers join Coffee Tasting Activiy to learn more about Starbucks coffee	3.8500

➤ In this study ,many customers suggest that Starbucks should provide member cards . By providing customer cards the bookstores can offer sale promotinnon and discount to customer by cumulative point in each time of buying. This card will give customers the feel of membership and appeal them to buy more to get points. However, the most benefit is the customer data base which Starbucks would got via membership card. Thought, product' information which customer bought and which one they refer ,the value of customer data will be analyse and predict the need and want of target customers.

➤ Starbucks should focus on the marketing and promotion via facebook, telephone, Website and email..They are also effective tools which directly connet with customers and make PR campaigns to change the image with the public and consumers about Starbucks brand. Specifically, make sure that customers feel comfortable with Starbucks services.

➤ The tasting coffee activites and credit cards are regulated by Starbucks managers which customers are generally willing accepte. In future, if the resoure of stores can extend tasting coffee activity , Starbucks should consider increase the number of customers attend (every week, only 10 lucky customers will participate in this interesting event). In addition, in near furture Starbucks is going to accepts more kinds of credit cards in payments.

### **5.3. Limitations and Recommendations for further research**

In this study, there are some limitations mentioned below, the acknowledgement of these drawbacks also conduct to suggest for new sectors of further researches.

➤ First of all the study is conducted in in Ho Chi Minh City only, the research will be improved comprehensively, in the future Starbucks will open more store includes more locations as well as other cities and province in the scope. This is a suitable suggestion for further researchers in more locations with Starbucks chains in Vietnam

➤ Secondly, the survey is taken at first Starbucks store in Ho Chi Minh City because of the limitation of resources during the survey process So further researches have to cover more locations to come up with the most accurate conclusion.

➤ Thirdly, the four components affect customer satisfaction on products of Starbucks, concluded in this research can explain 37.6 percent of the variance of the whole evaluation of these customer satisfaction on Starbucks products. It is no doubt that other uncovered components might exist so further researches has to consider those factors to apply in the scales.

➤ Finally, because of limitations of the study mentioned above, some information has not been updated. Moreover, because the knowledge of the author in this sector is not comprehensive enough, this research might not adopt all aspects for specific suggestion in the action plan of food and drink . Therefore, the managers from associated firms of topic have to contribute on their specific situations as well as objectives to apply appropriate suggestions to practices and get benefit to their businesses.

## REFERENCES

- Stock & Wendy Lolmax Thomson ,2008 Marketing A Briedd Introduction David ,Thomson Learning
- Dibb, S. et al. (2001): Marketing – Concepts and Strategies; Fourth European Edition Houghton Mifflin; Boston.
- Dibb, Simkin et al., (2006). Matrix-based Strategic Approaches
- Yi Y(1993) “ The Determinants of consumer satisfaction “The moderating Role of Ambiguity , Advances in Customer research .20, 502-506
- Evangelos Grgoroudis Yannis Sisko,2010, Customer satisfaction evaluation texbook, Springer Science Busin Kotler p., Armstrong G., Saunder J., and Wong, v., (1999) “principle of marketing’ (2nd edn) England; prentice hall.ess Media
- Macdonald E.K and sharp (2004) “brand awareness effect on consumer’s decision making for a common repeat purchase product”: (replication) journal of business research, 48, 5-15.
- Zafarullha Siddique, Asif Mughal ,2011, “ Impact of after sale service characteristic on Customer Satisfaction” ,Journal of Information management and business review
- Philip Kotler and Gary Armstrong,Principles of Marketing (13th Edition) Jimblythe, 2009,Key concepts of marketing, 3th edition SAGE Publications  
DRr.Kapil Aharma,2009 Marketing management , Global India Publication Pvt LTD
- Foi D. (2007), “The influence of brand awareness on the relationship between perceivedservice and customer satisfaction in mobile telecommunications”. Mater thesis. MITTaiwan.

- Andy Field. (2009). *Discovering Statistic using SPSS.3<sup>th</sup> edition*.
- Canava, R.Y., Delahaye, B.L. & Sekaran, U, (2001). *Applied Business Research: Qualitative and Quantitative Methods*. Australia: John Willey & Sons Australia, Ltd.
- Cooper, D.R & Schindler , P.S. (2006). *Business Research Method. 9<sup>th</sup> Edition*. New York: McGraw-Hill/Irwin.
- Hoàng Trọng & Chu Nguyễn Mộng Ngọc. (2008). *Phân tích dữ liệu nghiên cứu với SPSS*. Nhà xuất bản Hồng Đức – trường Đại học Kinh Tế
- Nguyen Phan To Chan. (2012). *Research on customer satisfaction towards dental services quality in Ho Chi Minh city. The case of cali dental*
- Salkind, NJ. (2006). *Exploring research*. Pearson Education International, New Jersey, United State.
- Zeithaml, Parasuraman & Berry. (1990). *Delivering Quality Service; Balancing Customer Perceptions and Expectations*. Free Press.

**INTERNET SOURCE**

<http://www.starbucks.vn/>

<https://www.facebook.com/starbucksvietnam>

<http://online.wsj.com/article/SB10001424127887323582904578487192544295444.html>

<http://travel.cnn.com/can-starbucks-make-it-coffee-mad-vietnam-921956>

**APPENDIX A**

**SURVEY ON EVALUATING CUSTOMER SATISFACTION ON PRODUCT OF STARBUCK IN HO CHI MINH CITY**

At Starbucks ,we always appreciate your feedback. This allows us to accomplish our product quality in order provide you product as best as possible

I would help if you could do this survey .We guarantee that all personal information will be used for research purpose only and will not be published.

**Part I: Product evaluation**

Please indicate in a five- point scale to which extent to which you agree or disagree which the following statements.

	[1]	[2]	[3]	[4]	[5]
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree

*Circling the number you choose.*

<b><u>Dimension 1: BRAND AWARENESS</u></b>						
No.		<b>Strongly disagree &lt;=&gt; Strongly agree</b>				
1	Starbucks would be my first choice	1	2	3	4	5
2	I can quickly recall logo and symbol of Starbucks .	1	2	3	4	5
3	As thinking about coffee , Starbucks come first in my mind.	1	2	3	4	5
4	I can recognize Starbucks among other coffee brands.	1	2	3	4	5
5	I am aware of drink and food from Starbuck.	1	2	3	4	5

6	I can recognize Starbucks when I see logo or symbol .	1	2	3	4	5
<b><u>Dimension 2: CORE PRODUCT LEVEL</u></b>						
		<b>Strongly disagree &lt;=&gt; Strongly agree</b>				
7	Starbucks is a premium a cup of coffee.	1	2	3	4	5
8	Drinking Starbucks coffee give me an energy boost	1	2	3	4	5
9	Customers enjoy the USA unique and style .	1	2	3	4	5
10	Starbucks defines high social class and professional manner.	1	2	3	4	5
11	Drinking coffee Starbucks to help me awake, relax and refresh	1	2	3	4	5
<b><u>Dimension 3: ACTUAL PRODUCT LEVEL</u></b>						
		<b>Strongly disagree &lt;=&gt; Strongly agree</b>				
12	Drink and food of Starbucks are good in quality.	1	2	3	4	5
13	Food and beverages at Starbucks actually tasted delicious	1	2	3	4	5
14	Starbucks has several varieties of drink that customers have more choices.	1	2	3	4	5
15	Food and beverages at Starbucks are designed visual appeal.	1	2	3	4	5
16	Starbucks's packaging are very convenient to use and take-away	1	2	3	4	5
17	Starbucks is famous brand of coffee	1	2	3	4	5
18	Waiting for less time to get our drinks and food	1	2	3	4	5
19	Label creates Starbucks to make more attractive and user-friendly.	1	2	3	4	5
<b><u>Dimension 4: AUGMENTED PRODUCT LEVEL</u></b>						

		<b>Strongly disagree &lt;=&gt; Strongly agree</b>				
20	Starbucks releases discount voucher to customer care and satisfy demand .	1	2	3	4	5
21	Customers can pay a bill with cash and direct payment card.	1	2	3	4	5
22	Starbucks issues information on facebook ,website, phone call to support customer service	1	2	3	4	5
23	Customers join Coffee Tasting Activiy to learn more about Starbucks coffee	1	2	3	4	5
<b>THE CUSTOMER SATISFATION</b>						
24	I am satisfied with drink and food of Starbucks	1	2	3	4	5
25	I am satisfied with material facilities of Starbucks and customer's support in my problem solving.	1	2	3	4	5
26	I am satisfied with decoradtion in Starbucks store	1	2	3	4	5
27	I am satisfied with overall product performance	1	2	3	4	5
28	I am satisfied with center location of Starbucks	1	2	3	4	5

**Part II: Personal Information (*For statistical purpose*)**

Please answer the following question to give information for the research.

1. Your gender:  Male  Female
2. Your age:  Under 20  20 to 25  
 26 to 30  Over 30
3. Education level:  
 High School  University  Higher education  Others

4. Your Income (salary or money from family)

- < 2 million VND
- 2-5 million VND
- <5-10 million VND
- > 10 million VND

***Sincerely thank you for your cooperation!***



## APPENDIX B

### BẢNG KHẢO SÁT MỨC ĐỘ HÀI LÒNG CỦA KHÁCH HÀNG VỚI CÁC SẢN PHẨM STARBUCKS TẠI THÀNH PHỐ HỒ CHÍ MINH

Tại Starbucks ,chúng tôi luôn luôn đánh giá cao thông tin phản hồi từ khách hàng .Kết quả khảo sát này cho phép chúng tôi hoàn thiện chất lượng sản phẩm hiện thời để cung cấp cho các bạn sản phẩm chất lượng tốt nhất có thể.

Chúng tôi đảm bảo rằng tất cả các thông tin cá nhân sẽ chỉ được sử dụng cho mục đích nghiên cứu và không công bố ra ngoài

#### Phần I: Đánh giá sản phẩm

*.Xin vui lòng đánh dấu các con số từ 1 đến 5 chỉ ra mức độ bạn đồng ý hay không đồng ý của bạn với câu hỏi dưới đây.*

[1]                      [2]                      [3]                      [4]                      [5]

Hoàn toàn không đồng ý      Không đồng ý      Trung bình                      Đồng ý                      Hoàn toàn đồng ý

Khoanh tròn vào ô bạn chọn

<b>Dimension 1: Sự nhận biết thương hiệu</b>						
No.		<b>Hoàn toàn không đồng ý&lt;=&gt; hoàn toàn đồng ý</b>				
1	Starbucks sẽ sự lựa chọn hàng đầu của tôi	1	2	3	4	5
2	Tôi có thể nhanh chóng hình dung logo hay biểu tượng Starbucks	1	2	3	4	5

3	Khi nghĩ về cafe, Starbucks. xuất hiện đầu tiên	1	2	3	4	5
4	Tôi có thể nhận ra Starbucks giữa những thương hiệu cafe khác	1	2	3	4	5
5	Tôi quan tâm đồ ăn và thức uống trong Starbucks	1	2	3	4	5
6	Tôi có thể nhận ra Starbucks khi thấy logo hay biểu tượng hiệu.	1	2	3	4	5
<b><u>Dimension 2: Mức độ sản phẩm cốt lõi</u></b>						
		<b>Hoàn toàn không đồng ý &lt;=&gt; hoàn toàn đồng ý</b>				
7	Starbucks là cafe cao cấp	1	2	3	4	5
8	Uống cafe làm tôi thêm tràn đầy năng lượng	1	2	3	4	5
9	Khách hàng thưởng thức phong cách ,đặc trưng cafe Mỹ	1	2	3	4	5
10	Đại diện cho phong cách và lối sống của tôi	1	2	3	4	5
11	Định vị tầng lớp trung lưu và phong cách chuyên nghiệp	1	2	3	4	5
12	Uống cafe giúp tôi tỉnh táo	1	2	3	4	5
<b><u>Dimension 3: Mức độ sản phẩm cụ thể</u></b>						
		<b>Hoàn toàn không đồng ý &lt;=&gt; hoàn toàn đồng ý</b>				
13	Thức ăn và đồ uống của chất lượng tốt	1	2	3	4	5
14	Đồ uống thức ăn rất ngon	1	2	3	4	5
15	Có rất nhiều loại đồ uống để khách hàng thêm nhiều lựa chọn	1	2	3	4	5
16	Đồ uống ,thức ăn bày trí bắt mắt.	1	2	3	4	5
17	Bao bì rất tiện để sử dụng và mang đi	1	2	3	4	5

18	Là thương hiệu cafe nổi tiếng	1	2	3	4	5
19	Tốn ít thời gian để nhận được đồ ăn, thức uống	1	2	3	4	5
20	Nhãn mác tạo sự thân thiết và thu hút	1	2	3	4	5
<b>Dimension 4: Mức độ sản phẩm gia tăng</b>						
		<b>Hoàn toàn không đồng ý &lt;=&gt; hoàn toàn đồng ý</b>				
21	Phát hành voucher để phục vụ và thỏa mãn khách hàng tốt hơn	1	2	3	4	5
22	Khách hàng có thể trả tiền mặt hoặc thanh toán bằng thẻ	1	2	3	4	5
23	Các thông tin trên facebook ,website hỗ trợ cho dịch vụ chăm sóc khách hàng	1	2	3	4	5
24	Khách hàng tham gia hoạt động Coffee tasting để hiểu hơn về sản phẩm	1	2	3	4	5
<b>Sự hài lòng của khách hàng</b>						
25	Tôi hài lòng về thức ăn và đồ uống	1	2	3	4	5
26	Tôi hài lòng với cơ sở vật chất và hỗ trợ giải đáp thắc mắc cho khách hàng	1	2	3	4	5
27	Tôi hài lòng với trang trí trong cửa hàng	1	2	3	4	5
28	Tôi hài lòng với hầu hết các sản phẩm Starbucks	1	2	3	4	5

## PHẦN II: THÔNG TIN CÁ NHÂN

Hãy trả lời các câu hỏi sau đây để cung cấp thông tin cho nghiên cứu.

1. Giới tính của bạn: Nam  Nữ

2. Tuổi của bạn Dưới 20  20 đến 25

26 đến 30  Hơn 30

3. Trình độ học vấn:

Trung học phổ  thông Đại học  Trình độ cao hơn  Trình độ khác

4. Thu nhập của bạn: ( Tiền lương hoặc từ gia đình)

<2 triệu  2-5 triệu  >5-10 triệu  > 10 triệu

**Chân thành cảm ơn sự hợp tác của bạn!**