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What matters to infrequent customers: a pragmatic approach to understanding perceived value and intention to revisit trendy coffee café

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Abstract

Notwithstanding the rise of trendy coffee café, little is done to investigate revisit intention towards the café in the context of developing markets. In particular, there is a lack of study which provides theoretical and practical explanation to the perceptions and behaviours of infrequent customers. Hence, the study aims to look into the subject matter by using the theory of reasoned action and social exchange theory as the underpinning basis. The framework proposed by Pine and Gilmore (Strat Leadersh 28:18–23, 2000), which asserts the importance of product quality, service quality and experience quality in a progressive manner, is used to decompose perceived value in the model so as to determine their effects on intention to revisit the café. Given the importance to gain practical insights into revisit intention of infrequent customers, pragmatism stance is assumed. Explanatory sequential mixed-method design is thus adopted whereby qualitative approach is used to confirm and complement quantitative findings. Self-administered questionnaire-based survey is first administered before personal interview is carried out at various cafés. Partial least squares structural equation modelling and content analysis are appropriated successively. In the quantitative findings, although product quality, service quality and experience quality are found to have positive effect on perceived value and revisit intention towards trendy coffee café, experience quality is found to have the greater effect than the others among the infrequent customers. The qualitative findings not only confirm their importance, but most importantly explain the favourable impressions they have at trendy coffee café based on their last in-store experience. While product and service quality might not necessary stimulate them to revisit trendy coffee café, experience quality driven by purposes of visit would likely affect their intention to revisit. As retaining customers is of utmost importance to businesses, and infrequent customers more than often make up the majority of the customers, the study provides meaningful and practical understanding of revisit intention.

Keywords: Revisit intention, Perceived value, Product, Service, Experience, Quality

Background

Creating customer value has become an essential component that contributes to business competitive advantage (Woodruff 1997). The ability of any businesses to deliver superior value is pivotal to customers' perception towards the quality of their offerings. The added value

offered to and appreciated by customers, be it product or service, is believed to have consistently generated favourable behavioural outcomes, such as loyalty, consumption behaviour and repeated visit (Wakefield and Blodgett 1996). Hence, in food and beverage businesses, it is pivotal to know customers' perceptions so as to come out with effective operation designs to stimulate their revisit intention.

Although trendy coffee, such as posh coffee, may have once seemed high-priced, people today consider it as an affordable and even indispensable luxury. Despite being

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