



# PERCEIVED VALUE AND CUSTOMER SATISFACTION ON SHAKEROAD MILK TEA SHOP: BASIS FOR PRODUCT VALUE PROPOSITION

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**Abstract :** The study's main objective was to determine the perceived value and customer satisfaction on Shakeroad Milk Tea Shop. The researchers aimed to determine the demographic profile of the participants; the customer perceived value towards Shakeroad Milk Tea Shop; customers' level of satisfaction; significant relationship between perceived value and customer satisfaction; and propose an enhancement for product value proposition. Utilizing a thorough analysis of perceived value and customer satisfaction in terms of emotional, social, functional, and environmental value.

The researchers used the descriptive quantitative research design which is a technique for gathering measurable data for statistical analysis of a population sample. The researchers used a survey questionnaire, and the data were gathered from 100 customers of Shakeroad Milk Tea Shop.

After carefully analyzing the gathered data, the researchers concluded that Shakeroad Milk Tea Shop has excellent value as perceived by its customers. In terms of satisfaction, most of the participants were very satisfied in the products. Furthermore, there was a significant relationship between perceived value and customer satisfaction in Shakeroad Milk Tea Shop. The researchers proposed product value proposition to the shop such as personalized messages on the packaging, providing board games and card games, sugar level option, using recyclable cups and switch to paper straw. The goal of enhancing product value propositions was aligned with these suggested value propositions.

**Keyword** - perceived value, customer satisfaction, social value, functional value, emotional value, environmental value, product value proposition.

## INTRODUCTION

Shakeroad is a milk tea shop that serves great tea, shakes, and non-coffee beverages. They introduced the shop to the market by selling both online and offline to attract more customers and increase sales. Furthermore, Shakeroad utilized vouchers and promotions, which benefited both customers and the business while maintaining product quality.

By providing the right value to customers, companies can gain a competitive advantage. Companies that recognize the importance of value perceived by the customer make it possible to make relationships with customers because it is believed that the value that customers perceive will lead to satisfaction (Setiawan & Pramudana, 2018).

According to Khadka and Maharjan (2018), every business organization's success depends on the satisfaction of the customers. Whenever a business is about to start, customers always come first and then the profit. Those companies that are succeeding to satisfy the customers fully will remain in the top position in a market. Today's business company has known that customer satisfaction is the key component for the success of the business and at the same time it plays a vital role to expand the market value.

A study conducted by Zhang et al. (2022), showed that perceived quality was positively related to social value, functional value, emotional value, and environmental value. Likewise, functional value and environmental value were positively related to customer satisfaction, and social value and emotional value were not positively related to customer satisfaction. Furthermore, environmental value has a positive but weaker influence on customer satisfaction (Shao et al., 2019). Social value is not significant for consumer satisfaction (Luo et al., 2022).

Understanding perceive value and customer satisfaction serves as a foundation for constructing a product value proposition. According to Kleber and Volkova (2019), globalized dynamic markets and ever-changing customer needs and demands require on-going experimentation and communication to steadily identify customer needs and wants to adjust products to ensure an increase of value proposition.

This study aimed to determine the customers' perceived value and assess the level of satisfaction in terms of emotional value, social value, functional value and environmental value towards Shakeroad Milk Tea Shop. Furthermore, it also determined if there is a significant relationship between perceived value and customer satisfaction. The study's findings were used to recommend enhancement to the product value proposition.

## 2.0 MATERIALS AND METHODS.

### 2.1 Research Design

The researchers used the descriptive quantitative research design that allows them to collect and define the characteristics of a demographic category; determine the customers' perceived value and assess the level of satisfaction in terms of emotional value, social value, functional value and environmental value. Also, the relationship between perceived value and customer satisfaction was determined.

### 2.2 Sources of Data

The data were gathered from 100 participants from Trece Martires City, Cavite. The researchers used convenience sampling; customers who are present at the time of the researchers' visit to ShakeRoad Milk Tea Shop were chosen as participants.

### 2.3 Data Analysis

The researchers used a five-point Likert scale in describing the customer perceived value and satisfaction, to interpret the participants' degree of agreement or disagreement in the provided statements in the questionnaire. This was used to describe the perceived value and level of customer satisfaction.

### 2.4 Statistical Treatment

Descriptive statistics in frequency, means, and standard deviation were applied to present perceived value and customer satisfaction. An association test was used to verify the relationships between perceived value and customer satisfaction.

The scores for each item in each variable were added. Using the scores, the Pearson product correlation coefficient (r) was used to determine the degree of relationship between the variables involved. T-test was used to determine if the coefficients were significant at the 0.05 level.

## 3.0 RESULTS AND DISCUSSION

**3.1 Demographic Profile of the Participants.** The study's first objective was to determine the demographic profile of the participants. Table 1 shows the predominance of younger age groups in the study. While for sex, the study's findings indicate a balanced representation of sex.

Age and sex play significant roles in shaping consumers' perceptions of value and satisfaction levels. Different age groups have different needs, preferences, and expectations. For instance, younger consumers may prioritize technology-driven features or trendy designs, while older consumers may value reliability and durability. Similarly, sex also influences perceived value and customer satisfaction. Men and women often have distinct preferences when it comes to products. Women may place more importance on aesthetics or convenience, whereas men might prioritize functionality or performance. In conclusion, age and sex are critical factors that significantly impact perceived value and customer satisfaction. Businesses should recognize these differences among various demographic groups to tailor their product value proposition accordingly.

According to Pearl Lemon Team (2023), bubble tea is particularly popular among younger generations. Most bubble tea consumers are between 18 and 30 years old, with an increasing number being teenagers. This younger demographic is attracted to the trendy image associated with bubble tea shops and their social media presence. In addition to age groups, sex plays a role in who consumes bubble tea. While both men and women enjoy these beverages.

Table 1. Distribution of participants in terms of their demographic profile.

PROFILE	FREQUENCY	PERCENTAGE
<b>Age</b>		
18-27 years old	88	88%
28- 37 years old	10	10%
38-47 years old	1	1%
48 years old and above	1	1%
<b>Sex</b>		
Male	54	54%
Female	46	46%

**3.2 Customer Perceived Value towards Shakeroad Milk Tea Shop.** The study's second objective was to determine the customer perceived value on Shakeroad Milk Tea Shop products. Table 2 shows that Shakeroad Milk Tea Shop has excellent value as perceived by its customers.

Consumers are more likely to buy products that offer high value in Shakeroad Milk Tea Shop, as they believed that they would derive greater benefits from them. They believe that these products will fulfill their needs and desires more effectively than alternatives. For instance, a consumer may choose to buy a high-quality milk tea because they perceive it as offering superior features compared to lower quality options.

The perceived value is highly dependent on the benefits offered to the customer as the higher the benefits are, the more perceived value will be developed among the customers (Wang et al., 2019). Furthermore, when a customer is emotionally satisfied, he or she is more likely to generate a higher degree of overall evaluation of the product or service (Shao et al, 2019).

Table 2. Overall customer perceived value towards Shakeroad Milk Tea Shop

Perceived Value	WEIGHTED MEAN	STANDARD DEVIATION	VERBAL INTERPRETATION
Emotional value	4.48	0.59	Excellent
Social value	4.45	0.56	Excellent
Functional value	4.44	0.61	Excellent
Emotional value	4.34	0.65	Excellent
<b>Over-all score</b>	<b>4.43</b>	<b>0.60</b>	<b>Excellent</b>

**3.3 Customer's Level of Satisfaction on Shakeroad Milk Tea Shop.** The study's third objective was to assess the level of satisfaction on Shakeroad Milk Tea Shop products. Table 3 shows that the customers were very satisfied with Shakeroad Milk Tea Shop.

Very satisfied customers tend to provide valuable feedback that can help Shakeroad Milk Tea Shop improve their products. Moreover, when customers are pleased with their experience, they are more inclined to continue purchasing from the same company in the future. By listening to their suggestions and addressing any concerns promptly, the shop can enhance their product value proposition and stay ahead of competitors.

The result is strengthened by what Hamzah et al.,(2020) stated that customer satisfaction indicates how well the experience of using a product compares to the buyer's expectations of value. It is a fundamental aspect of business strategy. Satisfied customers contribute to the financial health of the business, enhance its reputation, and create a foundation for sustainable growth. As customer expectations continue to rise, businesses that prioritize customer satisfaction are better positioned for long-term success.

Table 3. Overall customer level of satisfaction on Shakeroad Milk Tea Shop.

PARAMETERS	WEIGHTED MEAN	STANDARD DEVIATION	VERBAL INTERPRETATION
Emotional value	4.60	0.63	Very Satisfied
Social value	4.60	0.58	Very Satisfied
Functional value	4.53	0.61	Very Satisfied
Environmental value	4.47	0.66	Very Satisfied
<b>Over-all score</b>	<b>4.55</b>	<b>0.62</b>	<b>Very Satisfied</b>

**3.4 Significant Relationship between Perceived Value and Customer Satisfaction.** The study's fourth objective was determined if there is a significant relationship between perceived value and customer satisfaction. Table 4 shows after employing the Pearson's r correlation analysis, the study reveals that the p-values for the correlation between customer satisfaction and the parameters of emotional, social, functional, and environmental value are all 0.000, which is less than the alpha value of 0.05 ( $0.000 < 0.05$ ). Therefore, the null hypothesis is rejected, signifying a significant relationship between the correlated variables.

Consequently, the study reveals that emotional value has very strong positive relationship with customer satisfaction while for social, functional and environmental value indicates a strong positive relationship with customer satisfaction. This leads to the conclusion that perceived value towards Shakeroad Milk Tea Shop has a substantial influence on customer satisfaction. This means that as customers perceived higher value in the products offered by Shakeroad Milk Tea Shop, their satisfaction levels also increase. In simpler terms, the more customers feel they are getting value for their product; the more satisfied they are with their overall experience.

A study conducted by Zhang et al. (2022), reinforced the results of the study which showed that perceived quality was positively related to social value, functional value, emotional value, and environmental value.

On the other hand, in the study of Shao et al., (2019), functional value and environmental value were positively related to customer satisfaction, and social value and emotional value were not positively related to customer satisfaction. Furthermore, environmental value has a positive but weaker influence on customer satisfaction. Social value is not significant for consumer satisfaction (Luo et al., 2022).

Table 4. Overall Significant Relationship Between Perceived Value and Customer Satisfaction.

Variables	Correlation Coefficient	Strength of Relationship	P value	Conclusion	Interpretation
Emotional Value	0.706	Very Strong	0.000	Reject Ho	Significant
Social Value	0.683	Strong	0.000	Reject Ho	Significant
Functional Value	0.730	Strong	0.000	Reject Ho	Significant
Environmental Value	0.668	Strong	0.000	Reject Ho	Significant

*If P value < 0.05 = Significant*

### 3.5 Shakeroad Proposed Product Value Proposition

The results of the study show that Shakeroad Milk Tea Shop has excellent value as perceived by its customers and the customers were very satisfied with shops' product. As was the case, the researchers offered a product value proposition that could further help the store.

Shakeroad Milk Tea Shop should incorporate personalized messages or quotes on the packaging of milk tea products. This simple addition would not only make the product more visually appealing but also create a sense of connection and positivity for consumers. Imagine receiving a cup of milk tea with a heartwarming message like "You are loved" or an inspiring quote like "Believe in yourself." Such small gestures can have a profound impact on an individual's emotional state, making them feel valued and uplifted.

Simultaneously, creating a designated area within the milk tea shop for board games or card games would encourage customers to interact with each other while enjoying their beverages. This simple addition can turn an ordinary visit into an opportunity for friendly competition and conversation. Moreover, the shop should also organize community events such as karaoke session that would create a platform for individuals to showcase their talents and engage with others.

Additionally, by offering customers the choice to customize their sugar levels, the milk tea shop can cater to a wider range of preferences and dietary needs. Some individuals may prefer a sweeter taste, while others may opt for a healthier alternative with less sugar. This option allows customers to have control over their beverage choices and promotes functionality.

Shakeroad Milk Tea Shop should use a recyclable cup. Traditional disposable cups contribute to landfills and take hundreds of years to decompose. By opting for recyclable alternatives, we can significantly reduce the volume of waste that ends up in these already overflowing landfills. Additionally, the shop could also consider using paper straws instead of plastic ones. Paper straws are biodegradable and do not pose a threat to marine life if they end up in water bodies.

### 4.0 CONCLUSION

Most of the participants were in the age of 18-27 years old. There is slightly higher representation of male compare to female, comprising of 54 individuals identify as male, while 46 individuals identify as female. This means that most of the participants are young people as they tend to go with the trends, while for sex, because both men and women enjoy milk tea. The participants' perceived value in the Shakeroad Milk Tea Shop products was excellent. This indicates customers highly appreciated and acknowledged the value they receive in terms of the products provided by the Shakeroad Milk Tea Shop. This positive evaluation suggests that the establishment effectively meets customer expectations, contributing to an overall positive perception of the value offered.

The participants were very satisfied in Shakeroad Milk Tea Shop products. This widespread satisfaction underscores the effectiveness of the shop in meeting customer expectations and delivering a positive overall experience. It establishes that there is a positive relationship between perceived value and customer satisfaction. This means that as customers perceive higher value in the products and services offered by Shakeroad Milk Tea Shop, their satisfaction levels also increase. In simpler terms, the more customers feel they are getting value for their product, the more satisfied they are with their overall experience.

In conclusion, the study reveals a consistently high level of customer satisfaction across emotional, social, functional, and environmental aspects at Shakeroad Milk Tea Shop. Contrary to the theoretical assumption of no significant relationship between perceived value and customer satisfaction, the analysis establishes a positive relationship between perceived value and customer satisfaction.

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