The Segmentation of Coffee Drinkers by Using Lifestyle and the Perceived Value of Coffee Shop: A Case Study of International Tourists in Chiang Mai Province
การแบ่งส่วนตลาดนักดื่มกาแฟด้วยรูปแบบการดำรงชีวิตและการรับรู้ ถึงคุณค่าร้านกาแฟของแต่ละส่วนตลาด: กรณีศึกษานักท่องเที่ยวนานาชาติ ในจังหวัดเชียงใหม่

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Abstract

This study aims to segment international tourists by using lifestyle and investigate the perceived value of the coffee shop's attributes from the perspective of international tourists with diverse lifestyles in Chiang Mai province. Surveys were administered to an accidental sample of 500 respondents in the city of Chiang Mai. Factor analysis and cluster analysis (K-means) were used for data analysis. The results of this study reveal five different lifestyles of tourists; Family-Oriented, Social-Oriented, Quality of life-Oriented, Adventure-Oriented, and Budget-Oriented.The study shows that the respondents valued the coffee shop's attributes differently according to their diverse lifestyles, which is statistically significant. Overall, international tourists across all lifestyles perceived high value of coffee shops' service and atmosphere in the highest level. This study provides the coffee shop businesses with insights and understanding of the attributes that can potentially increase the perceived value of coffee shop in order to gain the competitive edge.

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Keywords

    Coffee Drinker, Coffee Shop, Lifestyle Segmentation, Perceived Value

บทคัดย่อ

    การศึกษานี้มุ่งแบ่งส่วนตลาดนักท่องเที่ยวนานาชาติด้วยรูปแบบการดำรงชีวิต รวมถึงศึกษาถึง
การรับรู้คุณค่าองค์ประกอบของร้านกาแฟของนักท่องเที่ยวที่ได้เข้ามาเยือนจังหวัดเชียงใหม่ โดยใช้แบบสอบถาม
เป็นเครื่องมือในการเก็บข้อมูลด้วยวิธีการแบบบังเอิญในอำเภอเมืองเชียงใหม่ ได้กลุ่มตัวอย่าง
เป็นจำนวน 500 คน การวิเคราะห์ข้อมูลใช้ทั้งเทคนิคการวิเคราะห์องค์ประกอบและการวิเคราะห์
การจัดกลุ่ม ผลของการศึกษาพบว่า นักท่องเที่ยวที่เป็นนักดื่มกาแฟ มีรูปแบบการดำรงชีวิต 5 แบบ
ในแต่ละแบบมุ่งเน้นให้ความสำคัญกับสิ่งที่แตกต่างกันในการดำรงชีวิตได้แก่ ครอบครัว สังคม คุณภาพชีวิต
การผจญภัย และการใช้จ่าย นอกจากนี้ผลของการศึกษายังพบว่า นักท่องเที่ยวที่มีความแตกต่างกัน
ในด้านรูปแบบการดำรงชีวิตรับรู้ถึงคุณค่าขององค์ประกอบร้านกาแฟแตกต่างกันอย่างมีนัยสำคัญทางสถิติ
โดยภาพรวมแล้วนักท่องเที่ยวทุกรูปแบบการดำรงชีวิตรับรู้ถึงคุณค่าขององค์ประกอบของร้านกาแฟ
ด้านการบริการและบรรยากาศของร้านกาแฟสูงที่สุด การศึกษานี้ได้ให้ข้อแนะนำเพื่อเป็นแนวทาง
ในการพัฒนาร้านกาแฟและเพิ่มความสามารถทางการแข่งขัน

คำสำคัญ

    นักดื่มกาแฟ ร้านกาแฟ การแบ่งส่วนตลาดด้วยรูปแบบการดำรงชีวิต การรับรู้คุณค่า

Introduction

    Coffee is becoming a luxury drink, one of the most consumed beverages worldwide (Schilter, Cavin, Tritscher & Constable, 2001). World coffee production has increased from 111.58 million 60-kilogram bags in 2005/06 to 143.37 million 60-kilogram bags in 2015/16. Between 2010 and 2015, the amount of Starbucks' revenue almost doubled from 10.7 billion U.S. dollars to 19.16 billion U.S. dollars. In Great Britain, the number of visits to quick service coffee outlets reached 636 million in 2015 and will raise to 673 million in 2017 (Statista, 2016).

    The largest growth for global specialist coffee shops region will be Asia Pacific. The sales will increase totaling over 3.7 billion dollars from 2016-2020. In effect, the competition is growing inevitably. This dynamism takes place also at the local level, causing coffee shops to differentiate themselves in creative ways for brand recognition. Numerous themed cafés are established in South Korea from cat cafés to mango cafes and many more. In Thailand, the two key factors that stimulate sales of coffee in 2015 are the country's developing coffee culture and hectic lifestyles (Friend, 2016). Chiang Mai, the northern city of Thailand, is not only the second of 2016 world's

best city (Travel and Leisure, 2016), but also a coffee city. The city has become a destination of quality brews and one of world's coffee-culture capitals (Tanitnon, 2015). Due to these reasons it draws a large number of travelers from different corners of the world to visit each year. These international tourist expenditures have increased continuously, resulted in economic impact of Thailand. (City News, 2018)

Tourists are different. Every tourist travels to different destinations and engages in different activities that appeal to them. Among individual's differences, there are some similarities. Skiing is a favorite of many tourists during winter. Tourists with children seek for travel destinations well equipped with entertainment facilities. Thus, tourists are of different lifestyles and needs, and hence they can be grouped or segmented. Segmentation is a concept of dividing a big marketplace into smaller ones. Members of similar characteristics are grouped together and excluded from others dissimilar. This benefit the design of marketing mix–tailor made to specific segments that enable efficient investment of enterprises (Dolnicar, 2008).

Various variables have been utilized for the segmentation criterion such as age, gender, and country of origin (Dolnicar, 2008). For psychographic segmentation, lifestyle is the most effective tool in providing relevant information to understand tourists as consumers (Lee & Sparks, 2007). Lifestyles are defined as patterns in which people live and spend time and money, which reflect the values of consumers (Engel, Blackwell & Miniard, 1990).

Tourists have diverse opinions and preferences. When travel, tourists like and dislike different things due to countless reasons. Different lifestyles may draw interest towards one thing over the other. Likewise, tourists may value things differently as well. The perceived value of products has recently become the focus of strategic marketing (Lin, Sher & Shih, 2005). Perceived value is a trade-off between benefits and sacrifices made (Chen & Hu, 2010). Today's consumers are complex and becoming more demanding than ever before. Businesses need to know what to deliver to clients to meet the sophisticated demand (Baker & Fulford, 2016). Being able to identify what consumers value helps the coffee shop entrepreneurs to better focus on what they should invest effectively, especially entrepreneurs who have limited resources.

According to the growing coffee industry and an increasing numbers of coffee shops, many studies (Waxman, 2016; Woldoff, Lozzi & Dilks, 2013) focus more on the supply side, but not so much on the demand side. Therefore, this study has made an attempt to perform lifestyle segmentation of international tourists who are coffee drinkers as well as to examine how each lifestyle typology perceive the value of coffee shop's attributes. The study provides the theoretical insights as well as useful proactive management information to coffee shop's entrepreneurs.

Research Objectives

1. To perform a lifestyle segmentation of international tourists who are coffee drinkers.

2. To examine how each lifestyle typology perceives the value of coffee shop's attributes.

Literature Reviews

1. Lifestyle Segmentation

Lifestyle construct has been studied in tourism since 1970s as evidenced in the Woodside and Pitts's research (Dolnicar, 2008; Woodside & Pitts, 1976). It has been continually considered by researchers in various study areas, including marketing research especially for segmentation.

Tourist classification by lifestyle is one of the most useful segmentations (Lee & Sparks, 2007). Researchers believe that lifestyle has influenced tourist behavior in the way that they make their purchase decision-making, as well as how they have engaged in their travel activities (Fuller & Matzler, 2008). One of the most lifestyle measurement approaches that are frequently used is the Attitudes-Interests-Opinions (AIO) (Fuller & Matzler, 2008). This approach consists of three main aspects: 1) activities, which refer to how people spend their time and money 2) interests, which refer to the surroundings that are important more or less in life, and 3) opinions, which concern with the perspective on ourselves and the things in the world (Gonzalez & Bello, 2002).

Over 50 years, numerous scholars (Fuller & Matzler, 2008; Kucukusta & Guillet, 2016) conducted research concerning lifestyle of consumers towards product purchase in hospitality industry area. For example, in 1976, Woodside and Pitts investigated how lifestyle and demographic characteristics influence tourism activities in both domestic and international travel destinations (Woodside & Pitts, 1976). Fuller & Matzler (2008) studied tourist satisfaction towards a ski resort by different lifestyle segments, and found five lifestyles of ski resort's customers which were Non-family/diversion, Family, Sporty/life-conscious, Demanding, and Settled/intellectual.

2. Perceived Value

Customer-perceived value is defined as "the customer's evaluation of the difference between all the benefits and all the costs of a marketing offer relative to those use of competing offers" (Kotler, 2003). Perceived value has influenced customer satisfaction, repurchase intention, and loyalty (Lin, Sher & Shih 2005; Chiang & Lee, 2013). Being able to understand and create product value helps businesses gain competitive advantages (Sweeney, Soutar & Johnson, 1999; Aulia, Sukati & Sulaiman, 2016). Scholars have studied how customers perceived value. They have

developed different studies' frameworks resulted in different viewpoints of values' dimensions. Al-Sabbahy, Ekinci, & Riley (2004) studied two dimensions of perceived value which were acquisition and transaction value of customers in hospitality services. Chen & Hu (2010) studied how determinant attributes of service quality had influenced customer-perceived value of the Australian coffee outlet industry. Their findings showed that coffee quality, service, and food and beverage had an influence on the functional value, whereas, coffee quality, food and beverage, and extra benefits had an influence on the symbolic value. They suggested that coffee outlet should provide both functional and symbolic value to customers in order to ensure service quality of the businesses.

3. **Marketing Mix: 7Ps**

The marketing mix is a conceptual framework that helps managers in strategic decision-makings. 7Ps of the marketing mix consisted of product, price, place, promotion, people, process, and physical evidence. Product provides value to a customer which can be both tangible and intangible. Price is a concept that a customer sees a product as good value for money. Place refers to the place where the customers can buy the product. Promotion includes of communication channels to the customers of what the value of product. People refers to everyone who involve in the business. Process means the methods and process of providing a service to the customers. Physical evidence refers to the experience of using a product or service. (Mei, 2011; Wirtz, Chew & Lovelock, 2013)

Research Methodology

This study was carried out using questionnaires composed of four parts. The first part was to access the respondent's demographic information; gender, marital status, residency, occupation, household monthly income, education level, and age. The second part was about the lifestyle. Attitudes-Interests-Opinions (AIO) approach was used in lifestyle segmentation modified from a study of Kucukusta & Guillet (2016). This part contains 23 lifestyle items, including leisure time, change, travel, sports, health, environmental awareness, family, learning, culture, job, friend, fun, luxury, quality, music, value for money, word-of-mouth, social impact, adventurous activities, arts, wellness, social life, and communities. A 5-point rating scale ranging from 1= unimportant to 5 = extremely important was used to indicate the level of agreement of these 23 lifestyle items in carrying out the respondent's everyday life. The third part consists of questions concerning perceived value towards the coffee shop' attributes modified from a study of Yu & Fang (2009)

which were: coffee quality; variety of food, desserts & drinks; atmosphere of coffee shop; service from staff; certified/award-winning barista; green image of coffee shop; and value for money. A 5-point rating scale ranging from 1= very poor to 5 = very good was used to describe respondent's experience on coffee shop's attributes. The last part was open-ended questions: What did you enjoy?, What did you dislike?, What recommendations do you have for improving coffee consumption experience in Chiang Mai?

The questionnaire was validated by researchers who are specialized in the area of consumer behavior as well as tested by 30 international tourists. The questionnaire was then adjusted for validity and reliability (Cronbach's alpha > 0.80). The sample was an accidental sample of 600 international tourists who were coffee drinkers and visiting Chiang Mai during October and November 2016. A self-administered survey was used to collect data in downtown Chiang Mai where international tourists and coffee shops were concentrated. The total of 500 usable responses was obtained. The data was analyzed by Statistical Package for the Social Science using descriptive analysis for demographic information. Factor analysis was used to extract the lifestyle dimensions in which only factors with an eigenvalue greater than one and attributes with loadings larger than 0.40 were considered. Moreover, cluster analysis (K-means) was used to identify the lifestyle clusters, which were based on the factor analysis results. Lastly, the analysis of variance was used to identify the differences among the lifestyle clusters.

Results

1. Profile ofRespondents

The study shows that over half of international tourists who visited Chiang Mai were males with average age of 34 years old. Three-fourths of tourists were single. The majority were from Europe and company employees. The household monthly income was distributed among USD1,001-2,000, 2,001-3,000, and 5,001 or more (currency exchange rate in January 2016 was USD1 = 36.29 Baht). Most held bachelor's or master's degrees.

Table 1

Demographic information of respondents

Demographics		Count	Total	Percentage
Gender	Male	285	498	57.2
	Female	213		42.8
Marital status	Married	124	487	25.5
	Single	363		74.5
Residency (continent)	Africa	5	481	1.0
	Asia	64		13.3
Residency (continent)	Europe	253		52.6
	North America	105		21.8
	South America	13		2.7
	Oceania	41		8.5
Occupation	Employed	214	498	43.0
	Self-employed	96		19.3
	Student	47		9.4
	Retired	86		17.3
	Housewife	4		0.8
	Other	51		10.2
Household monthly income	Less than USD 1,000	58	496	11.7
	USD 1,001-2,000	111		22.4
	USD 2,001-3,000	101		20.4
	USD 3,001-4,000	56		11.3
	USD 4,001-5,000	65		13.1
	USD 5,001or more	105		21.2
Education level	High School	76	498	15.3
	College	190		38.2
	Post graduate	185		37.1
	Doctorate/Professional degree	47		9.4
Age	from 18-80 years old	Average of 34 years old	490	SD 13.897

Note. Totals differ due to missing data.

2. **Lifestyle of Coffee Drinkers**

In order to identify international tourists' lifestyle, factor analysis was employed to classify the underlying dimensions of the 23 lifestyle items. From 23 items, five core dimensions that influence international tourists in carrying out their everyday life were determined which were; Family-Oriented, Social-Oriented, Quality of life-Oriented, Adventure-Oriented, and Budget-Oriented (see Table 2). Each core dimension was described as following.

Factor 1: Family-Oriented (Lifestyle #1: LS1). This factor explained about 29% of the variance in the data. It contained 3 items, which were health, leisure time, and fun by traveling with friends and family.

Factor 2: Social-Oriented (Lifestyle #2: LS2). This factor explained about 7% of the variance in the data. It contained 4 items relating to socialization, which were social life, impact, word-of-mouth, and communities.

Factor 3: Quality of life-Oriented (Lifestyle #3: LS3). This factor explained about 5% of the variance in the data. It contained 4 items, which were learning, culture, environmental awareness, and wellness.

Factor 4: Adventure-Oriented (Lifestyle #4: LS4). This factor explained about 5% of the variance in the data. It contained 3 items, which were changes, sports, and adventurous activities.

Factor 5: Budget-Oriented (Lifestyle #5: LS5). This factor explained about 4% of the variance in the data. It contained 3 items, which were jobs, quality, and value for money.

Table 2

Factor analysis of respondents' lifestyles

Lifestyle items	Factor loading
Factor 1: Family-Oriented; explained variance = 29.392	
Health	0.675
leisure time	0.669
Fun	0.620
Travel	0.576
Friend	0.563
Family	0.501
Factor 2: Social-Oriented; explained variance = 7.042	
social life	0.697
social impact	0.657
word-of-mouth	0.600
communities	0.537
Factor 3: Quality of life-Oriented; explained variance = 5.483	
Learning	0.663
Culture	0.653
environmental awareness	0.525
Wellness	0.435
Factor 4: Adventure-Oriented; explained variance = 5.213	
Change	0.535
Sports	0.379
adventurous activities	0.562
Factor 5: Budget-Oriented; explained variance = 4.790	
Quality	0.601
Job	0.533
value for money	0.445

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.[a]

a. Rotation converged in 69 iterations.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy .901

Bartlett's Test of Sphericity c^2 = 3067.193 df = 253 p = .000

3. **Lifestyle Cluster Analysis**

The K-means clustering procedure (Bishop, 2007) was performed to obtain the final clusters. Firstly, the three-, four-, and five-cluster results were calculated. After comparing the results, the five-cluster solution was selected since it provided the most appropriate distances and yielded the best distribution numbers between clusters. The resulting clusters exhibits the significant differences between them (p < .001) as shown in Table 3.

Cluster1: This cluster was the largest cluster consisting of 173 members, which accounted for 37.12%. The members of this group had a mixture of lifestyles LS1 (m=4.591) and LS3 (m=4.465), where m denotes the mean value.

Cluster2: This cluster had an average lifestyle (i.e., mix of lifestyles). This group comprised of 76 members accounting for 16.30% of the total.

Cluster3: This cluster was the smallest group with 31 members or 6.66% of the total. Its members generally did not have strong lifestyle towards any aspects, but rather a mild mixture of all aspects.

Cluster4: This cluster had a total of 85 members or 18.24% of respondents who were mostly socialized.

Cluster5: This is the second largest cluster comprising of 101 members or 21.68% of the total. It was a mixture of LS1 (m=4.325) and LS4 (m=4.089).

Table 3

Cluster analysis of respondents' lifestyles

	Cluster1 37.12% (n=173)	Cluster2 16.30% (n=76)	Cluster3 6.66% (n=31)	Cluster4 18.24% (n=85)	Cluster5 21.68% (n=101)	F-Value
LS1	4.591	3.875	2.527	3.478	4.325	270.798[*]
LS2	4.348	3.151	2.556	3.753	3.587	144.038[*]
LS3	4.465	3.632	2.621	3.641	3.861	130.843[*]
LS4	3.948	2.803	2.43	3.475	4.089	116.441[*]
LS5	4.197	3.522	2.538	3.69	3.528	72.7660[*]

Note.*Significant at p < .001.

4. **Cluster's Perceived Values**

The one-way analysis of variance was utilized to determine the existence of difference between the clusters. Table 4 shows the perceived value of seven coffee shop's attributes. Results shows statistically significant differences ($p <= .05$) in how each cluster values the coffee shop's attributes, as described below. In the other words, different lifestyles lead to perceiving value of coffee shop's attributes differently. Top three perceived values of each cluster are listed respectively as follows.

Cluster1: service, atmosphere, and value for money.

Cluster2: service, atmosphere, and coffee quality.

Cluster3: atmosphere, service, and variety of food, desserts, and drinks.

Cluster4: service, value for money, and variety of food, desserts, and drinks.

Cluster5: service, value for money, and atmosphere.

It was noteworthy that coffee shops' service and atmosphere were perceived of high value across all clusters (except for Cluster 4).

Table 4

Perceive value of coffee shop's attributes of the clusters

Coffee shop's attributes	Cluster1 (n=161)	Cluster2 (n=71)	Cluster3 (n=28)	Cluster4 (n=83)	Cluster5 (n=93)	F-Value
coffee quality	3.925	3.69	3.393	3.506	3.785	5.969
variety of food, desserts & drinks	3.917	3.486	3.517	3.614	3.707	4.319
Atmosphere	4.065	3.743	3.621	3.607	3.872	6.416
service from staff	4.165	3.797	3.536	3.905	3.937	5.259
certified/award-winning barista	3.536	3.273	3.214	3.556	3.272	2.461
green image	3.667	3.29	3.276	3.481	3.524	2.744

Note.*Significant at $p < .005$.

The results were further investigated to see the differences between groups. The Least Square Difference test (Williams & Abdi, 2010) was used to create confidence intervals for all pairwise differences between factor level means which were shown in Table 5. Overall, the coffee shop's attributes were better perceived value by clusters 1, for example, cluster 1 perceived value in atmosphere more than clusters 4, 2, and 3.

Table 5

Least Square Difference test result for pairwise differences between factor level means

Coffee shop's attributes			Other		
	Cluster1	Mean	Cluster	Mean	p
Atmosphere	1	4.065	4	3.607	.000
Atmosphere	1	4.065	2	3.743	.003
Atmosphere	1	4.065	3	3.621	.004
coffee quality	1	3.925	4	3.506	.000
coffee quality	1	3.925	3	3.393	.001
coffee quality	1	3.925	2	3.69	.030
variety of food, desserts & drinks	1	3.917	2	3.486	.000
variety of food, desserts & drinks	1	3.917	4	3.614	.009
variety of food, desserts & drinks	1	3.917	3	3.517	.021
value for money	1	3.982	3	3.286	.000
value for money	1	3.982	2	3.622	.003
value for money	1	3.982	4	3.651	.005
green image	1	3.667	2	3.29	.004
green image	1	3.667	3	3.276	.032
certified/award-winning barista	1	3.536	5	3.272	.033
certified/award-winning barista	1	3.536	2	3.273	.047
Service	1	4.165	3	3.536	.000
Service	1	4.165	2	3.797	.002
Service	1	4.165	4	3.905	.019
Service	1	4.165	5	3.937	.032
Cluster 2 and Cluster 5					
value for money	2	3.622	5	3.894	.047
Cluster 3 and Cluster 4, 5					
coffee quality	3	3.393	5	3.785	.017
value for money	3	3.286	5	3.894	.001
Service	3	3.536	5	3.937	.025
Service	3	3.536	4	3.905	.041
Cluster 4 and Cluster 5					
Atmosphere	4	3.607	5	3.872	.022
coffee quality	4	3.506	5	3.785	.016
certified/award-winning barista	4	3.556	5	3.272	.045

Note.*Significant at p < .005.

Discussion

Overall, the finding indicates that mostly international tourist perceived high value of coffee shops' service and atmosphere. This finding is also consistent with numerous studies in hospitality industry. For example, Anderson & Mossberg (2004) and Waxman (2006) have found that service and atmosphere have influenced guests' experience. Moreover, Sweeney, Soutar & Johnson (1999) and Teas & Agarwal (2000) found that higher perceived quality typically leads to higher perceived value. This may suggest that the coffee shops in Chiang Mai can deliver these two attributes at the same or above the expectation of the coffee drinkers. The ability to maintain standards or benefit offerings can potentially help the coffee shops in keeping the coffee drinkers' high perceived value, which consequently leads to satisfaction. Interestingly, the international tourists who were social oriented (cluster 4) perceived high value in a variety of "food, desserts, and drinks" attribute of the coffee shops. This may relate to the "third place," which is defined as a place that allows people for networking as well as exchanges ideas and news (Waxman, 2006). Coffee house is also called the third place; a place apart from home and work, that fulfill this function (Waxman, 2006 ; Woldoff, Lozzi & Dilks, 2013). In this regard, not only a cup of coffee but also a variety of food, desserts, and drinks at coffee shops would give the social oriented customers with a more satisfactory experience.

In addition, coffee shop's attribute values were better perceived by Clusters 1 and 5, which share a common leisure oriented lifestyle. This is possibly linked to the leisure personality type of Oldham (Oldham & Morris, 1995, 203). Regarding Oldham's personality types, a leisure personality type would be interested in finding happiness through creative pursuits, enjoying a life of pleasure and comfort. He/she relaxed about time, and being an easy-going, optimistic & family-oriented person (Oldham & Morris, 1995, 203). Consequently, it can be say that international tourists who were in these two clusters would perceive coffee shop's attribute values significantly higher than other members of other clusters.

Conclusion

Coffee is one of the most popular drinks worldwide making a positive impact to coffee farmers and to coffee businesses. Coffee farms have produced tremendous coffee beans to serve fast growing coffee businesses. The strong demand of sophisticated consumers not only stimulates coffee production but also creates a highly competitive environment for coffee businesses. Proactive management has become an effective strategy to keep coffee in business. Being aware of what customers (i.e., coffee drinkers) like and how they value different elements of coffee drinking

experience is thus essential. This study therefore aims to investigate the perceived value of the coffee shop's attributes from the perspective of international tourists in Chiang Mai, Thailand, which is known as one of the most vibrant coffee culture cities. Surveys were administered to a convenience sample of 500 respondents from coffee shops in the city of Chiang Mai. The respondents were mostly male, single, and well-educated with the average age of 34 years old. The study shows five different lifestyles of tourists; Family-Oriented, Social-Oriented, Quality of life-Oriented, Adventure-Oriented, and Budget-Oriented. The study reveals that these tourists had valued the coffee shop's attributes differently according to their diverse lifestyles, which is statistically significant. Overall, as of the international tourists primarily value service and atmosphere of the coffee shops across all lifestyle types, maintaining and improving service and atmosphere to keep them as high value assets are therefore essential for the coffee shop owners. Realizing the attribute value perception can lead to customer satisfaction and intention of repurchase. Nonetheless, although these two coffee shop's attribute values are highly perceived across all tourist lifestyles, other attributes should not be ignored. A variety of food, desserts, and drinks attribute, for example, is highly valued for the social-oriented tourists. Coffee shops that prefer to target particular markets based on lifestyle typology should focus more on specific matters that each segment values differently. This study provides guidelines on the 7Ps marketing mix based on the questionnaire responses to strengthen the two coffee attributes, as follows.

Product: Coffee shops should provide options for both local as well as international beans. Some international tourists want to try authentic coffee from local beans, while others still prefer their familiar taste of international origins. A variety of milk selections especially for latte drinks should be provided such as low fat, soy, organic. Sweeten coffee was not a favorite of international tourists. Level of sweetness in coffee from both sugar and condensed milk needs to be adjusted. Organic as well as decaffeinated coffee should be available. Intensity of flavor could be improved by offering coffee strength selection. Serving size of regular cup in Chiang Mai was somewhat small for international tourists, different cup size options should be available. Coffee shops should extent the variety of menu such as cookies, chilled drinks, especially local desserts and local drinks. This is a useful aspect to impress especially the social-oriented tourists who highly value the variety of food, desserts and drinks. Moreover, local food and drinks can bring excitement for the adventure-oriented tourists. Coffee shops should allow the coffee drinkers to personalize their drinks. Last but the most substantial matter is to keep the coffee shop local.

Price: The price of coffee in Chiang Mai is considerably high compared with food and other beverages. Reasonable pricing, therefore, should be considered.

Place: Coffee shops should be located away from high traffic locations. If it is unavoidable, the outside noise could be minimized by providing headphones with music. The opening time should be early morning. Most coffee shops in Chiang Mai open in the late morning as their customers (mostly Thai) typically drink coffee in the afternoon.

Promotion: Front signage for advertising purposes should be available. Effective advertising contents should emphasize on being Chiang Mai-authentic and local. Being Chiang Mai-authentic (rich of culture) and serving local coffee beans are attractive sales pitch. Offering loyalty program, free wifi, free samples of coffee are good examples of promotional activities.

People: Regarding service, some tourists suggested that good baristas should know what good quality coffee tastes like. They should constantly find the ways to make quality brews. Barista trainings and standardized coffee shop tours would promote the mastery and improve their expertise and craftsmanship. Baristas should have English skills sufficient for effective communication. Baristas should repeat the order to ensure the accuracy.

Processes: Coffee shops should focus on how to deliver quality brew to patrons. Coffee beans should be used up to seven days and kept in air-tight containers. Cleanliness should be maintained throughout the coffees shop, such as work stations, tables, and toilets.

Physical evidence: Music, local arts, décor, and natural views are what international tourists encountered as part of the atmosphere of the coffee shops. Music played in the shops should be local music. Reading corner should be provided with newspaper in different languages. Comfortable café chairs can make a place relaxing. Private chairs should be available for customers who prefer sitting alone. Packaging also could be improved. Coffee shops should promote the use of more recycled products, encourage patrons to bring their own cups, and reduce the use of plastics. Both air-conditioned and outdoor areas should be available. English menu and coffee origin information should also be available.

This study reveals some interesting insights from the international tourists who are coffee drinkers visiting Chiang Mai concerning the perceived values of coffee shops. Nonetheless, there are a few limitations. First limitation is the large number of coffee shops in Chiang Mai, which are diverse in styles and characters. This study used a convenience sample, which clearly may not cover all coffee shops available. To this regard, it has limited the range of aspects of the surveyed coffee shops regarding coffee bean origins, shop styles, atmosphere, and so on, based on which

the study's results are reflected. Second limitation is a limited set of seven main attributes considered in this study. There are also other influential attributes that were not considered in this present study, such as music, loyalty program, opening time, which were mentioned by the international tourist respondents in their comments. In the future study, other coffee shop attributes mentioned by the respondents should be considered for more comprehensive understanding of coffee shop attributes' value as well as examined perspectives from both locals and domestic tourists.

Acknowledgements

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