

**Implementing Customer-Centricity in a Late-Night Outdoor Food and Beverage Business
Model: A Case Study of Suito Café**

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ABSTRACT

This case study investigates the operational strategies and service excellence practices of Suito Café, an outdoor late-night Food and Beverage (F&B) enterprise originating in Ipoh, Perak, Malaysia. Established during the Movement Control Order (MCO) pandemic period with a bootstrapped capital of RM 6,000, Suito Café successfully expanded into a multi-branch operation backed by over RM 1.5 million in infrastructure investments, a 41-member workforce, and a customer repeat rate exceeding 90%. Drawing on an in-depth qualitative interview with the co-founder, Danly, this study examines how Total Quality Management (TQM) principles specifically Customer-Centricity, Process Standardization (SOPs), Empathetic Leadership, and Continuous Process Quality Control can be operationalized in an inherently volatile outdoor, late-night business environment. The study addresses critical Small Medium Enterprise (SME) challenges including building Halal trust through operational transparency without formal certification, mitigating environmental climate risks, managing intergenerational (Gen-Z) crew dynamics, and protecting brand equity by enforcing strict price integrity over promotional discounting. This case serves as an instructional framework for business students, academics, and F&B practitioners studying service operations, strategy, and quality management in emerging markets.

Keywords: *Service Excellence, Customer-Centricity, Brand Equity, Halal Assurance, SME Operations, Servant Leadership, Suito Café.*

CASE BACKGROUND AND HISTORICAL CONTEXT

The Genesis: Pandemics, Pivot, and Bootstrapping

In 2020, during the height of the COVID-19 pandemic and the Malaysian Movement Control Order (MCO), Mr. Danly explained, *“working in the beauty products industry faced severe financial distress. Factory closures and paralyzed supply chains depleted his personal savings. Left with only RM 3,000 each (a combined total capital of RM 6,000 with his business partner) after selling their personal vehicles to cover living expenses, they faced complete economic stagnation”* (Mr. Danly, personal interview on 9 May, 2026).

The strategic pivot to the F&B sector was triggered by a government policy that permitted F&B businesses to operate during lockdowns as supported by Muhamad Said et al., (2021). Recognizing a low-cost entry point, the founders established a roadside stall selling sweet potato balls. The brand name Suito was derived from the Japanese term for "sweet" (*suīto*), reflecting both the core product profile and an emotional connection to sweetness and gratitude.

Organic Marketing and the Influencer Catalyst

Suito's trajectory shifted when operating at the Ipoh Night Market. Danly's dedication to understanding competitor landscapes led him to queue for hours at "Kida Crip," a popular crepe vendor in Penang. Recognizing Danly as a fellow hardworking entrepreneur, the "Kida Crip," owner visited Suito Café in Ipoh the following week. *“She was then filming an unscripted review that went viral on TikTok”* (Mr. Danly, personal interview on 9 May, 2026). Unlike conventional F&B startups that rely heavily on paid promotional campaigns, Suito's marketing foundation was built organically through perceived authenticity, high operational transparency, and word-of-mouth recommendations.

OPERATIONALIZING TOTAL QUALITY MANAGEMENT (TQM)

Total Quality Management in F&B requires a synthesis of product quality, service execution, and environmental management. Danly defines Suito's quality architecture through three interrelated pillars that form the holistic customer experience (see Figure 1).

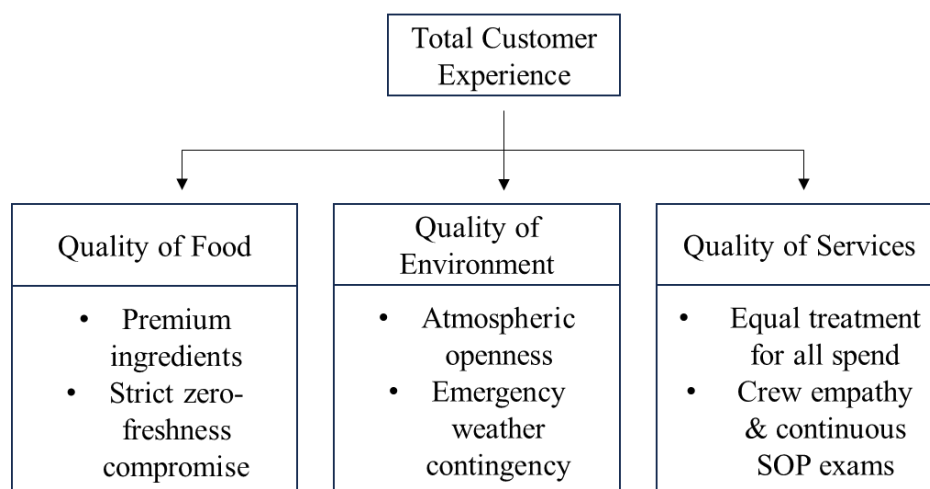


Figure 1: Suito Café: Three Quality Pillars

Quality Pillar 1: Food Integrity and Ingredient Sourcing

Suito Café enforces strict, non-negotiable raw material standards to guarantee product integrity, customer safety, and brand trust. Operating under three primary quality rules, the establishment first ensures complete supply chain transparency and Halal assurance, a critical practice given that the founder is non-Muslim and formal certification is structurally difficult for open-air kiosks (Yunos, 2025); every ingredient is strictly sourced from certified Halal suppliers, and food preparation is conducted entirely in full view of patrons to eliminate doubts (*was-was*), leveraging process visibility and verified supply chains to foster consumer trust beyond laboratory or formal administrative validation (Nazri, 2025).

Second, the cafe adheres to a zero-tolerance freshness and waste management policy, disposing of unsold perishable items daily and prioritizing physical inventory loss over any risk of foodborne illness or reputational damage (Soares et al., 2021). According to interviewee, *“Yes, because we prepare everything fresh every day. If the food is no longer in good condition, I won't keep it and cook it for customers because it wouldn't be fresh. I just can't do that. I'm very particular about maintaining the quality of the food, so I would never compromise on that”* (Mr. Danly, personal interview on 9 May, 2026).

Finally, Suito refuses to compromise on input quality, utilizing premium raw ingredients such as flour imported directly from France for their croissants and replacing daily cooking oil (Saji brand) as soon as it degrades, regardless of fluctuating operational costs, thereby demonstrating that upfront investments in high-grade raw inputs directly drive consumer brand loyalty and operational excellence (Oakland, 2014).

Quality Pillar 2: Atmosphere and Open-Air Experience

Danly deliberately avoided traditional indoor, air-conditioned cafe setups to solve common customer pain points, particularly poor acoustics, where enclosed spaces trap noise and force patrons to shout over ambient music and inconsistent thermal comfort caused by air conditioning that feels either uncomfortably cold or overly warm. He insisted *“however, if the environment is too hot, I also find it difficult to breathe. That's why I thought it would be better to open the café outdoors, where there is natural airflow and people can feel more comfortable. Even when there are many customers, the outdoor setting doesn't feel too noisy. That was one of the main reasons I decided to open the café outdoors”* (Mr. Danly, personal interview on 9 May, 2026).

Thus, by choosing an outdoor environment, Suito offers natural ventilation and a relaxed, spacious spatial dynamic. However, this open-air model introduces severe environmental challenges, particularly Ipoh's unpredictable tropical rainstorms and high winds that can disrupt operations (See Figure 2).

Weather Contingency Protocol Matrix		
Environmental Event	Operational Risk	Immediate Response Action
Light Rain	Minor seating loss	Deploy heavy-duty outdoor canopies
High Winds/ Sudden Severe Storm	Canopy collapse, direct physical injury risk to patrons	Immediate evacuation of all customers into the sheltered Maju Perak building concourse

Figure 2: Suito Café Contingency Protocol Matrix

Quality Pillar 3: Service Equity and Crew Leadership

A core tenet of Suito’s service model is Service Equity, which dictates that a customer ordering a single RM1 beverage receives the exact same level of care, respect, and urgency as a party spending RM1,000, reinforcing that non-discriminatory service quality directly drives customer retention in food services. To maintain this high standard across a workforce of 41 crew members, management enforces a dual leadership framework combined with strict operational accountability. Outside operational hours, Danly applies informal empathy by serving as a mentor and counselor who actively supports crew members with personal problems, financial stressors, and mental well-being before shifts begin exemplifying servant leadership behaviors that enhance psychological well-being, trust, and job satisfaction among early-career employees (Aulia et al., 2025).

Conversely, during operational hours (7:00 PM to 4:00 AM), formal rigor takes over, enforcing strict professional boundaries where casual banter or unprofessional behavior in front of patrons is strictly prohibited. To guarantee that these quality standards become second nature, the company regularly conducts written and operational SOP exams to verify crew knowledge and execution, positioning structured appraisal and procedural mastery as essential drivers of frontline service consistency (Razak & Fauri, 2025). Mr Danly said *“SOPs are very important. The reason is that the company has developed what we believe are the best products for our customers, so everyone must follow the SOPs consistently. For example, if a customer comes today and the food tastes great, but returns tomorrow and the quality is not the same, the company's reputation will be affected. It shows that the team is not strictly following the SOPs, especially when it comes to maintaining product quality and consistency”* (Mr. Danly, personal interview on 9 May, 2026).

STRATEGIC NICHE: THE LATE-NIGHT OUTDOOR MODEL

Market Gap Identification

In most Malaysian cities, late-night dining options after 12:00 AM have historically been limited to fast-food chains (McD/KFC), Mamak stalls, or Tomyam eateries (Latiff et al., 2021). High-quality specialty coffee and gourmet fast-casual meals (e.g., smash burgers) were virtually unavailable during these late hours. Suito Café filled this gap by adopting an unconventional operating window: 7:00 PM to 4:00 AM. Despite initial backlash from industry peers who argued that coffee consumption was unsuitable for late-night hours, the timing proved to be a major competitive advantage, echoing modern consumer research on nocturnal cafe patronage among urban youth (Lim et al., 2025). It attracted off-duty F&B workers, late-shift professionals, night-

owls, and youth demographics seeking a comfortable, alcohol-free, late-night environment that serves as a modern third place (Oldenburg, 1999; Samsudin et al., 2024).

Pricing Integrity vs. Price Slashing

Suito Café adheres to a strict price-maintenance strategy. The company explicitly rejects discount promotions, price wars, or margin slashing.

"Price-slashing ruins the business and destroys the industry. If you slash prices, customers come because you are cheap, not because your quality is good. Once you discount, you signal that your product wasn't worth the original price." (Mr. Danly, personal interview on 9 May, 2026).

Instead of discounting, Suito drives customer acquisition through value-add incentives such as gifting 10 to 20 free complimentary items to early patrons during new product launches. This protects brand equity, respects industry competitors, and preserves perceived value.

KEY OPERATIONAL CHALLENGES AND STRATEGIC SOLUTIONS

Managing Misconceptions Around Halal Status

Operating in a Muslim-majority market as a non-Muslim founder presents ongoing public relations and cultural sensitivity challenges, especially given that formal Halal certification is structurally difficult to secure for temporary outdoor kiosk setups (Yunos, 2025). To overcome consumer hesitation and build trust, Suito addresses these concerns through three core operational practices. First, the cafe provides complete process visibility by designing kitchen and barista counters with open glass walls, allowing patrons to observe every step of food and beverage preparation firsthand aligning with evidence that process transparency and physical openness foster consumer confidence beyond administrative validation (Nazri, 2025).

Second, management maintains strict ingredient selection by sourcing raw materials exclusively from Halal-certified suppliers to eliminate supply chain doubts (Anwar et al., 2024; Lim et al., 2022). Finally, *"Suito practices clear physical separation during operational hours; the non-Muslim founder refrains from directly handling any food or drinks, delegating all preparation and handling entirely to trained Muslim crew members, leveraging frontline staff identity and operational segregation as key signals of Halal assurance"* (Mr. Danly, personal interview on 9 May, 2026).

Navigating Intergenerational Workforce Dynamics

Managing a young workforce predominantly composed of Gen-Z employees requires moving away from traditional, authoritarian management styles in favor of a servant-leadership framework based on empathy, support, and clear operational logic (Aulia et al., 2025; Jonker & Dube, 2025). At the core of Danly's approach is the "True Boss" concept, which teaches crew members that their salaries are funded not by management, but by the customer who queues up and pays. Under this philosophy, Standard Operating Procedures (SOPs) are not presented as arbitrary rules, but as essential tools to protect both the customer's experience and the crew's long-term job security (Saraiva & Nogueiro, 2025). Furthermore, to support this workforce as the company scaled, Suito transitioned from an informal setup where employees handled multiple overlapping roles to a structured organizational hierarchy, hiring dedicated specialists including Operations Managers, HR personnel, Floor Managers, Kitchen Leaders, Professional Baristas, and Certified Accountants

reflecting established theories on organizational formalization and specialization during SME growth phases (Churchill & Lewis, 1983; Greiner, 1998).

CONCLUSION

This case highlights four essential business practices for managing a modern, service-focused F&B business. Firstly, protecting brand value should take priority over pursuing short-term sales gains. When sales decline, businesses may be tempted to respond by reducing prices, offering excessive discounts, or competing directly with rivals through price cutting. Such an approach may generate temporary sales, but it can weaken the business over the longer term. Price wars compress profit margins, create unhealthy expectations among customers, lower industry standards, and gradually dilute the perceived value of the brand. Once customers become accustomed to purchasing only when discounts are offered, restoring the original price and premium positioning can become difficult. A more sustainable strategy is therefore to strengthen the value offered to customers rather than simply making the product cheaper. This can be achieved through the consistent use of quality ingredients, superior customer service, distinctive product presentation, and memorable dining or purchasing experiences. Customers should perceive that they are paying not merely for a product, but for a combination of quality, trust, service, atmosphere, and experience. In this way, brand strength becomes a source of competitive advantage that supports customer loyalty and business sustainability.

Secondly, customer feedback should be regarded as an important quality metric and a form of free operational audit. Public complaints, online reviews, and direct constructive criticism provide businesses with valuable information about weaknesses that may not be immediately visible to owners or managers. Instead of responding defensively to negative comments, management should examine what the feedback reveals about product quality, service delivery, employee behaviour, cleanliness, waiting time, or other aspects of the customer experience. More importantly, complaints should be resolved as close as possible to the point at which the problem occurs. For example, an unsatisfactory product can be immediately remade, an appropriate refund can be provided, or a complimentary item or goodwill gift can be offered when circumstances justify it. Such immediate service recovery demonstrates that the organisation listens to its customers and accepts responsibility for its shortcomings. A dissatisfied customer who experiences sincere and effective problem resolution may subsequently develop greater trust in the business because the customer has personally witnessed how the organisation responds when something goes wrong. Thus, complaints are not merely problems to be managed; they are opportunities for organisational learning, quality improvement, relationship building, and the development of long-term customer advocacy.

Thirdly, operational resilience is particularly important for businesses operating under outdoor or environmentally exposed conditions. Outdoor businesses cannot control weather conditions, but they can control how well they prepare for and respond to them. Heavy rain, strong winds, excessive heat, flooding, poor air quality, or other environmental disruptions can quickly transform a normal business operation into a safety and service challenge. Management should therefore establish clear procedures for identifying environmental risks, communicating with customers, protecting employees, relocating seating, suspending particular activities, and temporarily reducing operational capacity when necessary. The desire to maximise revenue by accommodating as many customers as possible should never override considerations of physical comfort and safety.

In some situations, reducing the number of tables or temporarily closing exposed areas may result in lower immediate revenue, but such decisions protect customers, employees, physical assets, and the reputation of the business. Operational resilience therefore involves more than recovering after disruption; it requires preparedness, flexibility, responsible decision-making, and the ability to continue delivering acceptable service without compromising human well-being.

Finally, effective operational leadership requires empathy to be balanced with disciplined compliance with standard operating procedures (SOPs). Employees should be treated as human beings whose personal circumstances, family responsibilities, emotional well-being, and difficulties deserve understanding and compassion. Outside operational or shift requirements, leaders can demonstrate empathy by listening to employees, providing reasonable flexibility, supporting them during personal difficulties, and maintaining respectful relationships. However, empathy should not result in inconsistent standards when employees are performing their assigned responsibilities. During service execution, established SOPs concerning food preparation, hygiene, safety, customer service, cash handling, product quality, and other operational requirements must be applied consistently. A supportive relationship between leaders and employees can therefore coexist with clear accountability. Employees should understand that managerial compassion does not remove professional responsibility. This combination of human-centred leadership and operational discipline creates a workplace in which employees feel valued while customers continue to receive consistent standards of quality and service. Ultimately, sustainable operational excellence emerges when compassion strengthens people while SOP compliance protects the quality, reliability, and integrity of the organisation.

DISCUSSION QUESTIONS

Question 1: Total Quality Management & Operational Transparency

Evaluating Quality Architecture in Uncertified Environments:

Suito Café operates as an outdoor kiosk without formal Halal certification due to structural constraints, yet maintains a customer base that is over 90% Muslim. Evaluate how Suito uses operational transparency, supply chain audits, and visible open-kitchen designs to build brand trust and meet customer expectations. How does this align with Deming's TQM principle of "building quality into the product from the start"?

Question 2: F&B Pricing Strategy & Brand Equity

Analyzing Price Maintenance vs. Promotional Discounting:

Danly strictly rejects price discounting, price wars, or promotional price cuts, arguing that it "destroys the industry and brand perception." Contrast Suito's value-add promotional model (e.g., free full-value product launches) with conventional discounting strategies. What are the long-term impacts on customer lifetime value (CLV), brand positioning, and profit margins?

Question 3: Human Resource & Leadership Management

Managing Intergenerational Workforces via Servant Leadership:

Analyze Suito's management strategy regarding its 41 crew members. How does Danly balance empathetic mentor leadership before shifts with strict SOP enforcement and formal testing during operating hours? How effective is framing the customer as the "true boss" in reducing employee turnover and improving service standards among Gen-Z workers?

Question 4: Risk Management & Environmental Volatility

Developing Contingency Protocols for Outdoor Service Models:

Outdoor F&B concepts face significant weather risks that can suddenly interrupt operations. Based on Suito's experience with severe windstorms and damaged equipment in Ipoh, design an operational contingency plan for an outdoor F&B enterprise. Your plan should address customer safety, revenue protection, and quick physical relocation protocols.

Question 5: Geographical Expansion & Scalability Dynamics

Evaluating Market Readiness in Primary vs. Secondary Cities:

Suito Café experienced strong success in Ipoh, but faced slower growth and higher sales variance after opening its second branch in Taiping. Analyze the strategic, socio-economic, and demographic factors that cause business performance to vary between primary regional hubs and smaller secondary towns. What operational adjustments should Suito implement before expanding into major competitive urban markets like Kuala Lumpur?

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