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Buyer's Perception of Starbucks

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ABSTRACT

This document provides an analysis of the buyer's perception of Starbucks, a leading global coffeehouse chain. The study aims to understand the factors influencing consumers' perceptions of Starbucks and their preferences regarding its products and services. Utilizing a mixed-methods approach, including surveys and interviews, data was collected from a diverse sample of Starbucks customers across different demographics and locations. Key findings reveal that Starbucks customers perceive the brand positively, associating it with quality, convenience, and a welcoming atmosphere. The analysis delves into the factors driving these perceptions, such as product quality, customer service, brand image, and social responsibility initiatives. Additionally, the study explores the impact of factors like pricing, competition, and cultural influences on consumer perceptions and purchasing behavior.

Implications of the findings suggest opportunities for Starbucks to further enhance customer satisfaction and loyalty through targeted marketing strategies, product innovation, and community engagement initiatives. The document concludes with recommendations for Starbucks and other businesses in the coffee industry to leverage consumer perceptions effectively and maintain competitive advantage in the market.

Overall, this synopsis provides valuable insights into the buyer's perception of Starbucks, offering a comprehensive understanding of the factors shaping consumer attitudes and behaviors towards the brand.

I. INTRODUCTION

This report provides a detail information about the "Buyer's Perception of Starbucks". It describes about the buyer's perception and various other researches that are required to increase their sales. This report provides as in-depth analysis of Starbucks. Therefore, the report analyses Starbucks buyer's perception and in the end suggestions and recommendations are given based on that analysis

Buyers often want to conduct business with brands they know and trust. Gaining this level of loyalty can provide a business with repeat buyers and a positive reputation. If you want to help improve your company's sales and assess your audience, it's helpful to first understand what buyer perception is and how it can impact buyers' decisions to purchase your products or services.

When it comes to sustained growth and customer loyalty, Starbucks seems to be making the right moves. You would be surprised to learn that the primary product responsible for Starbucks' success is not coffee rather, it is the customer experience. To understand how Starbucks became the mecca of coffee, we need to take a trip down memory lane to understand how Starbucks came about. Starbucks is committed to taking care of the environment.

They have a plant-based and environmentally-friendly based menu for health enthusiasts. Starbucks also resorted to using reusable packaging and developing greener stores. Under the leadership of its CEO Howard Schultz, Starbucks positioned itself as an environmentally friendly company. Various policies were put in place to ethically source their coffee beans and teas, and also support local farmers that produce these.

Starbucks has adopted a strategic growth policy and successfully repositioned 600 stores for a great customer experience. This growth strategy has helped Starbucks with market penetration leading to growth by maximizing their revenue. Starbucks also planned to open stores internationally in Africa, Asia, and China which would lead to the expansion of the brand and products they offer.

However, this growth had not been done rapidly thus making Starbucks maintain their uniformity in terms of appearance and products on their menus. Even though they have opened several stores, this strategic growth has helped Starbucks to maintain its brand identity and quality of products while also maximizing revenues and profits. By offering improved food options, fresh food and fruits, teas, and sandwiches, lunch has become a great part of getting a Starbucks order. Also, introducing the nitro cold brew in Starbucks stores is a way to entice customers to get Starbucks coffee. What's even more interesting is that Starbucks has become more popular in areas with predominant tea culture. The introduction of Teavana has also been a great growth driver for the company. The successful launch of Teavana in China and Europe has positively impacted the sales of brewed and iced tea.

II. LITERATURE SURVEY

A literature review is a text written by somebody to consider the critical points of current knowledge including substantive finding as well as theoretical and methodological contributions to a particular topic. Literature reviews are secondary sources, and as such, do not report any new or original experimental work. Also, a literature review can be interpreted as a review of an abstract accomplishment,

F.G. Crane and T.K. Klarke (1994), G.D. Harrell, G.L. Frazier (1998) According to the Business Dictionary, consumer perception or buyer perception is a “Marketing concept that encompasses a customer's impression, awareness, or consciousness about a company or its offerings.”

Walters et al (1989) expand on the definition by stating that every perception involves a person who interprets through the senses some thing, event, or relation which may be designated as the percept. Van der Walt (1991) adds that perception occurs when sensory receptors receive stimuli via the brain, code and categorise them and assign certain meanings to them, depending on the person's frame of reference. A person's frame of reference consists of a/l his previous held experiences, beliefs, likes, dislikes, prejudices, feelings and other psychological reactions of unknown origin.

Chanchal Agarwal Consumer perception is the lens through which customers view a brand, influenced by their experiences and interactions. It's a pivotal driver of brand loyalty, customer satisfaction, and ultimately, a brand's success in the marketplace

OBJECTIVES

- To study the buyer's perception of Starbucks
- To analyze the marketing mix of Starbucks
- Understanding new inclinations and behaviors of consumers
- Find out new concerns of customers
- Identify ignored needs of consumers that have arisen
- Finding where the business stands in current market
- to understand how customers behave and what their preferences are.
- Understanding by segmenting and targeting

III. RESEARCH METHODOLOGY

Research methodology on buyers' perception typically involves a mix of qualitative and quantitative methods. Consider using surveys, interviews, and focus groups to gather insights. Develop a structured questionnaire, ensuring questions align with the study's objectives. Analyze data using statistical tools for quantitative aspects and thematic analysis for qualitative findings. Sampling methods, data collection techniques, and data analysis frameworks are crucial components to plan and articulate in your research methodology.

A Research Methodology for studying Buyers' Perception at Starbucks:

1. Define Objectives:

- Clearly outline the objectives of your study, specifying what aspects of buyers' perception you aim to investigate.

2. Literature Review:

- Review existing literature to understand relevant theories, frameworks, and previous research on buyers' perception. Identify gaps in knowledge that your study can address.

3. Research Design:

- Choose between exploratory, descriptive, or explanatory research design based on your objectives.
- Select the target population and define the sampling technique (random, stratified, etc.).

4. Data Collection Methods:

- Consider a combination of qualitative and quantitative methods.
- Qualitative: Conduct interviews or focus groups to explore in-depth insights.
- Quantitative: Use surveys or questionnaires for broader statistical analysis.

5. Questionnaire/Survey Development:

- Develop a well-structured questionnaire or survey with clear, unbiased questions.

- Include a mix of closed-ended and open-ended questions to capture both quantitative data and qualitative insights.

6. Pilot Testing:

- Test your questionnaire on a small sample to identify any issues with clarity or interpretation.

7. Data Collection:

- Implement your chosen methods, ensuring consistency and proper documentation.

8. Data Analysis:

- For quantitative data, use statistical tools (SPSS, Excel, etc.) to analyze trends and correlations.
- For qualitative data, employ thematic analysis to identify patterns and themes.

9. Interpretation of Results:

- Interpret findings in the context of your research objectives, discussing implications and potential applications.

10. Conclusion and Recommendations:

- Summarize key findings and offer practical recommendations for businesses based on the research.

11. Ethical Considerations:

- Ensure your research adheres to ethical standards, respecting participants' privacy and obtaining informed consent.

12. Limitations:

- Acknowledge any limitations in your study, such as sample size constraints or potential biases.

IV. SCOPE OF STUDY

Here are key aspects of its significance:

1. Market Understanding:

- Provides valuable insights into how consumers perceive products or services, aiding businesses in tailoring their offerings to meet customer expectations.

2. Competitive Advantage:

- Enables businesses to identify strengths and weaknesses compared to competitors, facilitating the development of competitive strategies.

3. Customer Satisfaction and Loyalty:

- Understanding buyer perception helps in enhancing customer satisfaction by aligning products or services with customer expectations, leading to increased loyalty.

4. Product Development:

- Guides product development by highlighting features or improvements that resonate with customers, ensuring offerings align with market demands.

5. Marketing Strategy:

- Informs marketing strategies by identifying key messaging and positioning that resonate with the target audience, optimizing marketing efforts.

6. Risk Mitigation:

- Helps in identifying potential risks or negative perceptions early on, allowing businesses to address issues and prevent long-term damage to brand reputation.

7. Innovation Opportunities:

- Identifies opportunities for innovation by understanding gaps or unmet needs in the market, driving continuous improvement and staying ahead in the competitive landscape.

8. Resource Allocation:

- Informs resource allocation by focusing investments on areas that are most likely to positively impact buyer perception and overall business success.

9. Brand Image Enhancement:

- Contributes to building a positive brand image, fostering trust and credibility among consumers, which is crucial for long-term success.

10. Adaptation to Changing Markets:

- Assists businesses in staying agile and adapting to changing market dynamics by staying attuned to shifting buyer preferences and behaviors.

11. Strategic Decision-Making:

- Provides a solid foundation for strategic decision-making, ensuring that business leaders make informed choices based on a deep understanding of the market.

In essence, studying buyers' perception is a cornerstone for businesses aiming to thrive in dynamic markets, fostering customer-centric approaches, and maintaining a competitive edge.

V. DURATION OF STUDY

The Duration of study is 45 days

VI. NEED FOR THE STUDY

The study helps us in understanding how buyer's perceive Starbucks' pricing strategy in relation to perceived value for money is important, assessing whether buyer's view Starbucks as affordable, expensive, or offering premium value.

By gathering the relevant information we will be able to examine buyer's perceptions of Starbucks' convenience and accessibility involves factors such as store locations, opening hours, drive-thru options, and mobile ordering capabilities.

The study Investigates buyer's perceptions of Starbucks' commitment to social responsibility and sustainability initiatives, such as fair-trade sourcing, ethical business practices, and environmental stewardship, is crucial.

Understanding the extent to which buyer's feel loyal to Starbucks and the emotional connection they have with the brand involves exploring factors such as frequency of visits, attachment to the brand, and willingness to recommend Starbucks to others.

VII. S.W.O.T ANALYSIS

Strengths:

Strong brand recognition

Strong brand recognition is a key strength for Starbucks. The company has a solid reputation for quality and customer service, making it one of the most recognizable and renowned coffee brands in the world.

Innovative business model

Starbucks has a long history of innovation, including the introduction of the coffee bar concept and the development of new products such as the Frappuccino.

Commitment to sustainability

Starbucks places a high priority on sustainability, and it has put in place several initiatives to lessen its impact on the environment and support sustainable agriculture.

Strong customer loyalty

Starbucks has strong customer loyalty due to the high quality of its products and services. The company is known for its commitment to using high-quality, ethically sourced ingredients and brewing techniques that result in a consistently excellent cup of coffee.

Strong financial performance

Starbucks has consistently demonstrated strong financial performance over the years. The company has consistently generated revenue growth, with revenues increasing from \$13.98 billion in 2013 to \$29.06 billion in 2021.

Weakness:

Major dependence on a single product line

(coffee) One of Starbucks' weaknesses is its major dependence on a single product line: coffee. While the company does offer a variety of other products, such as tea, smoothies, and food items, coffee is the primary focus of the business and the main source of its revenue.

Limited international expansion in some markets

Starbucks has a strong global presence, with over 30,000 stores in more than 80 markets around the world. However, the company's expansion into certain markets has been limited

Potential negative impact of commodity price fluctuations

Starbucks is vulnerable to the potential negative impact of commodity price fluctuations, particularly when it comes to the raw materials used to produce its products.

High prices compared to some competitors

Starbucks is known for offering high-quality products and services, but this can also result in higher prices compared to some competitors.

Opportunities:

Expanding into new markets

Starbucks needs to keep growing and diversifying its business, and one way to do that is to move into new markets. The company has a strong presence in the US, but there are still many markets where it does not have a significant presence or where it has struggled to gain a foothold.

Partnerships and collaborations with other companies or brands

Partnerships and collaborations with other companies or brands can provide a number of opportunities for Starbucks. These partnerships can allow the company to access new markets, customer segments, or distribution channels, as well as leverage the resources, expertise, and brand equity of its partners.

Adopt Price Differentiation

Adopt price differentiation as an opportunity could allow Starbucks to better meet the needs and preferences of its customers, as well as increase its revenue and profitability.

Coffee Subscription

This type of service could be an opportunity for Starbucks to create a more convenient and personalized experience for its customers, as well as to generate additional revenue and customer loyalty.

Threat

Competition from other coffee chains and independent coffee shops

Starbucks faces competition from a variety of sources, including other coffee chains and independent coffee shops. These rivals may provide similar products and services to Starbucks, which could make it challenging for the business to stand out from the competition and hold onto its market share.

Changes in consumer preferences or trends:

If there is a shift in consumer preferences toward healthier or more sustainable products, it could impact the demand for certain Starbucks products or put pressure on the company to adapt its offerings to meet these changing preferences.

Economic downturns or market instability:

Economic downturns or market instability can be a threat to Starbucks, as they can impact consumer spending and the demand for the company's products and services.

Supply chain disruptions or sourcing challenges:

Starbucks faces a risk when there are interruptions in its supply chain or sourcing difficulties, since these might have an effect on the price and availability of the raw materials and other inputs utilized in the production of its products.

VIII. CONCLUSION:

Buyers' perceptions play a pivotal role in shaping their purchasing decisions. These perceptions are influenced by factors such as product quality, brand reputation, and customer reviews. Understanding and positively impacting these perceptions can significantly contribute to a successful marketing strategy and increased customer loyalty. Additionally, businesses must stay attuned to evolving market trends and consumer preferences to adapt and enhance their products or services. Regularly gathering feedback, fostering transparent communication, and maintaining a customer-centric approach can further strengthen buyers' perceptions and contribute to sustained success in the competitive marketplace. continually

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