

## **“A Study on Customer Satisfaction, Perception, and Brand Image of Starbucks Coffee in India”**

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### **ABSTRACT**

This study focuses on the brand image, experience, quality, and services offered by Starbucks that will end up resulting in consumer loyalty from customer pleasure are the main topics of this study. The study examines the relationship between consumer loyalty and brand experience and Starbucks Coffee quality advancements, as corporate brands are crucial to generating improved company performance, including sales. It creates extra incentives to win over new clients and forge a long-lasting relationship with them. According to the study's findings, businesses with more satisfied and loyal customers like forget to have a larger market share and advance through cost cutting. In order to maintain profitability over the long term and obtain a competitive edge in the market, businesses need to pay close attention to each of these factors.

### **INTRODUCTION**

#### **Introduction of the firm**

Starbucks Corporation, based in Seattle, Washington, is a multinational coffee shop business that, as of 2020, operates in over 70 countries. Starbucks was founded by Jerry Baldwin and Gordon Bowker and came under the control of Howard Schultz in the 1980s, resulting in its development across the United States and subsequently the world. Starbucks is well-known for its extensive menu, which features pastries, snacks, hot and cold beverages, and, of course, coffee. Starbucks serves as a social gathering spot as well as a location to consume coffee, making it an essential component of people's everyday lives.

#### **Justification of Topic**

"A study on customer satisfaction, perception, and brand image of Starbucks coffee in India," the research topic, is very significant for various reasons. To begin with, Starbucks is a well-known multinational brand that has lately grown its presence in India. Understanding how consumers view the brand and whether they are pleased with Starbucks' products and services is critical.

Second, India is a culturally varied country with distinct cuisine tastes. It is critical to investigate how Starbucks has changed its menu and marketing techniques to appeal to the Indian market.

Third, because there has been little significant research in this sector, this study is critical in revealing light on the Indian coffee industry and Starbucks' position within it. Overall, this

research might give useful information about consumer behavior, brand perception, and marketing tactics in the Indian coffee industry.

### **Starbucks' Mission, Vision, and CSR**

**Starbucks' aim** is "to inspire and nurture the human spirit - one person, one cup, and one neighborhood at a time." Starbucks' dedication to its operations and the communities it serves is reflected in its mission.

**Starbucks' Vision:** "Establish Starbucks as the world's leading provider of the finest coffee while upholding our unwavering principles as we expand."

Starbucks is actively involved in CSR initiatives such as green projects to reduce its carbon footprint, small business support, worker development programs, educational opportunities, and contributing to social justice through charitable efforts in local communities.

### **Product Provided**

Starbucks is constantly diversifying its product offerings in order to acquire a greater market share. Coffee beans, coffee, tea, pastries, Frappuccino drinks, smoothies, and merchandise are the main product categories. Starbucks is more than simply coffee; it signifies a dedication to product excellence and exceptional customer service.

### **LITERATURE REVIEW**

The present literature review aims to provide an overview of the existing research on customer satisfaction, perception, and brand image of Starbucks Coffee in India. The study is of great significance as it explores the key factors that contribute to customer loyalty and satisfaction towards the brand.

Several studies have been conducted on the topic, with a focus on brand image, experience, quality, and services offered by Starbucks that will bring customer loyalty from customer satisfaction. This study is focused on brand image, customer loyalty, and customer satisfaction with Starbucks Coffee in India. These aspects are believed to be the key to the success of the brand in the Indian market.

Moreover, the study by (Xian & Rizwan, Brand awareness and brand perception of Starbucks among Swedish youth , 2008) investigated the extent of brand awareness and brand perception of Starbucks among Swedish youths. The study found that Starbucks has a strong brand image and awareness among the Swedish youth.

In addition, the study by (Kumar K. , 2016) analyzed brand loyalty with a case study on Starbucks. The study found that Starbucks has been successful in creating value for the consumer by offering innovative services such as mobile app payment.

Overall, the literature analysis reveals that consumer happiness, perception, and brand image are critical variables in Starbucks Coffee's success in India. To increase customer loyalty and

happiness, existing research emphasizes the necessity of delivering excellent services, developing a strong brand image, and offering new offerings.

## **RESEARCH DESIGN AND SOURCE OF DATA COLLECTION**

This study included a number of data-gathering techniques or methodologies. Completing surveys, documentation studies, charts, and tables were the most used techniques. The use of a questionnaire, which consists of a series of multiple-choice questions that respondents may rapidly answer, was selected because it is regarded to be a more organized technique of data collection. Questionnaires, which are also thought of as interview formats, can be used to indicate the measurement of an instrument composed of numerous questions designed to get various forms of information from respondents. Customers who shop at Starbucks Coffee and are very likely to drink Starbucks coffee are completely included in the demography of this study.

The key reason for using a questionnaire is that it gives a high degree of assurance for the validity and credibility features incorporated via the data collected on it. This is due to the fact that it is always considering the questionnaire instruments that are most suited for this survey and study. This is largely due to one of the most commendable characteristics: the lack of prejudice or favoritism. However, utilizing alternate research procedures, such as concentrated group discussions and interview approaches, it is likely difficult to achieve the precise goal of no biases. The visual signals presented by led researchers may surely influence and steer respondents' attitudes more and less.

One of the most important sources of information is primary data. Primary data collection in this study included providing questionnaires to respondents in order to gain honest thoughts. The surveys were used to measure the factors that influence client loyalty, such as customer happiness, brand experience, and service quality. The original data was gathered from 100 respondents, the majority of whom were loyal Starbucks Coffee customers. The questionnaire featured a combination of qualitative and quantitative questions, as well as an open-ended inquiry to elicit respondents' thoughts and ideas.

## **RESEARCH INSTRUMENTS**

- **Methods for Collecting Primary Data:**

1. approaches for Collecting Quantitative Data: These approaches are used to collect numerical data.
2. approaches for Collecting Qualitative Data: These approaches entail gathering non-numerical data.

- **Methods for Collecting Qualitative Data:**

Data is gathered through spoken replies in the interview method. It can be done in a variety of ways:

- **Personal Interview:** The interviewer interacts directly with the respondent.

- Telephone Interview: The interviewer contacts subjects via phone.
- Email Interview: The interviewer contacts participants through email to solicit their feedback.
- Questionnaire Method: This method entails mailing a series of questions to responders. They read, filled out, and returned the form.

- **Methods for Collecting Secondary Data:**

Secondary data is information that has previously been analyzed and is available from sources other than the original user. Books, journals, newspapers, and both public and unpublished data are examples of sources.

### **LIMITATIONS OF THE STUDY**

- 1. Small Sample Size:** The study's sample size may not completely reflect all Starbucks customers in India, limiting the study's generalizability.
- 2. Self-Reported Data:** Using self-reported data may add biases and may not completely reflect actual consumer behavior.
- 3. Time Limitation:** Because the study is time-limited, it may miss changes in customer satisfaction, perception, and brand image over time.

### **ANALYSIS & INTERPRETATIONS OF THE STUDY**

Table 1 shows results abstracted through a well-designed and conducted survey on customer satisfaction and experiences of Starbucks products. A questionnaire survey was conducted and answered by 100 respondents. The survey form was distributed in the form of a questionnaire through email. This questionnaire comprised multiple-choice questions and open-ended questions. In the open-ended questions, the respondents were expected to provide their valuable comments, suggestions, and recommendations for further improvement of Starbucks products and customer service. The objective behind these questions was that the customers could state or express anything they felt missing or their expectations from Starbucks.

### **FINDINGS**

1. The survey had 100 participants, 58 girls and 42 men, most of whom were between the ages of 20 and 29 (80%).
2. The vast majority of responders (79%) were students.
3. 90% of people had heard of Starbucks, suggesting widespread recognition.
4. 64% learned about Starbucks via friends and family, while 15% learned about it through social media.
5. 45% of people like Starbucks coffee, whereas 30% prefer Frappuccino.
6. 48% of people are inclined to suggest Starbucks.
7. Starbucks overall: 30% happy, 31% extremely satisfied.

8. 33% said Starbucks beverages were expensive, and 40% thought the pricing were excessively high.
9. 33% are pleased with the quality of Starbucks Coffee, while 45% are extremely pleased.
10. Starbucks' customer service scores 44% pleased, 38% extremely happy.
11. There are mixed feelings about the frequency of Starbucks promotions.
12. 32% are fans of all Starbucks offerings, while 68% favour in-store eating.
13. 49% purchase Starbucks once each week, 41% once per month.
14. "Tasty" (54%) draws the most clients, followed by "unique drinks" (22%).
15. To increase consumer satisfaction, 48% advise price reductions, while 10% desire special student specials.

## CONCLUSION

This study examined how people perceived and were satisfied with the brand (Starbucks) influence and service quality that is directly related to customer loyalty. This study places a lot of focus on Starbucks' corporate brand image, which may have an impact on customer satisfaction. In light of this research, it is evident that Starbucks needs to concentrate more on a few aspects in order to develop a solid, long-lasting relationship with its customers and a profitable business partnership in the market. Customer satisfaction is referred to as a variable that shows how well a consumer experiences a brand. Starbucks, which is acknowledged to be the most well-known brand in the world, has a clear standard to improve the caliber of its services, brand image, and customer pleasure. By carrying out routine surveys to get to know more about customers, Starbucks can fulfil their needs that change from time to time and this will increase customer satisfaction in the future.

S.no	Characteristics	Category	Frequency	Percentage
1.	Age	Below 20 years old	12	12%
		20-29 years old	80	80%
		30-39 years old	5	5%
		40-49 years old	3	3%
		50 years old and above	0	0%
2.	Occupations	Student	79	79%
		Employed	16	16%
		Unemployed	5	5%
3.	Have you heard of Starbucks Coffee before?	Yes	90	90%
		No	6	6%
		Maybe	4	4%
4.	Source of Information About the Product	Friends/ Family Members/ Colleagues	64	64%
		Social Media	15	15%
		Ads in the mobile app (excluding social media)	13	13%
		Newspapers/ Magazines	7	7%
		Online Search	1	1%

5.	Customers' Favourite Customer's favourite Product	Coffee Frappuccino Tea Others	45 30 10 15	45% 30% 10% 15%
6.	Recommend Starbucks Coffee to Friends or Colleagues	Yes No Maybe	48 35 17	48% 35% 17%
7.	Overalls Customer Satisfaction or Dissatisfaction Level	Very Satisfied Satisfied Neutral Dissatisfied Very Dissatisfied	31 30 11 12 16	31% 30% 11% 12% 16%
8.	Customer review on Price of Beverages  Customers' Review on	Extremely expensive Expensive Reasonable Cheap Extremely Cheap	33 40 21 4 2	33% 40% 21% 4% 2%
9.	Customers' Rate to The Customer rate of Starbucks Product Quality	Very Satisfied Satisfied Neutral Dissatisfied	45 33 20 2 0	45% 33% 20% 2% 0%

		Very Dissatisfied		
10.	perception about customer service	Very Satisfied	38	38%
			44	44%
		Satisfied	10	10%
			5	5%
		Neutral	3	3%
		Dissatisfied		
		Very Dissatisfied		
11	Frequency of seeing Starbucks promotion	Very Often	13	13%
			27	27%
		Often	44	44%
			14	14%
		Neutral	2	2%
		Rarely		
		Very Rarely		
12.	Customers favourite Starbucks service	Dine-in	68	68%
			12	12%
		Drive thru	20	20%
			0	0%
		Online ordering apps		
		Others		
13.	Frequency buying Starbucks	Everyday	0	0%
			49	49%
		Once a week		
			10	10%
		Two or three times in a week		
			41	41%
		Once in a month		
14.	What are the factors that attract you to buy Starbucks product?	Healthy	11	11%
			54	54%
		Tasty	22	22%



		Unique drinks	8	8%
			5	5%
		Good environment	0	0%
			0	0%
		Good service		
		Reasonable price		
		Others		
15.	What is your recommendation that can improve your satisfaction?	Reduce the prices	48	48%
		Promotion	10	10%
			20	20%
		Open more outlets	7	7%
		Improve services	4	4%
			7	7%
		Improve interior	4	4%
		None		
		Others		

**Table 1.1**