



## **A STUDY ON MARKETING MIX AFFECTS CONSUMERS BEHAVIOUR ON “STARBUCKS”**

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### **ABSTRACT**

This study investigates how Starbucks' marketing mix (product, price, place, promotion, people, process, and physical evidence) influences consumer behavior. Using surveys and observational data, the study analyzes how each component contributes to brand loyalty, purchase decisions, and customer satisfaction. This study explores the relationship between the marketing mix elements and consumer behavior, focusing specifically on Starbucks as a case study. As one of the world's leading coffeehouse brands, Starbucks has built a strong global presence through the effective use of its marketing strategies. The research examines how the seven elements of the marketing mix—Product, Price, Place, Promotion, People, Process, and Physical Evidence - contribute to shaping consumer perceptions, preferences, and purchase decisions. Data was collected through surveys and direct observation of customer interactions at selected Starbucks outlets. The results indicate that product quality, brand image, in-store ambiance, and digital convenience significantly influence customer satisfaction and loyalty. Additionally, promotional tools such as the Starbucks Rewards program and seasonal offerings play a key role in encouraging repeat purchases. Implications for marketing managers and suggestions for future research are also discussed.



## **INTRODUCTION**

In today's fiercely competitive landscape, understanding consumer behaviour is paramount for any business aiming to thrive. The marketing mix, often referred to as the 4Ps (Product, Price, Place, and Promotion), serves as a fundamental framework for companies to strategically influence consumer perceptions and purchasing decisions. This study delves into the intricate relationship between the marketing mix and consumer behaviour, focusing specifically on the global coffee giant, Starbucks. Starbucks, an iconic brand synonymous with premium coffee and a unique "third place" experience, has successfully cultivated a loyal customer base through its meticulously crafted marketing strategies. This project aims to analysis how Starbucks' distinct marketing mix elements impact consumer behaviour, encompassing aspects such as brand perception, purchase intent, and customer loyalty. By examining the interplay of product innovation, pricing strategies, store ambiance and accessibility, and promotional campaigns, this research seeks to uncover the key drivers of Starbucks' consumer engagement. By analysing Starbucks' approach, this project will contribute to a deeper understanding of how businesses can leverage the 4Ps to shape consumer behaviour and foster brand loyalty.

By investigating these facets, this project aims to provide a comprehensive analysis of how Starbucks' marketing mix effectively shapes consumer behaviour, offering valuable insights for both academic and practical applications.

## **1. LITERATURE OF MAIN CONTENTS**

### **1.1 OBJECTIVES OF STUDY**



- To analysis the effect of Starbucks' product offerings on customer purchasing decisions.
- To investigate the influence of Starbucks' pricing strategy on customer perception of value.
- To assess the role of Starbucks' distribution channels and store locations in shaping customer convenience and accessibility.
- To evaluate the effectiveness of Starbucks' promotional strategies in building brand awareness and customer loyalty.

## 1.2 SCOPE OF STUDY

The scope of this study is designed to cover several aspects of Starbucks' marketing strategies and their impact on consumer behaviour. The research focuses on understanding how the components of the Marketing Mix (Product, Price, Place, and Promotion) shape consumer decision-making, loyalty, and overall satisfaction. The study is primarily based on Starbucks as a case study, examining the company's global operations while recognizing the specific contexts in which it operates. Below are the key areas covered in the scope of the study: Geographical Scope-The study will analysis Starbucks' global marketing strategies with a focus on specific markets (e.g., North America, Europe, and Asia) to understand how regional differences influence consumer behaviour and marketing mix decisions.

## 1.3 STATEMENT OF PROBLEM

In today's highly competitive market, understanding consumer behaviour and effectively managing the marketing mix is crucial for the success of any brand. Starbucks, as a global leader in the coffeehouse industry, has successfully crafted a marketing mix that aims to cater to a diverse range of consumer preferences, creating an emotional connection with its customers. The primary problem addressed in this study is understanding how Starbucks' marketing mix affects consumer behaviour and contributes to its sustained success. Specifically, the research seeks to answer the following key issues: Effectiveness of Product Strategy.



## 1.4 RESEARCH AND METHODOLOGY

The research methodology for this study is designed to comprehensively explore how Starbucks' marketing mix influences consumer behaviour. It involves a combination of qualitative and quantitative research methods to gather data, analysis findings, and draw conclusions. Below is an outline of the research methodology, including research design, data collection techniques, sampling, and data analysis approaches. The research will also include a case study approach with a focus on Starbucks as a brand to explore the depth of its marketing tactics and how they shape consumer interactions.

## 1.5 COLLECTION OF DATA

The data was collected through questionnaire.

- The sample size was 100.
- The area of study was Coimbatore.
- Data's used in this study was both primary and secondary data's.

## 2. ANALYSIS AND DISCUSSION

**TABLE: 3.1**

**SOURCE HAVE YOU USED TO LEARN ABOUT STARBUCKS**

<b>FACTORS</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
<b>ONLINE RESEARCH</b>	22	22%



<b>FRIENDS AND FAMILIES</b>	39	39%
<b>ADS</b>	31	31%
<b>GOVT INITIATIVES</b>	7	7%
<b>TOTAL</b>	<b>100</b>	<b>100%</b>

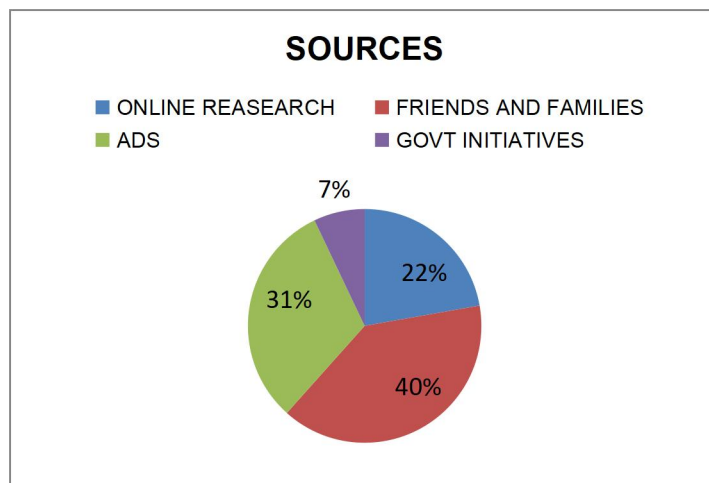
**SOURCE:** Primary data

**INTERPRETATION:** The above table indicates that 39% of the respondents have learnt through friends and families, 31% of the respondents have learnt through ads, 22% of the respondents have learnt through online research and the remaining 7% of the respondents have learnt through government initiatives.

**INFERENCE:** Majority 39% of the respondents have learnt through friends and families.

### **CHART NO: 3.1**

**SOURCE HAVE YOU USED TO LEARN ABOUT STARBUCKS**



**TABLE: 3.2**

**PRIMARY PURPOSE OF VISIT**

FACTORS	FREQUENCY	PERCENTAGE
COFFEE/BEVERAGES	27	27%
FOOD/SNACKS	31	31%
WORK/STUDY SPACE	18	18%
SOCIALIZING	14	14%
OTHERS	10	10%
<b>TOTAL</b>	<b>100</b>	<b>100%</b>

**SOURCE:** Primary data

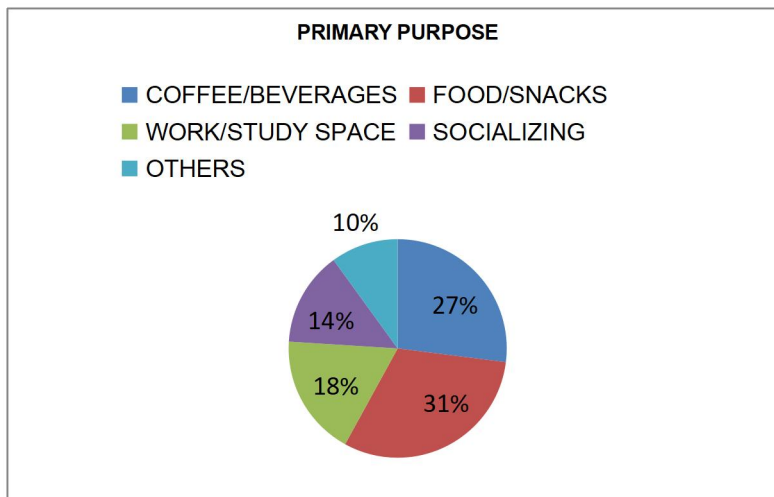
**INTERPRETATION:** The above table indicates that 31% of the respondents have chosen food/snacks, 27% of the respondents have chosen coffee/beverages, 18% of the respondents have chosen work/study space, 14% of the respondents have chosen socializing and the remaining 10% of the respondents have chosen others.

**INFERENCE:** Majority 31% of the respondents have chosen food/snacks.



### CHART NO: 3.2

#### PRIMARY PURPOSE OF VISIT



**TABLE: 3.3**  
**DESCRIBE STARBUCK'S PRICING**

FACTORS	FREQUENCY	PERCENTAGE
MUCH HIGHER	27	27%
SLIGHTLY HIGHER	24	24%
ABOUT THE SAME	29	29%
SLIGHTLY LOWER	10	10%
MUCH LOWER	11	11%
<b>TOTAL</b>	<b>100</b>	<b>100%</b>

**SOURCE:** Primary data

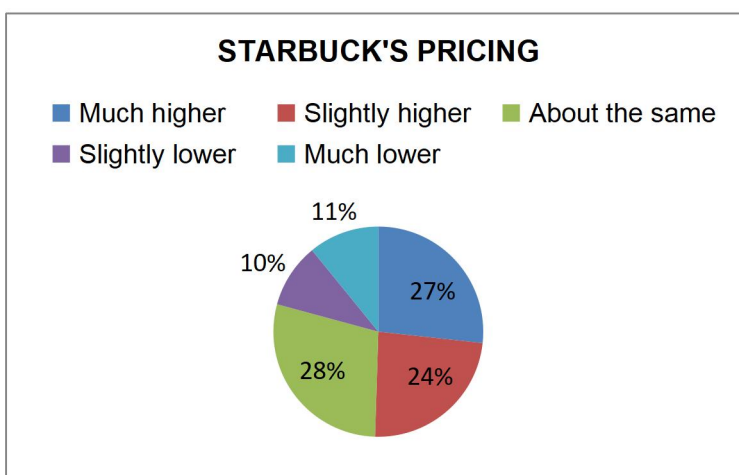
**INTERPRETATION:** The above table indicates that 29% of the respondents tells the pricing are same, 27% of the respondents tells the pricing are much higher, 24% of the respondents tells the pricing are slightly higher, 11% of the respondents tells the pricing are much lower and the remaining 10% of the respondents tells it is much lower.



**INFERENCE:** Majority 29% of the respondents tells the pricing are same.

### CHART: 3.3

#### DESCRIBE STARBUCK'S PRICING



### RANKING ANALYSIS

#### THE RANKING FOR STARBUCKS PURCHASING DECISION:

FACTORS	HIGHLY IMPORTANT	IMPOR TANT	NEUTR AL	NOT HIGHLY IMPORT ANT	NOT IMPORTA NT AT ALL	MEAN SCOR E	RAN K
COFFE E	58	31	6	4	1	4.41	2





<b>FOOD/ SNACK</b>	<b>63</b>	<b>16</b>	<b>18</b>	<b>0</b>	<b>3</b>	<b>4.36</b>	<b>3</b>
<b>WORK/ STUDY</b>	<b>42</b>	<b>13</b>	<b>27</b>	<b>3</b>	<b>15</b>	<b>3.64</b>	<b>5</b>
<b>SOCIAL ISING</b>	<b>37</b>	<b>31</b>	<b>22</b>	<b>9</b>	<b>1</b>	<b>3.94</b>	<b>4</b>
<b>OTHER</b>	<b>65</b>	<b>20</b>	<b>14</b>	<b>1</b>	<b>0</b>	<b>4.49</b>	<b>1</b>

### **INTERPERTATION:**

This above table depicts the ranking analysis of the rating of the starbucks shows that the 4.49 of the respondents are given their first preference for other, 4.41 of the respondents followed by features as coffee, 4.36 of the respondents next followed by time at food/snack, the fourth preference by the 3.94 of the respondents is for convenient and socialising, the fifth preference by the 3.64 of the respondents is for convenient and work/study was given for services.

### **CHI – SQUARE ANALYSIS**

#### **THE RELATIONSHIP BETWEEN AGE AND LIKELIHOOD OF PURCHASING A PRODUCT**



**HYPOTHESIS:**

- H0 - There is no significant relationship between age and likelihood of purchasing a product in CSR activities.

AGE / LIKELIHOOD	VERY LIKELY	LIKELY	NEUTRAL	UNLIKELY	VERY UNLIKELY	TOTAL	RANK
UNDER 18	6	8	9	7	3	33	2
19-24	8	10	16	13	7	54	1
25-34	6	4	3	3	2	18	3
ABOVE 35	4	3	1	2	0	7	4
<b>TOTAL</b>	24	25	29	17	5	100	-

**Chi-Square Value (X<sup>2</sup>) Calculation:**

$$X^2 = (O - E)^2 / E = 19.87$$

Degree of Freedom: (4-1) \* (5-1) = 12

Significance Level: 0.05

Table Value: 21.026

**INTERPRETATION:**

Since the calculated value (19.87) is lower than the table value (21.026), there is no significant relationship between age and likelihood of purchasing a product.

**3. CONCLUSION**

The study on Starbucks' marketing mix and its impact on consumer behavior highlights that Starbucks has successfully positioned itself as a premium coffee brand. Its strong product quality, branding, store ambiance, and customer service play a key role in attracting and retaining customers. However, pricing remains a major concern for some consumers, indicating that offering more value deals and discounts could help attract a broader customer base. Additionally, Starbucks' focus on sustainability and digital engagement can further strengthen its market



position. In conclusion, Starbucks continues to be a preferred choice for coffee lovers, but strategic pricing adjustments and customer engagement initiatives could help expand its market reach and profitability. Starbucks offers a wide variety of high-quality beverages, food items, and other complementary products that appeal to different consumer tastes. Their ability to customize drinks and introduce seasonal or limited-edition offerings creates a sense of exclusivity, encouraging customers to return for new experiences. This level of personalization and product innovation strengthens customer loyalty and drives repeated purchases. Starbucks' pricing strategy positions the brand as a premium offering, which affects consumer behavior by creating a perception of higher value and quality. Consumers are willing to pay a premium for the perceived luxury, convenience, and consistent experience Starbucks offers. However, the price is also seen as a reflection of a "third place" experience—distinct from home and work—leading customers to associate the brand with both comfort and social status.

Starbucks' global presence and convenient locations make it easy for customers to access their products. The stores are strategically placed in high-traffic areas, such as shopping malls, office districts, and urban centers, making it convenient for busy consumers to visit. The in-store ambiance and the availability of mobile ordering and delivery services further contribute to an improved customer experience, fostering brand loyalty and convenience-based purchasing behavior. Starbucks excels in its promotional strategies by creating engaging marketing campaigns that resonate with their target audience.

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