

## Influence of Social Media on Branded Coffee Shops with Reference to Starbucks

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### ABSTRACT: -

This study investigates the influence of social media on branded coffee shops, with a specific focus on Starbucks as a leading global coffee chain. Through an examination of social media strategies, customer engagement efforts, and brand promotion tactics employed by Starbucks, this research aims to understand the impact of social media on various aspects of the coffee shop industry. By analysing quantitative metrics such as engagement rates and qualitative factors like brand sentiment, this study provides insights into how social media platforms shape consumer behaviour, drive brand awareness, and foster customer loyalty within the context of branded coffee shops, using Starbucks as a case study.

**Keywords:** social media, coffee chain, branded, consumer perception

### INTRODUCTION: -

In today's digitally interconnected world, social media has emerged as a powerful tool for businesses to engage with consumers, build brand awareness, and drive sales. Within the realm of the food and beverage industry, branded coffee shops have particularly embraced social media platforms to connect with their customers, showcase their products, and create engaging experiences. This study delves into the influence of social media on branded coffee shops, with a specific focus on Starbucks, a global leader in the coffee shop industry.

The advent of social media platforms has revolutionized the way businesses communicate and interact with their target audience. Platforms such as Facebook, Instagram, Twitter, and TikTok have provided businesses with unprecedented access to a global audience, allowing them to share content, engage with customers, and build brand loyalty in ways previously unimaginable. For branded coffee shops like Starbucks, social media has become an integral part of their marketing strategy, enabling them to showcase their products, engage with their customer base, and stay relevant in an increasingly competitive market landscape.

Over the past few decades, branded coffee shops have proliferated, becoming ubiquitous fixtures in urban landscapes worldwide. Starbucks, founded in 1971 in Seattle, Washington, has played a central role in shaping the modern coffee shop industry. From its humble beginnings as a single store selling whole-bean coffee, Starbucks has grown into a global behemoth with thousands of locations across the globe. With its emphasis on quality, consistency, and customer experience, Starbucks has set the standard for branded coffee shops and has become synonymous with premium coffee offerings and a welcoming ambiance.

### REVIEW OF LITERATURE: -

**By Darrel Suderman**

It seems rare to identify new product innovation in retail packaged goods for the QSR and fast casual dining segments; however, Starbucks qualifies as a 5-star winner.

First, let's define new product innovation. That seems like a logical starting point although it may represent a distant concept to many food and beverage executives. To define product innovation, I refer you to my new product innovation "Bible" titled "The Innovators Toolkit: 10 Practical Strategies to Help You Develop and Implement Innovation" by the Harvard Business Press (2009). It defines innovation as the embodiment, combination, and/or synthesis of knowledge in original, relevant, valued new products, processes, or services. A simpler definition based on its Latin root (nova) means a new thing or method.

Most innovative thinkers define two separate forms of innovation - incremental and radical. In 2003, Harvard professor Clayton Christensen used the terms sustaining and disruptive to describe innovations. He wrote: "Some sustaining technologies can be discontinuous or radical in characters, while others are incremental in nature. What sustaining technologies have in common is that they improve the performance of established products ... Most technological advances in a given industry are sustaining in character ... Disruptive technologies bring to a market a very different value proposition than had been available previously."

In many instances, the disruptive technologies described by Christensen create new markets. Those markets are initially small, but sometimes grow large.

So, let's apply the innovation test of incremental or radical innovation to Starbucks Via Ready Brew Coffee. I won't call it "radical innovation," but it does represent "incremental innovation" – a 5-star innovation

## Review 2

Starbucks was one of the many companies that took a hit during the 2007 financial crisis. As customers opted for cheaper coffee options, the company's profit dropped by 28% and they were forced to close 900 stores.

The business needed a reboot, and they realized that the most impactful way to do it was to transform the customer experience.

The company analysed their customers' spending habits, and they noticed a surprising trend: a majority of Starbucks gift cards were not actually given as gifts but instead used by the people who bought them. Since a gift card is reloadable, it turned out to be a convenient payment method.

This insight eventually led the company to create the Starbucks card, a membership and loyalty card that served both as a payment method and a tool for rewarding regular customers. People who enrolled in the rewards program were able to get free drinks and other perks when they used the Starbucks card to pay for purchases.

By tying rewards with the payment card, the company was able to spur broader adoption of their in-house payment method while also deterring customers from using credit cards. Retailers like Starbucks are charged a swipe fee whenever a customer uses a credit card at checkout; having their own payment system spares them from these processing fees.

## Review 3

### Committing Each Day to a People Positive Company

Virginia Tenpenny, vice president, chief global social impact officer and board member of The Starbucks Foundation, shared during the Annual Meeting that Starbucks is committed to being People Positive – a bold aspiration to enhance the well-being of one billion people who connect with the company by 2030 – rooted in opportunity, inclusion and community.

Tenpenny shared that Starbucks, in partnership with The Starbucks Foundation, has committed to a series of announcements to support the People Positive aspiration and strengthen communities around the world, including:

- The Starbucks Foundation launched a new Global Community Impact Grants portfolio committing \$30 million by 2030 to drive locally relevant impact in the communities where Starbucks operates.
- The Starbucks Foundation announced an expanded goal to positively impact one million women and girls at origin by 2030, building on insights and impact to date and recognizing the potential to unlock even more opportunities in origin communities.

In addition, Starbucks introduced innovations to its global store portfolio to further strengthen communities and create environments where all feel welcome. This includes committing to open or dedicate 1,000 Starbucks Community Stores across the globe by 2030; and ensuring that physical and digital Starbucks environments meet an elevated standard of accessibility for partners and customers by 2030

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**STATEMENT OF PROBLEM: -**

Lately, the multiplication of web-based entertainment stages has fundamentally influenced purchaser conduct and decisions. The purpose of this study is to investigate the impact of social media on the success and perception of Starbucks-branded coffee shops. Understanding the dynamics of social media's role in shaping consumers' attitudes, preferences, and loyalty toward coffee establishments becomes crucial for both academia and business as the coffee industry continues to evolve.

**NEED OF THE STUDY: -**

The study of the influence of social media on branded coffee shops, with a specific focus on Starbucks, holds significant importance for several reasons. Firstly, Starbucks is a global leader in the coffee shop industry known for its innovative marketing strategies, making it an ideal case study for understanding the impact of social media on brand promotion and customer engagement within the coffee industry. Secondly, social media platforms serve as crucial channels for customer interaction and feedback. Analysing how Starbucks utilizes social media to engage with its customers can provide insights into consumer preferences, behaviours, and perceptions in the context of the coffee shop experience.

Furthermore, social media plays a vital role in shaping brand image and reputation. Starbucks has built a strong brand identity that extends beyond its physical stores, and social media platforms offer opportunities to reinforce this identity through visual content, customer testimonials, and promotional campaigns.

Overall, studying the influence of social media on branded coffee shops like Starbucks can offer valuable insights into marketing strategies, customer engagement, and brand management in the digital age.

**OBJECTIVES OF THE STUDY: -**

- Examine social media presence: Evaluate Starbucks' presence on platforms like Instagram, Twitter, and Facebook to understand its online engagement scope.
- Assess consumer perceptions: Explore how online content shapes consumer impressions of Starbucks, identifying impactful content types.
- Analyse engagement strategies: Investigate Starbucks' methods for interacting with customers online, assessing the effectiveness of campaigns and promotions in fostering community and loyalty.
- Understand consumer decision-making: Study how social media influences consumers' choices in Favor of Starbucks over other coffee brands, identifying key decision factors.
- Provide recommendations: Based on findings, offer recommendations to enhance Starbucks' social media strategies, improve engagement, and strengthen brand presence and loyalty.

**SCOPE OF THE STUDY: -**

- **Social Media Presence Analysis:** The study will thoroughly examine Starbucks' presence across various social media platforms, such as Instagram, Twitter, and Facebook, to understand the scope and nature of its online interactions and engagement.
- **Consumer Perception Assessment:** This research aims to evaluate how social media content influences consumer perceptions of Starbucks, identifying the types of content that impact brand image positively or negatively.
- **Effectiveness of Engagement Strategies:** The study will investigate Starbucks' strategies for engaging with customers on social media, assessing the effectiveness of campaigns, promotions, and interactive features in fostering community engagement and enhancing brand loyalty.
- **Impact on Brand Image and Customer Behaviour:** The research will explore the influence of Starbucks' social media presence on brand image and consumer behaviour, examining how online interactions shape customer preferences and purchasing decisions within the context of branded coffee shops.

**LIMITATIONS: -**

- **Data Availability and Accessibility:** One limitation of the study may be the availability and accessibility of comprehensive data related to Starbucks' social media activities. Certain proprietary data or specific metrics used by Starbucks may not be publicly available, limiting the depth of analysis.
- **Generalizability:** The findings of the study may have limited generalizability beyond Starbucks or similar branded coffee shops due to differences in social media strategies, consumer demographics, and market dynamics among competitors in the industry.
- **External Factors Impact:** External factors such as changes in social media algorithms, evolving consumer trends, or unforeseen events (e.g., global pandemics) could influence social media dynamics and consumer behaviour, potentially impacting the study's findings and conclusions.
- **Validity of Online Perception:** Assessing consumer perceptions solely based on social media interactions may not fully capture the broader spectrum of consumer sentiment towards Starbucks. Factors such as offline experiences, word-of-mouth communication, and other marketing channels could also influence consumer perceptions but may not be accounted for in the study.

**RESEARCH GAP: -**

- **Limited Focus on Specific Social Media Platforms:** Previous studies may have primarily focused on individual social media platforms or overlooked emerging platforms that could be relevant for Starbucks. Addressing this gap could provide a more comprehensive understanding of Starbucks' social media strategy.
- **Lack of Comparative Analysis:** Existing research may have failed to compare Starbucks' social media strategies with those of its competitors in the coffee industry. Conducting a comparative analysis could highlight unique aspects of Starbucks' approach and potential areas for improvement.
- **Insufficient Exploration of Consumer Behaviour:** Some studies may have primarily examined Starbucks' social media presence without delving deeply into its impact on consumer behaviour and purchasing decisions. Bridging this gap could provide valuable insights into how social media influences consumer preferences in the context of branded coffee shops.
- **Limited Examination of Long-Term Effects:** Previous research might have focused on short-term effects of Starbucks' social media activities without considering their long-term implications on brand perception and customer loyalty. Investigating the sustained effects over time could offer a more nuanced understanding of the relationship between social media and branded coffee shops like Starbucks.

**DATA ANALYSIS: -**

- **Source of data:** The research relied on a mix of primary and secondary resources. While a number of papers, websites, and company annual reports provided the secondary data, a structured questionnaire and timetable were used to collect the main data.
- **Random Sampling:** Randomly select a subset of Starbucks' social media followers or users who engage with Starbucks' social media content. This technique ensures each member of the population has an equal chance of being included in the sample, minimizing bias.
- **Stratified Sampling:** Divide Starbucks' social media followers into strata based on demographics (e.g., age, gender, location) or engagement level (e.g., frequent vs. occasional users). Then, randomly sample from each stratum to ensure representation from different segments of the population.

Social media Used	Age group			Gender		
	18-24	25-30	35 & above	%ge Male	%ge Female	%ge Others
YouTube	5.66%	3.77%	0.00%	1.89%	5.66%	1.89%

Instagram	69.81%	9.43%	0.00%	30.19%	49.06%	0.00%
WhatsApp	7.55%	3.77%	0.00%	3.77%	5.66%	1.89%

Social media Used	Content on Starbucks on social media					Average money spent	Social media recommendations influencing customers to visit Starbucks		
	Several times a week	Rarely	I'm not sure	Daily	once a week		Yes	No	Maybe
YouTube	3.77%	3.77%	1.89%	0.00%	0.00%	260.00	5.66%	3.77%	0.00%
Instagram	28.30%	26.42%	13.21%	7.55%	3.77%	360.71	32.08%	32.08%	15.09%
WhatsApp	1.89%	1.89%	7.55%	0.00%	0.00%	450.00	1.89%	7.55%	1.89%

### Inferences

- The most widely used social media tool amongst all the age groups was found to be Instagram with most of the content on Starbucks also being shown there. Hence, Instagram proves to be the tool that can create maximum awareness about the brand amongst the people and thus generate potential leads for Starbucks.
- As per the data collected from the survey, 43% of the users do not think that the recommendations on social media influence their decision to visit Starbucks however 40% think the same does influence their decision to visit Starbucks where 17% people might consider visiting Starbucks based on the recommendations on social media. Hence, we can conclude that the recommendations can increase the cx base of Starbucks in case the customers are not much aware of the brand and thus help bringing in new customers.

### FINDINGS: -

- Significant Social Media Presence: The study revealed that Starbucks maintains a robust presence across various social media platforms, including Instagram, Twitter, and Facebook, with consistent and engaging content that resonates with its audience.
- Positive Impact on Brand Perception: Findings indicated that Starbucks' social media activities positively influence consumer perceptions of the brand, enhancing its image as a socially responsible and customer-centric coffee shop known for fostering community engagement.
- Effective Engagement Strategies: The study identified Starbucks' effective use of interactive features, promotions, and user-generated content on social media platforms, which contribute to increased customer engagement, brand loyalty, and community-building efforts.
- Influencer Collaborations and User-Generated Content: The research findings highlighted the significant role of influencer collaborations and user-generated content in shaping Starbucks' narrative on social media, amplifying brand visibility and authenticity among its target audience.

### CONCLUSION

The findings are interpreted and discussed below.

Based on the results of this study, the advice that can be given is that it is expected that branded coffee shops at City area should pay attention to competitive advantage by focusing on maximizing the use of social media marketing because social media affects competitive advantage. In future research, it is recommended to add independent variables other than the variables that have been tested in this study, such as innovation and service quality.

Social media has become a powerful tool for branded coffee shops, offering avenues for marketing, customer engagement, and brand promotion. This report explores the influence of social media on branded coffee shops, with a specific focus on Starbucks, one of the leading global coffee chains.



Social media marketing in the branded coffee business is very important to exploit new opportunities and to gain competitive advantage. Social media marketing is a process that encourages individuals to carry out promotions through their websites, products or services through online social channels and to find an item according to predetermined criteria that are influenced by several factors that can support the occurrence of a purchase. Social media is informational content, created by people utilizing publishing technology, highly accessible and intended to facilitate communication, influence and interaction with others and with the general public. Today, the practice of marketing through social media is starting to develop and is used as a product marketing tool to promote a company's brand and brand.

The company also uses social media to conduct surveys and gather feedback from its customers, which helps in improving its products and services. Starbucks' customer engagement strategy is a great example of how a company can use social media to create a two-way communication channel with its customers. The company encourages its customers to share photos of their Starbucks experiences on social media using the hashtag Starbucks. This has helped in creating a sense of community among Starbucks customers and has also increased the company's reach on social media.

Some suggestions from the findings of this research which can be worth considering are -Bring the Spotlight on Coffee Products, Showcase Customer Loyalty Programs, Use Hashtags to Drive Engagement, Respond to Customers, Get Social Media Influencers Onboard, Feature Your Staff, Show Your Audience They Matter, Reveal Your Secrets (But Not Too Many!), Set Up Online Ordering, Stay true to your image at the Café.

In Conclusion Selling your coffee through social media is not rocket science but the need of the hour. Create a distinct personality for your coffee shop by harnessing the power of social media marketing. Carve a niche and witness an instant positive transformation in your business strategy and bottom-line results. So, follow these smart suggestions to give a thrust to your marketing efforts and get people to throng your coffee shop all day long.

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