

An Empirical Study on Customer Perception Towards Starbucks Coffee in City Lucknow

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Abstract

Starbucks has emerged as a dominant global player in the premium coffee segment, with its brand symbolizing lifestyle, comfort, and quality. The entrance of Starbucks into the Indian market, particularly in tier-2 cities like Lucknow, raises pertinent questions about local consumer behavior and brand perception. This study investigates customer perceptions toward Starbucks in Lucknow, a city known for its cultural richness and evolving urban demographics. Through primary data collection, including surveys and interviews, combined with secondary sources, the research explores consumer expectations, satisfaction levels, loyalty drivers, and Starbucks' localization strategies. The findings highlight Starbucks' position in a market that balances traditional Indian taste with global aspirations. Consumers in Lucknow perceive Starbucks as a premium brand offering more than just coffee — a place of social status, work, and leisure. However, price sensitivity, cultural relevance, and brand familiarity still pose challenges. The research emphasizes the importance of customization, pricing strategies, and experiential marketing. Starbucks' success in Lucknow depends on its ability to blend global brand equity with local flavor and affordability. This study contributes to the academic literature by providing insights into customer-brand relationships in emerging urban markets and offers practical suggestions for enhancing consumer engagement in non-metro Indian cities.

Introduction

The evolution of consumer culture in Indian cities has catalyzed the growth of international food and beverage chains. Starbucks, in collaboration with Tata, ventured into India in 2012 and has since targeted major metros and gradually expanded into tier-2 cities like Lucknow. This expansion represents both an opportunity and a challenge—opportunity in terms of untapped urban markets and challenges due to cultural nuances and diverse taste preferences. The objective of this paper is to examine customer perception towards Starbucks in Lucknow, where the brand competes with both traditional cafes and global rivals. The increasing coffee culture, especially among the youth and working professionals, makes Lucknow a significant case for analysis. The study delves into the consumer's psychological and emotional responses to Starbucks' offerings, ambiance, pricing, and service. It further investigates whether Starbucks is perceived as a value-for-money brand or a luxury indulgence. By understanding consumer attitudes, motivations, and behavioral tendencies, the paper seeks to determine Starbucks' brand resonance and its impact on purchasing decisions. This analysis is essential for evaluating Starbucks' strategic positioning in Lucknow and for recommending ways to enhance its local appeal. The research methodology includes surveys, focus groups, and comparative market analysis to form an empirical base for conclusions.

Theoretical Framework

The theoretical foundation of this research draws upon established consumer behavior theories and brand perception models. The Theory of Reasoned Action (Fishbein & Ajzen, 1975) underlines the role of individual attitudes and subjective norms in shaping consumer intent and behavior. In the context of Starbucks in Lucknow, this theory helps explain how peer influence and societal trends drive coffee consumption as a lifestyle choice. The Brand Resonance Model (Keller, 2001) provides another critical lens, detailing how consumers build relationships with brands across stages—from awareness and associations to attachment and advocacy. Starbucks' ability to engage customers emotionally and cognitively through its experiential retail model is analyzed through this framework. Maslow's Hierarchy of Needs also supports the research by placing Starbucks as a brand that fulfills esteem and social needs, offering a sense of belonging

and prestige. Furthermore, the Expectancy-Disconfirmation Theory aids in measuring customer satisfaction by comparing actual service experiences against initial expectations. These theoretical constructs collectively guide the analysis of customer perception and provide a structured approach to assessing the gap between expectation and experience. They also enable a deeper understanding of how Starbucks maintains its global identity while adapting to local sensibilities. The framework validates the use of both qualitative and quantitative techniques to interpret consumer attitudes towards Starbucks in the socio-cultural context of Lucknow.

PESTEL Analysis

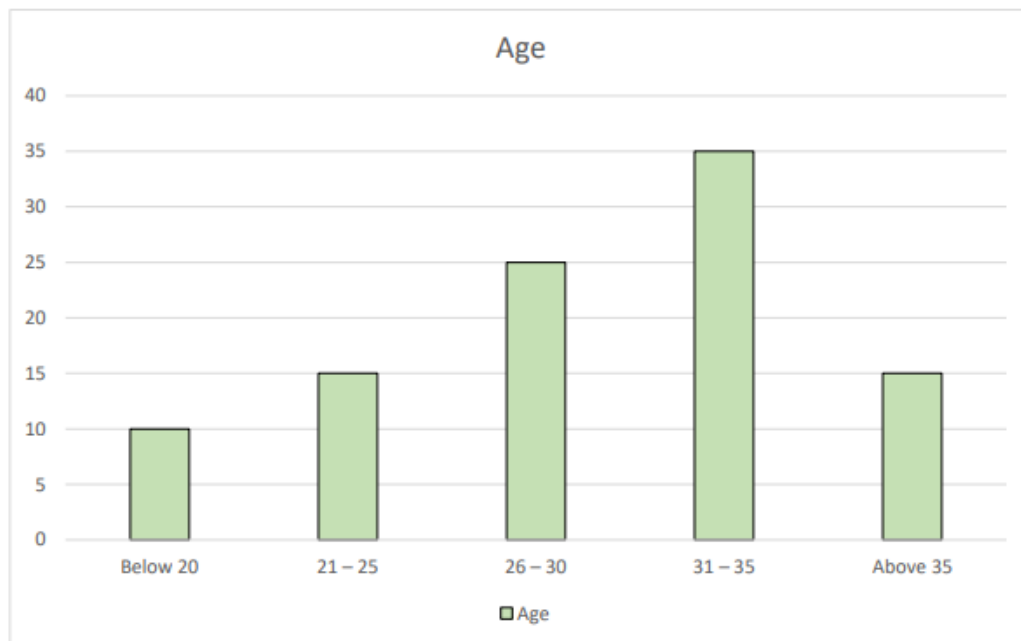
Starbucks' operations in Lucknow are influenced by a spectrum of macro-environmental factors, which are best examined through a PESTEL analysis. Politically, the stable governance in Uttar Pradesh encourages investment, although bureaucratic processes can hinder swift retail expansion. Economic factors include rising disposable incomes in Lucknow, especially among the youth and professionals, which fuels demand for premium offerings. However, price sensitivity remains a challenge due to the diverse economic demographics of the city. Socially, Lucknow's population is a blend of traditional and modern consumers. The younger demographic values brand reputation, ambiance, and social experience—key attributes Starbucks leverages. On the technological front, Starbucks has embraced mobile ordering, loyalty programs, and digital payments in its Indian stores, aligning well with the tech-savvy urban clientele. Environmental concerns are gaining momentum; Starbucks' initiatives in sustainable sourcing, waste reduction, and reusable cups align with the global shift toward eco-conscious consumption, though awareness in tier-2 cities remains limited. Legal factors include compliance with FSSAI regulations, labor laws, and intellectual property protections. The Indian regulatory environment is generally favorable but requires continuous monitoring for changes. In conclusion, the PESTEL landscape in Lucknow provides a fertile yet nuanced ground for Starbucks to navigate. By understanding these factors, Starbucks can fine-tune its expansion, marketing, and operations strategy to better resonate with local consumers and regulators.

Impact Analysis and Market Dynamics

The entry and presence of Starbucks in Lucknow have significantly impacted the city's café culture and consumer expectations. The brand has influenced lifestyle choices by positioning coffee as a premium social activity. This has catalyzed competition, leading local and national players to upgrade their offerings in terms of ambiance, service, and menu diversity. Starbucks has introduced a new dynamic in the city's food and beverage sector, where customer loyalty is driven by brand experience rather than price alone. Consumer perception is shaped by the holistic experience Starbucks provides—barista interaction, store ambiance, product presentation, and social identity. These dynamics have affected market behavior by segmenting consumers into those seeking value and those aspiring to lifestyle branding. The upwardly mobile youth and professionals in Lucknow are the key market drivers, and Starbucks' branding strategy has successfully tapped into this segment. However, the brand must navigate high competition, cultural nuances, and fluctuating economic trends. The brand's premium pricing has created an aspirational rather than habitual purchase pattern. Nonetheless, Starbucks has enhanced its customer base through festive offers, student discounts, and localized menu innovations. The strategic location of outlets in malls and commercial zones ensures maximum footfall and visibility. In essence, the market dynamics in Lucknow are being reshaped by Starbucks' presence, compelling other businesses to elevate standards. The ripple effect includes higher customer expectations, improved service benchmarks, and increased brand consciousness. The impact analysis suggests that Starbucks is a market-maker in the evolving urban coffee culture, influencing both consumer behavior and industry practices.

QUESTION 1: AGE

RESPONSE	NO. OF RESPONDANT	PERCENTAGE
Below 20	10	10
21 – 25	15	15
26 – 30	25	25
31 – 35	35	35
Above 35	15	15
TOTAL	100	100%

**INTERPRETATION**

The age distribution of the respondents highlights the demographic engagement of customers with Starbucks in Lucknow. Out of 100 respondents, 10% belonged to the age group below 20, indicating a modest interest from the younger, school-going crowd. A slightly larger group, 15%, fell into the 21–25 age range, typically comprising college students and early working professionals. The most significant portion of respondents, 25%, were from the 26–30 age group, suggesting a strong appeal of Starbucks among young professionals with disposable income. The 31–35 age bracket constituted the largest segment at 35%, showcasing Starbucks' strong connection with middle-aged consumers who might prefer premium coffee experiences and brand value. Finally, 15% of the respondents were above 35, demonstrating that even older

demographics are engaging with the brand, although to a lesser extent. This diverse age spread suggests that Starbucks attracts a wide customer base, with particular strength among working professionals and middle-aged individuals.

QUESTION 2: OCCUPATION

RESPONSE	NO. OF RESPONDANT	PERCENTAGE
Business person	30	30
House wife	10	10
Private	50	50
Government Employee	5	5
Student	5	5
TOTAL	100	100%



INTERPRETATION

The occupation distribution of the respondents provides insight into the types of customers frequenting Starbucks in Lucknow. Among the 100 respondents, the largest segment, 50%, consisted of private sector employees, indicating a high level of interest from working professionals. Business persons comprised 30% of the respondents, showing that Starbucks also appeals to entrepreneurs and business owners, likely due to its premium brand image and conducive work environment. Housewives represented 10% of the respondents, reflecting the brand's appeal to individuals managing

household responsibilities who might visit Starbucks for leisure or to socialize. Government employees accounted for 5% of the respondents, which is relatively low but still noteworthy. Finally, 5% of the respondents were students, suggesting that while Starbucks may not be the most affordable option for students, it still holds appeal for those looking to experience premium coffee in a social setting.

Case Study

Starbucks' operation in Lucknow serves as a practical case of how a global brand adapts to a local environment without diluting its core identity. The study focuses on the Starbucks outlet at Phoenix Palassio Mall, one of the most frequented locations. The store layout reflects a premium yet culturally blended aesthetic, integrating Indian motifs with international design elements. Customer interactions were observed and supplemented by interviews and feedback forms. Findings suggest that most consumers visit Starbucks for its ambiance and experience rather than solely for coffee. Students, corporate employees, and young adults dominate the clientele. The menu includes global favorites like Frappuccino and regionally tailored offerings such as Masala Chai Tea and Chicken Kathi Roll. Promotions during local festivals and tie-ins with Indian cultural elements like Diwali-themed cups resonate well with customers. The outlet's strategic location in a high-footfall area ensures brand visibility and customer engagement. Feedback indicates high satisfaction with service quality, product variety, and store hygiene. However, some customers found the pricing to be on the higher side, and a few expressed a desire for more traditional Indian beverages. The case also revealed that Starbucks' loyalty program was underutilized in the Lucknow market due to limited digital awareness among older customers. The insights from this localized case underline the importance of hybrid strategies—maintaining global standards while accommodating regional tastes. It proves that Starbucks' success in Lucknow hinges not just on its products but on how well it integrates itself into the city's social and cultural fabric.

Conclusion

This empirical study establishes that customer perception towards Starbucks in Lucknow is shaped by multiple interrelated factors including brand identity, cultural adaptation, service quality, and experiential value. The brand enjoys a favorable position among urban youth and professionals, who associate it with lifestyle, quality, and global affiliation. However, economic sensitivity and local taste preferences remain significant hurdles. Starbucks has managed to introduce a premium coffee culture in a traditionally tea-oriented market through strategic localization and aspirational branding. The brand's success in Lucknow is not merely due to product offerings but its ability to create a holistic brand experience. This includes store aesthetics, barista engagement, digital integration, and local cultural tie-ins. Challenges such as high pricing, limited traditional options, and market competition persist, but Starbucks' responsive strategies—festive campaigns, loyalty programs, and regional menus—help mitigate them. The study suggests that continuous market research, adaptive marketing, and community engagement are crucial for sustaining customer loyalty in tier-2 cities like Lucknow. Future growth will depend on Starbucks' ability to blend global appeal with local resonance while staying ahead of emerging trends in health, sustainability, and digital engagement. Ultimately, this research contributes valuable insights into consumer-brand interaction in evolving Indian urban markets and offers strategic pathways for global brands entering culturally diverse territories.

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