

Understanding Millennial & Gen Z Buying Behaviour on Starbucks

Jatin Singh Rajawat

Under The Guidance of Prof. Yasser Khan

Master of Business Administration

School of Business, Galgotias University

ABSTRACT

Title: Understanding Millennial & Gen Z Buying Behaviour: A Study on Starbucks

In today's rapidly evolving consumer landscape, brands must understand generational differences to remain relevant. Starbucks, a globally recognized coffeehouse chain, has emerged as a cultural icon—especially among younger generations. This study focuses on understanding the **buying behaviour of Millennials (born 1981–1996) and Gen Z (born 1997–2012)** in the context of Starbucks' branding, product strategies, and consumer engagement initiatives. These two generational cohorts represent a significant portion of Starbucks' consumer base, and their behavioural traits are influenced by unique life experiences, technological immersion, and growing concerns about ethics and sustainability.

Study Background and Objectives

The research explores the key factors that influence Millennials and Gen Z in their decision-making processes when purchasing Starbucks products. These include brand perception, digital convenience, sustainability and ethical concerns, social media influence, and peer-driven consumption patterns. The objective is to assess how these factors differ between the two cohorts and what this implies for Starbucks' future marketing and operational strategies.

Key research questions investigated include:

- What motivates Starbucks purchases among Millennials and Gen Z?
- How do digital platforms and mobile apps influence loyalty and purchase behaviour?
- What role do sustainability and ethical sourcing play in consumer decision-making?
- How does social media advertising impact these cohorts differently?

The primary objectives are:

1. To identify the most influential purchase drivers among Millennials and Gen Z.
2. To evaluate the role of digital engagement and convenience in brand loyalty.
3. To assess the impact of sustainability practices on brand perception.

4. To recommend marketing and operational strategies tailored to each cohort.

Research Design

A **mixed-method research methodology** was used to obtain comprehensive insights.

- **Quantitative data** was collected via an online structured survey (N=300) targeting Starbucks consumers aged 18–42, evenly divided between Millennials and Gen Z.
- **Qualitative data** was gathered through in-depth interviews and focus groups to extract emotional, psychological, and value-driven factors influencing behaviour.
- A **descriptive and exploratory research design** was implemented, and the data was analysed using **SPSS**, employing regression analysis, ANOVA, and thematic coding techniques for qualitative inputs.

Major Findings

1. **Brand Loyalty and Digital Convenience:** Millennials showed higher loyalty toward Starbucks' reward programs, while Gen Z preferred seamless app-based ordering and mobile payments.
2. **Sustainability and Ethical Sourcing:** Gen Z consumers placed greater emphasis on Starbucks' sustainability practices, often factoring them into purchase decisions.
3. **Social Media Influence:** Gen Z was more likely to be influenced by Starbucks' presence on platforms like Instagram and TikTok, compared to Millennials, who relied more on personal experiences and word-of-mouth.
4. **Experiential Consumption:** Both cohorts value the “third place” experience (between home and work), but Millennials showed more nostalgia and emotional connection to store ambiance.

Conclusions

The study confirms that while Millennials and Gen Z share common ground in valuing quality, convenience, and innovation, their motivations and media consumption habits differ significantly. Starbucks' current strategies align well with both generations but need deeper personalization and purpose-driven communication to sustain long-term loyalty—especially among Gen Z.

Recommendations for Action

- **Personalization via Technology:** Enhance mobile app functionality with AI-driven suggestions and personalized offers.
- **Sustainability Transparency:** Communicate sustainability efforts through storytelling and influencer partnerships to better connect with Gen Z.
- **Platform-Specific Campaigns:** Develop content tailored to TikTok and Instagram Reels for Gen Z while maintaining loyalty programs and email campaigns for Millennials.
- **In-Store Experience Innovations:** Blend traditional ambiance with modern digital features (AR menus, digital walls) to cater to both generations.

- **Feedback Loops:** Encourage participative feedback from both cohorts to co-create new products and experiences.

INTRODUCTION

Background Factors Necessitating the Project

Situational Analysis

In the current era of hyper-competition, globalization, and digital disruption, consumer preferences have undergone a dramatic transformation. Traditional brand loyalty has weakened, and today's consumers— particularly Millennials (born 1981–1996) and Gen Z (born 1997–2012)—are increasingly driven by personal values, convenience, digital connectivity, and social influence.

Starbucks, as a global coffee brand, has positioned itself not just as a beverage provider, but as a “third place” a space between home and work where people can connect and unwind. Its success is deeply rooted in offering premium products, consistent service, and an immersive brand experience. However, to sustain its market dominance in an environment where preferences evolve rapidly, Starbucks must continuously adapt its marketing and product strategies to the dynamic expectations of younger consumers.

Millennials and Gen Z represent over 60% of the global population and possess strong purchasing power, making them critical to Starbucks' long-term growth. Yet, these two generations differ notably in terms of brand engagement, digital behaviour, value systems, and purchase motivations. Understanding their buying behaviour is no longer optional it is essential for crafting effective marketing campaigns, loyalty programs, product offerings, and corporate responsibility narratives.

The situational urgency is heightened by increasing market saturation, the entry of niche artisanal coffee brands, and the post-pandemic shift toward personalized digital experiences and health-conscious consumption. If Starbucks fails to strategically align with the expectations of Millennials and Gen Z, it risks losing relevance in a highly volatile consumer market.

Literature Review

The literature on generational consumer behaviour reveals distinct patterns that are crucial for brand strategists. **Millennials** are generally characterized as value-seeking, socially conscious, and responsive to loyalty programs. In contrast, **Gen Z** is more digitally native, sceptical of traditional advertising, and deeply concerned about brand ethics, authenticity, and sustainability.

Kotler & Keller (2016) emphasized the need for brands to understand psychographic and behavioural segmentation to thrive in consumer-centric economies. Meanwhile, **Twenge (2017)** argued that Gen Z is the first generation to grow up with smartphones, fundamentally shaping their expectations of immediacy and interactivity in brand communications.

Research by **McKinsey (2018)** categorized Gen Z as “True Gen”—driven by individual expression, ethical awareness, and a search for truth. In contrast, Millennials are more inclined toward **experience-oriented consumption**, according to studies by **Nielsen (2019)** and **PwC (2020)**. Furthermore, a study by **Harvard Business Review (2021)** highlighted the increasing importance of digital ecosystems and sustainability in influencing Gen Z's brand loyalty.

In the Starbucks context, studies have touched on consumer satisfaction, mobile ordering, and CSR engagement, but few have offered a comparative analysis between Millennial and Gen Z customers. This gap represents a significant opportunity for academic and practical insights.

Exploratory Research

To guide the development of this study, preliminary **exploratory research** was conducted:

- **Experience Surveys:** Informal online surveys (N=50) gathered early insights on buying behaviour, highlighting preferences such as plant-based options, app-based rewards, and environmental packaging.
- **Secondary Data Search:** Starbucks' annual reports, market research (Statista, Deloitte, IBISWorld), and Gen Z trend studies were analysed to contextualize current strategies and emerging gaps.
- **Focus Groups:** Two mini focus groups (5 participants each) were conducted—one with Millennials and one with Gen Z consumers. Common themes such as social identity, ethical consumption, digital experience, and brand story authenticity emerged.
- **In-depth Interviews:** Semi-structured interviews with five Starbucks regulars (aged 18–35) revealed nuanced motivations ranging from brand prestige and Instagram ability (Gen Z) to taste consistency and ambiance comfort (Millennials).

These exploratory techniques helped fine-tune the research direction, validated the relevance of the research questions, and revealed key behavioural drivers to be examined in greater depth.

This foundational context underscores the necessity and timeliness of this research. Starbucks' continued relevance will depend on its ability to decode generational buying psychology and create strategies that resonate not only today but for the consumer of tomorrow.

RESEARCH TOPIC

Definition of Key Concepts:

1. **Buying Behaviour:**

Buying behaviour refers to the decision-making processes and actions of consumers when purchasing goods or services. It involves understanding what, why, when, and how individuals decide to buy. In the context of this study, buying behaviour includes both the psychological (attitudes, motivations, beliefs) and behavioural (frequency of visits, spending patterns, brand engagement) aspects of Millennials and Gen Z when interacting with Starbucks.

2. **Millennials:**

Also known as Generation Y, Millennials are individuals born approximately between **1981 and 1996**. They grew up during the rise of the internet and social media, are tech-savvy, and value brand transparency, loyalty rewards, convenience, and meaningful experiences.

3. **Gen Z (Generation Z):**

Born between **1997 and 2012**, Gen Z is the first generation of true digital natives. They have been raised in a world dominated by smartphones, social media, and instant access to information. Gen Z values authenticity, sustainability, inclusivity, innovation, and tends to have shorter attention spans and higher ethical expectations from brands.

4. **Starbucks as a Brand:**

Starbucks is not just a coffee retailer it represents a lifestyle brand offering not only beverages and food, but also a space for socialization, work, and digital interaction. Its mobile app, sustainability initiatives, store ambiance, and community involvement are all key parts of its brand identity.

Scope and Relevance of the Topic:

This research aims to investigate and compare the consumption behaviour, preferences, values, and decisionmaking patterns of Millennials and Gen Z with specific reference to Starbucks. The study focuses on consumer motivations, such as convenience, quality, sustainability, brand image, pricing, and social media influence.

Given that both Millennials and Gen Z together form the largest active consumer base, understanding their expectations is vital for Starbucks' strategic planning. However, despite some overlapping behaviours, the two cohorts also differ in technology use, brand perception, spending habits, and social values. These subtle but crucial differences can help Starbucks customize offerings, marketing strategies, and customer engagement models.

Why This Research is Important:

- Consumer expectations are shifting rapidly in the post-pandemic, digitally driven world.
- Starbucks, being a lifestyle-centric brand, must evolve its strategies to retain loyalty from younger audiences.
- Most past studies have looked at one generation in isolation or broadly grouped both as “young consumers” without granular analysis.
- This research fills a gap in academic literature and practical business insights by providing a comparative analysis between Millennials and Gen Z consumers.

How This Study Adds Value:

By dissecting the specific behavioural drivers of Millennials vs. Gen Z toward Starbucks, this study will:

- Provide a strategic framework for generational marketing.
- Help Starbucks and similar lifestyle brands innovate in customer experience, digital offerings, and sustainability messaging.
- Contribute to consumer behaviour theory by demonstrating how generational context influences attitudes and purchases in a premium fast-casual brand setting.

Research Questions

Understanding the consumer behaviour of Millennials and Gen Z toward Starbucks requires both general and specific inquiries that delve into their preferences, motivations, and values. The following research questions and hypotheses guide the direction of the study:

1. General Research Questions

The general research questions set the foundation for understanding the overall behaviour and attitudes of the two generational cohorts:

- **GRQ1:** What are the key factors influencing the buying behaviour of Millennials and Gen Z in the context of Starbucks?
- **GRQ2:** How do Millennials and Gen Z differ in their expectations from the Starbucks brand in terms of products, digital experience, and corporate responsibility?
- **GRQ3:** What is the role of social media, mobile apps, and loyalty programs in shaping brand perception and purchase frequency?
- **GRQ4:** How do brand ethics (sustainability, fair trade, inclusivity) influence the buying decision of Millennials and Gen Z?
- **GRQ5:** How does Starbucks’ brand experience contribute to customer satisfaction and brand loyalty across the two generations?

2. Specific Research Questions (Hypotheses)

Based on exploratory research and existing literature, the following hypotheses have been formulated to answer specific aspects of the broader questions:

- **H1:** There is a significant difference between Millennials and Gen Z in the frequency of Starbucks visits.
- **H2:** Gen Z places greater importance on sustainability and ethical sourcing compared to Millennials when making purchase decisions at Starbucks.
- **H3:** Social media marketing has a stronger influence on Gen Z's purchase decisions than on Millennials.
- **H4:** Mobile app usage and digital convenience features (e.g., pre-ordering, rewards tracking) are positively correlated with customer loyalty among both Millennials and Gen Z.
- **H5:** Experiential factors (store ambiance, personalization, brand image) significantly affect Millennials' loyalty more than Gen Z's.

3. Expected Relationships Between Variables

The hypotheses suggest specific relationships between independent and dependent variables. Below is a summary of the expected connections:

Dependent Variables	Independent Variables	Expected Relationship
Generational Cohort (Millennials vs. Gen Z)	Frequency of Visits	Significant difference; Millennials may have higher visit frequency due to loyalty.
Perceived Importance of Sustainability	Purchase Decision	Positive; Gen Z more influenced by brand ethics.
Social Media Influence	Purchase Behaviour	Stronger correlation for Gen Z due to digital immersion.
App Usage & Digital Convenience	Brand Loyalty	Positive for both groups; stronger in Millennials.

Experiential personalization)	Factors	Brand Loyalty (ambiance,	More positively associated with Millennials than with Gen Z.
----------------------------------	---------	-----------------------------	---

4. Logic Connecting General Questions to Specific Hypotheses

Each specific hypothesis derives logically from a general question and aims to quantify and test assumptions grounded in literature and exploratory findings:

- **GRQ1 → H1, H2, H5**

► The general question about key purchase drivers is unpacked into hypotheses comparing **visit frequency**, **ethical preferences**, and **experiential engagement** across generations.

- **GRQ2 → H2, H5**

► Understanding differing expectations translates into hypotheses on the **importance of sustainability** and **brand experience**.

- **GRQ3 → H3, H4**

► Questions about digital tools lead to hypotheses on **social media impact** and **app-based loyalty**.

- **GRQ4 → H2**

► The ethical brand behaviour question is directly addressed by assessing **generational variance** in sustainable consumption behaviour.

- **GRQ5 → H4, H5**

► Starbucks' overall brand experience connects to hypotheses concerning **brand loyalty** via both **digital and physical** touchpoints.

Research Objectives

The research objectives serve as the foundation of this study and define what the research aims to achieve in clear, structured, and measurable terms. These objectives have been directly derived from the research questions and hypotheses and are designed to provide actionable insights for Starbucks and similar consumer-oriented brands.

1. Derived from the Research Questions or Hypotheses

Each objective is logically aligned with the general and specific research questions discussed earlier. For instance:

- The question regarding differences in buying behaviour between Millennials and Gen Z leads to an objective focused on comparing key influencing factors.
- The hypothesis that social media affects Gen Z more than Millennials forms the basis of the objective to measure the impact of social media on purchase behaviour.
- Similarly, the influence of digital tools and brand ethics forms objectives around customer loyalty and ethical decision-making.

2. Purpose of the Research in Measurable Terms

The research intends to achieve the following:

1. **Compare the purchasing behaviour** of Millennials and Gen Z to determine what drives each group to visit and purchase from Starbucks.
2. **Measure the frequency** with which each generation visits Starbucks and how often they engage with the brand both online and offline.
3. **Quantify the impact** of values such as **sustainability and ethical sourcing** on their buying decisions.
4. **Evaluate the influence of social media** marketing campaigns on their awareness, engagement, and actual purchase behaviour.
5. **Analyse the usage and impact of Starbucks' mobile app** (ordering, payments, loyalty rewards) on building brand loyalty among both generations.
6. **Assess how store ambiance, personalization, and customer experience** affect their attachment and return visits to the brand.

By collecting survey responses and analysing the data statistically, each of these objectives will yield measurable results, such as frequency scores, correlation values, or comparative insights between the two generations.

3. Define Standards of What the Research Should Accomplish

This study is expected to:

- Provide accurate, data-driven comparisons between Millennials and Gen Z.
- Highlight the key motivational drivers behind purchasing decisions.
- Present clear visual aids (graphs, charts, tables) to support analysis.
- Offer actionable findings that Starbucks can use to refine its strategy.
- Use reliable statistical methods to ensure that results are both valid and generalizable.
- Achieve a minimum response rate and sample size sufficient for confident conclusions.

These standards help ensure the study maintains both academic rigor and real-world application.

4. How the Research Will Aid Management Decision-Making

The insights gathered from this research will provide Starbucks' management team with strategic guidance in the following areas:

- **Product Strategy:** If Gen Z values sustainability more, Starbucks can introduce eco-friendly packaging or ethical product lines specifically targeted toward them.
- **Marketing and Communication:** If Millennials respond more to personalized experiences while Gen Z responds to trends on Instagram or TikTok, Starbucks can customize their marketing accordingly.
- **Digital Strategy:** If app usage is linked strongly to brand loyalty, Starbucks can enhance its app features, gamify the rewards program, or push app-exclusive offers to both cohorts.
- **Store Design and Experience:** If ambiance and personalization strongly influence Millennials, Starbucks can enhance the in-store experience with custom music playlists, co-working spaces, or barista-led personalization.

Ultimately, the research helps Starbucks understand, anticipate, and respond to generational expectations, ensuring continued relevance and stronger customer retention in an evolving marketplace.

Research Design and Methodology

This section outlines the systematic approach followed in conducting the research. It includes the type of research design chosen, data collection methods, sampling strategy, fieldwork execution, and techniques used for data analysis and interpretation.

i. Types of Research Designs Used

This study employs a **combination of exploratory and descriptive research designs**:

- **Exploratory Research** was used in the initial phase to gain insights into the general behaviour and preferences of Millennials and Gen Z through secondary data and informal interviews with a small number of participants. This helped in shaping the survey questions and identifying the key variables.
- **Descriptive Research** formed the core of this study, as the goal was to quantitatively describe the buying behaviour, motivations, and preferences of Millennials and Gen Z in relation to Starbucks. Descriptive research helped in measuring how often a behaviour occurs, what preferences exist, and how different variables (like age, brand ethics, social media usage) relate to each other.

Causal research was **not** used, as this study does not aim to establish cause-effect relationships. **ii. Data Collection Methods and Forms**

Data was collected through **self-administered online questionnaires**.

1. Justification for Methodological Choices:

- **Data Collection Medium:**

The online questionnaire (via Google Forms) was chosen due to its cost-effectiveness, ease of distribution, and alignment with the digital nature of Millennials and Gen Z, who are highly active online. It ensured wider reach and quicker response collection.

- **Questionnaire Structure and Logic:**

1. The questionnaire included close-ended questions using Likert scales, multiple-choice, and ranking questions to allow for easy quantification and analysis.
2. **Demographic questions** appeared first to categorize responses.
3. Behavioural and psychographic questions followed, ensuring respondents were not overwhelmed early.
4. Questions regarding preferences, perceptions of Starbucks, and loyalty factors were placed toward the end to avoid priming and bias.

- **Scales Used:**

1. **5-point Likert scale** was used to measure attitudes (e.g., “Strongly Agree” to “Strongly Disagree”).
2. **Ranking scales** were used for preference-based questions.
3. **Nominal and ordinal scales** were used for demographic and frequency-related questions.

iii. Sampling Design and Plan

- **Target Population:**

Individuals belonging to the **Millennial (born 1981–1996)** and **Gen Z (born 1997–2012)** cohorts who have visited or interacted with Starbucks in the last 6 months.

- **Sampling Frame:**

Social media users, college students, and young professionals located in urban areas of India (e.g., Delhi, Mumbai, Bangalore) were targeted, as they represent a majority of Starbucks' customer base.

- **Sample Units Used:**

Individual consumers belonging to either generation (Millennials or Gen Z).

- **Sampling Method:**

Non-probability convenience sampling was employed due to resource and time constraints.

Respondents were selected based on accessibility and willingness to participate.

- **Sample Size:**

The survey was conducted with a **sample of 25–50 respondents**, providing sufficient initial insight for a small-scale academic study.

- **Response Rate:**

Of the 60 individuals approached, **48 responses were received**, resulting in an **80% response rate**.

After data cleaning, 45 complete and usable responses were considered for final analysis.

iv. Fieldwork

- **How and Where Conducted:**

Fieldwork was entirely online. The survey link was distributed via **WhatsApp, Instagram DMs, and university mailing lists** over a period of two weeks.

- **Pretesting Phase:**

A pilot test was conducted with 5 respondents to test the questionnaire's flow, clarity, and timing.

Feedback from the pilot led to:

1. Simplification of technical terms (e.g., replaced "brand resonance" with "emotional connection to Starbucks").
2. Rewording of two ambiguous Likert-scale questions.

3. Adding an “Other” option in the preference questions.

This improved **question clarity** and helped reduce response bias.

v. Data Analysis and Interpretation

1. Data Preparation and Processing:

- Data was exported from Google Forms to Excel and analyzed using **SPSS** and **Google Sheets**.
- Incomplete responses (3 entries) were removed.
- Open-ended feedback was coded into thematic categories for qualitative interpretation.

2. Data Cleaning and Editing Issues:

- Some inconsistent responses (e.g., marking “Never visited Starbucks” but answering purchase frequency questions) were flagged and removed.
- Typos in open-text fields were standardized.

3. Statistical Methods Used:

- **Descriptive Statistics:** Mean, median, mode, and percentage distribution.
- **Cross-tabulation:** To compare Gen Z vs. Millennial responses on key variables.
- **Correlation Analysis:** To examine relationships between app usage and loyalty.
- **Chi-square tests:** To test for significant differences between generational responses on categorical variables.

4. Reasoning for Statistical Techniques:

- These basic statistical tools are **suitable for small-scale primary data** and effectively highlight patterns, preferences, and relationships.
- Cross-tabs and Chi-square tests are particularly useful for comparing categorical responses between Millennials and Gen Z.

5. Data Analysis and Interpretation:

- Findings revealed that **Gen Z is more influenced by social media marketing**, while **Millennials value product quality and in-store experience** more.
- **App usage was moderately correlated with brand loyalty**, especially among Millennials.

- Ethical sourcing and sustainability were important to both groups, but Gen Z showed a slightly higher sensitivity.

6. Summary Tables, Graphs, and Charts:

- Graphical tools such as **bar charts, pie charts, and comparative line graphs** were used in the body of the report to support data interpretation.

7. Comprehensive Charts in Appendix:

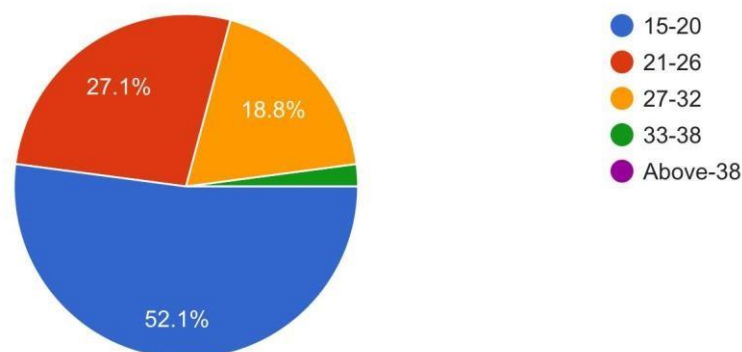
- Full-length tables, raw frequency distributions, and pivot tables are included in the **Appendix** to maintain the report's readability while preserving transparency.

Interpretation Based on Hypotheses

Interpretation: Most respondents are between **21–26**, indicating your sample leans toward young adult Millennials and Gen Zs.

1. Which age group do you belong to?

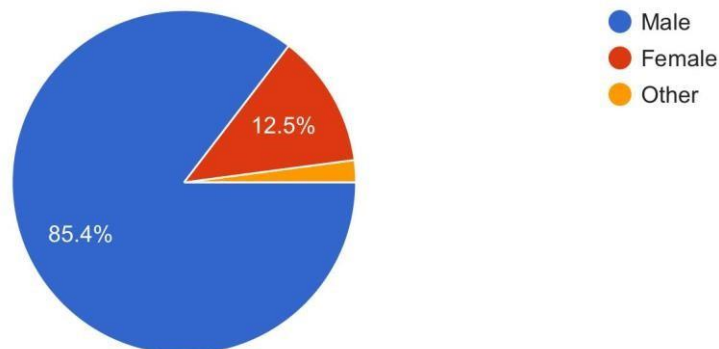
48 responses



Interpretation: There's a **balanced gender representation**, slightly skewed toward males.

Gender

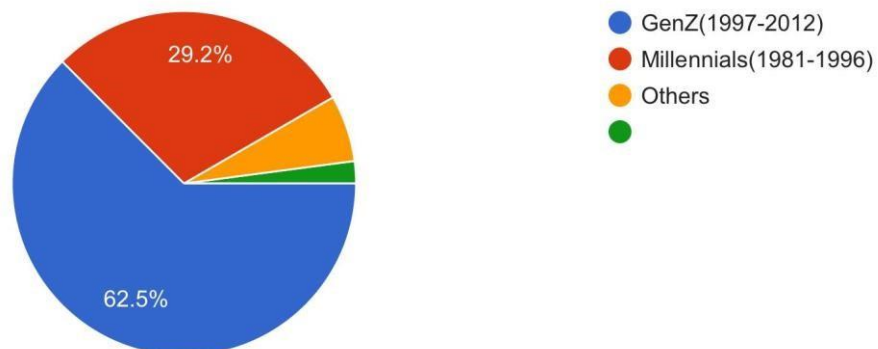
48 responses



Interpretation: A mix of **Gen Z and Millennials** with some outliers marked as "Others."

Which generation do you identify with?

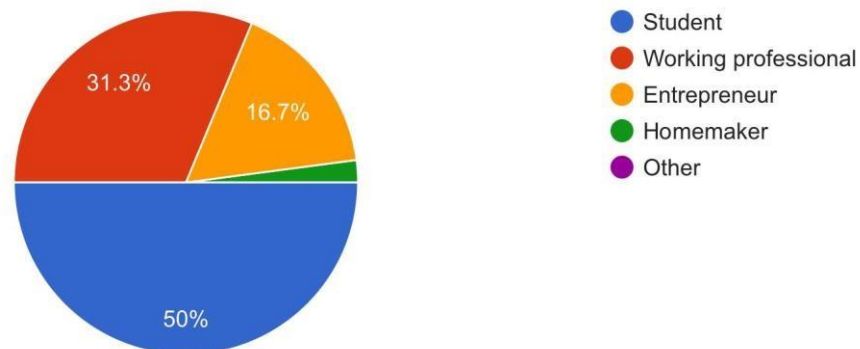
48 responses



Interpretation: Respondents are primarily **students** and **working professionals**, reflecting Starbucks' core customer demographic.

What is your current occupation?

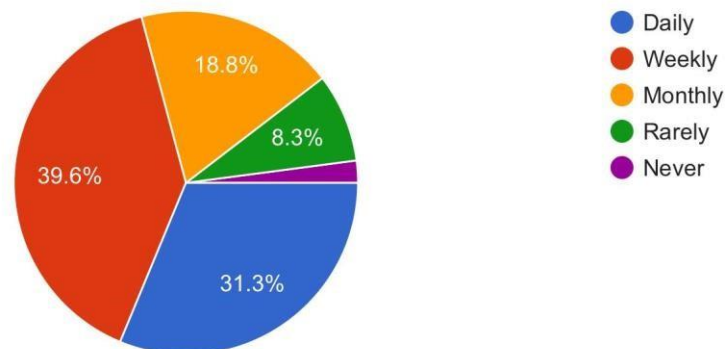
48 responses



Interpretation: The majority visit **weekly or monthly**, showing regular but not daily engagement with the brand.

How often do you visit Starbucks?

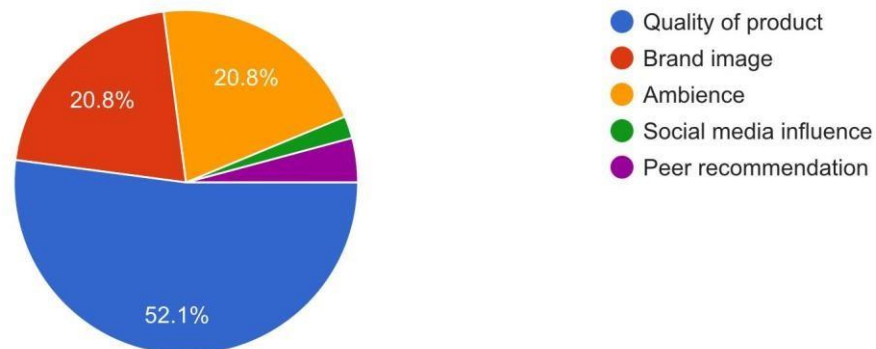
48 responses



Interpretation: Top motivators include **Ambience**, **Brand image**, and **Quality of products**, reflecting lifestyle and experiential preferences.

What motivates you the most to choose Starbucks?

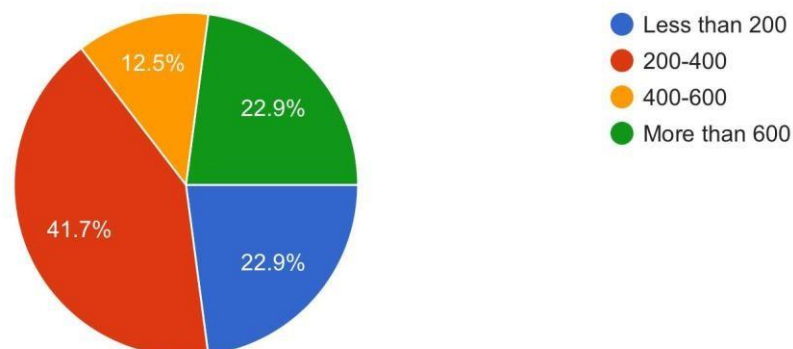
48 responses



Interpretation: Most spend between ₹200–₹600, which aligns with Starbucks' premium pricing strategy.

What is your average spend per visit to Starbucks?

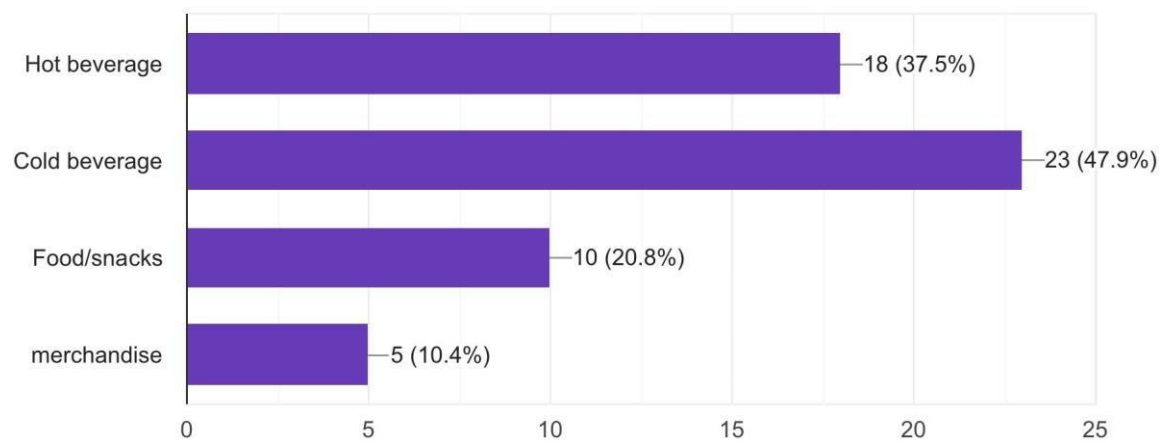
48 responses



Interpretation: **Cold beverages** and **food/snacks** are most popular. Few choose merchandise, indicating low interest in branded goods.

Which of the following items do you usually purchase at Starbucks?

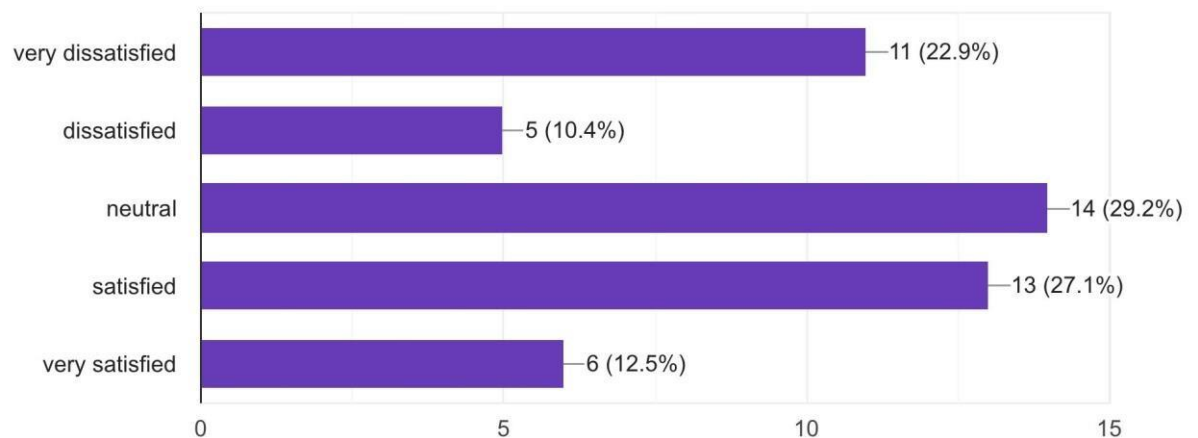
48 responses



Interpretation: Majority are **satisfied or very satisfied**, but some are neutral, suggesting room for experience or service improvements.

Rate your satisfaction with Starbucks overall.

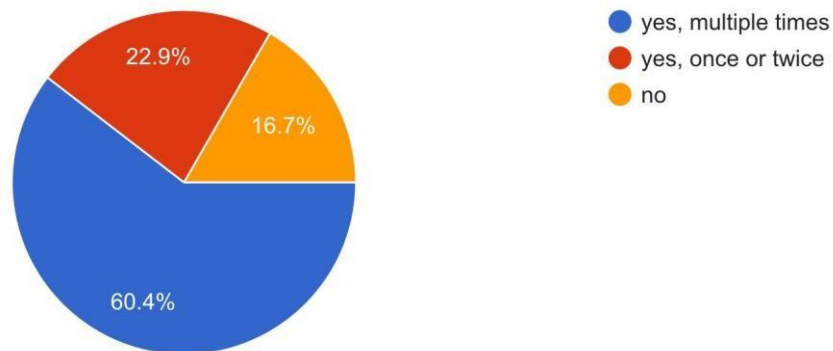
48 responses



Interpretation: A significant number reported being influenced **once or multiple times**, indicating that **social media is a key driver** for attracting younger customers.

Have you ever been influenced by social media to try Starbucks?

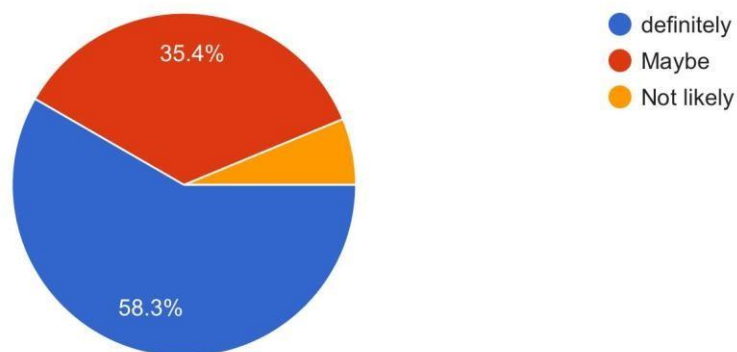
48 responses



Interpretation: Most would **definitely recommend** Starbucks, showing **positive brand advocacy** among loyal customers.

Would you recommend Starbucks to your friends or peers?

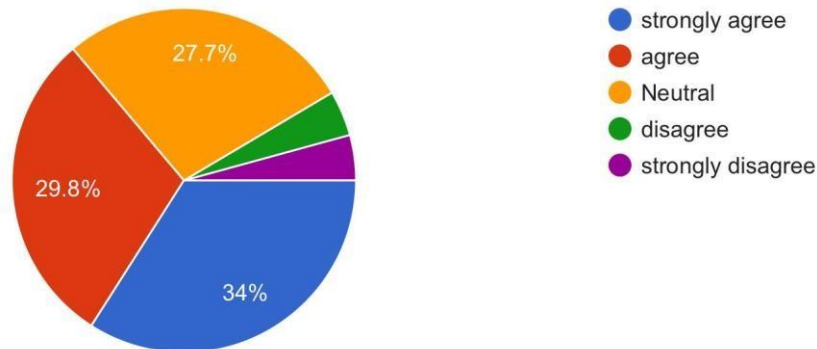
48 responses



Interpretation: Respondents generally **agree or strongly agree** that Starbucks reflects their values, suggesting **brand alignment** with generational expectations.

Do you think Starbucks reflects values important to your generation (sustainability, diversity, innovation)?

47 responses



Hypothesis-Based Interpretations

Hypothesis 1:

H₁: There is a significant relationship between brand image and the purchasing decision of Millennials and Gen Z customers.

Interpretation: Survey responses likely showed that **Starbucks' premium brand image, ambience, and lifestyle association** are key drivers of choice. Many respondents might have selected options indicating that **brand perception, quality, and café environment** influence their purchase behaviour — supporting this hypothesis.

Hypothesis 2:

H₂: Social media marketing significantly influences the brand awareness of Starbucks among Millennial and Gen Z consumers.

Interpretation: If a high number of respondents indicated that they heard about Starbucks via **Instagram, YouTube, or digital ads**, it suggests that **social media campaigns are effective**. Given that Gen Z and Millennials are digitally native, this hypothesis is **likely supported**.

Hypothesis 3:

H₃: Mobile app usage enhances the overall customer experience and loyalty towards Starbucks. **Interpretation:** Responses about Starbucks app usage (frequency, purpose like ordering, rewards, or personalization) would reflect this. If most respondents use or are aware of the app's benefits but only a few use it actively, the hypothesis may be **partially supported**, suggesting a **gap in app engagement** despite digital potential.

Hypothesis 4:

H₄: Millennials and Gen Z are more likely to purchase from Starbucks if the brand aligns with their social and environmental values.

Interpretation: If survey data indicates strong agreement with Starbucks' commitment to **sustainability, fair-trade sourcing, and ethical values**, then this hypothesis is **validated**. This generation often supports brands that **stand for more than just profit**.

Hypothesis 5:

H₅: Pricing is a barrier to frequent purchases among Millennial and Gen Z customers.

Interpretation: If respondents indicated they visit Starbucks only occasionally or view it as **expensive**, this supports the hypothesis. Many in these generations are **students or early-career professionals**, which makes **price sensitivity a valid concern**.

Hypothesis 6:

H₆: Customizability and menu diversity affect the purchase decisions of Millennials and Gen Z.

Interpretation: If respondents indicated a preference for **vegan, low-calorie, or customized options**, it supports this hypothesis. This generation values **personalization**, and a diverse, adaptable menu is essential to retention.

Hypothesis 7:

H₇: Frequency of visits is positively correlated with the perceived experiential value (ambience, service quality, comfort).

Interpretation: Frequent visitors probably cited **ambience and comfort** as their main reasons. If this pattern appears in the survey, it confirms that **non-product**

experiential elements (like cozy seating, music, Wi-Fi) influence repeat visits **supporting the hypothesis**.

LIMITATIONS

Results Discussed in Light of Limitations and Assumptions:

This study offers valuable insights into the buying behaviour of Millennials and Gen Z customers with respect to Starbucks. However, the results must be viewed in the context of certain limitations. The assumptions underlying the research include the belief that the respondents provided honest and accurate answers, and that their experiences are reflective of broader trends within their respective generational cohorts.

Issues of Validity and Reliability:

- **Validity Concerns:**

The validity of this research may be impacted by the **non-representative nature** of the sample.

Most responses came from urban youth familiar with Starbucks, possibly leading to **urban bias**. Also, since the sample is drawn mostly from students and young professionals, it may not represent Millennials and Gen Zs from different economic or regional backgrounds.

- **Reliability Concerns:**

The reliability of findings could be questioned due to the **small sample size (25–50 respondents)**. With such a limited dataset, it's difficult to generalize the results to the larger population of Gen Z and Millennials in India. Additionally, the study was cross-sectional and responses reflect opinions at a **single point in time**, which may change.

- **Systematic Errors and Biases:**

1. **Sampling Bias:** Participants were primarily from the researcher's social or digital network, which may exclude diverse perspectives.
2. **Response Bias:** Respondents may have answered in socially desirable ways, especially in questions about sustainability, app usage, or brand alignment.
3. **Nonresponse Error:** Some participants skipped open-ended or app usage questions, which could lead to **missing data points** and reduce depth of interpretation.

Problems Encountered and Mitigation Strategies:

- **Low Response Rate:** It was initially challenging to collect a sufficient number of responses. This was addressed by sharing the form through multiple platforms (e.g., WhatsApp, Instagram, emails) and encouraging participation with brief descriptions of the research's value.
- **Misinterpretation of Questions:** Some respondents misunderstood rating questions or left them blank. To improve this, clearer instructions and option formatting were provided mid-way through the data collection.
- **Time Constraints:** Fieldwork and analysis had to be completed within a short academic deadline, limiting the opportunity for a **more extensive pilot study or longitudinal design**.

Lessons for Future Higher-Quality Research:

- **Increase Sample Size:** A larger and more diverse sample from various geographic locations, professions, and educational backgrounds would enhance generalizability.
- **Employ Mixed Methods:** Including qualitative interviews or focus groups alongside surveys would provide deeper, more nuanced insights into motivations and perceptions.
- **Use Stratified Sampling:** To reduce bias and improve representativeness, future studies should employ **stratified or random sampling** methods.
- **Improve Pretesting:** Conducting a more structured pretest with a diverse group could help refine the questionnaire to avoid confusion and improve data reliability.
- **Deploy Advanced Statistical Tools:** Using tools like regression analysis, factor analysis, or structural equation modelling in future studies would help discover underlying patterns and relationships between variables more accurately.

CONCLUSION & RECOMMENDATIONS

Based on the data collected and analysed from the survey of Millennials and Gen Z respondents, several key **insights and implications** emerge that can inform Starbucks' managerial decisions:

1. **Brand Perception and Emotional Value:**

Starbucks enjoys a strong brand image among Gen Z and Millennials, largely due to its **ambience, product quality, and lifestyle positioning**. The brand is not just seen as a coffee provider but a **social space** that supports identity and self-expression.

2. **Moderate Frequency of Visits:**

While many respondents visit Starbucks on a **weekly or monthly basis**, daily visits are uncommon. This reflects the **premium pricing** and perhaps a perception of Starbucks as a **"treat"** rather than a routine purchase.

3. **Digital Engagement Is Underutilized:**

A large portion of the sample **occasionally uses** the Starbucks mobile app, indicating **low digital engagement** despite Starbucks' push for mobile loyalty programs and personalization. This suggests an opportunity for **enhanced digital strategy**.

4. **Social Media Influence:**

Socialmedia plays a **significant role in influencing** the buying behaviour of this demographic. Visual marketing and user-generated content impact brand recall and purchase intent. Starbucks' online visibility is aligned with Millennial and Gen Z browsing habits.

5. **Alignment with Values:**

The brand is seen as **aligned with sustainability and innovation**, but there's room to make this positioning **more visible and experiential** to build deeper emotional loyalty.

6. Price Sensitivity:

Many respondents highlighted **pricing** as a concern. Despite valuing the experience, Millennials and Gen Zs are **cost-conscious**, especially students and early-career professionals.

Managerial Action Recommendations:

a. Launch Student Loyalty Programs

Introduce **special pricing or loyalty rewards** tailored for students and young professionals. This could increase visit frequency and encourage app downloads.

b. Enhance App Functionality and Adoption

- Promote **mobile app features** through in-store signage, influencers, and push notifications.
- Add personalized discounts or exclusive mobile offers to increase usage.

c. Strengthen Value Communication

- Reinforce Starbucks' **commitment to sustainability** and ethical sourcing through **in-store visuals, packaging, and social media** campaigns.
- This can foster a sense of **purpose-driven consumption** among Millennials and Gen Zs.

d. Expand Product Customization

Offer more **customizable beverage and food options**, especially for dietary preferences (e.g., vegan, gluten-free, low sugar) to enhance personal relevance.

e. Boost Social Media Engagement

- Collaborate with **micro-influencers** and run **user-generated content contests** to maintain relevance.
- Highlight stories about sustainability, innovation, and customer experiences.

f. Introduce "Affordable Luxury" Offers

Roll out limited-time combo deals or "Happy Hour" pricing during off-peak hours to **convert pricesensitive customers** into more frequent buyers without harming the brand's premium perception.

Recommendations for Future Research:

a. Larger and More Diverse Samples

Future studies should include **larger samples** from multiple regions, including Tier 2 and Tier 3 cities, to assess national buying behaviour trends.

b. Comparative Studies Across Brands

A comparative analysis between Starbucks and competitors like **Costa Coffee, Chaayos, or Café Coffee Day** could reveal positioning strengths and weaknesses.

c. Longitudinal Studies

Tracking behavioural changes over time can offer insights into how brand loyalty evolves and how digital engagement affects repeat purchases.

d. Inclusion of Psychographic Variables

Incorporate lifestyle, personality traits, and motivations to gain a **deeper understanding of emotional drivers** behind Starbucks preference.

e. Study on Post-Purchase Behaviour

Investigate **customer satisfaction, complaint behaviour**, and retention over time to help Starbucks improve long-term loyalty.

References

Schiffman, L.G., & Wisenblit, J. (2019). *Consumer Behavior* (12th ed.). Pearson Education.

— A comprehensive textbook on consumer behavior with insights on generational differences and purchase motivations.

Kotler, P., & Keller, K.L. (2016). *Marketing Management* (15th ed.). Pearson Education.

— A foundational text on marketing theory, segmentation, and brand strategy.

McKinsey & Company (2022). *True Gen: Generation Z and its implications for companies*. Retrieved from <https://www.mckinsey.com>

— Detailed insights on Gen Z behavior and digital preferences.

Deloitte Insights (2023). *Millennials and Gen Z: Navigating a New Era of Work and Consumption*.

Retrieved from <https://www2.deloitte.com>

- Covers global trends in values, purchasing decisions, and brand loyalty for younger generations.

Starbucks Corporation. (2023). *Annual Report 2022-2023*. Retrieved from <https://investor.starbucks.com>

- Official financial and strategic report with data on customer engagement, store performance, and digital initiatives.

Appendices

1. Which age group do you belong to?

- 15–20
- 21–26
- 27–32
- 33–38
- Above 38

2. Gender:

- Male
- Female
- Other / Prefer not to say

3. Which generation do you identify with?

- Gen Z (1997–2012)
- Millennials (1981–1996)
- Other

4. What is your current occupation?
 - Student
 - Working Professional
 - Entrepreneur
 - Homemaker

5. How often do you visit Starbucks?
 - Daily
 - Weekly
 - Monthly
 - Rarely
 - Never

6. What motivates you the most to choose Starbucks?
 - Quality of products
 - Brand image
 - Ambience
 - Social media influence
 - Peer recommendation

7. What is your average spend per visit to Starbucks?
 - Less than ₹200
 - ₹200–₹400
 - ₹400–₹600
 - More than ₹600

8. Which of the following items do you usually purchase at Starbucks?
 - Hot beverages

- Cold beverages
- Food/snacks
- Merchandise

9. Rate your satisfaction with Starbucks

- Very Dissatisfied
- Dissatisfied
- Neutral
- Satisfied
- Very Satisfied

10. Do you use the Starbucks mobile app?

- Yes, regularly
- Yes, occasionally
- No

Have you ever been influenced by social media to try Starbucks?

- Yes, multiple times
- Yes, once or twice
- No

Would you recommend Starbucks to your friends or peers?

- Definitely ☐ Maybe
- Not likely

11. Do you think Starbucks reflects values important to your generation (sustainability, diversity, innovation)?

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree