Starbucks Analysis : SPSS
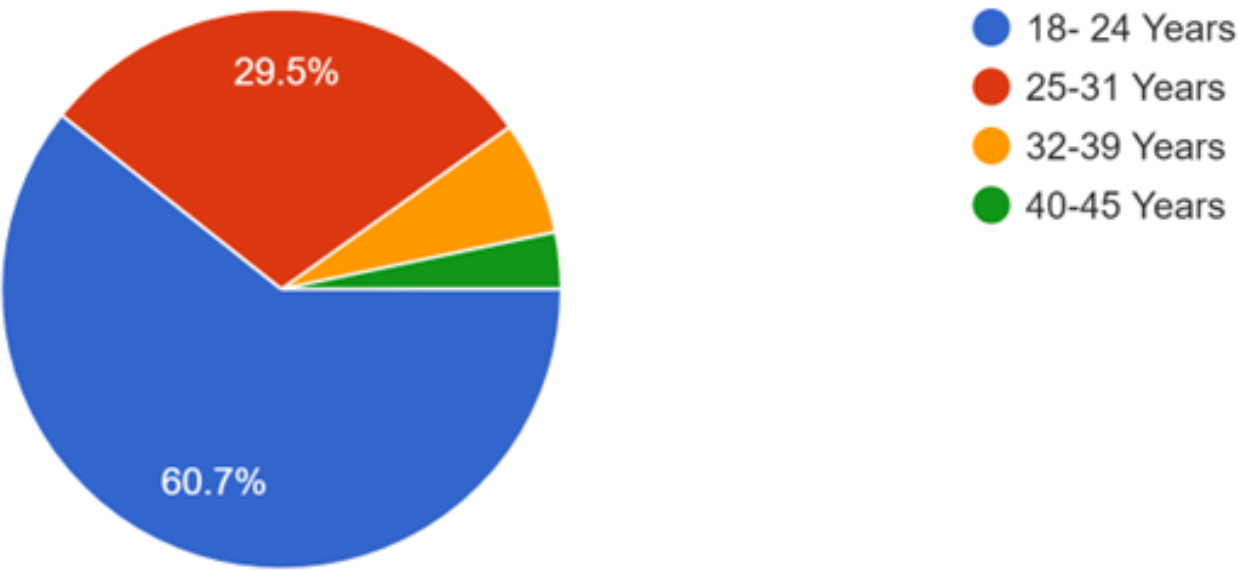
Hypothesis Formulation and Strategic Insights

SURVEY PROFILE
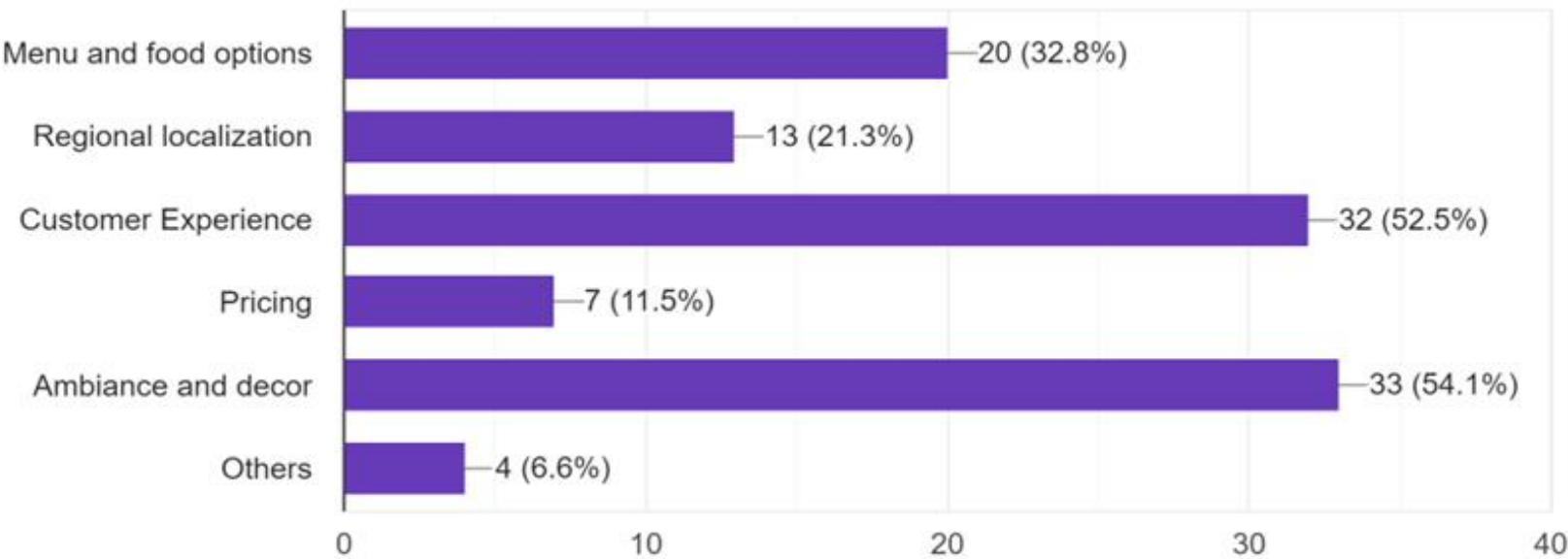
1. What is your age group?
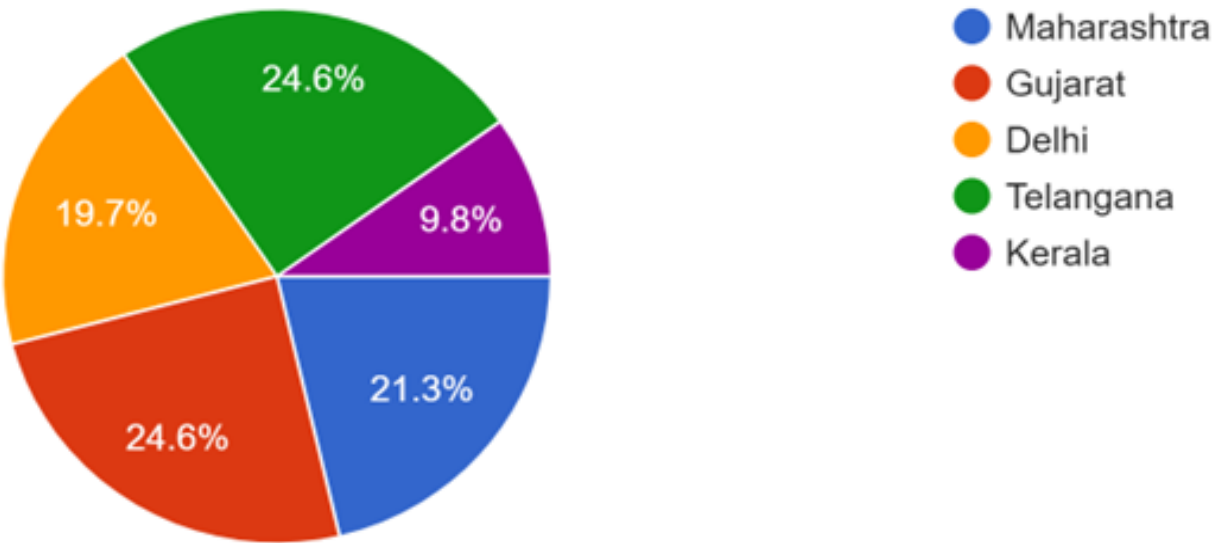61 responses

- 18-24 Years
- 25-31 Years
- 32-39 Years
- 40-45 Years

60.7%
29.5%

9. What specific aspects of Starbucks' business approach do you find culturally appropriate, particularly in your state?
61 responses

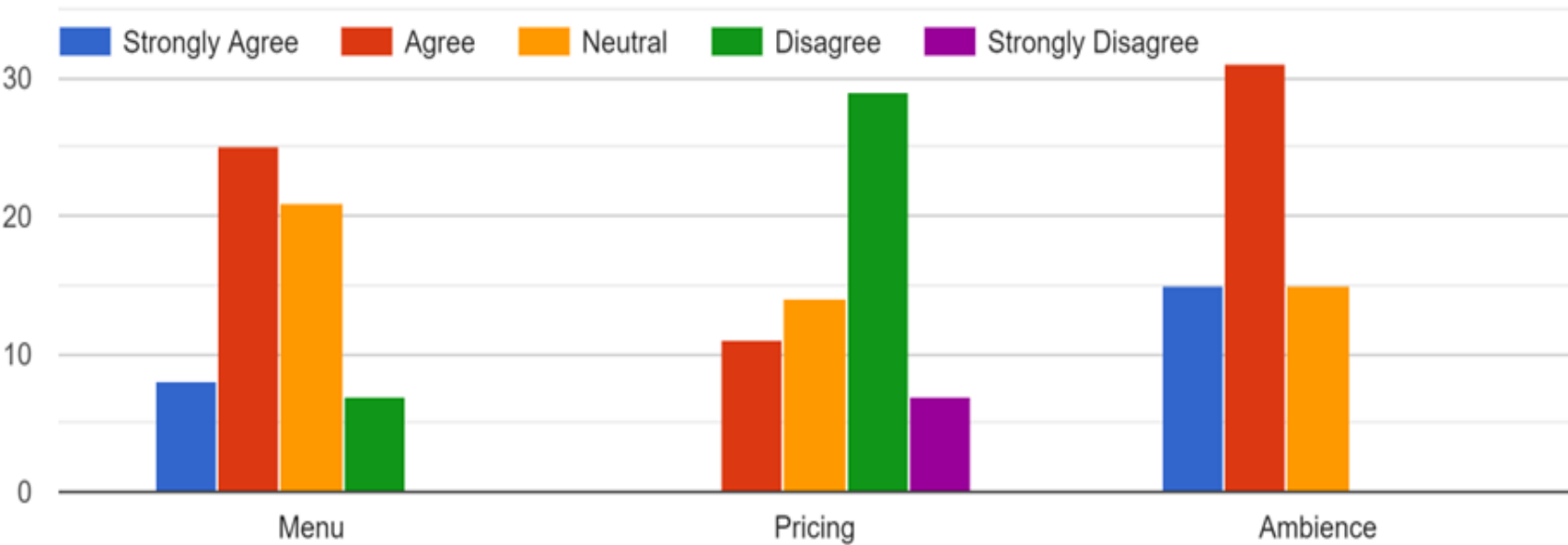| Aspect	Value
Menu and food options	20 (32.8%)
Regional localization	13 (21.3%)
Customer Experience	32 (52.5%)
Pricing	7 (11.5%)
Ambiance and decor	33 (54.1%)
Others	4 (6.6%)

4. Which state do you belong to?
61 responses

- Maharashtra
- Gujarat
- Delhi
- Telangana
- Kerala

24.6%
9.8%
19.7%
21.3%
24.6%

11. How well do you agree Starbucks has adapted to suit the Indian market on following factors?

Strongly Agree · Agree · Neutral · Disagree · Strongly Disagree

Menu · Pricing · Ambience

DATA ANALYSIS

H1= Consumer behavior influenced by cultural factors drives Starbucks to effectively adapt cultural dynamics in its market entry strategy.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.415[a]	.172	.129	.492

a. Predictors: (Constant), 6. Do you believe Starbucks has successfully adapted to the cultural preferences and norms in India?x, 7. In your opinion, how effective is Starbucks' market entry strategy in India?, 8. How much do you agree that good customer experience at Starbucks is due to the integration of local cultural factors in marketing strategies?

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.877	3	.959	3.958	.012[b]
	Residual	13.812	57	.242		
	Total	16.689	60			

a. Dependent Variable: 10. How would you rate your overall experience with Starbucks in India?

b. Predictors: (Constant), 6. Do you believe Starbucks has successfully adapted to the cultural preferences and norms in India?x, 7. In your opinion, how effective is Starbucks' market entry strategy in India?, 8. How much do you agree that good customer experience at Starbucks is due to the integration of local cultural factors in marketing strategies?

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.320	.492		4.716	<.001
	7. In your opinion, how effective is Starbucks' market entry strategy in India?	.290	.108	.334	2.690	.009
	8. How much do you agree that good customer experience at Starbucks is due to the integration of local cultural factors in marketing strategies?	.131	.086	.195	1.525	.133
	6. Do you believe Starbucks has successfully adapted to the cultural preferences and norms in India?x	−.042	.070	−.078	−.611	.544

a. Dependent Variable: 10. How would you rate your overall experience with Starbucks in India?

Output/Result: Customers experience is impacted by successful market entry strategy of the company yet cultural impact has non-significant impact on customer experience.

$r2= 0.172$; $p= <0.001$;   Significant value= 0.012

H1= Consumer behaviour influenced by cultural factors drives starbucks to effectively adapt cultural dynamics in it's market entry strategy

ANOVA

6. Do you believe Starbucks has successfully adapted to the cultural preferences and r

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	16.041	4	4.010	5.489	<.001
Within Groups	40.910	56	.731		
Total	56.951	60			

Descriptives

6. Do you believe Starbucks has successfully adapted to the cultural preferences and norms in India?x

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Delhi	12	3.17	.718	.207	2.71	3.62	2	4
Gujarat	15	3.13	.990	.256	2.58	3.68	1	4
Kerala	6	2.50	1.049	.428	1.40	3.60	1	4
Maharashtra	13	3.38	.506	.140	3.08	3.69	3	4
Telangana	15	2.07	.961	.248	1.53	2.60	1	4
Total	61	2.87	.974	.125	2.62	3.12	1	4
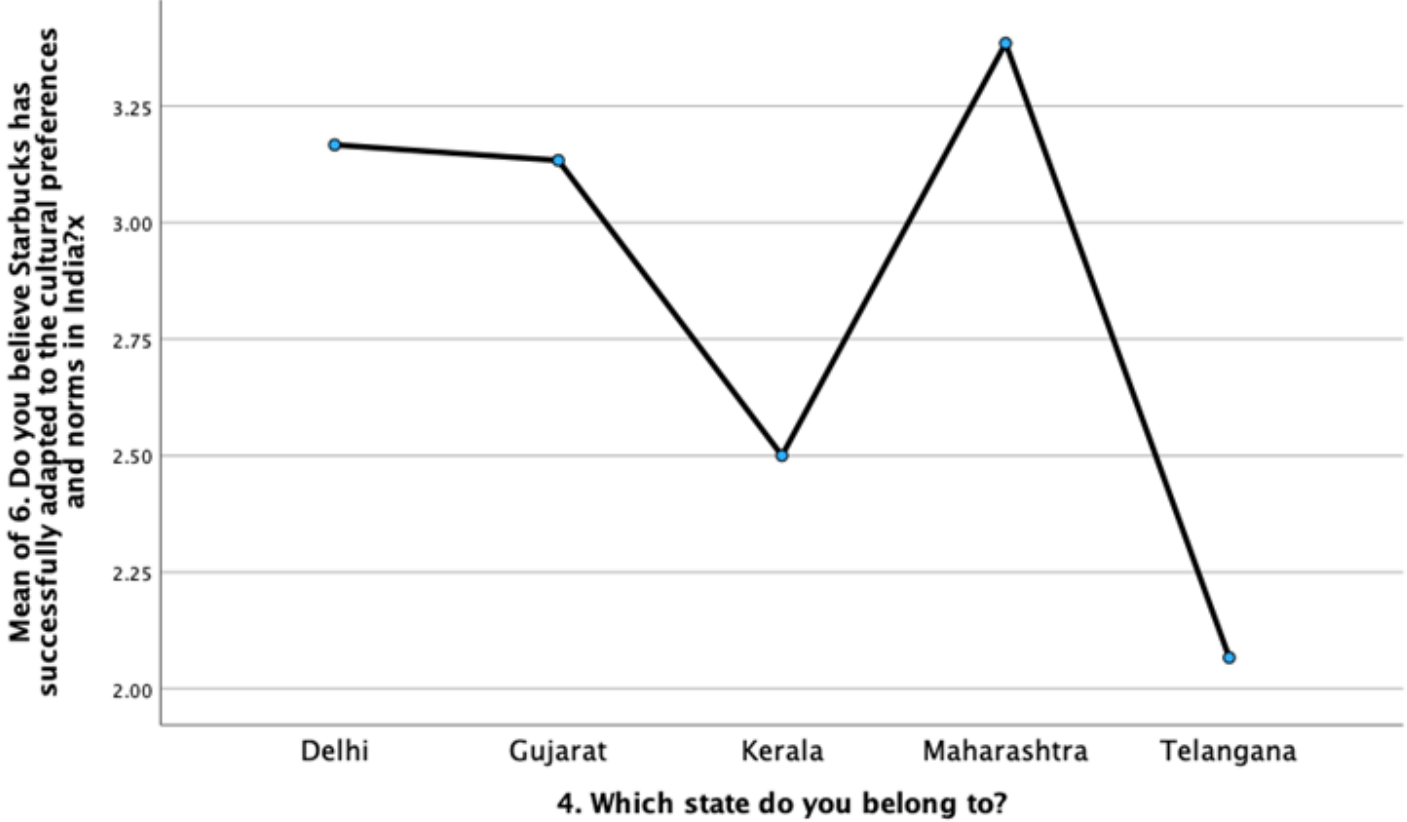
Output/Result: Maharashtra demonstrates a high level of adaptability to the cultural dynamics of Starbucks. Brands want to enhance their pricing approaches in order to boost client attraction in all the states.

f= 5.489;   significant value <0.001

H2= Consumer behavior influenced by cultural factors drives Starbucks to effectively adapt cultural dynamics in its market entry strategy.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.509[a]	.259	.234	.944

a. Predictors: (Constant), 8. How much do you agree that good customer experience at Starbucks is due to the integration of local cultural factors in marketing strategies?, 6. Do you believe Starbucks has successfully adapted to the cultural preferences and norms in India?x

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.083	2	9.041	10.152	<.001[b]
	Residual	51.655	58	.891		
	Total	69.738	60			

a. Dependent Variable: 15. Do you think Starbucks has a competitive advantage over other coffee houses in India?

b. Predictors: (Constant), 8. How much do you agree that good customer experience at Starbucks is due to the integration of local cultural factors in marketing strategies?, 6. Do you believe Starbucks has successfully adapted to the cultural preferences and norms in India?x

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.871	.551		1.580	.120
	6. Do you believe Starbucks has successfully adapted to the cultural preferences and norms in India?x	.453	.130	.409	3.472	<.001
	8. How much do you agree that good customer experience at Starbucks is due to the integration of local cultural factors in marketing strategies?	.286	.162	.208	1.766	.083

a. Dependent Variable: 15. Do you think Starbucks has a competitive advantage over other coffee houses in India?

Output/Result: Brand competitive advantage is positively impacted by cultural norms adaptation.
R^2 = 0.25, (F (2.58) =10.15, p = <.001b)
B = 0.40, P < .001 (for Q. 6)
B = 0.20, P < .083 (for Q. 8)

H2= Brand's awareness towards cultural sensitivity gives a competitive advantage

ANOVA

15. Do you think Starbucks has a competitive advantage over other coffee houses in In

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	24.597	4	6.149	7.628	<.001
Within Groups	45.141	56	.806		
Total	69.738	60			

Descriptives

15. Do you think Starbucks has a competitive advantage over other coffee houses in India?

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Delhi	12	4.00	1.044	.302	3.34	4.66	2	5
Gujarat	15	3.27	.799	.206	2.82	3.71	2	4
Kerala	6	2.50	.837	.342	1.62	3.38	2	4
Maharashtra	13	3.23	.832	.231	2.73	3.73	2	4
Telangana	15	2.20	.941	.243	1.68	2.72	1	4
Total	61	3.07	1.078	.138	2.79	3.34	1	5
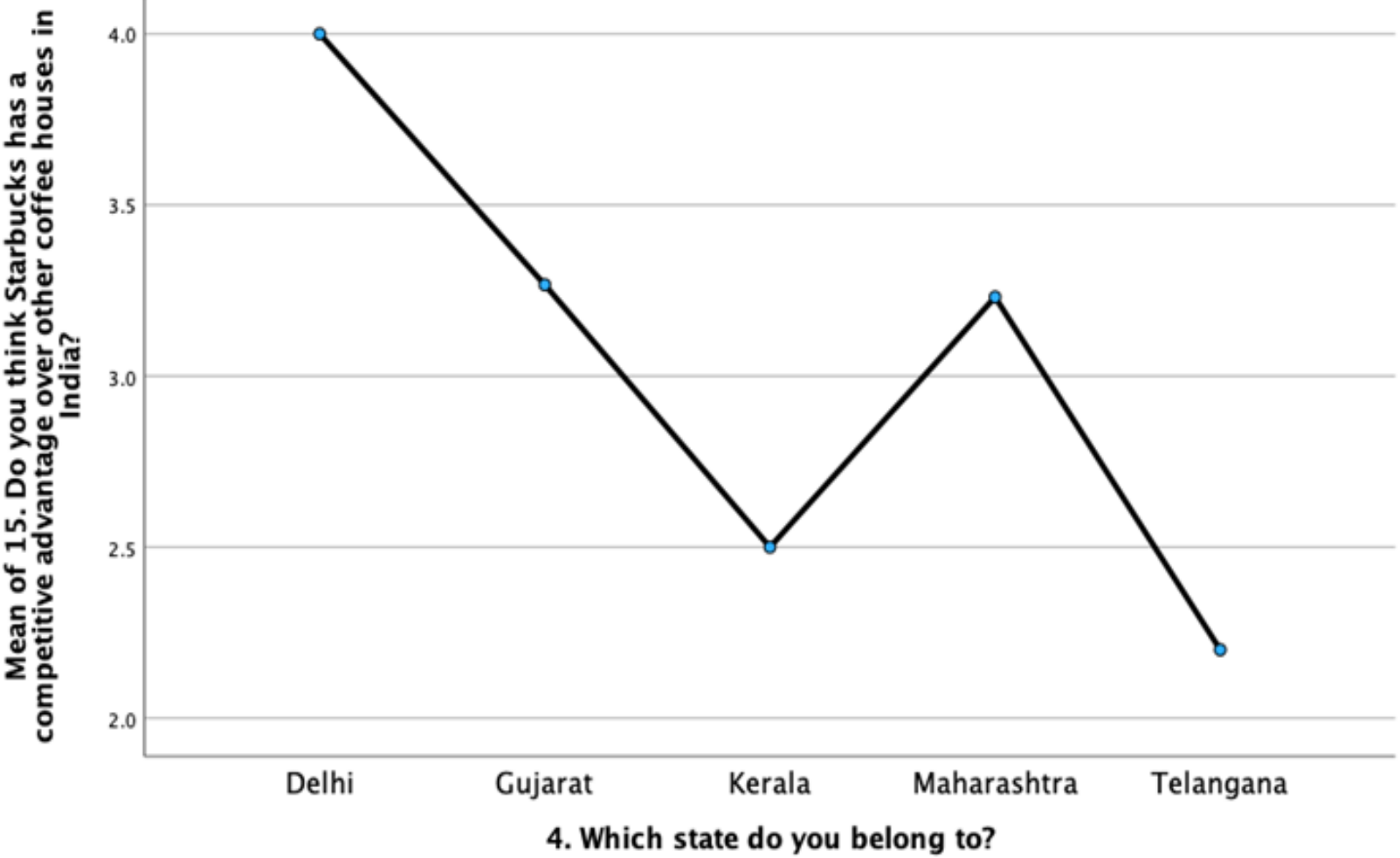
Output/Result: Regarding cultural sensitivity, Delhi has the most brand recognition, which gives it an edge over other coffee brands. (F (4.65) =7.62, p = <.001)

H3= The degree of product adaptation & localization help in establishing the global brand image

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.480[a]	.230	.204	.870

a. Predictors: (Constant), 6. Do you believe Starbucks has successfully adapted to the cultural preferences and norms in India?x, 8. How much do you agree that good customer experience at Starbucks is due to the integration of local cultural factors in marketing strategies?

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.469	.508		2.889	.005
	8. How much do you agree that good customer experience at Starbucks is due to the integration of local cultural factors in marketing strategies?	.226	.149	.182	1.512	.136
	6. Do you believe Starbucks has successfully adapted to the cultural preferences and norms in India?x	.396	.120	.395	3.291	.002

a. Dependent Variable: 14. To what extent do you agree that Starbucks has successfully differentiated itself from its competitors while maintaining its global brand identity?

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.141	2	6.571	8.673	<.001[b]
	Residual	43.941	58	.758		
	Total	57.082	60			

a. Dependent Variable: 14. To what extent do you agree that Starbucks has successfully differentiated itself from its competitors while maintaining its global brand identity?

b. Predictors: (Constant), 6. Do you believe Starbucks has successfully adapted to the cultural preferences and norms in India?x, 8. How much do you agree that good customer experience at Starbucks is due to the integration of local cultural factors in marketing strategies?

Result: Integrating cultural norms and preferences has significant positive impact on the global brand identity.

The $F=8.673$ value suggest the significance of the model, the $R^2= 0.230$ suggest that only 23% for proportion of variance in global brand image. beta value of 0.182 contributed significantly and suggests a positive relationship between the degree of product adaptation and localization and the global brand image. $P<0.001$ suggests a high level of significance.

R square= 0.230 $F=(2,58)=8.673$ beta=0.182 $P<0.001$

H3= The degree of product adaptation & localization help in establishing the global brand image

ANOVA

14. To what extent do you agree that Starbucks has successfully differentiated itself fr

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	14.122	4	3.530	4.602	.003
Within Groups	42.960	56	.767		
Total	57.082	60			

Descriptives

14. To what extent do you agree that Starbucks has successfully differentiated itself from its competitors while maintaining it

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Delhi	12	3.92	.669	.193	3.49	4.34	3	5
Gujarat	15	3.47	.743	.192	3.06	3.88	2	5
Kerala	6	3.50	.548	.224	2.93	4.07	3	4
Maharashtra	13	3.38	.870	.241	2.86	3.91	2	5
Telangana	15	2.53	1.187	.307	1.88	3.19	1	5
Total	61	3.31	.975	.125	3.06	3.56	1	5
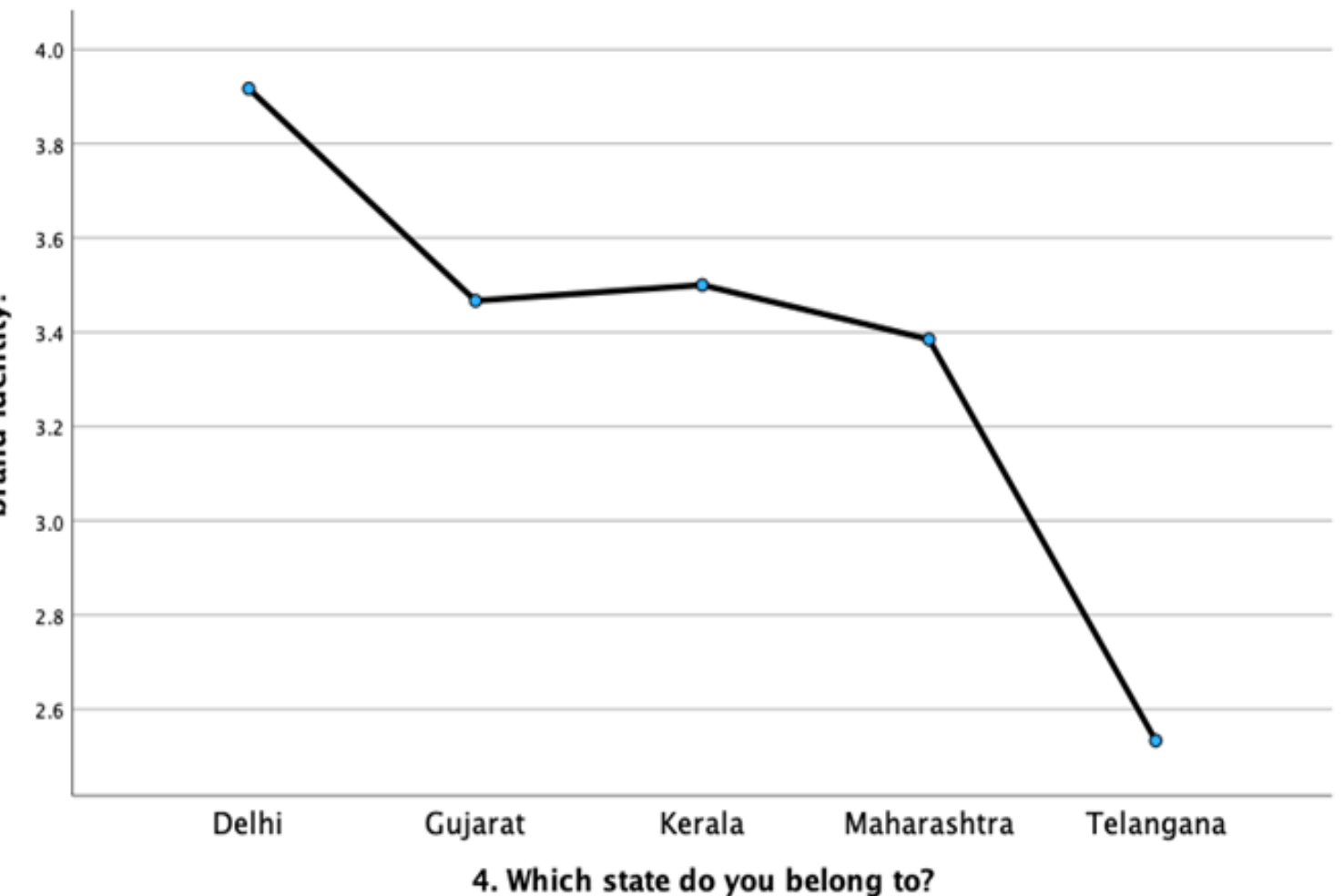
Result: Positive experiences and cultural norms improve customer experience and brand image. Delhi has the strongest brand image, whereas Telangana has the weakest. Overall significance shows (F (4, 56) =4.602, P=0.003)

H4= Starbucks' premium brand image and pricing influence consumer purchase intention.
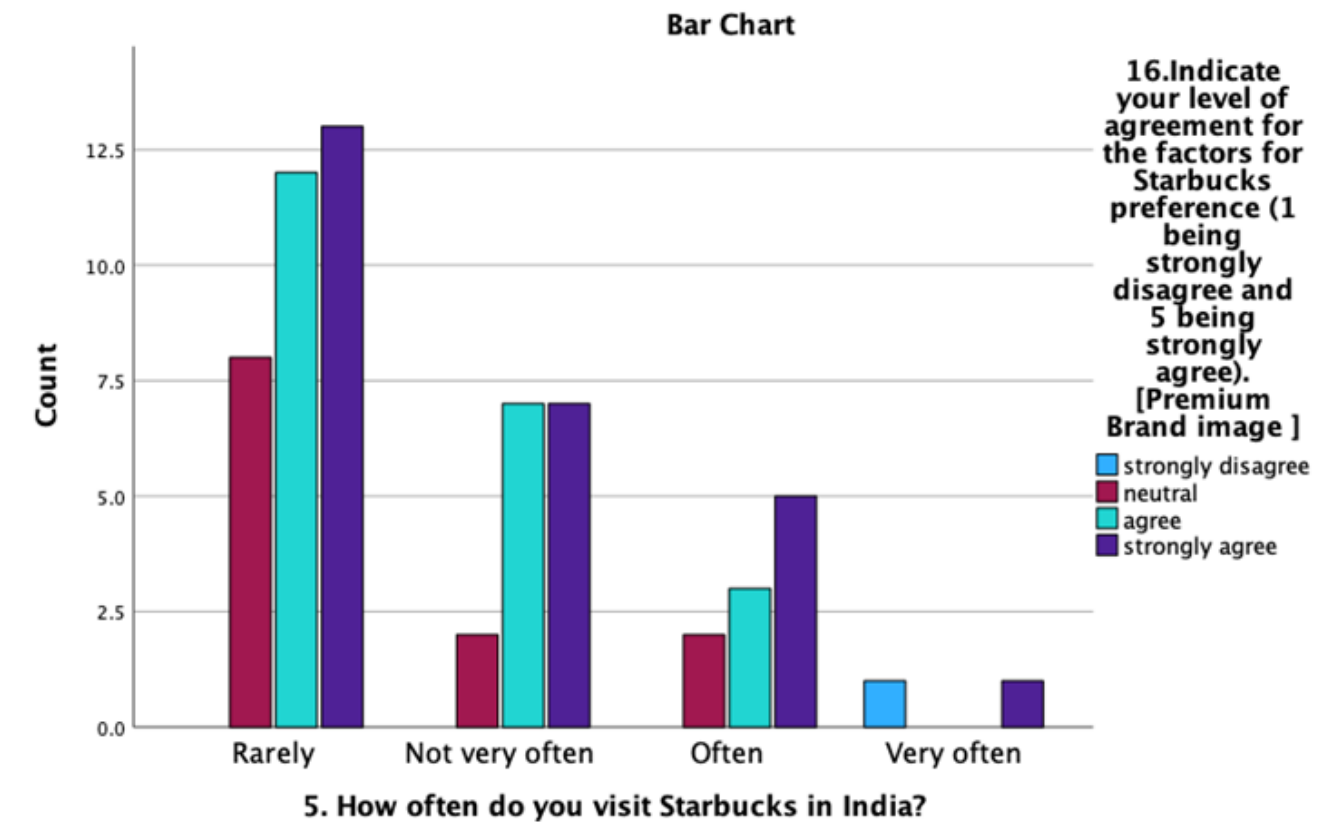
Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	31.988ᵃ	9	<.001
Likelihood Ratio	10.460	9	.315
Linear-by-Linear Association	.196	1	.658
N of Valid Cases	61		

a. 11 cells (68.8%) have expected count less than 5. The minimum expected count is .03.

Bar Chart

16.Indicate your level of agreement for the factors for Starbucks preference (1 being strongly disagree and 5 being strongly agree). [Premium Brand image]
- strongly disagree
- neutral
- agree
- strongly agree

5. How often do you visit Starbucks in India?

5. How often do you visit Starbucks in India? * 16.Indicate your level of agreement for the factors for Starbucks preference (1 being strongly disagree and 5 being strongly agree). [Premium Brand image] Crosstabulation

Count

		16.Indicate your level of agreement for the factors for Starbucks preference (1 being strongly disagree and 5 being strongly agree). [Premium Brand image]				Total
		strongly disagree	neutral	agree	strongly agree	
5. How often do you visit Starbucks in India?	Rarely	0	8	12	13	33
	Not very often	0	2	7	7	16
	Often	0	2	3	5	10
	Very often	1	0	0	1	2
Total		1	12	22	26	61

Output/Result: Starbucks' premium brand image is an important factor in influencing the purchase intention of a consumer. Association between these variables are significant as $\chi2(9)=31.988, p <.001$

H4= Starbucks' premium brand image and pricing influence consumer purchase intention.
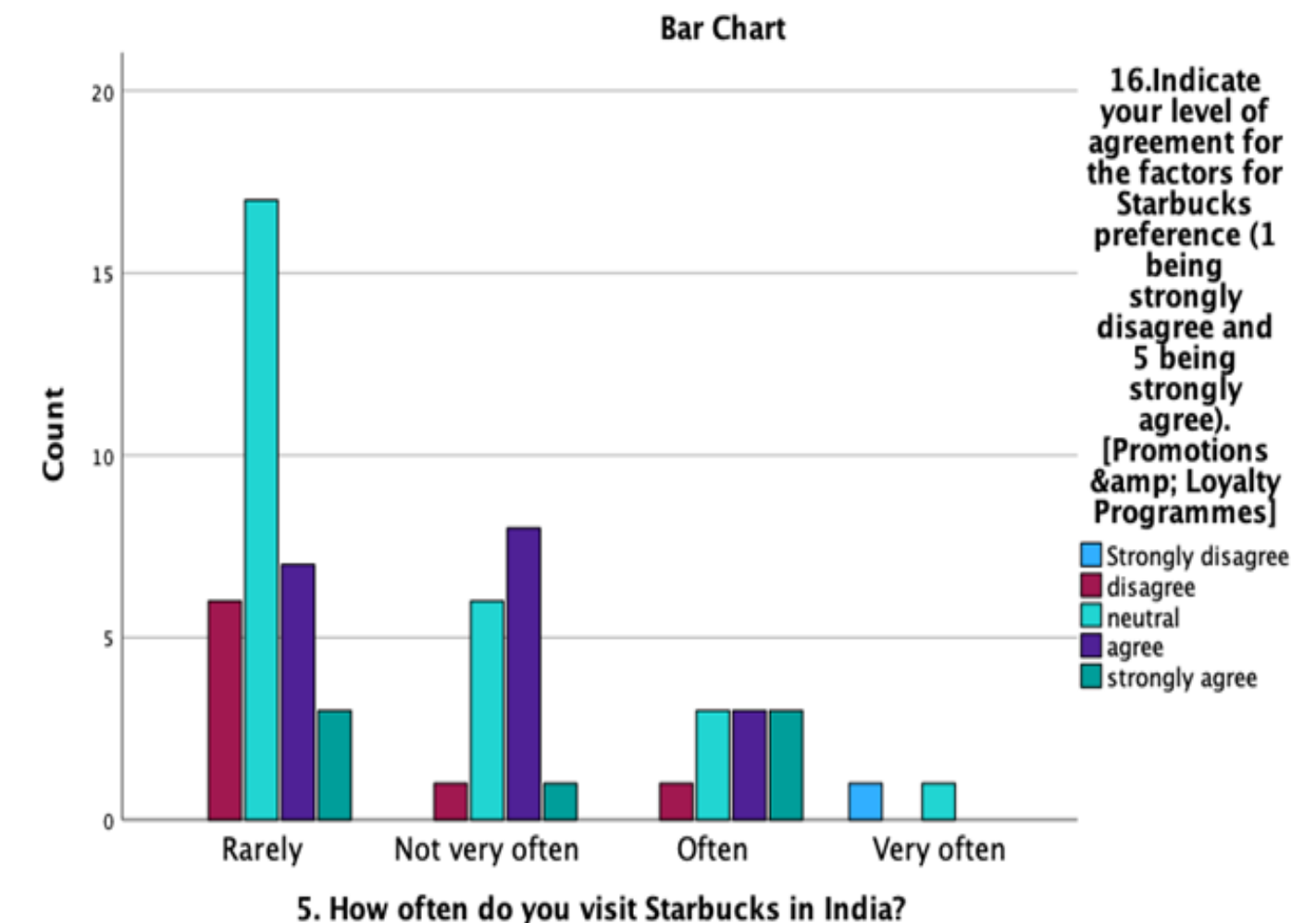
Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	39.491ᵃ	12	<.001
Likelihood Ratio	16.880	12	.154
Linear-by-Linear Association	.395	1	.530
N of Valid Cases	61		

a. 17 cells (85.0%) have expected count less than 5. The minimum expected count is .03.

5. How often do you visit Starbucks in India? * 16.Indicate your level of agreement for the factors for Starbucks preference (1 being strongly disagree and 5 being strongly agree). [Promotions & Loyalty Programmes] Crosstabulation

Count

		16.Indicate your level of agreement for the factors for Starbucks preference (1 being strongly disagree and 5 being strongly agree). [Promotions & Loyalty Programmes]					Total
		Strongly disagree	disagree	neutral	agree	strongly agree	
5. How often do you visit Starbucks in India?	Rarely	0	6	17	7	3	33
	Not very often	0	1	6	8	1	16
	Often	0	1	3	3	3	10
	Very often	1	0	1	0	0	2
Total		1	8	27	18	7	61

Bar Chart

16.Indicate your level of agreement for the factors for Starbucks preference (1 being strongly disagree and 5 being strongly agree). [Promotions & Loyalty Programmes]
- Strongly disagree
- disagree
- neutral
- agree
- strongly agree

5. How often do you visit Starbucks in India?

Output/Result: Starbucks discount and loyalty program is an important factor influencing purchase intention. Association between these 2 variables is significant as $\chi^2(12)=39.491, p <.001$

H4= Starbucks' premium brand image and pricing influence consumer purchase intention.

ANOVA

16.Indicate your level of agreement for the factors for Starbucks preference (1 being strongly disagree and 5 being strongly agree). [Premium Brand image]

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.143	4	1.786	2.641	.043
Within Groups	37.873	56	.676		
Total	45.016	60			

Descriptives

16.Indicate your level of agreement for the factors for Starbucks preference (1 being strongly disagree and 5 being strongly agree). [Premium Brand image]

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Delhi	12	4.75	.452	.131	4.46	5.04	4	5
Gujarat	15	4.27	.799	.206	3.82	4.71	3	5
Kerala	6	4.17	.753	.307	3.38	4.96	3	5
Maharashtra	13	4.08	.760	.211	3.62	4.54	3	5
Telangana	15	3.73	1.100	.284	3.12	4.34	1	5
Total	61	4.18	.866	.111	3.96	4.40	1	5
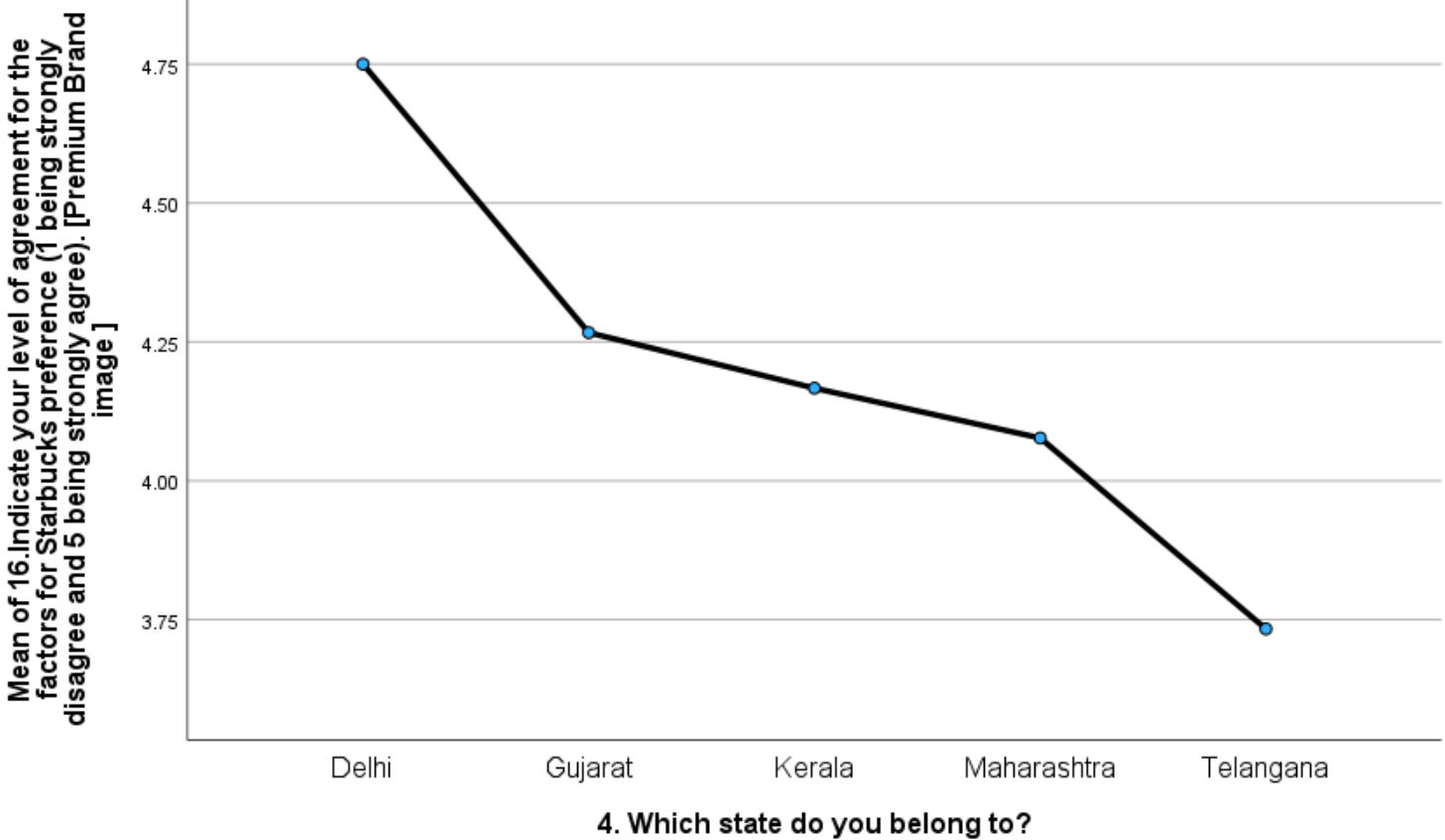
Output/Result: Out of the Starbucks premium brand perception among 5 states, Delhi has highest while Telangana has the lowest average/mean for Starbucks preference as a premium brand. Statistically significant difference among groups, F(4, 56)=2.641 p=0.043

CONCLUSIONS

Market Entry Strategy and Customer Experience

- ·The success of the company's market entry strategy significantly influences customer experience.
- ·Cultural impact, however, does not show a statistically significant influence on customer experience.

Cultural Dynamics in Maharashtra

- ·Maharashtra exhibits a high level of adaptability to the cultural dynamics of Starbucks.
- There is a suggestion to enhance pricing approaches in order to increase client attraction.

Brand Competitive Advantage and Cultural Norms Adaptation

- ·The adaptation to cultural norms has a positive impact on brand competitive advantage.

Cultural Sensitivity and Brand Recognition in Delhi

- ·Delhi stands out with the highest brand recognition, attributed to cultural sensitivity.
- This recognition gives Delhi an edge over other coffee brands.

Cultural Norms Integration and Global Brand Identity

- Integrating cultural norms and preferences significantly and positively impacts the global brand identity.

Customer Experience, Cultural Norms, and Brand Image

- Positive experiences, along with the integration of cultural norms, contribute to an improved customer experience and enhanced brand image.
- Delhi is identified as having the strongest brand image, while Telangana is noted to have the weakest.

Starbucks Premium Brand Image

- The premium brand image of Starbucks is identified as a significant factor influencing purchase intention

Starbucks Discount and Loyalty Program

- The discount and loyalty program offered by Starbucks are recognized as important factors influencing purchase intention

Global Brand Image

- The information provided does not specify details about the global brand image. It appears to be mentioned without specific details or results.

RECOMMENDATIONS

- Improve pricing strategies and menu options after conducting further research.

- The more you improve customer's experience, better is the global brand image of Starbucks.

- Better discount and loyalty programs in order to increase the purchase intentions.