

# ***Understanding Starbucks' Consumer Psychology Among Chinese College Students***

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**Abstract:** This paper aims to investigate the psychological factors applicable to the case of China college students' consumption of Starbucks products, and whether it is consistent with the logic of global branding matched with cultural adaptation or not. While Starbucks continues to grow in China, it has adopted a model of a 'third place' not just offering, coffee – but plat them, gain status, and even individual customized services. By embracing social identity theory and the experiential marketing concept, the company tends to achieve employees' emotional commitment to the enterprise. Quantitative survey questionnaires were designed to be completed online on Xiaohongshu and 80 total valid responses were analyzed to study student consumption behavior, motivation, and brand attitudes. The findings suggest that students refer to Starbucks not only as a coffee house but also as a staking capital; 71% of the student's social status improved after visiting Starbucks. Also, 78 percent of respondents used the symbolism indicators to show brand loyalty based on brand associations and 43 percent claimed to have been offered an individual approach. Using psychological analysis, this paper discusses the psychological factors responsible for Starbucks's successful expansion in China and makes some relevant strategic suggestions to sustain its competitiveness.

**Keywords:** Consumption Behavior, Brand Symbolism, Social Identity, Experiential Marketing.

## **1. Introduction**

The company was established in 1971 in Seattle, Washington, and has expanded into a world-class company that requires modern coffeehouse services. Starbucks currently has over 33000 outlets across more than 80 countries and remains one of the fastest-growing food service companies; notably, it has become Starbucks' largest overseas market except the United States [1]. The coffee giant Starbucks initially set foot in China in the year 1999 and has witnessed phenomenal growth to have stores over 6000 and more than 200 cities in China only. This is explained by the fact that China's population is growing more urbanized, middle-class, and embracing coffee as an image of an affluent lifestyle. This is well illustrated among college students in China who are increasingly embracing coffee as an experience that is synthesis with their desire for modernity [2].

China has been a tea-drinking nation but now the market of coffee has quite enhanced in China. The service consumption of coffee has further risen on an annual basis by around 15% while the global rate is around 2% [1]. Starbucks China's strategy has been to aim at building a quality brand

to appeal to the young and upwardly mobile consumers in China. This demographic does not typically come to Starbucks for beverages, but for what the outlet signifies, quality, foreign, and a status symbol. As pointed out, Starbucks has managed to establish itself as a cultural intermediary because it brings products of cultural significance and appropriateness to the Chinese market like green tea lattes and seasonal mooncakes; or maintains a global brand image relevant to the local cultural dimensions [1].

The concept of branding at Starbucks places a lot of premium on what has been described as the “third place” by sociologist Ray Oldenburg, a surveyor of social space beyond home and workplace where people can lounge or get business done [3]. For many Chinese college students, Starbucks is this ‘third place’, which is a comfortable environment in which to study, socialize or collaboratively work in groups. It has been particularly appealing to young consumers in China, where the company is selling not only the cup but also an experience that Starbucks has to provide, which speaks to the growing trend of what Hampel referred to as ‘experience consumption’.

Starbucks has embraced strategic partnerships in China, particularly a partnership with Alibaba; which ensures the company fits conveniently into people’s daily lives through delivery service and mobile ordering. Features such as these would be of interest to the young technology-aware consumers of today when it comes to matters of convenience, option, and individuality through the distinction of the brand. Mobile order and pay, loyalty programs, and personalized brand connections cultivated by Starbucks in China have not only built a sense of membership and belonging with Chinese college students but also an experience that extends beyond the simple consumption of a cup of coffee [1].

Starbucks has thus been able to move away from the conventional coffee shop concept by developing a lifestyle brand that communicates modernity, internationality, ‘rationality’, and success among China’s college students. This definition of cultural capital where the consumption pattern indicates status [4]. Interestingly, similar to what was seen in China, Starbucks has been able to suit its global ethic with regional palates and cultures, thus it has been able to sustain its popularity among the young, educated, and discerning customers who are always willing to associate themselves with the values that the Starbucks brand espouses.

The significance of this research is to examine the consumer psychology reducing Starbucks preferences among Chinese college students, to reveal the interrelation between worldwide branding and cultural localization, as well as to investigate some current trends and perspectives within one of the most attractive economic zones.

## **2. Literature Review**

### **2.1. Introduction to Consumer Psychology and Brand Preference**

Consumer psychology is the branch of psychology that studies cognition, affect, and consumer behaviour. Several researches have revealed that the use of brands in consumption by young people is determined by such factors as the Aspirational/Symbolic brand Attractiveness as applied to Starbucks, [3]. In Aaker’s work on the concept of brand personality, customers are drawn to brands that reflect the self-image they would like to project or the image they would like to portray to the world: be it classy, young, or global. Starbucks has been able to develop a brand personality that will appeal to the young and urban consumer who will be more than willing to show such aspects of their personality. The congruent positioning of Starbucks’ brand image and the dreams that consumers associate with the brand have gone a long way in the branding of Starbucks among China’s college students.

## 2.2. Globalization and Starbucks' Branding in China

Starbucks' success in China is not only but also a sound global strategy that incorporates the globalization strategy into the American crusader style coffee consumption with Chinese characteristics. Starbucks has been able to develop a twofold brand image – both international and national brands are popular among consumers [1]. This combination makes Starbucks appear appetizing yet somehow 'foreign' at the same time, which is always good from the standpoint of a Chinese consumer. The McDonaldisation theory states that Starbucks has adopted local relevant culture but has not lost its globalization, for example, the mooncake Frappuccino's during the annual Mid-Autumn Festival [1].

In addition, the adoption of the Westernization style of coffee consumption in a China culture that has for a long time embraced tea-drinking has greatly shifted the youth's consumer trends. Starbucks had not only launched coffee, but it also changed a culture as coffee has become a lifestyle product. This strategic cultural influence has helped the company ensure that young people including college-educated people link Starbucks with the modern world bearing a cosmopolitan outlook. The idea of this approach is close to cultural capital where the patterns of consumption are tied to the status in society [4]. To Chinese college students, consuming Starbucks is not only about the Consumption of Western culture, but it also means that he or she is a member of some kind of higher education level and more refined class.

## 2.3. Social Identity Theory and Consumer Behavior

The analysis of Starbucks consumption among Chinese college students is based on Social Identity Theory. This social identity theory by Wheeler and Bechler suggests that people obtain part of their self-identification through observation [5]. Starbucks comes with a touch of upscale, with its product priced relatively higher than most coffee outlets, interior design, and international brand image, all of which conform with the attempts and Ambition that the Chinese college student is eager to portray [5]. Smith Maguire and Hu found out that drinking Starbucks is actually a symbolic capital for the young Chinese consumers in that; it creates a perception that they belong to the global, new rich class [6]. This is in sync with the logical model of consumer behaviour in which the purchase of the product and its use reflects the status symbol that the consumer wants to portray.

Also, supported by Hampel, it suggests that Starbucks is dependent on social factors where College students cannot resist frequenting the coffeehouse without peer pressure. One contribution of this phenomenon is that WeChat and Weibo, two popular social media sites are used by young consumers to share experiences enjoyed at Starbucks. Moreover, it not only increases Starbucks' exposure but also continually emphasizes its connection with contemporary society, which creates a virtuous cycle for brand and social identification, where Chinese college students benefit [2].

## 2.4. Brand Loyalty and Emotional Attachment

Starbucks is very popular among Chinese college students, there is more than mere product satisfaction, there is positive bonding to the brand. Customer brand identification is more than just loyalty in that it entails deeper emotional bonds with the brand. Starbucks has managed to do this through branding that positions it as a premium experience company. The facilities of restaurants; stylish design of Starbucks stores, comfortable armchairs, free internet access, and kindly staff have also positively influenced Starbucks in strengthening an emotional aspect of its relationship with the consumers. The provision of a warm atmosphere to enable customers to feel at home makes Starbucks the third place for Chinese college students, besides home and school [7].

In addition, it has been consistent in hampering consumer attachment by providing a loyalty program that entails discounts and specific experiences. McDonald's identified that the Starbucks

Reward program intensifies the consumers' emotional commitment by providing them with offers and appreciation making the customers feel appreciated [8]. This kind of program is most attractive to the young and connected consumer; they feel special when included in a special group also boosts their chances of continually relating with the brand.

## **2.5. Experiential Marketing and the Concept of the Third Place**

Starbucks' brand strategy also benefits from a concept referred to as experiential marketing, which seeks to bond often emotional and sensory experiences between the consumer and the brand. Unlike most other coffee retailers, Starbucks employs a situation strategy, which includes the physical attributes of the stores like smell, good music, and comfort in helping to create the image in consumers' minds. This is a fun and satisfying experience, which assists in developing long-term consumer loyalty. Smith Maguire and Hu concluded that store-related factors such as the atmosphere and service quality have rating significance among Chinese college students preferring Starbucks over other cafés [6].

Two theories that have played a great role in Starbucks' success are that Starbucks borrowed the third-place theory from sociologist Ray Oldenburg [9]. Starbucks established the third place that is more than a home and less than work or school; people can meet friends or study there. This is especially fascinating to Chinese college students who feel Starbucks forms part of their social platform thus strengthening their brand loyalty. Thus, the third place has been helpful in Starbucks' performance in China because it fits young consumers' needs for a space that is personal and at the same time derived from a social need [10].

## **2.6. Research Gap**

Starbucks did not begin as an international phenomenon but rather adopted and adapted its branding model in China; although ample literature focuses on the Starbucks branding and Chinese culture adaptation, few investigate the psychological motives of consumption by Chinese college students. This demographic's drivers of purchasing behaviour such as brand allegiance, identification, and even passion have essentially been unexplored relative to an appreciation of Starbucks in China. Thus, this study aims to fill this gap by examining the relationship between consumer psychology, social status, and brand experience by considering Chinese college students' perceptions and motivations to choose the Starbucks brand.

## **3. Methodology**

### **3.1. Research Design**

The current research adopts a quantitative research approach and uses a survey as a data collection instrument to capture information about Chinese college students' Starbucks consumption patterns. The survey was intended to investigate the reason for students' consumption motives, their brand perceptions of Starbucks, the emotions they connect with Starbucks, and their social actions regarding consumption.

### **3.2. Survey Standards and Data Collection Platforms**

The survey was completed online with the help of an online survey tool, Questionnaire Star, which is widely used in China and acknowledged by its target population. Because of the need for standards of the data to be collected, the survey therefore incorporated 25 questions in a way that allowed the use of a closed, self-developed Likert scale, multiple choice, as well as some qualitative questions that would allow the respondent to give additional information. The survey was conducted over two

weeks through Xiaohongshu to reach as many college students accessing it easily and respond to the survey.

The survey questions were formulated to cover several key areas to help in making the research more robust. The first area was brand perception, whereby the questions raised sought to determine the perception that specific learners had about Starbucks compared to other coffee brands. The second area was motivations for visiting, whereby the questions aimed at identifying the nature of factors that a Starbucks guest harbors when deciding to attend Starbucks, such as social aspects, product-related parameters, and brand attributes. The next area was the frequency of visits which aimed at establishing the frequency of students' visits to Starbucks to check on their frequency rate. The last question was about social and emotional drivers, whereby the survey also covered how Starbucks affects the students' handling/ perceptions about themselves in society; and any other personal/social aspect concerning the Starbucks brand.

### 3.3. Sampling Methods

The selected target population of reference for the survey was Chinese college students who were in the age range of 18 to 25 years. Convenience sampling was used, which means participants were invited through social media, more specifically WeChat groups of universities. Of the 120 total responses collected the 80 valid responses were analyzed. The sampling method made it possible to identify a large number of responses within a shorter period and from a diverse student group who come from different universities located in different regions of China.

### 3.4. Criteria for Invalid Responses

To guarantee the validity of the information administration criteria for wipe out answers were created. First, the completion time was less than a time that gives an impression that the participant did not concentrate on the questions being asked (e.g., less than 2min for the entire survey). Also, the answers contained indications of their simplicity; they included repetition like choosing the same answer to all the questions.

Using this methodological approach, this study strived at getting reliable and useful data to address the psychological factors of Starbucks' consumption amongst Chinese college students. (e.g., less than 2 minutes for the full survey). First, the answers demonstrated response bias and involved participants providing the same answer to all questions on the instrument. Secondly, the responses to open-ended questions were nonsensical or completely irrelevant. Also, the methodological approach aimed to collect reliable and insightful data. The purpose of this research was to establish the psychological motivation of Starbucks consumption by Chinese college students.

## 4. Results

Starbucks survey questionnaire helped to get the insights into drive and practice of the Chinese college students with reference to their Starbucks consumption pattern. From the pilot survey results, students show a clear preference for the setting and social description where Starbucks is found, with setting and social description being paramount to 63% of students. Starbucks is seen as a familiar and fashionable environment, which is favorable for socializing and carry out study-related tasks; 54 % students said that they frequently utilize Starbucks to socialize or study with friends.

Loyalty of respondents is high; which shows that 78% of the respondents have a sort of loyalty to the Starbucks brand which is attributed to both the quality of their products and the positive environment within their stores and good customer service. In addition, 71% of participants claimed that Starbucks helps in improving their social status as they consider it to be a symbol of prestige and



modernity. This is further backed by the 59% of the respondents who agreed that people perceive them positively if they are spotted in Starbucks.

It was also found that social networking has influence as 45% of the students take time to share their Starbucks experience on social networks inferring that brand image is used as self-promotion. In occurring, the survey confirms that people appreciate Starbucks for more than just the coffee but for a rich experience, associated prestige, ambiance, and community.

## 5. Discussion

Such survey allows providing a broad understanding of the psychological and social factors causing Chinese college students to patronize Starbucks. The results present that consumers value Starbucks in terms of social interaction, academic work, and status more than they value the products being offered by the coffee chain. This discussion will therefore extend an attempt at explaining why these results came up, their larger significance, and more importantly, how Starbucks can further build on these findings to advance the loyalty that customers have for this establishment.

### 5.1. Starbucks as a Social Hub and Study Space

On this account, the observation that 63 % of the respondents going to Starbucks not for the quality of the coffee they sell but to savour the atmosphere and socialize underlines the importance of Starbucks as a “third place” for the college students from China. Starbucks successfully brings forth a comforting and homely yet invitational space of encounter apart from home and school, which in accord with Ray Oldenburg’s Third Place Theory [9]. This desire is most apparent when it comes to college students in search of a comfortable environment within which to learn and interact. It is for this reason this study found Starbucks optimal for these activities given that one gets Wi-Fi, comfortable seaters, and relatively quiet surroundings.

This can be explained by such trends in Chinese culture and daily life as increasing replacement of the traditional tea-drinking traditions by the stereotypes of Western coffeehouse tradition with young and active people with education. Due to the global influences, Chinese college students are trendy followers, and having a cup of coffee at the Starbucks represents their acceptance of the new globalized lifestyle [2]. This dynamic is why Starbucks seems to have implemented the strategy of trying to create a warm atmosphere and is successfully capturing the attention of students who are creatures of social interactions.

### 5.2. The Role of Social Image and Prestige

Another effect of the survey is that 71% of participants said that their social status improves when they visit Starbucks due to the perception that, it is a modern continental entity. This finding has to do with Veblen’s theory of conspicuous consumption by which individuals consume and display goods in order to demonstrate their wealth, refinement or membership of a certain class. To Chinese college students, being spotted in Starbucks sends out a signal of richness, sophistication and social relevance to contemporary international trends. This is Hazards' explanation of consumption and is also similar to Bourdieu’s theory of cultural capital which states that through consumption people reassert their social position and standing [4].

The premise of reappraising the Starbucks desire towards the improvement of the social image could be partly attributed to the effects of the strong peer pressure coupled with the social structure pervasive within the university setting. Social identity theory by Wheeler and Bechler shown that consumers build their identity through belonging to specific groups and Starbucks offers young people an opportunity to be associated with a progressive western culture, mirror with the brand image [5]. This behavior is further supported by social media platforms, 45% took time to share their

experience at Starbucks, meaning that a Starbucks visit is not just a self-pleasure, it is a tool to build an online persona. The digital aspect of Starbucks' social relevance proves the value of societal experience not only within stores but also in online branding presence.

### 5.3. Emotional Attachment and Brand Loyalty

The second finding is that 78% of the respondents feel very loyal to this beverage selling company even though there are cheaper brands of coffee in the marketplace. Such loyalty can be attributed to what the brand has been able to establish in terms of creating an emotional bond with the customers through its concentration on the feel created by the product, the quality of the product offered and the company environment. There are only two distinct categories of brand loyalty, and these are functional brand loyalty and emotional brand loyalty, where the latter appears to be true among the Chinese college students who visit Starbucks.

The two main areas through which Starbucks builds these bonding emotional selves include loyalty programs and personalization. The Starbucks Loyalty Points easily addresses the need for young consumers in having them felt unique or special because of picking Starbucks [8]. Consumers are loyal emotionally due to the company's efforts in developing customer personalization, from the cups which bear the customer's name, to the rewards in the loyalty program which are developed according to each customer. This personalization particularly meets the challenges of young consumers who consider brands and experiences that make them unique.

### 5.4. Implications for Starbucks' Brand Strategy

The findings of the survey provide several insights for Starbucks' branding and customer interaction in China. First, successful penetration with Chinese college students does not lie in product portfolio alone but in environment/ambiance. Starbucks management has focused on creating a welcoming, high-quality atmosphere to meet the need of equipping young customers with a prestigious "third place." The company should also build up and improve further the store environment with regard to comfort, acceptability of various technologies and study as well as socialization.

Second, the research also advances the social image and the influence of peers in the decision-making process concerning consumption. Starbucks should build on this by ensuring that it gets closer to social media platforms. For instance, introducing particular incentives or some legendary Instagram spots inside the stores could result in more customers sharing their experience online and, still, thus overcharging the brand's equity and its attribute to prestige. Active encouragement of user generated content may also foster adoption of qualitative social platform that resonate with Starbucks consumers thereby improving both virtual and actual consumption experiences.

### 5.5. Addressing Price Sensitivity

However, the major burning problem which Starbucks faces has been the higher prices in its products compared to local competitors; although students have developed an emotional link with Starbucks they cannot afford to pay the higher prices for coffee products. Despite the fact that Starbucks was able to sort out and establish the brand image that it provides high-quality goods, it has to consider this issue that it will not greatly affect the brand image that it offers overly pricey products. By giving occasional occasioning price cut or student base specific mobile offers or even loyalty card offers may reduce the level of price sensitivity while ensuring that the position of the outlet is rather upscale.

Also, a good relationship with universities might develop prospects for cross-promotion. For instance, flash sales to students during examination seasons can assist in reinforcing the Starbucks' image of being learner-friendly thus properly targeting its core market. Such an approach would also create brand loyalty by the time the student leaves college and Starbucks is seen as an affordable

luxury, then it would make more sense for such a one to continue patronizing the brand once he or she joins the working force.

### **5.6. Cultural Adaptation and Continued Localization**

The survey also shows that Starbucks has continued the cultural transformation that that has proved successful in China. For instance, the customization of some products like green tea Frappuccino's and moon cake related products have managed to stay culturally sensitive to the Chinese while the rest of the cafés retain an outer Western feel [1]. Starbucks should therefore begin to diversify the local delivery system in every location in a bid to stay relevant to youthful, culturalist markets. This approach not only creates a much stronger feeling of the local culture but also focuses more on the capacity of Starbucks in local covering while it did not lose its multinational company characteristics.

### **5.7. Maintaining Emotional Loyalty Through Personalized Experiences**

Starbucks has been doing this very well, and it should further enhance consumer emotions by ensuring that it devotes sufficient resources to the promotion of personal experiences. Starbucks Rewards has helped in building emotional engagement which can be taken as a clear benefit to increase customer retention and personalization. Introducing in-APP relevant functions like making suggestions for customers to order according to the previous order history or congratulating personal special occasions like university graduation or any other achievements can enhance customers' bond with the App. Every customer wants to feel special, attend to, and established with the company, which; make them stick to the brand for long.

Consequently, it is evident from the survey that apart from coffee, what Chinese college students relate to Starbucks is a product experience, involving quality, ambiance and social and emotional benefits. The fun colourful environment, the brand's operational capability of acting as a third place, the brand attribute of prestige and the progressive element of individualism has provided a perfect ground for this brand's success in this generation. Still, to maintain and expand on Starbucks' popularity, the company need to further develop its localization efforts, focus on the issue of customer's price consciousness and become even more inextricably linked with social media and Internet.

Through proper utilization of these insights, Starbucks is in a position of stabilizing the perception of the brand in the eyes of the young and aspiring Chinese consumers who will in the long run impact their loyalty to the brand while also expanding the brand cultural relevance in China's intensified market competition.

## **6. Conclusion**

This paper looked at the consumer attitude that has made Starbucks popular among college students in China; the factors under looked at include the social influence, emotions, brand identification, and use of Starbucks as the third place. The findings imply that the brand achieves much more than premium quality products; it achieves a system, encompassing prestige, comfort, and symbolic value of the Starbucks shops.

According to the survey findings, China college students have built an attraction to Starbucks due to its environmental appeal and social utility since they use it as a place where they can study, chill, and socialize. This is in nascent agreement with Ray Oldenburg's third place theory, where people have a third place other than home and workplace. In the course of the present daily undertakings of Chinese college students, Starbucks offers a place of comfort that can be tailored for work as well as recreation. The high need for such third place proves the important function Starbucks as a coffee shop has for young consumers – the divider between social and personal domains.



Another key commonality noted is the social factor especially consumers' perceived social standing and social position. According to the findings of the research, the Starbucks branding is embraced by most of the participants as an indicator of acting 'modern,' and being 'international.' Such a behavior proved the concept of Starbucks being a symbolic consumption which reflects the overall identity of the youthful Chinese clients. That the brand can operate politically as a social sign has thus been appealing to students desiring to associate with global culture and boost on their image. This motivation is further compounded by features of social media platforms, which make sharing an experience at Starbucks a way through which students construct a positive digital identity.

Other factors such as the ability of customers to develop an emotional bond with the product as well as brand loyalty were also featuring that were also noted in the research. The survey also showed that almost half of the respondents had high brand commitment to Starbucks thus proving the efficiency of the coffee giant's customer management strategies including the more specific loyalty program. These elements make quality consistency important as well as store imaging and the perceived value of Starbucks loyalty card leading to emotional connections between the college students and the coffee brand.

In conclusion, Starbucks' appeal among Chinese college students is driven by a combination of factors: the services it offered in the form of an appealing third place, prestige and social identity attachment, as well as strong emotive bonds were through perceived personalized experiences. In order to further extend this kind of success, Starbucks should further improve the cultural sensitivity in the store, elevate the customerization process, and cope with the problem of price sensitivity by using the operational promotion program. In this way, Starbucks will remain the dominant brand for youth, desire, and new European people in an increasingly crowded market in China.

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