

MKTG1421 CONSUMER PSYCHOLOGY AND BEHAVIOUR

Semester	2021 S2
Title of Assignment	Assignment 1: Situational influences
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Declaration and Statement of Authorship

This assignment is my original work and no part of it has been copied from any other student’s work or from any other source except where due acknowledgement is made.

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I. INTRODUCTION

1. Company background

Starbucks was founded in 1971 and is headquartered in the United States (Starbucks n.d). In 2021, the company has 32,660 stores in worldwide, of which 62 are in Vietnam (Nguyen 2021). Starbucks opened a new coffee shop at Crescent Residence in district 7 in 2017. Starbucks' goal is to elevate and nurture humanity's spirit - "one person, one cup, and one neighborhood at a time"(Starbucks n.d). The business intends to construct a third location outside of the home and office where consumers may feel pleased and welcome.

2. Target market

There are two major target customers based on market information and brand observation:

Segment	Youth (gen Z people)	Adult
Geographic	Region: Urban areas, major cities (Ho Chi Minh city) Location: Near Crescent Mall	
Demographic	Age: 18-25 Occupation: Student, Employed Income: Middle	Age: 26-40 Occupation: Employed, office workers Income: Middle - High
Psychological	Lifestyle: Creativity, Outgoing, Explore	Lifestyle: Busy, Modern, Relaxing, Traditional
Behavioral	Benefits Sought: Unique, Affordable Delicious, Convenient Customer Loyalty: Loyal	Benefits Sought: Nice concept, Delicious Customer Loyalty: Loyal- very Loyal

II. SITUATIONAL INFLUENCES ON CUSTOMER BEHAVIOR

1. Physical Surrounding

a. Communication Situation

Based on Indarti (2004), service firms, such as coffee shops, are positioned on the basis of market access to assure frequency of purchases. Starbucks located in the Phu My Hung Residence area, where many foreigners live. The location is suitable for their target market since it is close to international schools, companies, and luxury flats (Crescent Mall, RMIT University, Urban Hill). These businesses also estimate the worth of the common space and the cafe's location. As a result, Starbucks picked the right location to grow their consumer base.



Figure 1. The area of Starbucks

Brightness is thought to play a vital function in drawing attention (Ozkul et al. 2019). The cafe has a spacious and luxurious space when mainly combining green and black colors create calm and modernized effects. Besides, yellow lights create a feeling of relaxation and warmth for customers.

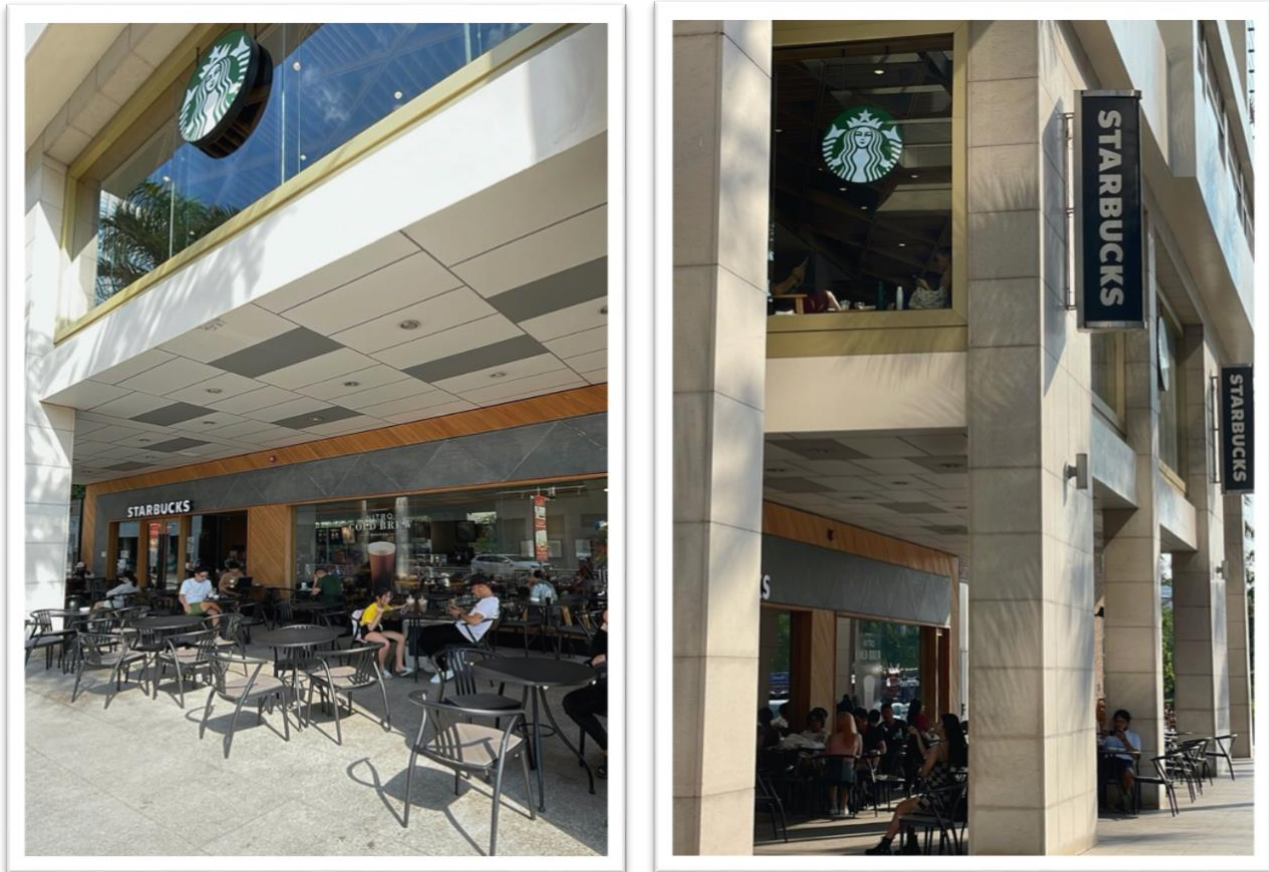


Figure 2,3. The Starbucks Crescent Mall from the outside

b. Purchase Situation

Displaying products next to the checkout counter is an advantage of Starbucks. It is studied that products under good light appear more attractive than usual. As a result, focused lighting on the checkout counter and the product next to it can draw more attention to the product, build good expectations and encourage customers to spend more (Christiaans, Quartier and Cleempoel 2008).



Figure 4,5,6. Displaying products

c. Disposal Situation

“Going green” with paper straws, paper coffee cups and take-out paper bags. However, it has not yet been applied to all products in the store because there are still plastic cups for other drinks. Creating consumer frustration because there are still limitations in the transition to environmental protection.



Figure 7,8. Starbucks plastic cups

2. Social Surrounding

a. Communication Situation

In response to International Women's Day, customers who send gifts through Soft Blossoms products will be awarded points by Starbucks. Ads that touch customers' emotions will better influence their buying behavior. Because consumers make brand selections based on how an advertising makes them feel rather than what it says (Yen 2018).



Figure 9. Starbucks convey the message 8/3

Generation Z customers - the majority of Starbucks customers, before making a purchasing choice, they look for peer evaluations, and 42% of them seek information online. As a result, great media, such as positive reviews, will boost their confidence and encourage young people to buy (Zak & Hasprova 2020).

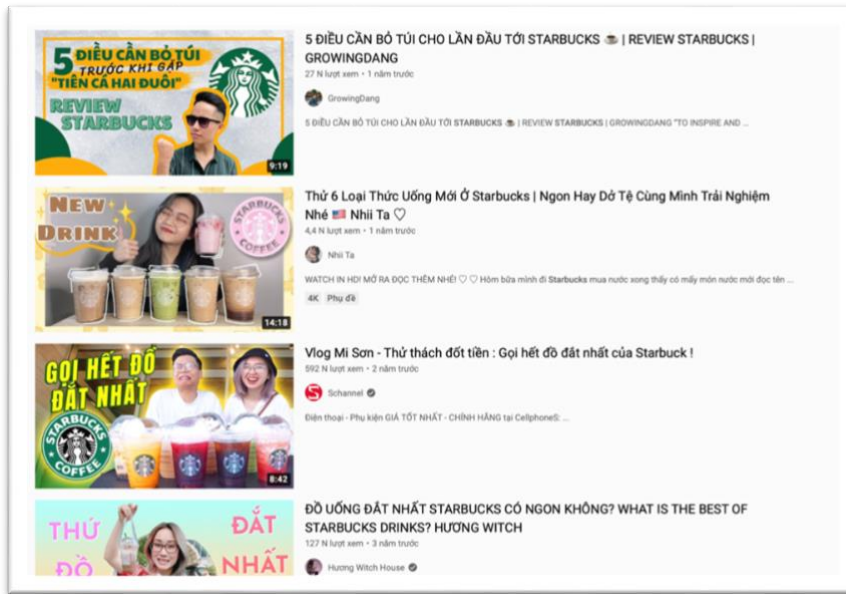


Figure 10. Youtube’s review of credible influencers

However, Starbucks still hasn't solved the problem of employee behavior and customer service

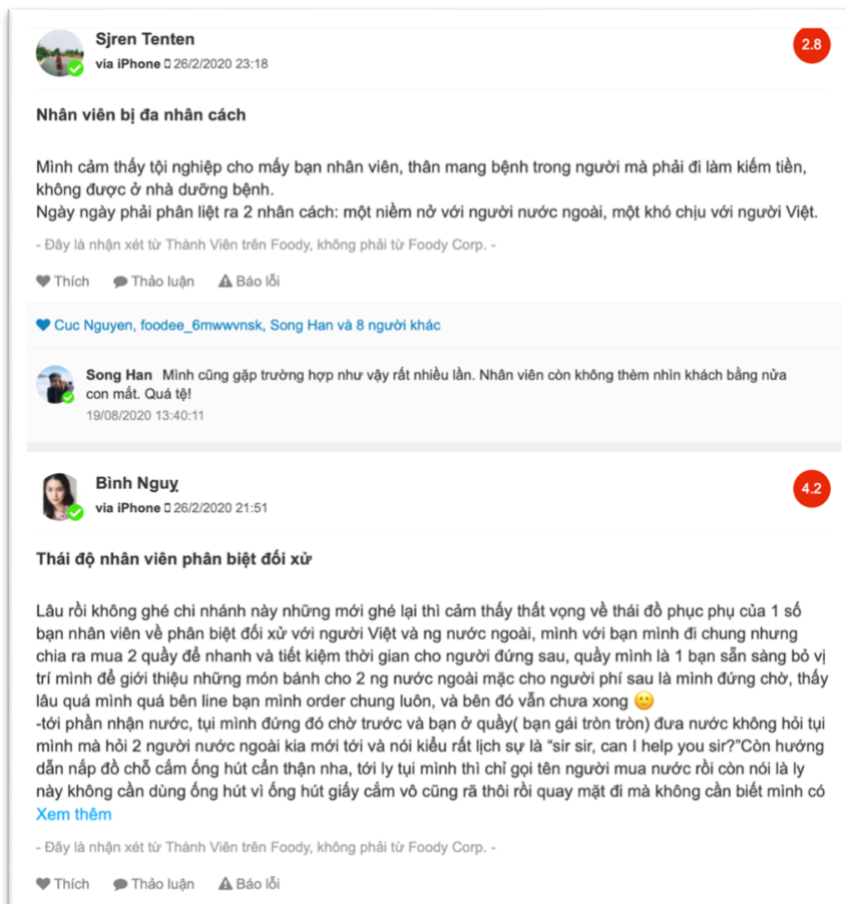


Figure 11 .Unprofessional and unfriendly staff through customer feedback

b. Purchase Situation

Salespeople's upselling efforts influence purchasing decisions. Starbucks staff frequently advise customers to increase the amount of their beverages, purchase snacks and meals, or purchase combinations for a lower price. The area selling Starbucks food and glasses is highlighted as the **Physical Surrounding** section mentioned above to increase profits and satisfy customers to increase their loyalty (Sang 2018).



Figure 12. Breakfast Set

There are special incentives depending on rank (green, gold). Customers can top up and pay like a 'wallet'. Besides, member experience is personalized by giving away free cake and big drink on their birthday (Starbucks Reward n.d). Customers may improve their ranking by increasing the frequency of their purchases. Consumer loyalty program with data collection to gain customer insights (Tomorrow Marketers 2019).

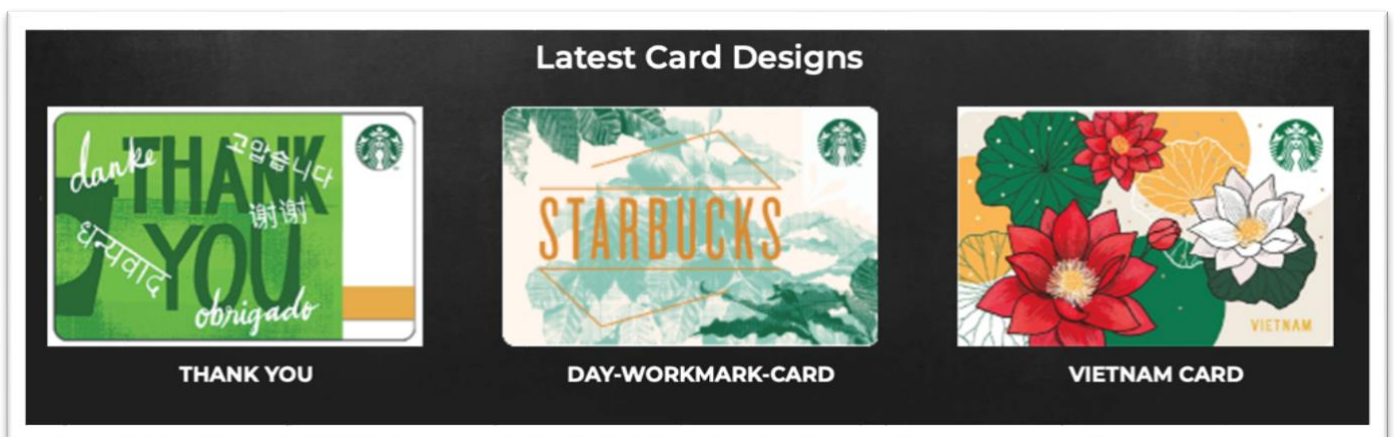


Figure 13. Membership Card

c. Disposal Situation

Starbucks conveys to customers about reducing plastic waste by allowing customers to bring their own glass when ordering water and receive 10k discount. Consumers will feel excited about environmentally responsible brands (Wong, Turner and Stoneman 1996).



Figure 14. Starbucks encourages bringing personal bottles

3. Temporal Perspectives

a. Communication Situation

Starbucks took advantage of the changing seasons to launch new drinks to give customers the best experience but most of them are rarely added to the main menu. Due to the fear of missing out (FOMO) associated with restricted deals expiring in a short period of time makes things appealing. Furthermore, the fear of being left out when everyone is discussing about the new things motivates people to purchase (Good & Hyman 2020). It may affects **purchase situation** through **communication situation**.

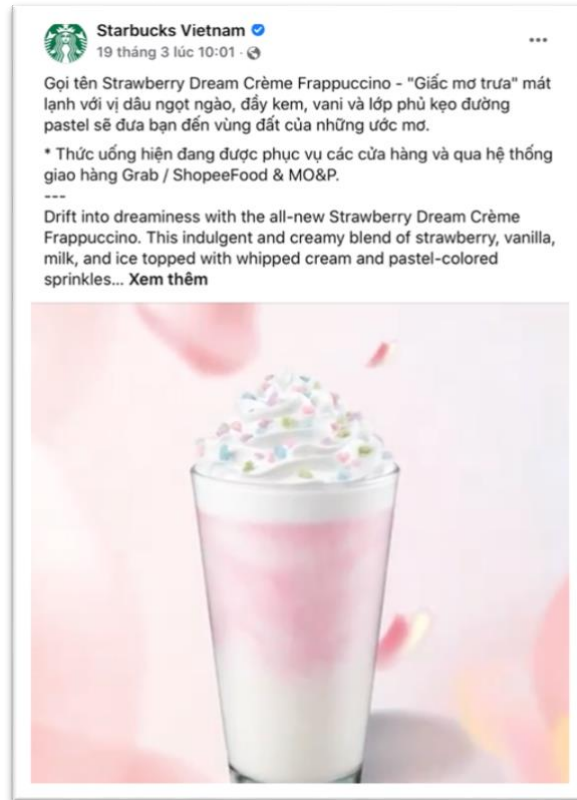


Figure 15. Starbucks seasonal drinks

b. Purchase Situation

Waiting for a long time in line to order or pick up is always frustrating and stressful for customers. For Starbucks customers, they register to order on the app and customers only need to come and pick up without waiting.

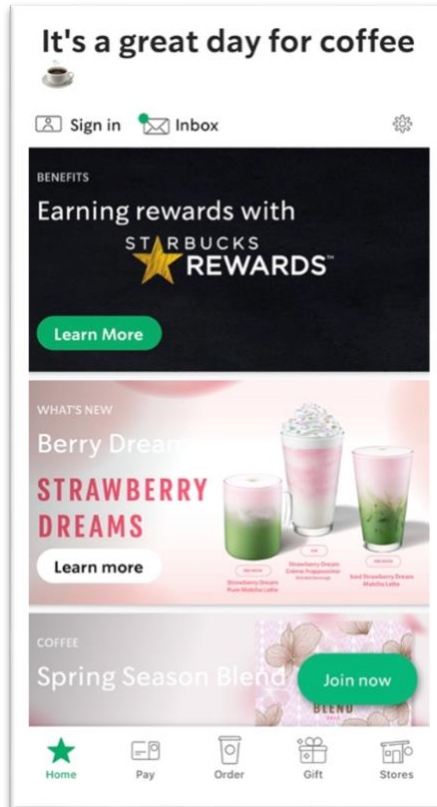


Figure 16. Starbucks mobile application

4. Antecedent States

a. Purchase Situation

The mood can be adjusted in case the customer is hungry and Starbucks serves ready-to-eat food

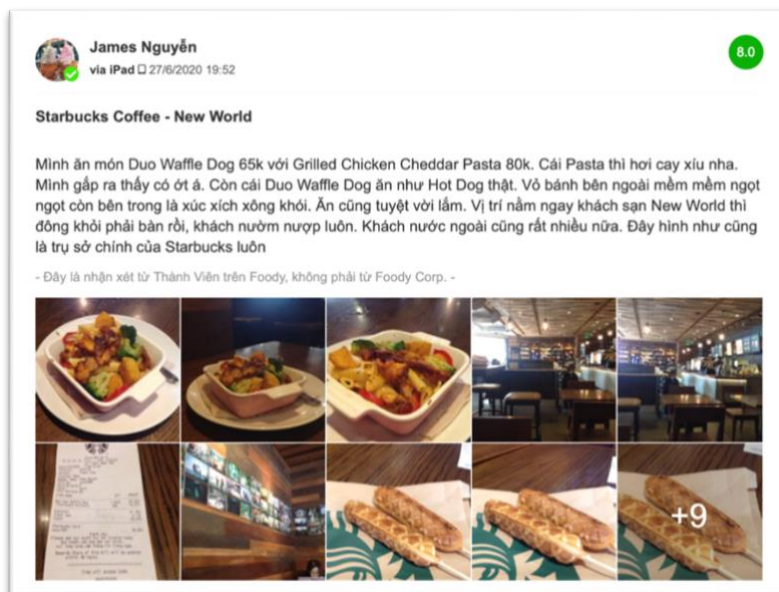


Figure 17. Customer feedback

At Starbucks, you may roll down the window and ‘enjoy your favorite cup of coffee by using your phone’ because customers can choose different payment methods at Starbucks.

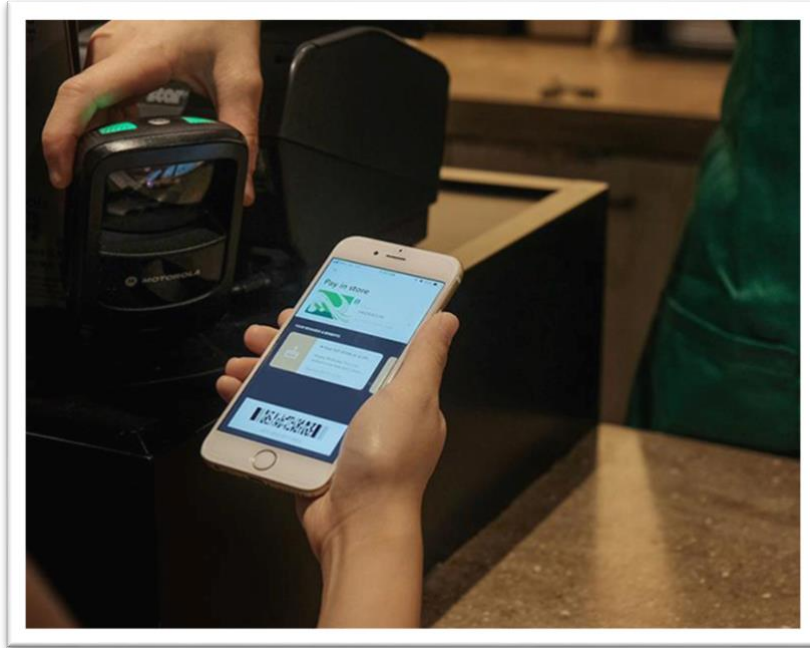


Figure 18. Various payment methods (Vndigitech 2021)

5. Task Definition

a. Usage situation

By using warm and woody hues for items, the interior maintains the chain's essence, which is an intimate feel at home. There are the mix of **physical surroundings** and **task definition** because customers may enjoy drinking water, study or work, rest and chat when they come here.

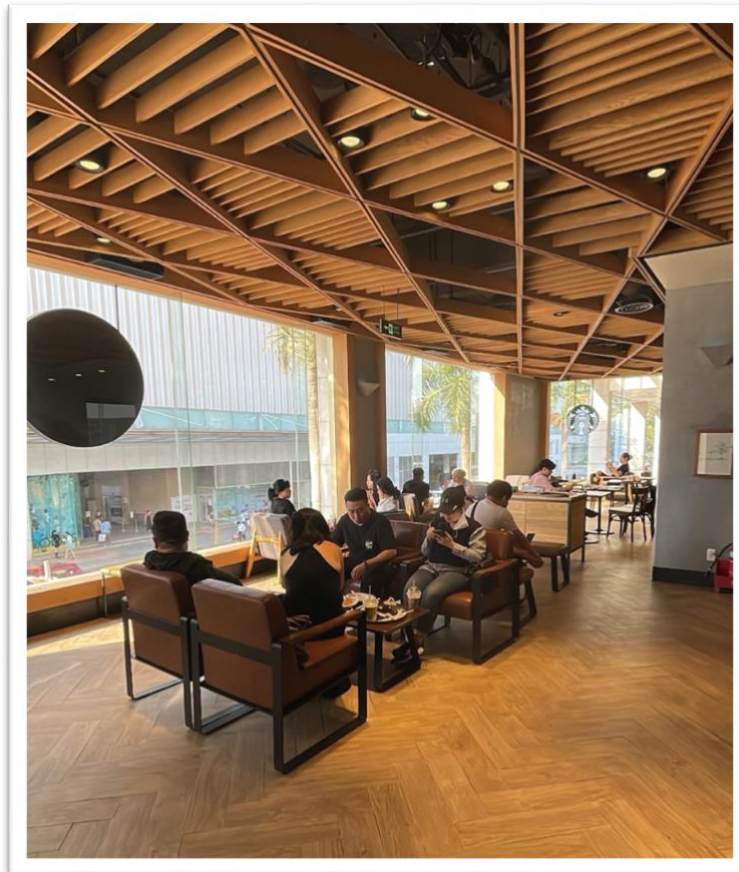


Figure 19. Starbucks space

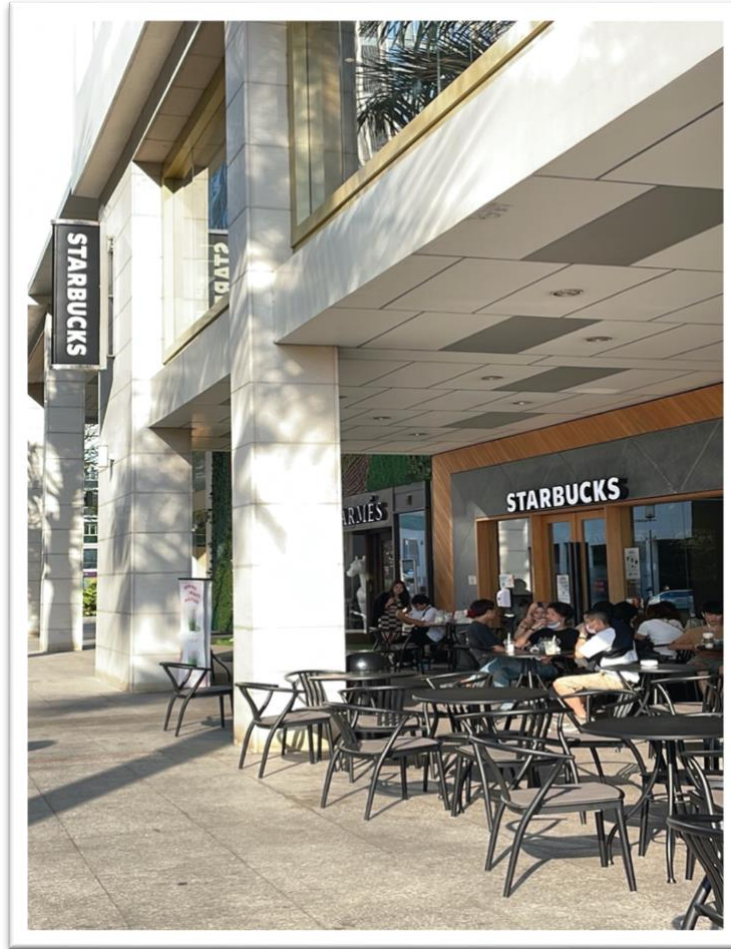


Figure 20. Starbucks outside

However, the space has some inconveniences: There are no private space, tables and chairs to work alone and in groups, making customers uncomfortable and difficult to find the ideal location for themselves.

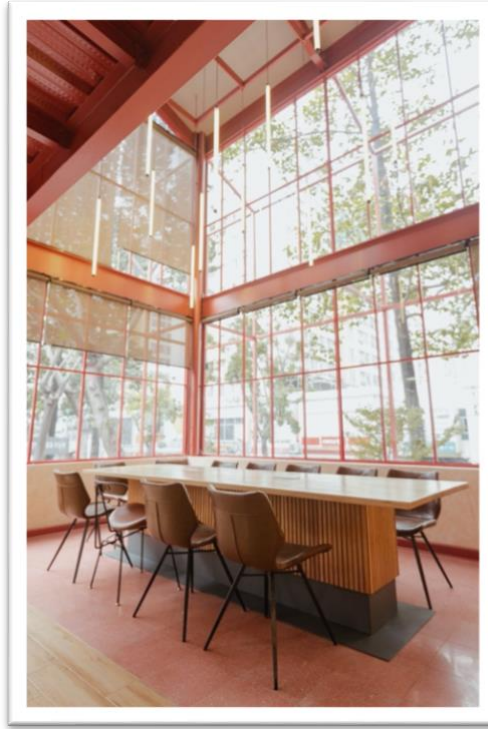


Figure 21. Group meetings place of The Coffee House (TCH 2022)

III. RECOMMENDATIONS

- Plastic utensils: Stability is critical in enticing consumers, and Starbucks should inspect them on a regular basis (Tien 2018).Eco-friendly packaging and utensils should be used on more goods so that customers enjoy the greatest disposal experience possible.
- Inconvenient space: Provide more space for customers through the design of partitions or glass in many locations in the cafe. They also need to focus on modifying the usage situation through listening to customers and making improvements (Tien 2018).
- Employee Behavior: Enhance professionalism in employee interactions through training sessions. Changing employees' perceptions and attitudes about customers and brands. Employee training has a significant impact on business operations (Maheshwari & Vohra 2015).

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