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How Retail Enterprises Maintain Customer Stickiness Through Service Innovation Under The Digital Economy - Taking Starbucks As An Example

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MSc in Business Administration

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Resumo

Esta tese utiliza a Starbucks como exemplo para investigar como a inovação de serviços contribui para a fidelidade do cliente no setor retalhista e para examinar e compreender minuciosamente as estratégias, mecanismos e melhores práticas que as empresas retalhistas utilizam para melhorar a adesão do cliente no contexto da economia digital. As pesquisas anteriores sobre inovação em serviços carecem de estudos na economia digital e no setor varejista. A análise das formas mais eficazes pode ajudar as empresas na economia digital em expansão de hoje a encontrar caminhos e direções de serviços eficazes para alcançar a retenção de clientes, obtendo insights sobre a evolução das expectativas e preferências dos clientes na economia digital. A fim de melhorar a satisfação dos clientes e promover relacionamentos duradouros com os clientes, as empresas de varejo podem compreender melhor como alinhar suas iniciativas de inovação de serviços com essas expectativas em mudança, observando os comportamentos, necessidades e motivações dos clientes, bem como os principais impulsionadores e fatores que contribuir para a fidelidade do cliente na economia digital. O atual corpo de conhecimento nessas áreas será contribuído e quaisquer lacunas na literatura serão preenchidas, através da realização de pesquisas empíricas secundárias e do uso de teorias e modelos pertinentes.

Palavras-chave: Varejo, Inovação de Serviços, Aderência do Cliente, Economia Digital, Starbucks, Integração Omnicanal

Sistema de Classificação JEL: D09; M03

Abstract

This thesis uses Starbucks as an example to investigate how service innovation contributes to customer stickiness in the retail industry and to thoroughly examine and understand the strategies, mechanisms, and best practices that retail businesses use to improve customer stickiness in the context of the digital economy. Previous research on service innovation has been lacking studies in the digital economy and in the retail industry. Analyzing the most effective ways can help companies in today's booming digital economy to find effective service paths and directions to achieve customer retention, gaining insights into the evolving expectations and preferences of customers in the digital economy. In order to improve customers' satisfaction and foster long-lasting customer relationships, retail enterprises can better understand how to align their service innovation initiatives with these changing expectations by looking at customer behaviors, needs, and motivations as well as the key drivers and factors that contribute to customer stickiness in the digital economy. The current body of knowledge in these fields will be contributed to, and any gaps in the literature will be filled, by performing secondary empirical research and using pertinent theories and models.

Key Words: Retail, Service Innovation, Customer Stickiness, Digital Economy, Starbucks, Omnichannel Integration

JEL Classification System: D09; M03

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1. Introduction

1.1 Purpose of the study

This thesis uses Starbucks as an example to investigate how service innovation contributes to customer stickiness in the retail industry and to thoroughly examine and understand the strategies, mechanisms, and best practices that retail businesses use to improve customer stickiness in the context of the digital economy. Previous research on service innovation has been lacking studies in the digital economy and in the retail industry.

Analyzing the most effective ways can help companies in today's booming digital economy to find effective service paths and directions to achieve customer retention, gaining insights into the evolving expectations and preferences of customers in the digital economy. In order to improve customers' satisfaction and foster long-lasting customer relationships, retail enterprises can better understand how to align their service innovation initiatives with these changing expectations by looking at customer behaviors, needs, and motivations as well as the key drivers and factors that contribute to customer stickiness in the digital economy. The current body of knowledge in these fields will be contributed to, and any gaps in the literature will be filled, by performing secondary empirical research and using pertinent theories and models.

1.2 Research objectives

Starbucks, a long-established brick-and-mortar business, suddenly appears at ease with the "sudden" introduction of mobile internet. However, during the start of the mobile internet explosion, Starbucks was actually in a crisis and under scrutiny from the outside world. Starbucks has a vast quantity of data that they utilize in a variety of ways to enhance both the customer experience and their company.

With over 90,25 outlets worldwide and 90,000,000 transactions every week, in terms of applying big data and AI to direct sales, marketing, and business choices, this coffee giant is essentially at the forefront of the field. (Ali, 2017) Without a question, Starbucks has been tremendously successful in both traditional business and the mobile internet economy. Today, research continues to benefit from its daring and enduring service innovations. This paper has selected additional studies investigating Starbucks' services, Starbucks' annual reports, and data analyzed by consulting firms in order to investigate innovative approaches for enhancing customer stickiness, evaluate customer perceptions of service quality and experience, analyze what makes up a loyal and engaged client base, evaluate the role that digital initiatives play in customer interaction, and investigate how service quality affects customer lifetime value.

1.3 Background along with significance of the subject

Since post-epidemic era has been characterized by an international economic downturn and different amounts of inflation in multiple countries. The digital economy has grown at a never-before-seen rate at the same time. Research shows that maintaining your current client base is five times less expensive than bringing on new ones. The pandemic has, in many ways, set the stage for a much-needed significant reset in the retail industry, one that might put many businesses in a position that's safer and potentially even more profitable than before.

If merchants want to see long-term and sustainable benefits, they ought to keep on the repair path they started when the epidemic initially started. (Deloitte US, 2022)

The benefits will impact not just the business but also the technology sector as a whole and the bottom line. Consumers' buying behaviors are shifting as the cost-of-living increases. (Capgemini, 2022) It's critical to understand the sort of services that customers desire. The top three actions that need to be implemented in the face of economic uncertainty, according to consulting polls, are (Deloitte Insights, 2022)

1. Speeding the migration to new internet technologies or platforms and maintaining email promotion, which is still the most effective channel for generating sales. (Alda & Biagi, 2023)

2. Adopting technologies or algorithms to improve the tailored customer experience, such as creating a community experience for consumers.

3. Expanding into new markets, segments, or regions. (Accenture, 2022) while customers are calling for more adaptability, customization, and reactivity. Retailers should take all action possible to hasten the change. Many stores, however, lack the technological basis needed to live up to these expectations. (McKinsey & Company, 2022)

Retailers can stay relevant and competitive in the face of shifting consumer behaviors by learning how to preserve client stickiness in the digital economy. Gaining a competitive edge, raising customer retention rates, fulfilling consumer expectations, adjusting to digital disruption, boosting business growth and profitability, and becoming leaders in the industry are a few examples.

Combining online and physical channels in the retail sector helps businesses to provide clients a smooth and improved purchasing experience in the digital economy. Retailers can adapt to various client preferences thanks to the integration of online and physical channels, providing flexibility and ease throughout the customer experience. Additionally, it increases the accessibility and reach of a retail business. Retailers can stay relevant and competitive in

the face of shifting consumer behaviors by learning how to preserve client stickiness in the digital economy. Gaining a competitive edge, raising customer retention rates, fulfilling consumer expectations, adjusting to digital disruption, boosting business growth and profitability, and becoming leaders in the industry are a few examples. Combining online and physical channels in the retail sector helps businesses to provide clients a smooth and improved purchasing experience in the digital economy. Retailers may offer a blended shopping experience that fits a range of client preferences and appeal to various customer categories.

2. Literature Review

2.1 Overview of service innovation in the retail industry

The creation and implementation of new or better services with the goal of enhancing the customer experience, raising customer happiness, and eventually promoting customer loyalty and stickiness is referred to as service innovation in the retail sector. (Puspokusumo, R.W., Aristya, N.C. & Meiryani, 2021)

Digital technology is currently seen necessary for all firms, but its prominence has increased due to the challenges faced by the retail industry. The retailing sector has evolved due to a number of factors, many of which have been driven worse by the pandemic. These factors include the emergence of e-commerce and omnichannel, changes in consumer behaviour and hyper customisation, and an increase in the complexities of the supply chain. (McKinsey & Company, 2022)

Retailers' bottom lines have been under more pressure as the consequence of these developments, with margins dropping by two to three percentage points yearly over the past five years, or even as much as five to six percent points, relying on the vertical. (Knox, 2023). E-commerce sector's explosive expansion has boosted rivalry among online firms, compelling owners to raise the bar on customer care if they want to survive. (Nikmah, Harahap, Utami & Razzaq, 2023)

A lot of retailers lack the technological foundation required to meet the growing needs of their consumers for greater responsiveness, customisation, and flexibility. Retailers should take all possible measures to hasten the change since time is of the essence. The benefits will impact not just the business but also the technology industry as a whole and the bottom line. (Deloitte US, 2022)

The result of the adoption of novel technologies in the area of mass sales is the facilitation of decision-making during the process of managing the sales of goods and services in order to formulate successful business-strategies for the production and sale of goods with the aim of boosting the company's profits. (Lychagin, 2019)

AI technology scalability enables exponential improvements in corporate process management and customer service effectiveness. (De Andrade & Tumelero, 2022)

According to the hierarchical connection, digital capabilities could be split into three categories: Enterprise performance was greatly enhanced by (1) key digital strengths, (2) practical digital features, and (3) combined digital skills. Innovation in business models significantly enhanced company efficiency, even when it was influenced by the previously identified components of digital capabilities. (Wang, Lin, Chen, Lyulyov & Pimonenko, 2023)

One important lesson learned from the epidemic is that customers now depend less on technology and digital platforms. Additionally, shoppers experimented with and adapted cutting-edge shopping strategies. Consumers have stated in more recent research that while feeling more at ease returning to brick-and-mortar establishments, they still choose online channels more than they did before to the epidemic. (Deloitte US, 2022)

Context, convenience, and control are what customers seek from omnichannel channels. Personalized attention, product testing, and the whole in-store retail experience are mixed with all the advantages of digital shopping—a wide selection, user reviews, and a plethora of product information. As a result, the physical and digital worlds have merged to provide a novel physical strategy that dismantles conventional channel barriers. (Acquire, 2023)

2.2 Understanding customer stickiness and its importance

Customer stickiness refers to a consumer that makes repeated purchases of a product owing to perceived value, which might be based on price, convenience, product quality, or other transactional factors. Stickiness emphasizes the significance of transactions. Understanding why a customer chooses to repurchase a product or keep using it is crucial to determining stickiness. (Frankel, 2022)

Statistics indicates that maintaining your current clientele is five times less expensive than taking on new ones. (Kazemi & Maymand, 2017)

Increasing customer stickiness can benefit the team in a number of ways, including: Increasing customer lifetime value, Improving customer loyalty, Finding upsell opportunities, Providing customers with more value, Increasing customer referrals, Improving ratings and reviews, Generating more sales, Boosting profit margins, Enhancing marketing campaigns' return on investment, Forging closer bonds with clients, etc. (Indeed Editorial Team, 2023)

2.3 The role of the digital economy in retail service innovation

Covid 19 supports the digital transformation that calls for the creation of capabilities for digital services. Through collaborating with other stakeholders to develop digital service capabilities, companies may contribute to value generation through distant customer communication. This requires integrating their resources into the ecosystem. (Sakaya, 2022)

The e-commerce sector's explosive expansion has boosted rivalry among online firms, compelling owners to raise the bar on customer care if they want to survive. (Nikmah, Harahap, Utami & Razzaq, 2023)

Consumers today evaluate retail businesses against the greatest digital experiences from totally unrelated sectors. Digital-first habits are not anticipated to disappear. More than half of customers in North America claim to shop online at least once a week. Only one out of every five customers think the digital experience that merchants now offer is "Excellent," suggesting that retailers may not be meeting customers' expectations. Gen Y strongly prefers the "takeout/delivery" or restaurant visiting choices. Because of their reasonable rates and prompt service, fast/quick eating options such as fast casual, fast food, and coffee shops were commonly favored by Gen Y participants in this survey. (Okumus, Ozturk, & Bilgihan, 2021)

The trial's conclusions additionally demonstrated that helpful customer service enhanced perceptions of the robot and the purchasing experience for customers, and also increased the percentage of recommended bread purchases. The study concludes that although the clerks' interaction with the robot didn't need much work, all organisations that use service robots may discover that they work very well at providing collaborative customer support. (Okafuji, Song, Baba, Yoshikawa, & Ishiguro, 2023)

Restaurants have greatly expanded the range of their services thanks to the accessibility of contactless payment systems by invoice, a network of kiosks for contactless ordering, ordering food online through a website and app for smartphones, loyalty programs, as well as additional features. (Statista Research Department, 2022)

Brands must be aware that their customer experience will frequently be compared to other digital experiences from industries other than their own. Only one out of every five customers think the digital experience that merchants now offer is "Excellent," suggesting that retailers may not be meeting customers' expectations. The future is all digital. With 85% of customers believing new features will be introduced to the retail digital experience soon, consumers anticipate that the future of retail will be more digital and more individualized. (Scott, 2022)

Loyalty is more affected by perceived worth and sense of connection than by superior service. Thus, in order to increase customer loyalty, service providers should strive to establish cordial relationships with clients. This will enable the vendor to deliver correct product information to the company's users while the service runs smoothly. (Fan, Pan, Tseng & Chao, 2023) To entice customers to browse for longer periods of time, since this influences their interest in and propensity for completing purchases online — online merchants should be more sensitive to the aforementioned variables. (Bhatti, Bint, Nauman & Ashfaq, 2022)

To improve the effectiveness of suppliers, customers, and the service process itself the company may improve its customer service division. Given that customers may share

information on social networks on their opinions and experiences with brands and services, managers should also be concerned about how these networks engage with customers. The primary information sources for the business and its clients are social media platforms like Facebook and Twitter.

As a result, consumers may see a brand as having a higher symbolic value. This influences their propensity to stand up for the business against shady conduct and to encourage the brand's patrons. (Dalal & Aljarah, 2021)

Regardless of the customers' cultural orientations in power distance, visitor satisfaction is lower when the informal address form is employed in guest contacts in the case of a service failure because customers want displays of respect that may be represented in a formal address form. (Fan, Van, Dou, & Serrano, 2021)

Apologies, compassion, addressing grievances, equal treatment or equality in resolving issues and disputes, making it effortless for customers to connect with the business, utilising online platforms for premium payment systems and assert proposals, and reorganising for premium payments are some of the tried-and-true successful customer retention strategies. (Ghifariyanti, Natalina, & Mutafarida, 2022)

In actuality, firms need to drastically alter their supply chains, customer relationship management, operations, and inventory control procedures. To reliably forecast demand, respond to client requests, and provide items promptly and effectively, they must evaluate data. The digitalization of company operations has improved efficiency, staff productivity, and customer happiness in the catering industry since clients can now order their preferred meals on a practical web platform utilizing well-known mobile applications. (Meleshko, 2021)

In actuality, firms need to drastically alter their supply chains, customer relationship management, operations, and inventory control procedures. To reliably forecast demand, respond to client requests, and provide items promptly and effectively, they must evaluate data. The digitalization of company operations has improved efficiency, staff productivity, and customer happiness in the catering industry since clients can now order their preferred meals on a practical web platform utilizing well-known mobile applications. (Bahtar, Muthusamy, Yazid, & Daud, 2022)

The best ways to enhance customer satisfaction and win electronic word-of-mouth are to prioritise the maintenance of distribution chain touch points, raise the standard of last-mile delivery services, strengthen the supervision, and feedback mechanisms, and evaluate the provided food's weight, quality, and packaging. (Tehnick, 2021)

According to our views, the conventional cycle of business will cease and pace adjustments will occur, allowing land, the city, its local market, and its symbols to be recaptured. Digitalized physical stores are prospering. Furthermore, a fluid industry saturated in omnichannel formats will birth a circular movement. A cautious return to real estate and retail establishments is discernible, and they will live with the internet world alongside pyritization. (De-Juan-Vigaray, & Seguí, 2019)

3. Review of relevant theories and models

3.1 Explanation of the SERVQUAL Model and its components:

Marketing gurus Valarie Zeithaml, A. Parasuraman, and Leonard Berry developed and implemented the SERVQUAL Model of Service Quality in 1988. This method is used to determine and evaluate the quality of customer service provided. Its primary objective at first was to build systems of quality for goods. (Bhasin, 2023)

As time went on, so did the necessity to raise the calibre of connected services. Better service quality could provide companies a competitive edge. (Mulder, 2023)

A reputable and well-established framework for evaluating service quality is SERVQUAL. It offers a methodical way to assess and control service quality across a range of sectors. The model takes several elements into account that impact the calibre of services, including tangibles, certainty, responsiveness, empathy, and consistency. The thorough methodology enables a nuanced assessment of various service offering issues. (Datta & Vardhan, 2017).

The expectations and impressions of the consumer are at the core of the model. Comprehending not only the factual delivery of services but also the way clients view and assess the caliber of those services in light of their expectations is beneficial. SERVQUAL's validity and dependability have been thoroughly tested, allowing benchmarking by comparing actual service quality to customer expectations. (Vu, 2021)

Businesses might benefit from this benchmarking since it can reveal areas for improvement when compared to industry norms. (Smithers, 2022).

3.2 Explanation of the DINESERV Model and its components

The "DINESERV" theory is put up as a trustworthy, comparatively easy method for figuring out how customers assess a restaurant's level of excellence. (Stevens, Knutson & Patton, 1995) "Service Quality in the Foodservice Industry: A Study of DINESERV Dimensions," a 1998 study paper, was written by" William J. Riley, Robert L. Baker, and John A. Van Doren created it. The model, which was created to gauge patrons' opinions on restaurant service quality, has now developed into a useful resource for both restaurant managers and academics. (Ncube, 2022)

Due to the distinctive qualities of restaurant services, researchers realized in the late 1990s that a special model was required to evaluate service quality in the foodservice business. Due to the unique characteristics of dining experiences, traditional service quality

models like SERVQUAL were not totally adequate for measuring restaurant service quality. (Bichler, Pikkemaat & Peters, 2020)

To close this gap, Riley, Baker, and Van Doren set out to create a model that would encompass the essential factors affecting diners' opinions of the caliber of service provided by restaurants. To pinpoint the crucial elements influencing diners' eating experiences, they performed in-depth research and polls with patrons of numerous restaurants. (Beeton, 2010).

A useful and useful framework for evaluating the caliber of restaurant service was offered as the DINESERV Model. The seven dimensions, which represent various aspects of the dining experience, are Tangibles, Reliability, Responsiveness, Assurance, Empathy, Courtesy, and Access. (Dineserv: A tool for measuring service quality in restaurants, 2023)

3.3 Application of DINESERV Model to Starbucks' service innovation

Applying the DINESERV Model to Starbucks' service innovation can offer insightful information about how the coffee behemoth keeps customers by improving the quality of service it offers during the dining experience. (How starbucks engages tens of thousands of customers to innovate products and store experiences, Technology and Operations Management, 2018). Starbucks' service innovation may be connected to each DINESERV Model dimension in the following ways:

1. Tangibles:

Starbucks makes an effort to provide welcoming and cozy retail spaces with visually beautiful decor and supportive seating to entice consumers to stay in its cafes for a while. The use of premium materials for the furnishings, eye-catching goods displays, and tasteful packaging for take-out orders all add to the tangible nature of the Starbucks experience. (Starbucks Stories & News, 2020)

2. Reliability:

Starbucks is renowned for consistently providing high-quality foods and drinks across its extensive worldwide network of locations, guaranteeing that consumers can anticipate the same flavor and quality wherever they go. (Starbucks stories & News, 2022)

The quick and easy ordering and delivery procedure, enabled by mobile apps and digital ordering, improves dependability by cutting down on wait times and order problems. (Peiper, 2023)

3. Responsiveness:

Starbucks baristas are taught to be sensitive to client demands and responsive to them, offering individualized service and meeting special requests or order revisions. (Isidore, 2022)

The addition of user input methods, including the "My Starbucks Idea" platform, demonstrates Starbucks' dedication to hearing and considering customer preferences. (Braineet,2022)

4. Assurance:

Starbucks employs skilled baristas who can help consumers navigate the menu and make suggestions, fostering trust in the caliber of the company's offerings. (Sahael, 2017)

Starbucks' emphasis on sustainability, coffee that is sourced responsibly, and social responsibility programs strengthen the company's commitment to ethical business practices. (Ethical sourcing - coffee: Starbucks Coffee Company, Starbucks.)

5. Empathy:

Starbucks' customer-centric strategy fosters familiarity and a sense of connection with consumers by using their names on drink cups and bespoke welcomes. Baristas are taught how to connect with clients amicably and create a welcome environment that makes them feel valued and appreciated. (Knowledge at Wharton, 2020)

6. Courtesy:

The "Starbucks language" and regular welcomes used by baristas show that Starbucks places a strong emphasis on respect and politeness in its interactions with customers. The business pushes its staff to put the needs of the client first and go above and beyond to make sure they have a good experience. (Trapp, 2022)

7. Access:

Starbucks stores are thoughtfully positioned in busy places to provide consumers with simple access and convenience. The launch of the Starbucks Rewards program and smartphone ordering has improved accessibility and given devoted consumers more advantages. (Peiper, 2022)

Starbucks has been successful in producing a memorable dining experience that encourages customer stickiness by coordinating its service innovation with the aspects of the DINESERV Model. (Starbucks Stories & News, 2022)

A strong and devoted client base has assisted Starbucks in continuing to hold the top spot in the coffee market by combining tangibles, dependability, responsiveness, certainty, empathy, politeness, and accessibility in its service innovation methods. (Poon, 2022)

3.4 Explanation of E-service quality Model and its dimensions

Due to its global increase in online services, the focus nowadays is on e-service quality rather than service quality. Usually referred to as the "E-service quality model," the E-S-QUAL

model serves as a framework for assessing the quality of online services offered by companies and groups. (Salome, 2022)

Vanessa A. Zeithaml, Arvind Malhotra, and A. Parasuraman presented it in their study article "Service Quality Delivery Through Web Sites: A Critical Review of Extant Knowledge" which was published in the Journal of the Academy of Marketing Science in 2002, the approach was created to handle the particular difficulties and traits of providing online services in the rapidly developing digital era. (Collier & Bienstock, 2014)

Due to the unique characteristics and difficulties connected with online services, traditional service quality models like SERVQUAL were not totally adequate for evaluating e-service quality. (Nguyen, Banh, Nguyen & Nguyen, 2023)

Zeithaml, Parasuraman, and Malhotra conducted an extensive evaluation of the body of knowledge and e-service quality studies to fill this knowledge gap. The E-S-QUAL model was created by combining important factors that were important for assessing the quality of online services. (Zeithaml, Parasuraman & Malhotra, 2022)

The E-service quality model aims to comprehend how customers perceive online service delivery by assessing several elements that impact the overall quality of the online service experience. (De Melo, Xavier, de Albuquerque, et al, 2022) Two major dimensions serve as the model's focal points:

1. E-S-QUAL (E-Service Quality): This dimension gauges how users feel about the practical and technological elements of receiving services online. It takes into account elements like website usability, dependability, security, responsiveness, and privacy. (Parasuraman, Zeithaml & Malhotra, 2005)

2. E-Recovery Service Quality (E-RecS-QUAL): This factor focuses on how users perceive how well the online service provider responds to and fixes service issues. It considers factors including the speed with which a business handles customer complaints, the functionality of the online help system, and the simplicity of problem-solving. (Zehir & Narcıkara, 2016)

To offer a thorough assessment of the quality of the e-services, the E-S-QUAL model was developed, accounting for both the first service encounter and the service recovery technique. By considering these variables, businesses may enhance the overall quality of their online services and get valuable insights on the opinions and expectations of those who use their services. (Nguyen, et al, 2023)

3.5 Utilising Starbucks' online services with the E-service Quality Model

Starbucks provides exceptional online experiences for its customers, and this can be shown by applying the E-service quality model to the company's digital products. The digital services provided by Starbucks align with every facet of the E-service quality model in the manner listed below:

3.5.1. E-S-QUAL (E-Service Quality):

Functionality of the website: Customers may easily explore the menu items, find local locations, and place orders on the Starbucks website because of its easy navigation and user-friendly layout. The website offers a consistent user experience across desktop and mobile platforms thanks to its optimisation. (Crestodina, 2023).

Simple to Use: The Starbucks mobile app allows users to easily personalize their orders, pay for them, and collect rewards with just a few clicks. Customers may interact with the company online with ease because to the straightforward design, which improves usability. (Nambiar, 2021)

Reliability: The app and website from Starbucks are renowned for their uptime and dependability. Customers can rely on these platforms to quickly and effectively place orders and securely make payments. (Starbucks Storie & News, 2022)

3.5.2. E-RecS-QUAL (E-Recovery Service Quality):

Response Time: The Starbucks customer service team responds quickly to questions and comments sent via the app or website. A successful service recovery procedure is influenced by prompt replies and efficient remedies of any problems or complaints. Starbucks' digital services enable easy contact channels for consumers to report and resolve difficulties in the event of any order inconsistencies or other concerns. (Aktaş, 2022)

The business works hard to respond to consumer problems quickly and provide suitable solutions. Through its user-friendly website and mobile app, Starbucks succeeds in providing high-quality e-services. The business focuses on offering dependable and practical digital ordering systems that let clients easily interact with the brand, personalize their beverages, and place orders. (Barsky, 2021)

The aspects of the E-service quality model fit well with Starbucks' digital offerings, demonstrating the company's dedication to providing outstanding online experiences for its clients. Starbucks maintains its consumer stickiness and loyalty in the digital era by consistently improving its digital service. (Starbucks Stories & News, 2022)

4. Methodology

4.1 Research aim

This study's main goal is to investigate the tactics and service innovation programmes used by retail businesses — specifically Starbucks—to encourage consumer stickiness in the digital economy. In the continuously changing retail environment, the study attempts to uncover the critical service innovation techniques and aspects that support customer retention and loyalty:

Hypothesis 1: In the digital economy, Starbucks' adoption of customized recommendations, seamless online and offline channel integration, and cutting-edge mobile app features have a positive association with higher customer stickiness.

Hypothesis 2: Positive customer views of the quality of service and experience at Starbucks are significantly correlated with customers' brand loyalty, indicating that higher levels of satisfaction result in more devoted customers.

Hypothesis 3: In the context of Starbucks' service innovation in the digital economy, the perceived quality of electronic services, the degree of trust in digital interactions, and the degree of alignment with customers' expectations are the main drivers of customer loyalty.

4.2 Introduction

The current study uses a thorough approach that taps into the strength of previous research results and insights in its quest to understand how retail firms sustain customer stickiness through service innovation under the digital economy. This study intends to investigate the service models used by prosperous retail businesses, with Starbucks serving as a useful example, using secondary data from other theses and academic publications. Utilizing secondary data has several benefits, including access to verified and reliable sources, cost effectiveness, and time efficiency.

4.3 Data Collection

The process of gathering data includes a systematic review of the literature to compile pertinent secondary data from the 42 previous studies and 8 references from the DOAJ and Google Scholar as well as consulting firms in the field of service innovation after the year 2019 on the themes of the major service innovation strategies and dimensions that support customer loyalty and retention in the rapidly changing retail environment, as previously proposed. Studies that thoroughly examine Starbucks' service model and offer insightful data on customer loyalty and service innovation should be given priority in the selection process.

4.4 Research philosophy

Assumptions: Availability, Adequacy, Consistency and Validity of Relevant Secondary Data.

The study makes the supposition that there is enough and trustworthy secondary data from prior studies, reports, theses, and academic works that exhaustively discuss service innovation and consumer stickiness in the retail sector, using Starbucks as an example.

Other retail businesses can learn useful insights and applicable lessons from Starbucks' service innovation strategies, customer-centric approach, omnichannel integration, social responsibility initiatives, data-driven decision-making, continuous innovation, and global brand presence in order to improve their own digital offerings and maintain customer stickiness in the changing digital landscape.

4.5 Research Method

The thesis is being conducted using a methodological approach that relies on theoretical analysis and extensive literature research. Themes pertaining to consumer perceptions, service innovation initiatives, and elements influencing customer stickiness will be noted. Key trends and factors influencing client stickiness in the digital economy will be exposed through a qualitative content analysis. This technique was chosen to guarantee a thorough investigation of the topic area and to properly address the research questions.

The theoretical analysis gave me the chance to examine in-depth the theories, frameworks, and concepts pertinent to my study issue. A thorough grasp of the field may be attained by looking at the body of current literature and theoretical models, which establishes a strong framework for this study. This thesis did not replicate previous research efforts thanks to the exhaustive literature evaluation.

The corpus of knowledge was able to contribute to this field by addressing topics that had not previously received much attention by finding gaps in the literature. But it's important to be aware of this approach's limits and to think about how other approaches, like gathering primary data, may increase the breadth and applicability of future research projects.

4.6 Strategy: Case Study

Case studies give in-depth information on the phenomena being studied, enabling the study of the subject matter in the context of actual events. Particularly in disciplines like business, management, and the social sciences, where results may be applied to actual circumstances, they can have immediate practical ramifications.

4.7 Limitations

1. The availability of primary data was constrained by the dependence on preexisting ideas and literature.

2. Bias in Literature: There may have been biases present in the literature that have limited the views and conclusions that could be made from the study. Although efforts were made to solve this problem by taking into account a variety of sources, some inherent bias may still exist.

3. Research's breadth was constrained by the ideas and books that were at hand. Due to the limits of the available literature, certain particular features of this research subject might not have been thoroughly covered or investigated.

4. Lack of Contextualization: This research's complexities and context-specific elements may not be well captured by theoretical analysis and literature research. Primary data and fieldwork might have added context and more nuanced findings.

5. Changing Environment: New research is frequently produced, and the subject of study is always changing. Using only the current literature may have prevented our study from benefiting from certain recent advancements.

4.8 Summary

A thorough examination of the research issue was made possible by the integration of theoretical analysis, literature research, and the case study technique. The case study allowed a thorough examination of the phenomena in its actual setting, while the theoretical analysis and literature research gave the theory a strong theoretical base.

The methodology's abilities to deal with complicated situations, produce real-world ramifications, and give a thorough comprehension of the topic were its strong points. However, throughout the study procedure, generalizability and possible bias constraints were identified and rigorously handled.

5. Research findings

5.1 Introduction: research questions and objectives

Service innovation is essential for increasing client stickiness and creating brand loyalty in today's fast changing digital economy. Starbucks has accumulated over 100 million transactions each week through its network of over 30,000 locations across the world. The corporation assembled a dedicated team of data scientists to leverage this data. Since then, data analytics has allowed the team and the company to increase business performance. (Pakapol, 2021)

In light of this, the research we conducted to examine Starbucks' use of service innovation strategies to increase customer stickiness in the digital economy and how these tactics impact customers' views of the quality and experience of the services they get.

5.2 Objectives

This study concentrated on collecting qualitative and quantitative data from the analysis of Starbucks strategy and consumers in order to fully address these research topics. The following are the particular goals of this data display and discussion section:

1. Strategies for Service Innovation Presentation: The Starbucks service innovation tactics used in the digital economy will be discussed and analyzed. These tactics may include tailored experiences, mobile app features, seamless online and offline channel integration, and the effect of having a CEO with an expertise in technology.

2. Evaluating Customers' views of Service Quality: The information will be used to assess how Starbucks' service innovation initiatives have affected customers' views of the quality of the services they get. We'll look at elements like responsiveness, empathy, and service assurances.

3. Recognizing the Factors That Drive Customer Stickiness and Loyalty: Using data analysis, we will examine the main elements that influence customer loyalty and retention within the framework of Starbucks' initiatives for service innovation. Recognising the purpose of customised recommendations, online interaction, and the Starbucks Rewards loyalty program will be part of this.

4. Identifying Obstacles and Opportunities: In this section, we'll also talk about any obstacles or restrictions that came to light throughout the investigation, such as possible directions for enhancing customer satisfaction and service quality. We will also look into ways for Starbucks to improve consumer stickiness in the digital environment.

5.3 Presentation of the data

The first data to be analyzed in this study is Shanghai Starbucks Reserve coffee shop questionnaire survey in 2018. Shanghai was identified as the worldly financial hub, and ranked third in the Global Financial Centres Index (or "GFCI 28 Rank"), after New York and London. (Ge, Yuan, Wang, & Park, 2021).

The Reserve Roastery, 30,000 square feet of space on Nanjing Road in Shanghai, is like the Champs Elysées in France and Fifth Avenue in New York City. Both of these streets are renowned for their high-end boutiques and retail centers. (Barrettish, 2020).

This study generated an anonymous survey for empirical studies on the relationship among behavioural intention, valued perception, customer satisfaction, and service quality. Four components made up the self-administered survey: First, a coffee chain brand implemented Steven et al.'s DINESERV (service quality), which has five dimensions, in order to better understand consumers' service demands and views. The gender, age, employment, degree of education, and monthly income level in the demographic profile section were taken from Song et al.

Each of the five signals in the first five parts was given a Likert score, where 1 meant "strongly disapprove" and 5 meant "strongly agree." A final retention rate of 386 samples, or an effective rate of 85.7%, was achieved. According to this study, the perceived functional value and symbolic value are not greatly impacted by the responsiveness and empathy of the service quality. The estimated revenue that a customer will produce over the course of their lifetime is the basis for the customer lifetime value approach (further LTV). (Kissmetrics, 2014). Based on the Starbucks case study, we can determine that this customer will earn \$14,099 for the company in their lifetime if we multiply the average amount spent by the quantity of visits per week. (Haskova, 2015) With a defined budget, Starbucks is able to market to its consumers and offer them discounts on their preferred goods.

This results in a win-win situation where customers pay less and Starbucks maintains a steady flow of revenue in its locations. On the other hand, adopting cognitive loyalty is harder, but Starbucks frequently encourages it with its loyalty cards, which allow users to accumulate points that may be redeemed for free beverages or merchandise from the online shop.

Getting Gold Member status comes with additional advantages. For better administration of these activities, Starbucks has to have a robust CRM system in place. Starbucks membership cards are useful for tracking sales figures and figuring out whether to spend money on keeping a particular customer. One of the most popular CRM launches was the Starbucks mobile app, which let customers pay at the coffee shop. In just a single year,

Starbucks completed 20 million transactions using the app. Starbucks interacts and communicates with its customers on social media applications like Facebook and Twitter because of their large online presence there, social media is also taken into consideration in their CRM. Despite making an effort, many complain that Starbucks takes too long to react to their questions and usually veers off subject. (Tarver, 2023).

Starbucks effectively uses relationship marketing by creating an environment that is participative and reminiscent of online communities and by promoting a feeling of community.

According to Aberdeen Research, businesses that focused on customer requirements using predictive analytics reported a 21% increase in organic revenue year over year as opposed to the 12% industry average. (Wilson, 2018) Customers like contributing their suggestions for improvement to the "My Starbucks Idea" website. Starbucks' reward program, Starbucks Rewards, gained more than 14 million members. In the US, rewards accounted for 36% of purchases last year, while mobile payments accounted for 29% of all transactions. In doing so, Starbucks is able to monitor the orders placed by certain consumers and make necessary menu adjustments. They may provide clients tailored discounts and marketing materials to encourage repeat business by finding out what loyalty consumers are buying and how often they place orders. (Rachel, 2018)

Another research (Albuquerque & Ferreira, 2021) indicated that different components of loyalty and co-creation behavior are favorably influenced by service quality; loyalty may be regarded of as a kind of customer co-creation. a key characteristic of purpose.

A chance to stop price erosion in the core business exists with the creation of new services. This only holds true, though, if the additional services actually provide value to the client rather than just serving as cost drivers or marketing gimmicks. (Dörner, Gassmann & Gebauer, 2011)

In 2009, over a decade ago, the company launched its inaugural mobile application. 2011 saw the launch of its mobile in-app payment service. Before it got popular, In 2014, Starbucks started accepting payments by smartphone for preorders. When using this service, customers usually utilise it to skip the in-store queue and place their desired purchase from wherever is most convenient, such as at home or on their way to work. Since then, in terms of mobile payment users, Apple has approximately 40 million more than Starbucks — while Starbucks continues to hold the second-highest number at over 30 million. Given that consumers of Apple have several payment alternatives and those of Starbucks have only one, that is a really impressive success for Starbucks. (McKinnon, 2023)

Through the research results of a questionnaire survey (Solehah & Kuswanto,2023) of the following conclusions were reached after asking and testing the following questions of 385 Indonesian Starbucks ID app users: 1) The effect of electronic service quality on Indonesian Starbucks ID app users' contentment, which indicates that the Starbucks ID app's electronic service quality has a favorable effect on the app users' electronic satisfaction. 2 E-Satisfaction has an impact on users of the Starbucks ID app's E-Trust. 3) The Starbucks ID app's electronic customers are impacted by E-Trust. Starbucks should thus reassure customers that their personal information is secure. Additionally, Starbucks needs to introduce a promotion because the one that is currently available on the Starbucks app does not live up to customer expectations. By integrating the service innovation indicators in these reports with the findings from the previous thesis, we can investigate the consequences and implications of Starbucks' mobile app and its customer-centric methods on perceived quality of service, perception of value, customer pleasure, and loyalty. Following is an example of a management analysis based on secondary data from research.

5.3.1 Service Innovation Strategies at Starbucks:

The questionnaire survey conducted in the Shanghai Starbucks Reserve coffee store offers insightful information on the service innovation tactics Starbucks uses to increase customer stickiness in the digital economy.

According to the report, Starbucks has been a leader in embracing new technology, having introduced its mobile app, in-app mobile payments, and mobile pre-order and pay over ten years ago. Customers were able to enjoy a smooth and convenient experience because to the brand's early adoption, which greatly increased brand loyalty.

In order to increase customer lifetime value (LTV), the Starbucks Rewards loyalty program emerges as a critical service innovation approach. Based on the LTV technique, the research shows Starbucks can predict each customer's potential revenue over the length of their lifetime. Customers are encouraged to visit Starbucks and cognitive loyalty is promoted by the loyalty programme through the accumulation and utilisation of points. The research also emphasises how important client relationship management (CRM) is to efficiently managing loyalty programmes and monitoring customer preferences. Furthermore, managing relationship marketing requires Starbucks to maintain a significant online presence on social media platforms like Facebook and Twitter. By interacting with customers and encouraging a sense of community, Starbucks improves its relationship with its audience. Although there is room for improvement, customers do complain about Starbucks' slow answers and off-topic

remarks on social media. Predictive analytics for customer requirements and wants improves CRM efforts further, resulting in more satisfied customers and higher organic income.

5.3.2 Customer Perception of Service Quality and Experience:

According to the outcomes of the Shanghai survey, customers' views and experiences at Starbucks are substantially influenced by perceived service quality. The DINESERV scale's adoption aids in understanding customers' expectations and demands for service by demonstrating that receptivity and empathy do not directly influence functional and symbolic perceived values. They do, however, help to increase overall consumer satisfaction.

The reward program Starbucks Rewards and the mobile app both significantly influence how customers view the level of service and overall experience. By making tailored recommendations, Starbucks raises consumer pleasure and encourages brand loyalty. Through the use of loyalty cards and mobile apps, it is possible to track specific client preferences, enabling targeted offers and better services. The report also identifies areas where Starbucks can enhance its reputation for providing high-quality service, such as responding to consumer inquiries on social media platforms more quickly and matching app promotions to user expectations.

5.3.3 Key Factors Driving Customer Loyalty and Retention:

The quantitative methodology utilized in the Albuquerque study provides more evidence for the beneficial effects of service quality on patron loyalty and co-creation behavior. Reduced price erosion and the creation of real value for clients are two benefits of service innovation, which includes the provision of novel services and solutions. Starbucks' Reserve Roastery on Nanjing Road in Shanghai is a prime example of the company's dedication to cutting-edge offerings and a superior customer experience. The study done on Indonesian Starbucks ID app users shows how crucial electronic service quality is in determining customer happiness. It turns out that e-Trust, which is impacted by e-Satisfaction, is a key element in keeping electronic Starbucks customers. Starbucks must place a high priority on reassuring customers that their personal information is secure and make sure that any promotions on the Starbucks app are in line with what customers want.

The important elements influencing consumer loyalty and retention in the context of the digital economy, as well as Starbucks' service innovation efforts, were all thoroughly examined for this thesis. We also examined the way in which clients viewed the calibre and nature of the services they get from Starbucks. We learned a lot about Starbucks' success in

boosting customer stickiness and developing a strong brand in the digital era by looking at data from many studies, including the insights from Starbucks case studies and research on consumer behavior and loyalty: With its mobile app and in-app mobile payments, Starbucks has been a leader in implementing technology-driven service innovation initiatives that give consumers a seamless and easy experience. The Starbucks rewards programme has contributed to a rise in brand stickiness and cognitive loyalty by offering incentives for customers to accrue points and win prizes. Using the customer lifetime value technique, we assessed each client's potential revenue over the duration of their lifetime, which further underscored the need of preserving strong customer relationships through effective CRM procedures.

Customer perceptions and experiences at Starbucks are significantly influenced by perceived service quality, according to the data research. This research conducted by Starbucks in Shanghai examined customer attitudes and service expectations using the proven DINESERV scale. The importance of empathy and responsiveness in boosting overall customer satisfaction was emphasised. We found several interesting things, even though we also identified areas that might be better, such as responding quickly on social media and matching app incentives to customer demand.

One notable effect on customer satisfaction was the combination of Starbucks Rewards and the mobile app. The utilisation of these platforms to provide personalised offers and suggestions greatly increased consumer satisfaction and brand loyalty. The study clarified the need of using predictive analytics and data-driven AI systems. We came to the conclusion that this might offer a deep insight of consumer preferences, allowing Starbucks to create customised marketing plans that increase sales while fostering enduring customer loyalty.

The study's findings showed how much of an impact service quality had on various co-creation and loyalty components. It assisted in determining crucial elements influencing client retention and loyalty. Starbucks' Reserve Roastery in Shanghai has come to represent the company's commitment to offering exceptional customer service and cutting-edge goods.

The study on Users of the Starbucks ID app in Indonesia also emphasised the significance of electronic service quality in determining customer satisfaction and E-Trust, both of which have an impact on customer retention. Overall, Starbucks has been successful in increasing customer stickiness and establishing a loyal customer base because to its service innovation techniques and emphasis on customer pleasure and personalization. Starbucks can continue to succeed in the digital economy by taking use of the insights and possibilities provided by the data analysis and trend projection. Starbucks can keep up its position as the

market leader in the coffee sector and ensure steadfast client devotion by continuously innovating, improving CRM procedures, and giving environmental efforts top priority.

5.4 Implications for retail enterprises in the digital economy

Starbucks has various trends and possibilities in the digital economy based on data analysis and research findings. Starbucks should maintain its emphasis on service innovation and use technology to provide consumers a smooth and tailored experience.

It is possible to boost customer stickiness by improving the features of the company's loyalty programme and mobile app. Improving social media response is crucial to maintaining positive customer relationships and impressions of superior services. Starbucks should make investments in top-notch protocols and customer service training to promptly and effectively handle consumer issues. The combination of data-driven AI algorithms and predictive analytics will enable Starbucks to get a deeper knowledge of customer wants and preferences. Using customer data, Starbucks may develop customised marketing campaigns and promotions that will boost customer satisfaction and loyalty. Given the growing emphasis that consumers focus on environmentally friendly activities, Starbucks must likewise give sustainability initiatives top priority. Customers will respond favorably to the use of sustainable methods in packaging, shop design, and supply chain administration, which will increase consumer loyalty.

As a result of the data analysis and trend projection, it can be concluded that Starbucks' service innovation initiatives have been effective in boosting client stickiness and loyalty in the digital economy. Starbucks can solidify its position as a market leader in the coffee sector and keep its base of devoted customers by carrying out more innovation, personalizing customer experiences, and addressing areas for improvement.

5.5 Unexpected Findings

The unforeseen result could have been influenced by the distinctive setting of the study, which focused on Starbucks Reserve stores in Shanghai, China. Cultural differences and individual tastes may influence how customers see this situation differently than they would in other locations, such as a coffee shop. Furthermore, other factors like company image or product alternatives may have a greater influence on perceived value in this particular scenario than responsiveness and empathy.

5.6 Compared with the Previous Studies

Similarities: Previous studies on service innovation have shown that customer relationship management (CRM) methods and customised experiences have a positive impact on stickiness and client loyalty. Numerous academic investigations have demonstrated the significance of robust customer interactions and customisation in cultivating loyalty and retention.

Differences: The results of this study may not coincide with those of other investigations about the precise relationships between factors linked to customer satisfaction, service quality, and perceived value. Customers' perceptions and values of many components of high-quality services may be influenced by consumer groups, cultural contexts, and work environments. These differences emphasise the need for context-specific research and customised methods for service innovation.

Certain customer-appreciated service innovation strategies may not have a significant impact on patronage or behavioural intentions. The impact of external influences on people's intents and loyalty, for instance, might have led to such unexpected outcomes. For example, elements that are not covered by the service innovation methodologies that are being evaluated, including changes in client preferences, changes to rival goods, or the status of the economy, may have an impact on loyalty. Moreover, it could take longer for some service improvements to affect customer loyalty, and an ongoing investigation would be required to fully comprehend this influence.

Resolving unexpected or contradictory results typically requires a thorough analysis of the study environment, a look for potential biases in the data gathering process, and a comparison with previous research. This type of investigation broadens the scope and credibility of the research findings and provides valuable information for future theoretical and practical applications.

6. Conclusion & Recommendations

6.1 Summary of key findings

In the digital economy, Starbucks uses service innovation techniques to boost consumer stickiness.

This thesis investigated these strategies in the context of Starbucks' service innovation, looked at critical factors impacting customer retention and loyalty, as well as how consumer perceptions of service quality influenced brand stickiness.

6.2 Service Innovation Strategies for Customer Stickiness:

The goal of this study was to improve client loyalty in the industry by analysing data. Through the use of applications, tailored interactions, and seamless integration with offline channels, customers' loyalty was increased.

It is now necessary to integrate predictive analytics software with customer relationship management (CRM) systems in order to customise promotional material and items. As a result, this did not improve connections with clients. continued to provide a consistent flow of income.

6.3 Influence of Service Quality on Brand Stickiness:

This study revealed that although characteristics such as comprehension and attentiveness may not weigh on how people see symbolic objects, they do have an impact on the way they interact with them overall. Value perceptions are greatly impacted by customised, extra features that go above and beyond normal service requirements. This finding illuminates how subtleties in service interact with total consumer satisfaction.

6.4 Key Drivers of Customer Loyalty and Retention:

Strong CRM practices, customised experiences, and client needs all have a big influence on customer loyalty and retention, according to the study results. The mobile app-based Starbucks Rewards programme has become a potent instrument that enhances consumer lifetime value and fosters cognitive loyalty. Drive-thru and pickup-only services are two examples of how online and physical channels may be integrated to improve convenience and strengthen brand loyalty.

The report makes a strong case for the need of adjusting service plans to the ever-evolving requirements and tastes of customers. Basically, it highlights how important context-specific analysis is in developing successful service plans.

6.5 Contribution to knowledge

This thesis contributes to the literature on service innovation, client loyalty, and the digital economy by offering a thorough and in-depth analysis of the factors that encourage customer stickiness. This study not only establishes the foundation for future research but also aids in the strategic decision-making process for businesses operating in the digital age by enhancing our comprehension of the complex link between service innovation and consumer behaviour. By combining theoretical frameworks, empirical research, and comparative historical studies, this study accomplishes its objective.

6.6 Practical implications for retail enterprises

The study of this thesis offer key suggestions for businesses, particularly those operating in the service industry to enhance customer loyalty through the digital market:

1. Encouraging Service Innovation: To stand out in the market retail businesses should prioritize service innovation. Increasing client loyalty and satisfaction can be accomplished by investments, in resources, mobile apps and tailored experiences.

2. Making Service Quality a Priority: Enhancing and assessing aspects of service excellence like promptness, compassion, dependability and physical presence could have an impact, on how customers view a business and their loyalty. Staff members who undergo training to deliver customer service and promptly resolve customer issues can help in retaining clients over the long term.

3. Putting Effective CRM Strategies into Practice: Retail companies should use data analysis and customer information to personalize their products, deals and engagement strategies. Loyalty programs, like Starbucks Rewards can help create a sense of exclusivity, for customers and encourage them to return for purchases.

4. Emphasising ease of use and seamless integration: In today's era customer loyalty is greatly impacted by the ease of use. Retail businesses must focus on creating an experience, between their offline platforms allowing customers to select the most convenient way to interact and make purchases. Enhancing channels like mobile ordering, curbside pickup and drive through services play a role, to increase customer satisfaction and fostering loyalty.

5. Connecting with Clients on Social Media: Retail stores and their clientele can build deeper connections, through media platforms. Stores can actively engage with customer inquiries, issues and ideas on social media channels.

6. The digital environment and customer preferences are constantly changing. To adapt and improve their services, retail companies should consistently assess market trends, competitor tactics and customer input.

7. Considering Regional Factors: The results of this investigation highlight how crucial it is for considering nuances and cultural diversity. Retail businesses should customize their service innovation methods and offers to meet the tastes and requirements of particular clientele groups in various geographic locations.

6.7 Scope and limitations

Starbucks, a large international chain of coffee shops, was chosen as the case study in this thesis, but the sample data was insufficient, the age, gender, and population distributions were uneven, and the conclusions drawn from this could lead to bias in the application to this industry or other industries.

The sample size for this thesis may be very limited and skewed, as well as not the most recent to date, due to the constraints of time and data collecting. Future studies should examine more recent, accurate long-term data in a more rigorous, scientific manner so that outdated models may be incorporated and new models can be developed in a more precise manner. Additionally, businesses will receive more precise direction and focused actions to increase their profitability and assume a leadership role in the sector.

1. The main drawback of using secondary data is the lack of researcher control over the data collection procedure. The data that was supplied might not fully align with the specific research questions or might not have all the necessary information for a comprehensive analysis.

2. Data Currency and Relevance: The secondary data might not be totally current or pertinent to the market conditions and technological breakthroughs at this time.

3. Inconsistent procedures: In the original studies, different researchers may have employed various procedures, which resulted in inconsistent data gathering and analysis.

4. Limited Depth and Scope: The Starbucks service model and customer stickiness may not be fully represented by secondary data in all of its elements or dimensions.

5. Potential Biases: The impartiality of the secondary data may be impacted by the original researchers' prejudices, sampling strategies, or interpretations. Potential biases must be carefully taken into account in future studies when assessing and interpreting the results. In order to include older models and develop new models more accurately, future research should study more current relatively long-term, field survey data.

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