

Starbucks Sales Slide Again, but Gen Z Is Vibing With Its Marketing Refresh

Starbucks reported another sales decline in Q3 2025, but CEO Brian Niccol said recent marketing investments have driven a perception boost among millennial and Gen Z consumers.

The Numbers

2% – decline in global same-store sales, a steeper drop than expected.

4% – net sales increase year-on-year to \$9.5 billion, surpassing its projected \$9.29 billion.

34 million – 90-day active members now using the Starbucks Rewards program globally to earn and redeem points in store.

Watercooler Talk

Starbucks is in the midst of executing its strategic “Back to Starbucks” turnaround plan focused on reclaiming its place in coffee culture and modernizing operations to revive sales.

Though the coffee giant just posted its sixth straight quarterly sales decline, its increased investment in marketing, which Niccol said in January would be close to double last year’s, is yielding fruit.

In January, Starbucks ran a national campaign with newly appointed creative agency Anomaly, set to the tune of “That’s Not My Name” by the Ting Tings, which focused on its famous personalized cups.

Around the Super Bowl in February, the pair debuted “Hello Again.” Soundtracked by AC/DC’s “Thunderstruck.” The Big Game-adjacent push was hailed by the brand as “a declaration of a return to our roots with a celebration of coffee and connection,” and the creative highlighted the barista rituals that make Starbucks unique. The Monday after the Super Bowl, Starbucks extended the campaign by offering free coffees to members of its Starbucks Rewards club.

Niccol said these marketing moves, coupled with operational changes in-store and on its Rewards app, are changing brand perceptions. “Customers are liking our marketing and noticing that our speed, hospitality, and accuracy are improving,” he said, adding customer connection scores are up while complaints are down since last quarter.

“Customer value perceptions are near two-year highs, driven by gains among Gen Z and millennials, who make up over half our customer base,” he added.

Niccol, who previously helped reinvigorate Chipotle’s business, said Starbucks had “fixed a lot and done the hard work on the hard things to build a strong operating foundation.” He added: “Based on my experience of turnarounds, we are ahead of schedule.”

Key Quote

“In early 2026 we’ll launch significant innovations in our Starbucks Rewards program, addressing key customer feedback and introducing exciting new features designed to grow loyalty, brand love, and engagement,” said Niccol.

“We have an incredible digital business and in 2026, we’ll lean further in with a new Starbucks app and significant enhancements to mobile order and pay that will further improve our ability to deliver a great customer experience at pickup as we work to turn around the U.S.”

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