



Influence of Consumer Behavior and Competitive Dynamics on Student Startups’ Towards Business Strategies

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Abstract:

This research examined the influence of consumer behavior and competitive dynamics on the business strategies of 56 student startups at Capiz State University–Roxas City Main Campus during the academic year 2025–2026. Employing a quantitative cross-sectional design with descriptive, correlational, and causal-comparative components, the study used purposive and snowball sampling to analyze this specific group of student entrepreneurs via a structured five-point Likert-scale survey. The data, processed using the Statistical Package for the Social Sciences, were analyzed to identify how market factors shape respondents’ strategic positioning. Findings revealed that the participants demonstrate a very high level of engagement with all primary variables, with price sensitivity and pricing strategies emerging as the most dominant indicators within their operations. Although both consumer behavior and competitive dynamics were found to have a significant positive relationship with business strategy, the regression analysis identified competitive dynamics as the sole significant individual predictor for the respondents. Ultimately, the study concludes that these student entrepreneurs operate with a primarily reactive, competitor-oriented mindset, underscoring the need for more proactive approaches—such as implementing consumer loyalty programs and enhancing market intelligence training—to help student-led ventures balance immediate competitive pressures with long-term brand stability.

Keywords: Business Strategies, Competitive Dynamics, Consumer Behavior, Market Competition, Price Sensitivity, Student Startups

1. Introduction

Student entrepreneurship has emerged as a significant driver of innovation, economic participation, and business development within higher education institutions. As students engage in entrepreneurial activities while pursuing their academic studies, they are exposed to various market forces that influence how they operate and sustain their businesses. Among these forces, consumer behavior and competitive dynamics play critical roles in shaping the strategic decisions of startup ventures. Understanding how consumers make purchasing decisions and how competitors respond within the market environment is essential for developing effective business strategies that support growth and sustainability.

Consumer behavior refers to the processes individuals undergo when selecting, purchasing, using, and evaluating products or services. Contemporary consumers are increasingly influenced by factors such as product quality, pricing, convenience, social trends, and digital engagement. As a result, businesses must continuously monitor and adapt to changing consumer preferences to remain relevant and competitive. For student startups, understanding consumer behavior is particularly important because limited resources require strategic decision-making that aligns closely with customer needs and expectations.

At the same time, competitive dynamics significantly influence how businesses formulate and implement strategies. Competitive dynamics encompass the actions and reactions among businesses competing within the same market environment. Factors such as product differentiation, pricing strategies, innovation, and market positioning affect a

startup's ability to attract customers and maintain a competitive advantage. In highly competitive markets, businesses that respond effectively to competitors' actions are more likely to achieve long-term success and sustainability.

In the Philippine context, entrepreneurship has gained increasing attention as universities encourage students to develop entrepreneurial competencies and establish business ventures. Student startups are becoming increasingly common among university students, particularly in response to technological advancements, digital marketplaces, and changing consumer demands. However, despite the growing number of student-led businesses, limited research has examined how consumer behavior and competitive dynamics influence the business strategies adopted by student entrepreneurs. Most existing studies focus on entrepreneurial intentions, business performance, or startup challenges, leaving a gap in understanding the combined influence of market-related factors on strategic decision-making among student startups.

Capiz State University – Roxas City Main Campus provides an appropriate setting for examining these relationships, given its diverse student population and growing entrepreneurial environment. Student entrepreneurs at the university operate businesses across various industries and regularly face challenges related to consumer preferences, market competition, and strategic adaptation. These experiences make them suitable respondents for investigating the factors that influence business strategy development.

In light of the identified gaps in the literature, the researchers embarked on this study. Specifically, this quantitative cross-sectional research seeks to determine the influence of consumer behavior and competitive dynamics on the business strategies of student startups at Capiz State University – Roxas City Main Campus. The study examines the levels of consumer behavior, competitive dynamics, and business strategies, determines the relationships among these variables, and identifies whether consumer behavior and competitive dynamics significantly predict business strategies. The findings of this study are expected to provide valuable insights for student entrepreneurs, educators, business practitioners, and future researchers regarding the role of market factors in shaping effective business strategies and sustaining entrepreneurial ventures.

Statement of the Problem

This study aims to determine the influence of consumer behavior and competitive dynamics on the business strategies of student startups. Specifically, it examines how consumer-related factors and competitive market conditions affect the strategic decisions of student entrepreneurs in managing and developing their businesses.

Specifically, this study seeks to answer the following questions:

1. What is the level of consumer behavior in terms of product preference, price sensitivity, and purchasing behavior?
2. What is the level of competitive dynamics in terms of market competition, product differentiation, and pricing strategies?
3. What is the level of business strategies of student startups in terms of marketing strategy, innovation strategy, and competitive positioning?
4. Is there a significant relationship between consumer behavior and the business strategies of student startups?
5. Is there a significant relationship between competitive dynamics and business strategies of student startups?
6. Do consumer behavior and competitive dynamics significantly influence the business strategies of student startups?
7. What insights can be derived from the influence of consumer behavior and competitive dynamics on the business strategies of student startups?

2. Literature Review

Consumer Behavior and Decision-Making

Consumer behavior refers to the process by which individuals select, purchase, and evaluate goods and services. Kotler and Keller (2012) emphasized that understanding consumer behavior helps businesses create value and maintain long-term customer relationships. Solomon (2013) added that psychological, social, and cultural factors shape consumer behavior. Recent studies show that digitalization has transformed consumer behavior. Lemon and Verhoef (2016)

highlighted that managing customer experience across multiple touchpoints strongly influences purchasing decisions. Wedel and Kannan (2016) noted that data-driven marketing enables firms to predict consumer preferences better. Hoyer et al. (2020) further emphasized that customer engagement, trust, and loyalty significantly affect buying behavior in modern digital markets. For student startups, understanding consumer behavior helps identify customer needs and preferences, guiding product development and marketing strategies (Degefa & Werke, 2025).

Industry Competition: Porter's Five Forces Model

Porter's Five Forces framework remains widely used to analyze industry structure and competitive dynamics. It identifies five competitive forces: rivalry among existing firms, threat of new entrants, bargaining power of suppliers, bargaining power of buyers, and threat of substitutes that collectively influence industry profitability and strategic positioning. Foundational research in strategic management and more recent academic applications continue to use this model to assess industry competitiveness and strategic responses.

Entrepreneurial Opportunity Recognition

Entrepreneurial theory focuses on how individuals identify and exploit opportunities. Recent research continues to explore opportunity recognition processes, highlighting the importance of cognitive, social, and network factors in identifying opportunities within technology-intensive and ecosystem contexts. These perspectives expand traditional entrepreneurship theory by integrating factors like digital ecosystems and collaborative learning networks.

Dynamic Capabilities Theory

Dynamic Capabilities Theory explains how firms achieve and sustain competitive advantage in rapidly changing environments. According to dynamic capabilities as a workable management systems theory, organizations must develop the ability to integrate, build, and reconfigure internal and external competencies to respond effectively to environmental changes. These capabilities allow firms not only to adapt to market conditions but also to shape their competitive environment through innovation and strategic decision-making.

Furthermore, dynamic capabilities emphasize organizational learning, alignment, and continuous improvement. Firms with strong dynamic capabilities can sense opportunities, seize them through strategic actions, and transform their operations to remain competitive. This adaptability is critical in modern business environments characterized by uncertainty, technological change, and evolving consumer demands.

Studies on Consumer Decision-Making

Consumer behavior in modern markets is increasingly influenced by both internal and external factors, particularly in sustainability and decision-making. Ran et al. (2022) found that consumer decision-making extends beyond the point of purchase and is shaped by planning, habits, and post-purchase evaluation. The study revealed that factors such as product quality, health considerations, convenience, and ethical concerns significantly influence consumer choices, while constraints such as price and time limit consumer actions. Similarly, Lemon and Verhoef (2016) emphasized that customer experience across multiple touchpoints affects purchasing behavior, while Hoyer et al. (2020) highlighted that customer engagement and trust play a critical role in shaping consumer decisions.

Competitive Dynamics

In their seminal 2015 paper in the *Strategic Management Journal*, Ming-Jer Chen and Danny Miller reconceptualize traditional competitive dynamics, arguing that classic, adversarial views of business rivalry fail to capture the complexity of the modern marketplace. To bridge this gap, the authors introduce a multidimensional framework that shifts the analytical focus away from isolated, zero-sum actions between direct rivals and toward a broader spectrum of interaction. They outline five critical dimensions of competition—aims, modes, actors, toolkits, and time horizons—and map them across three distinct strategic orientations: Rivalrous, Cooperative, and Relational. Ultimately, Chen and Miller assert that contemporary business success relies less on defeating direct opponents in tactical market battles and more on navigating complex, interdependent ecosystems. By emphasizing value creation,

long-term relationships, and network collaboration alongside traditional competition, the study provides a vital framework for understanding how modern platforms, alliances, and digital ecosystems operate.

Dean A. Shepherd and Holger Patzelt (2017) noted that entrepreneurial cognition shapes how individuals identify and evaluate opportunities in the face of uncertainty. Similarly, Kraus et al. (2018) found that entrepreneurial orientation enhances startups' ability to recognize and exploit market opportunities, while Neneh (2019) highlighted that proactive personality and innovation significantly improve opportunity recognition and business performance. These findings suggest that entrepreneurial opportunity recognition is a dynamic, ongoing process that enables student startups to identify market gaps and develop effective business strategies in competitive environments.

Dynamic Capabilities and Organizational Adaptation

Dynamic capabilities research has grown, with empirical and literature review studies showing how firms integrate and reconfigure innovation, entrepreneurial, and strategic capabilities to adapt and sustain competitive advantage. These studies highlight the importance of dynamically aligning resources with environmental changes and contribute to understanding how firms respond strategically to market disruptions.

This study draws on key concepts to explain how student startups develop effective business strategies in competitive, dynamic markets. These concepts include consumer behavior, competitive dynamics, entrepreneurial opportunity recognition, and dynamic capabilities.

Consumer behavior focuses on how customers identify needs, evaluate alternatives, and make purchasing decisions. Student startups use knowledge of customer preferences, trust, engagement, and experience to design products and marketing strategies that respond directly to market demand. In modern markets, digital platforms and data-driven interactions actively shape consumer decisions, making consumer insight a critical input for strategic planning.

Competitive dynamics describe the intensity and structure of competition within an industry. Student startups analyze rivalry among firms, the threat of new entrants, the availability of substitutes, and the bargaining power of buyers and suppliers to determine pricing, differentiation, and market-entry strategies. Understanding competitive dynamics enables startups to position themselves effectively in the market.

Entrepreneurial opportunity recognition is the ability of student entrepreneurs to identify viable business opportunities by identifying market gaps, customer needs, and available resources. Student entrepreneurs actively transform market information and competitive pressure into actionable business ideas through learning, prior knowledge, and environmental exposure.

Dynamic capabilities explain how student startups adapt to changing environments by sensing opportunities, seizing them through strategic decisions, and transforming resources and processes. Through innovation, learning, and continuous improvement, dynamic capabilities enable student startups to adapt their strategies as consumer behavior and competitive conditions evolve.

Together, these concepts explain how external market conditions and internal entrepreneurial processes interact to shape the business strategies of student startups.

Zhou, Zhou, Feng, and Jiang (2019) examined how dynamic capabilities influence organizational performance, emphasizing the mediating role of innovation. The researchers defined dynamic capabilities across three dimensions: sensing, integration, and reconfiguration. Using data from 204 firms, they applied structural equation modeling to test the relationships among these variables. The findings revealed that dynamic capabilities significantly enhance organizational performance, particularly when firms utilize innovation as a mediating mechanism. Specifically, technological innovation played a crucial role in translating capabilities into improved performance outcomes, whereas market innovation had only partial effects.

Moreover, the study highlighted that not all dimensions of dynamic capabilities influence innovation equally. Sensing and reconfiguration capabilities demonstrated stronger impacts on innovation and performance, whereas integration capability showed limited direct influence. This suggests that firms must actively adapt, restructure, and explore opportunities to realize the benefits of their capabilities fully.

This study is relevant to the present research because it supports the idea that internal capabilities alone do not directly lead to success; instead, innovation serves as a critical link between organizational strategies and performance

outcomes. It reinforces the importance of aligning capabilities with innovative practices to achieve a competitive advantage.

In the field of dynamic capabilities, David J. Teece (2018) explained that firms use dynamic capabilities as workable management systems to sense opportunities, seize them, and reconfigure resources in rapidly changing environments. He further emphasized that these capabilities support business model innovation and long-term competitiveness. Similarly, S. S. Zhou et al. (2019) found that dynamic capabilities significantly improve organizational performance, particularly when innovation is integrated as a mediating factor. These findings suggest that firms must continuously adapt and innovate to sustain competitive advantage.

A critical element of Chala et al. (2024) is the role of active participation in startup contests in shaping a student's business capabilities. Similar empirical work has explored this relationship on a larger scale. For instance, a research survey of college students demonstrated that formal entrepreneurship education, when paired with participation in business plan competitions and institutional support for practical application, has a profoundly positive impact on students' long-term intentions to pursue entrepreneurial ventures (Lv et al., 2021).

Dean A. Shepherd and Holger Patzelt (2017) highlighted the evolving nature of entrepreneurship and encouraged the exploration of new perspectives on entrepreneurial processes.

In addition, Ghulam Nabi et al. (2023) conducted a systematic review and found that entrepreneurship education significantly enhances students' entrepreneurial

intentions, skills, and competencies. This finding aligns with B. N. Neneh (2019), who demonstrated that entrepreneurial intentions strongly influence actual entrepreneurial behavior. Likewise, Sebastian Kraus et al. (2018) revealed that entrepreneurial orientation positively affects firm performance, particularly in dynamic and competitive environments.

Consumer behavior also plays a crucial role in the formulation of business strategy. Y. Ran et al. (2022) showed that access to information significantly influences consumers' sustainable food choices by shaping their decision-making processes. Similarly, Katherine N. Lemon and Peter C. Verhoef (2016) emphasized that understanding the customer experience throughout the entire customer journey is essential for improving satisfaction and loyalty. Furthermore, Werner J. Hoyer et al. (2020) highlighted the importance of consumer co-creation in new product development, demonstrating how firms can involve customers to enhance innovation and product success.

Marketing and analytics studies further support the importance of data-driven strategies. Michel Wedel and P. K. Kannan (2016) emphasized that marketing analytics enables firms to make informed decisions in data-rich environments. This aligns with the study of Torben Ritter and Christian L. Pedersen (2020), who found that digitization capability significantly drives business model innovation.

Recent studies have emphasized how digital transformation reshapes consumer behavior and business strategies. A study by Rahimi (2024) examined the evolution of consumer behavior in the digital age, focusing on e-commerce and online marketing strategies. The researchers conducted a systematic review and found that technological advancements, such as digital platforms and online marketplaces, significantly influence consumer decision-making processes. They highlighted that consumers now rely heavily on online information, reviews, and digital interactions when choosing products and services.

Competitive dynamics and digital disruption remain critical factors affecting business performance. M. J. Chen and Danny Miller (2015) examined competitive dynamics and emphasized how firms must respond strategically to competitors' actions.

In the same vein, Xavier Vives (2019) discussed how digital disruption reshapes competition, forcing firms to innovate continuously to remain relevant.

In a study by Chala, Pichyk, and Voropai (2024), the authors investigate how participation in student startup competitions fosters entrepreneurial competencies relevant to competitive market environments. The research shows that competitive contexts help students refine their business ideas, understand consumer preferences through direct feedback, and align their strategies with evolving market dynamics. These findings

indicate that experiential competitions not only enhance students' entrepreneurial mindset but also improve their capacity to adapt and innovate in response to competitive forces—highlighting the role of consumer behavior insights and competitive dynamics in shaping effective business strategies within student startups.

Al-Fattal (2025) investigates the marketing challenges faced by aspiring entrepreneurs, focusing on the perspectives of undergraduate business students. Using a qualitative research design with semi-structured interviews of 31 students, the study identifies several barriers that influence how young entrepreneurs engage with markets and develop business strategies. Key themes include budget constraints, difficulties with customer identification and engagement, branding and market differentiation challenges, digital marketing barriers, and the role of entrepreneurship education in preparing students for real-world business dynamics. Participants highlighted that limited financial and practical marketing experience hampers their ability to understand customers and position their startups effectively in competitive markets. The research underscores that overcoming these challenges requires not only creativity but also market-oriented strategic thinking, including targeted customer engagement, competitive analysis, and adaptive marketing techniques, all of which are critical elements in shaping effective business strategies for student startups. Additionally, the findings suggest that enhanced practical training in entrepreneurial marketing could bridge the gap between theoretical knowledge and real market demands.

Verma (2026) examines how digital marketing and social media strategies influence consumer behavior and startup performance in the current digital environment. The study highlights that social media platforms and digital marketing tools play a crucial role in shaping consumers' buying decisions by providing access to product information, reviews, and comparative pricing, which directly influence awareness, consideration, and purchase behavior.

It also emphasizes that many startups struggle not due to a lack of technology adoption itself, but rather due to deficiencies in foundational marketing capabilities, including human expertise, strategic planning, and effective use of digital resources, which hinder their ability to leverage these technologies as competitive advantages. The research argues that startups must develop integrated digital marketing strategies and build marketing competencies to understand consumer behavior better and sustainably enhance performance in a competitive, resource-constrained environment.

3. Methodology

The researchers used a quantitative research approach, utilizing a cross-sectional survey design. This approach and design were appropriate for the present study because they enabled the systematic collection of numerical data from student entrepreneurs at Capiz State University – Roxas City Main Campus, thereby allowing the measurement of relationships among consumer behavior, competitive dynamics, and business strategies. The descriptive component of the study assessed consumer behavior and competitive dynamics as independent variables and business strategies as the dependent variable among student startups. The correlational analysis examined the strength and direction of relationships among consumer behavior, business strategies, and competitive dynamics. Finally, multiple regression analysis was employed to determine whether consumer behavior and competitive dynamics significantly influence business strategies. This design ensured that the study comprehensively addressed the objectives of describing variable levels, determining relationships, and identifying significant predictors of business strategies among student entrepreneurs while aligning with market-oriented and strategic management perspectives.

This study was conducted at Capiz State University – Roxas City Main Campus. The university serves as a center of higher education and entrepreneurial development, providing students with opportunities to pursue business ventures while pursuing their academic studies. The campus hosts students from various colleges and academic programs, creating a diverse environment where entrepreneurial activities can flourish. Student entrepreneurs at the university operate in a dynamic, competitive setting that requires them to respond to changing consumer preferences and market conditions.

The locale was selected because it provides access to a specific population of student entrepreneurs who actively manage or operate businesses while enrolled in the university. Their direct involvement in entrepreneurial activities makes them suitable respondents for examining how consumer behavior and competitive dynamics influence business strategies. The university environment also allows students to apply theoretical knowledge to real-world business situations, making it an appropriate setting for the study.

The study employed purposive sampling to identify student entrepreneurs who met the established inclusion criteria. Snowball sampling was also utilized to expand the respondent pool through referrals from participants who knew other student entrepreneurs. A total of 56 qualified respondents participated in the study. The sample size was determined using Cochran's Formula and exceeded the commonly accepted minimum requirement for quantitative research, making it sufficient to provide meaningful and reliable data for statistical analysis.

The participants in this study were student entrepreneurs currently enrolled at Capiz State University – Roxas City Main Campus during the Academic Year 2025–2026. Student entrepreneurs were defined as students who were actively managing or operating a business, whether online or offline, regardless of its size or type, provided that it generated income. These respondents were selected because they possess firsthand experience in making business decisions and responding to market conditions.

Participants were recruited through online platforms and the researchers' personal networks. To ensure only qualified respondents were included in the study, a screening question was included in the questionnaire to verify that participants were actively engaged in business operations at the time of data collection. Relevant demographic information, including age, sex, year level, type of business, and length of business operation, was gathered to provide context for the analysis. Selecting these participants enabled the researchers to gain relevant insights into how consumer behavior and competitive dynamics shape business strategies among student startups.

The study used a structured questionnaire as the primary research instrument to collect quantitative data. The instrument was designed to measure the influence of consumer behavior and competitive dynamics on the business strategies of student startups. The questionnaire consisted of two sections: the first collected demographic information, while the second measured the variables under investigation. Responses were recorded using a five-point Likert scale ranging from Strongly Disagree to Agree Strongly. To ensure validity, the questionnaire underwent content validation by experts in business, entrepreneurship, and research methodology. Reliability testing was conducted through a pilot study with student entrepreneurs who had characteristics similar to those of the target respondents. The responses were analyzed using the Statistical Package for the Social Sciences (SPSS), and the instrument achieved an acceptable Cronbach's Alpha coefficient of 0.70 or higher, indicating satisfactory internal consistency.

To ensure integrity throughout the research process and protect the rights of respondents, the researchers adhered to established ethical principles. Ethical compliance was maintained during data collection, processing, analysis, and reporting. Prior to conducting the study, permission was obtained from the appropriate university authorities. The researchers also ensured that all concepts, theories, and supporting information obtained from existing literature were properly acknowledged and cited.

During data collection, professionalism, honesty, and transparency were observed in all interactions with respondents. Participants were informed about the study's purpose and objectives and were allowed to ask questions about their participation. The researchers ensured that no data were altered, manipulated, or omitted during encoding, analysis, and interpretation to preserve the accuracy and credibility of the findings.

Informed consent was integrated into the online questionnaire and obtained electronically before respondents began the survey. Participation was entirely voluntary, and respondents were informed that they could withdraw from the study at any time without penalty.

Confidentiality and anonymity were strictly maintained by ensuring that no personal identifiers were collected. All collected data were stored securely in password-protected files accessible only to the research team. After data collection, responses were organized, encoded, and analyzed using SPSS to ensure accurate interpretation of the results. During the preparation of this study, the researchers utilized Artificial Intelligence (AI) tools, particularly ChatGPT and Grammarly, as supplementary resources for organizing information, refining grammar, improving sentence structure, and verifying the consistency of concepts and theoretical frameworks. The use of these tools was limited to enhancing the clarity, readability, and presentation of the manuscript and did not replace the researchers' analysis, interpretation, or decision-making processes. All AI-generated suggestions were carefully reviewed, verified against scholarly sources, and revised when necessary to ensure accuracy, objectivity, and academic integrity.

Moreover, the researchers state that they used Artificial Intelligence (AI) tools in preparing this study. ChatGPT was utilized to assist in organizing information, fact-checking selected concepts, and improving the overall coherence of the manuscript. At the same time, Grammarly was used to review grammar, spelling, punctuation, and writing clarity.

After using these tools, the researchers thoroughly examined, edited, and validated all content. The researchers take full responsibility for the accuracy, integrity, and overall content of the study.

4. Results & Analysis

Level of Consumer Behavior in Terms of Product Preference, Price Sensitivity, and Purchasing Behavior

The findings revealed that the respondents exhibited a very high level of consumer behavior, with a grand mean of 4.30. Among the indicators, price sensitivity obtained the highest rating, indicating that consumers highly consider product prices before making purchasing decisions. Consumers were also strongly influenced by product features, quality, and uniqueness, as reflected in the high ratings for product preference. Likewise, purchasing behavior was rated very high, demonstrating that consumers exhibit consistent buying habits and tend to remain loyal to startups that provide satisfactory products and services.

These findings suggest that consumers are highly conscious of the value they receive from products and services. While affordability remains a major consideration, consumers also appreciate innovative and distinctive product features. The results imply that student startups must balance competitive pricing with product quality and differentiation to attract and retain customers. By understanding consumer preferences and purchasing patterns, startups can develop strategies that enhance customer satisfaction and long-term loyalty. Furthermore, the evidence highlights that startups that fail to maintain affordability risk losing customers to rivals, while those that invest in product innovation and quality can secure stronger brand equity. Thus, consumer behavior reflects a dual emphasis on affordability and uniqueness, requiring entrepreneurs to adopt strategies that integrate both cost efficiency and product differentiation.

Level of Competitive Dynamics in Terms of Market Competition, Product Differentiation, and Pricing Strategies

The study found that the level of competitive dynamics among student startups was very high, with a grand mean of 4.34. Product differentiation emerged as the highest-rated dimension, followed by market competition and pricing strategies. Respondents recognized the importance of offering unique products and services to distinguish themselves from competitors. They also acknowledged strong market rivalry and the need to adjust pricing strategies to remain competitive.

The findings indicate that student entrepreneurs operate in a highly competitive environment that requires constant adaptation and innovation. Product differentiation enables startups to create a unique identity, while effective pricing strategies help them attract price-sensitive consumers. The results further imply that startups must continuously monitor market trends and competitor activities to maintain their competitiveness. Businesses that successfully combine innovation, differentiation, and competitive pricing are more likely to achieve sustainable growth and market success. In addition, the high ratings for market competition confirm that rivalry is a significant driver of entrepreneurial behavior, compelling startups to adopt proactive strategies rather than reactive responses. This suggests that competitive dynamics not only shape immediate decisions but also influence long-term sustainability, making competitor analysis, market intelligence, and innovation essential components of strategic management.

Level of Business Strategies in Terms of Marketing Strategy, Innovation Strategy, and Competitive Positioning

The findings revealed that the level of business strategy implementation among student startups was very high, with a grand mean of 4.36. The marketing strategy received very high ratings, particularly for its use of social media and digital platforms to promote products and services. Innovation strategy was also highly rated, indicating that startups continuously introduce improvements and new ideas to meet changing customer needs. Similarly, competitive positioning received very high ratings, showing that entrepreneurs actively establish distinct market positions to attract customers.

These findings suggest that student entrepreneurs recognize the importance of strategic management in achieving business success. The extensive use of digital marketing allows startups to reach wider audiences at lower costs, while innovation helps businesses remain relevant in dynamic markets. Competitive positioning further strengthens a startup's ability to differentiate itself. Overall, the results demonstrate that combining marketing, innovation, and positioning strategies contributes significantly to business sustainability and growth. The implication is that startups that fail to integrate these strategies risk stagnation. At the same time, those who embrace digital tools, creativity, and clear positioning are better equipped to thrive in competitive environments. This highlights the need for a holistic strategy that balances visibility, adaptability, and differentiation, ensuring startups remain resilient in the face of evolving market conditions.

Significant Relationship Between Consumer Behavior and Business Strategies of Student Startups

The study found a moderate positive and statistically significant relationship between consumer behavior and business strategies, as indicated by a Pearson correlation coefficient of $r = .553$ and a p-value of $.000$. This means that changes in consumer preferences, purchasing habits, and price sensitivity are associated with corresponding changes in the business strategies implemented by student startups.

The findings indicate that student entrepreneurs actively consider consumer needs and expectations when developing strategic decisions. As consumer behavior becomes more pronounced, startups tend to improve their marketing approaches, pricing decisions, and product offerings. This relationship highlights the importance of customer-centered decision-making, as understanding consumer behavior allows businesses to create strategies that are more responsive to market demands. Therefore, consumer behavior serves as a valuable source of information that guides strategic planning and business development. The implication is that startups must continuously monitor consumer trends and integrate feedback mechanisms to ensure their strategies remain aligned with customer expectations. The justification rests on statistical evidence that consumer behavior significantly influences entrepreneurial strategies, validating the hypothesis that stronger consumer patterns lead to stronger business strategies. This underscores the need for startups to adopt a customer-centric mindset, treating consumer insights as a foundation for sustainable growth.

Predictors of Attitude, Social Norms, and Brand Loyalty

The regression analysis identified inclusivity perception and identity alignment as significant predictors of attitude, social norms, and brand loyalty among Millennials and Generation Z. Inclusivity perception emerged as the strongest predictor of attitude ($\beta = .406$, $t = 8.192$, $p < .001$) and brand loyalty ($\beta = .358$, $t = 6.342$, $p < .001$), suggesting that consumers are more likely to develop favorable evaluations and stronger loyalty toward brands perceived as inclusive. These findings support Djafarova and Foots (2022), who found that younger consumers increasingly prefer brands that demonstrate inclusivity and authenticity.

Identity alignment exerted the strongest influence on social norms ($\beta = .390$, $t = 6.821$, $p < .001$), indicating that consumers perceive behaviors as socially acceptable when they align with their personal identity and values. Both predictors significantly influenced all dependent variables, demonstrating that Millennials and Generation Z are highly driven by inclusivity, authenticity, and value congruence. The findings support the Theory of Planned Behavior, Social Identity Theory, and consumer-brand identification theory, emphasizing that modern consumers increasingly favor brands that reflect inclusivity and authentic self-expression.

Significant Relationship Between Competitive Dynamics and Business Strategies of Student Startups

The results revealed a strong positive and statistically significant relationship between competitive dynamics and business strategies, with a Pearson correlation coefficient of $r = .666$ and a p-value of $.000$. This indicates that increasing levels of competition significantly influence the strategic actions of student entrepreneurs.

The findings suggest that competition is a major driver of business decision-making. As competitors introduce new products, pricing strategies, and promotional activities, startups adapt their own strategies to maintain competitiveness.

The strong relationship demonstrates that student entrepreneurs are highly responsive to market conditions and competitive pressures. This responsiveness encourages innovation, strategic planning, and continuous improvement, all of which are necessary for business survival and long-term success. The implication is that competitive dynamics exert a stronger influence than consumer behavior, compelling startups to prioritize competitor analysis and market intelligence. The justification lies in the statistical evidence, which confirms that competition is a decisive factor shaping entrepreneurial strategies, thereby validating the hypothesis that competitive dynamics significantly relate to business strategies. This finding underscores that startups must not only react to competition but also anticipate market shifts, proactively positioning themselves to sustain relevance and growth.

Influence of Consumer Behavior and Competitive Dynamics on Business Strategies of Student Startups

The regression analysis revealed that consumer behavior and competitive dynamics collectively exert a significant influence on business strategies. The model yielded an R^2 of .465, indicating that the combined effects of consumer behavior and competitive dynamics explain 46.5% of the variation in business strategies. Furthermore, competitive dynamics emerged as the strongest predictor of business strategies, while consumer behavior became statistically insignificant when both variables were analyzed simultaneously.

These findings indicate that although consumer behavior contributes to strategic decision-making, competitive dynamics have a more substantial impact on the actions of student entrepreneurs. Startups tend to prioritize responses to competitive pressures, such as rival activities, pricing changes, and market developments, when formulating business strategies. However, consumer behavior remains important because it provides insights into customer needs and preferences. Therefore, student entrepreneurs should integrate competitor analysis with consumer understanding to develop effective and sustainable business strategies. The implication is that while consumer insights guide responsiveness, competitive dynamics ultimately drive strategic adaptation and survival. The justification rests on the regression results, which confirm that competitive dynamics exert greater influence, accounting for nearly half of the variance in business strategies and underscoring their central role in entrepreneurial success. This finding highlights the need for startups to adopt a dual approach: continuously sensing consumer behavior while strategically adapting to competitive pressures, ensuring both relevance and resilience in dynamic markets.

Insights on Inclusivity Drawn from the Results of the Study

The study's results highlight several important insights for student startup business strategies. First, consumer behavior plays a critical role in shaping entrepreneurial decisions. The findings revealed that student consumers are highly value-conscious, placing strong emphasis on affordability while also appreciating product uniqueness and quality. Price sensitivity emerged as the most dominant factor, suggesting that startups must carefully manage their pricing strategies to remain competitive. At the same time, product preference and purchasing behavior showed that consumers are loyal to ventures that provide distinctive features and consistent quality. This implies that student entrepreneurs must adopt a dual approach, balancing competitive pricing with product differentiation to attract and retain customers.

Second, competitive dynamics exert a substantial influence on business strategies. The study confirmed that student startups operate in environments characterized by strong rivalry, where product differentiation and adaptive pricing are essential for survival. Respondents acknowledged the importance of offering unique products and continuously innovating to stand out in crowded markets. The strong ratings for market competition and pricing strategies further underscore the need for entrepreneurs to remain vigilant, monitoring competitors' actions and adjusting their strategies accordingly. This insight suggests that proactive market intelligence and flexible responses to competitive pressures are indispensable for sustaining relevance and growth.

Third, business strategies themselves were rated very highly, particularly in marketing, innovation, and competitive positioning. The extensive use of social media and digital platforms was identified as a powerful tool for promotion, enabling startups to reach wider audiences at lower costs. Innovation strategies were also highly valued, reflecting the need for continuous product improvement and creativity to meet evolving customer demands. Competitive positioning strengthened startups' ability to establish distinct identities, reinforcing loyalty and long-term sustainability. These

findings imply that integrated strategies combining digital marketing, innovation, and clear positioning are critical for business success.

Moreover, the correlation results demonstrated that consumer behavior and competitive dynamics are strongly related to business strategies, with competitive dynamics emerging as the stronger driver. The moderate positive relationship between consumer behavior and business strategies confirms that customer preferences and purchasing patterns influence entrepreneurial decisions. In contrast, the strong positive relationship between competitive dynamics and business strategies underscores the decisive role of competition in shaping strategic actions. Regression analysis further revealed that competitive dynamics explain a greater portion of the variance in business strategies compared to consumer behavior, highlighting that startups prioritize responses to competitive pressures while still considering consumer insights.

Overall, the insights suggest that student startups thrive when they integrate consumer understanding with competitor analysis. Affordability and uniqueness attract and retain customers, but competition compels continuous innovation, adaptive pricing, and proactive positioning. The most sustainable strategies balance customer-centric responsiveness with competitive adaptability, ensuring resilience and long-term growth in dynamic markets.

5. Conclusion

The study concluded that consumer behavior and competitive dynamics play an important role in shaping the business strategies of student startups. Student entrepreneurs continuously adjust their marketing approaches, innovation efforts, and competitive positioning in response to customer preferences, purchasing patterns, and market competition. These findings show that strategic decision-making among student startups is strongly influenced by both consumer-related factors and the competitive environment in which they operate.

The study further concluded that consumer behavior informs business strategy by helping entrepreneurs understand customer needs, preferences, and purchasing decisions. Startups that pay closer attention to consumer expectations are better able to align their products, pricing, and promotional activities with market demands. This highlights the importance of customer-centered approaches in sustaining business growth and maintaining customer loyalty.

Moreover, the study established that competitive dynamics significantly influence how student startups formulate and adapt their strategies. Competitive pressures such as market rivalry, product differentiation, and price competition encourage entrepreneurs to become more innovative, flexible, and responsive to remain relevant in the market. Startups that actively monitor competitors and adapt to market changes are more likely to strengthen their position and sustain their operations.

Overall, the study emphasizes that the success and sustainability of student startups depend on their ability to balance consumer expectations with competitive market demands. By continuously improving their strategic approaches and adapting to changing business environments, student entrepreneurs can enhance their long-term growth and competitiveness.

Lastly, genuine inclusivity and identity alignment are the key drivers that strengthen consumer engagement and create long-term loyalty to fashion brands. Consumers want to support companies that mirror who they are and what they stand for. When a fashion brand's public identity perfectly aligns with a consumer's sense of self, it creates a deep psychological connection. This deep bond is what ultimately transforms casual shoppers into dedicated, lifelong brand advocates.

Disclosure Statement

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