

Swot analysis of starbucks corporation marketing essay



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Every store is part of a community, and they take the responsibility to be good neighbors seriously. They want to be invited in wherever we do business. They can be a force for positive action- bringing together our partners, customers, and the community to contribute every day. They see that their responsibility-and potential for good-is even larger. The world is looking to Starbucks to set the new standard, yet again.

Suppliers bargaining power is really represent a threat for Starbucks. That they decided to deal with a 51% women or minority ownedsuppliers. Also they are not dealing with suppliers who don't follow the same environmental ethics that are for Starbucks. This may lead them to lose a good opportunity or deal with a supplier that they will not deal with him. Also dealing with small suppliers instead of dealing with limited number of big power full suppliers is not giving them real good deals for facilities and prices.

Economic factors are an important aspects that concern the nature and direction of the economy in which a firm operates. Starbucks also faced criticism from Non Governmental Organizations (NGOs) that urged the company to acquire certified coffee beans, ensuring that those coffee beans were grown and marketed under

Not only this but also, Starbucks organizing activities such as neighbourhood clean-ups and walk-a-thons. Many examples are available on the web site of the company. Policies that also have been implemented are the buying policies, which only allow the company to purchase from those other businesses (suppliers) who follow the same environmental strategy as

Starbucks. This may push the company to lose an opportunity of good deal, because the supplier doesn't follow the company environmental

Starbucks is the biggest coffeehouse multinational corporation in the world, with over 17, 000 shops in 49 countries. The Company initially started selling roasted coffee as its main commodity. Currently, it is a diversified company which deals in food and non-food items such as hot drinks and cold drinks, coffee beans and Panini, pastries, salads, hot and cold sandwiches, snacks, and various other items such as mugs and tumblers. Starbucks also deals in books, film, and music. Many of the company's brands are seasonal or specific to the locality of the store. The Company is famous for its rapid growth and expansion since its inception. SWOT analysis of star bucks corporation is given below.

Starbucks relied on its baristas and other frontline staff to a great extent in creating the ' Starbucks Experience' which differentiated it from competitors. Employees had option to stock share according to their base salaries. Also Starbucks had shared values with their employees who made them proud to work in such successful company, and this created good culture. Schultz decided also to be open and honest with his employees, and let them share in the decision making process. He gave extensive training to employees especially barista employees to give careful attention to customers.

Environment was important to Starbucks. Using this concept Starbucks gave good attention to their suppliers by helping them technically and financially as part of their corporate social responsibility. Also it encouraged all partners to share in the company's mission. Starbucks has deep tacit knowledge, which is difficult to be imitated by competition.

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Starbucks does not generally offer promotional prices on its products. It has a reputation for having pricey drinks; furthermore, Starbucks brand is too expensive. The company mainly depends on the brand for their high revenues, which could be risky from competition. However it seems to be the market leader when it comes to new products and ideas. Starbucks has found more success advertising on a local level rather than to the nation as a whole. The Company advertises a lot through print mediums, as Starbucks' target market tends to be educated people who do more reading than the average person. In 2005, Starbucks spent \$87.7 million on advertising, or 1.4% of revenues.

The main operation for Starbucks divided into local operation in USA and international operation. Starbucks depended mainly on their employees to manage operation, that's why they focused on training employees as they are the main asset in the company. They are managing all stores in USA, however, they are in the international operation sometimes manage their store, or give licenses, or get into joint ventures with existing companies. But they focus on their operation on the quality of their coffee. Starbucks deals with international small suppliers. Starbucks made good deals with their suppliers to supply coffee with fixed prices rather than using the Fair Trade Coffee. They mainly use non-smoking restrictions in their stores, however in some countries because of culture conflicts they had to have either smoking rooms or smoke areas in the air. One of the main advantages Starbucks has is the accumulative experience of their employees in operation, this is due to the low turn over they have and their focus on employee satisfaction.

the few retail companies to invest considerably in employee training and provide comprehensive training to all classes of employees, including part-timers . Company depends on their personnel in their high revenue, which is very risky as if they lost some of the key persons. Early 2000s, the company began to show signs that its generous policies and high human resource costs were reflecting on its financial strength. Although the company did not reveal the amount it spent on employees, it said that it spent more on them than it did on advertising. While the industry turnover rate is about 200 percent, Starbucks maintains a turnover rate of only 60 percent. Due to this low turnover, Starbucks has lowered their training time and costs. Furthermore, 82% of the partners rated being “ very satisfied” and 15% as “ satisfied” with their jobs when asked by outside audit agencies.