

Exploring strategy:
starbucks.
presentation of
analysis of strategic
implications...

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STARBUCKS' ANALYSIS OF STRATEGIC IMPLICATIONS By Location

Introduction Companies that intend to gain competitive advantage usually undertake a rigorous exercise of identifying their resources, capabilities, and competencies. After successful identification of all of these, the company ranks them to determine the most valuable resources as well as the distinctive competencies. The development of business strategies should focus on exploiting the available distinctive competencies and the valuable resources. It is critical for companies to ensure that they exploit all the available resources and capabilities. The Starbucks Company is a leader in sourcing and roasting coffee, which forms its main product line. Without doubt, the company has certain valuable resources as well as distinctive competencies that can define both its current and future strategies. This paper will discuss the strategic implications of Starbucks' identifies resources, capabilities, and competencies.

Starbucks' Capabilities and Resources

The Starbucks Company has numerous resources that it can employ in an effort to gain competitive advantage in the market. One of its leading resources is a main line of products recognized across the globe. Moreover, it has an outstanding reputation associated with the quality of its products and services. Starbucks also prides itself in having effective marketing and corporate social responsibility strategies. Over the years, Starbucks has had valuable human resources in the form of employees, partners, customers, and suppliers (Bingham & Eisenhardt 2008, p. 249). Some of its partners include Pepsi and Unilever. In addition, Starbucks has outstanding competencies such as marketing, making quality coffee, quality customer

service, a high level of efficiency, employee motivation, and training employees.

Strategic Implications of Starbucks Resources and Capabilities

One of the outstanding strategies used by Starbucks currently is ensuring that it offers customers a unique atmosphere, which defines its brand. This strategy seeks to exploit the rare resource of an enduring reputation that Starbucks enjoys. Therefore, Starbucks uses its reputation to gain a sustained advantage in the market. In different stores across the globe, the Starbucks experience and atmosphere remains unique (Mooney 2007, p. 110). In addition, Starbucks exploits its valuable main line of product by creating a specific Starbucks coffee culture. The flavours and tastes of coffee available at Starbucks are rare and prove to be inimitable by other companies. In addition, Starbucks ventures into extensive research in an effort to develop new products that will promote its existing image of quality. For example, it launched the instant coffee via in 2009. More recently, Starbucks has introduced a diverse range of sandwiches and new items on the menu in an effort to ensure that it can serve people during lunch hour (Michelli 2007, p. 79). Through the formation of partnerships with companies such as Pepsi and Unilever, Starbucks benefits immensely by reducing the distribution costs. The company also has established training programs to ensure that its employees are motivated and empowered increasing their retention period. This ensures that the company can deliver quality services and products.

Conclusion

Notably, Starbucks has valuable resources that can offer a sustained

advantage such as reputation and high employee retention. These being the most valuable resources, the company's strategies should focus on exploiting them to ensure profitability. This is why Starbucks has different strategies of motivating and retaining employees. On the other hand, the company ensures that its reputation is well guarded. Other resources such as equipment and marketing strategies give the company a temporary competitive advantage. Its main product line and customer service place it on an even front with competitors. Therefore, Starbucks should focus further differentiation to gain competitive advantage.

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