

Starbucks corporation marketing audit and corporate strategy



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In this dissertation, as you already noticed from the title, I will research all the relevant data in order to produce sterling marketing audit of Starbucks Coffee Company. As (Frederick E. Webster p. 322) says: " Marketing Audit itself is simply an in-depth, comprehensive analysis for all aspects of the firm`s marketing activities. It should be conducted by a team of observers who are not part of the operation being audited, although they could come from other parts of a larger company, for example. The Audit looks at six areas of the marketing function: strategy, organization, systems, productivity and specific functions or decision areas. Speaking in other words, Marketing Audit helps us to examine all the process within or out of an organization and enable to draw clear picture of the further development of a company.

I have chosen The Starbucks Coffee Company because I like to drink coffee and I like to drink it in Starbucks. So I decided stick closer to that company in order to spend some time of my life, working for the brand I like.

" The story of Starbucks Company started in the early 1970s, when 3 academics - English teacher Jerry Baldwin, history teacher Zev Siegel, and writer Gordon Bowker - opened a store called Starbucks Coffee, Tea and Spice in Pikes Place Market in downtown Seattle.

This sophisticated coffee culture was customized rapidly for wider audiences, especially with the incorporation of marketing specialist Howard Schultz in the early 1980s. The company remained very small up to the 1980s with only four stores in the Seattle area.

However after inspiring trip to Italy, Schultz transformed the company to become not only a place where you can buy beans of coffee and learn about <https://assignbuster.com/starbucks-corporation-marketing-audit-and-corporate-strategy/>

their properties but also taste it in a very comfortable atmosphere. So part of the success of the Starbucks story was not based on quality of the product they sold but on all the other elements that surrounded it. However, it also introduced new possibilities to the consumption of coffee. In contrast to the traditional coffee place in Europe, the Starbucks experience involved the possibility of multiple choice; different types of coffee, different types of roasting, different brews, and multiple combinations with, cocoa, and other flavours." (Anne M. Cronin, Kevin Hetherington p. 154-155)

At present Starbucks is the leading retailer and roaster for brand specialty coffee in the world. It has over 1, 796 stores, including company-operated, in Australia, Canada, Chile, China (Northern China, Southern China), Germany, Ireland, Puerto Rico, Singapore, Thailand and the United Kingdom employing more than 170, 000 partners (employees) in 43 countries.

Aims and Objectives

The main aim of Dissertation is to critically review Starbuck Coffee Company`s marketing environment, objectives, strategies and activities. To identify difficulties, problems and opportunities, produce a marketing strategy and make recommendations for improved operation.

My audit is also aimed to help Starbucks Coffee Company establish their brand in the market place to represent:

quality

corporate social responsibility

community engagement

wellness

multidimensionality (the baristas, the music and environment, the look and feel of the store, the food and involvement in the community)

emotional connection between consumer and brand

innovation

respect

partnership

excellence

experience

artistic (products)

creativity

As (P. Kotler, K. Keller, M. Brady, M. Goodman, T. Hansen p. 373) say: “

Customer must see any competitive advantage as a customer advantage

Companies must also focus on customer advantages. Then they will deliver

high customer values and satisfaction, which leads to high repeat purchases

and ultimately to high company profitability” So All of those aspects are vital

for creating corporate image of Starbucks Coffee Company in order to secure

leading positions on the market. Only continuous development of processes

within and out of the company can bring competitive advantage in today's "business game".

I will also study the current marketing objectives of Starbucks Coffee Company in order to understand what aspects are important for further business strategic development. That will help me to get closer to the problems, which Starbucks have or will have in future.

The current key marketing objectives are:

To establish Starbucks as one of the most recognized and respected brands in the world;

To continue expansion of Starbucks retail operations;

To grow Starbucks Specialty Operations[1]

To selectively pursue other opportunities to leverage the Starbucks brand by introducing new products and developing new channels of distribution;

To become the leading retailer and brand of coffee in each of its target markets by selling the finest quality coffee and related products and by providing each customer a unique Starbucks Experience[2];

To increase Starbucks market share by opening additional stores in existing markets and opening stores in new markets where the opportunity exists to become the leading specialty coffee retailer.

The key areas that I am going to examine:

Market overview;

Starbucks products and their place in current market;

Starbucks products lifecycle;

Market penetration;

Competitors, suppliers, and distribution analysis;

The macro environment;

SWOT analysis (Strengths, Weaknesses, Opportunities and Threats);

Financial analysis;

Advertising, marketing and promotion activities;

Current marketing strategy

Recommendations

Starbucks has reached its growth by maintaining a deep knowledge of the product, carefully monitoring the quality of the product, carefully choosing the stores locations, recruiting only knowledgeable management members at all levels, maintaining a high level of employee performance, matching the store capabilities with the store location, adopting aggressive growth tactics to maintain pressure and stay ahead of competition, leveraging and growing the Starbucks brand through the introduction of new products and the development of new distribution channels. (http://www.calarosbay.com/files/Auch-Roy_StarbucksCaseStudy.pdf)

Starbucks clearly did build too much too fast, and had the misfortune to do it just as a downturn in the economy and consumer spending made it harder for any retailer to turn a profit. (<http://www.time.com/time/business/article/0,8599,1819839,00.html>)

It could be suggested that Starbucks in its objectives should include such points as “ slim down” its menu with healthier drinks, try to build its brand more edgier and younger, try to change Company’s value by broadening its menu and lowering its prices. Lower prices, less bitterness and faster service across the system. It also means that the “ coffee aroma” is not as meaningful as convenience of purchase. Starbucks needs to offer food-healthy, good tasting, authentic and made-for-you menu items, with low “ carbon footprints.” Granting that it is very important to appeal to all five senses in the Starbucks branding model, the coffee aroma should be the very first sensory impact at the entrance area of every store. But once inside, other smells can take over.

I started to work with the aim to identify key factors that may help company get closer to the customer and improve important processes within and out of the company in order to meet the expectations of the consumer.

Methodology

Doing my research I will require verified data and information to secure helpfulness and relevance of this dissertation.

I plan to conduct information for my work in books, journals, articles as well as will use Internet for gathering all the financial data such as fiscal year

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reports. I will also use Internet if any extra information for my work will be needed.

Using Internet you can never be sure that information you conducted can be reliable and trustworthy that is why I decided to use as minimum information from the Internet as I can.

The financial data is one of the most important things I will collect that is why I am going to use government sites in order to secure originality of the documents that will be needed.

Risk Register

From my point of view the biggest problem that may occur in writing this dissertation is accessibility of up to date data about Starbucks Company. After doing my first research on that aspect I found it hard or even impossible to find up to date data about fiscal year 2009-2010. If that fact will bring difficulties in writing my audit I will order fiscal year reports, which are available online, for cash. I believe that in the process of work I will find and use the newest sources of information as possible.

Thinking about other risks that may affect the quality of my dissertation I can mention the availability of literature which I will use in preparing my dissertation.

Sometimes I face some difficulties in finding and ordering the book I need from the library (University of Greenwich Medway Campus) because books which I need are usually rented by other people and the period of waiting may take very long time. So as an alternative I have registered in other

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libraries around Kent in order to minimize the time of waiting for any literature I will need. I will also use [www. books. google. com](http://www.books.google.com) site in order to obtain information from the book, which I have already returned to library.

Starting my dissertation I have done my Risk Register and rectified any possible problems that may occur during my work.