

Marketing information and starbucks marketing essay



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Starbucks started off as a small coffee shop in 1971. The founders consisted of Gerald Baldwin, Gordon Bowker and Ziev Siegl who exchanged their ideas and launched their first outlet at the Pike Place Market in Seattle. In the early 1980s Howard Schultz joined Starbucks and has later felt the need that Starbucks needed to market themselves. He wanted to create a brand image that would attract customers and help them to differentiate their coffee outlet from other competitors. Schultz visited Italy and was 'impressed with their popularity and culture.' He thought it would be a good idea to bring the espresso bars, lattes and mochas to Seattle. Throughout the years Schultz has managed to differentiate Starbucks, creating a very strong brand image in the most unique way in American's minds, gaining its competitive advantage through the comforting physical environment that they adapt encouraging the lounging experience. Schultz successfully embedded the fact that their outlets are now a 'third place' for people (which came in between home and work). Doing this, Starbucks now has successfully moved out of Seattle and go global having more than 6000 outlets around the world (in approx. 30 countries).

Technological Change

Over the past couple of years there has been an increase and globalisation. Companies found it much easier and simpler to move internationally and operate in new markets. All this has made it possible due to the advancement in technology over the past couple of years. Schultz has tried to extract as much use as it can from the benefits of technology. Starbucks was able to use technology to help them with their marketing strategies, research and development, production etc. When it comes to their products

coffee outlets where constantly redesigned as new methods of making beverages where employed. The installation of 'verismos' machines help improve the quality of their espressos and maintain it when serving it to its customers.

If our partners can do their job well and their technology not limiting them then in the end you have a happy customer." -Sang Choe (In-store Tech).

Starbucks used technology to improve their process and thus gain their competitive edge at reducing the time taken for customers to place their order and receive their drink (reduce the number of dissatisfied customers). The internet has made it easier for Starbucks to advertise its brand as well as use it 'as a search tool' when it comes to employing people in international markets.

Other small supplementary services Starbucks uses technology to differentiate and add value for their customers is being the first to introduce Wi-Fi to their coffee outlets, were known to be the first cyber cafes. Starbucks also has its own network which offers 'music downloads premium news and entertainment.' Their iPhone application to create your own beverage has hit more than 2million downloads as soon as it was introduced. This all has helped them stand out and be different from the huge competition of coffee shops that exist not only in America but in other international markets.

Marketing Information and Starbucks

Every company that plans to enter international markets follows the

Marketing Information System. The above flow chart shows us how any <https://assignbuster.com/marketing-information-and-starbucks-marketing-essay/>

typical internationally recognized company goes about in designing a marketing strategy when moving to new markets.

A Market Information System is a ' set of procedures and practices employed in analyzing and managing marketing information, gathered continuously from sources inside and outside of a firm'.

Starbucks first does spend a lot of time in gathering information about a market it may want to open up to. They take into consideration the channels, competitors that exist, the political, legal and economic issues that are faced in that country. Here they try to find out any possible reason as to why it may or may not be a good idea to invest in launching an outlet. Some cases that fall under this research was the Starbucks Logo issue that was held in Saudi Arabia. The logo was considered ' inappropriate' to Saudi Arabia's standards. Starbucks did manage to edit their logo in time to make it more appropriate to markets which had similar issues over their previous old logo.

Starbucks also faced another issue when it came with opening coffee outlets in Israel. Starbucks being an ' iconic American company' made them realise that ' they were a target in Israel.' The company found that it would not be a good idea because they feared that one of their stores would be bombed and concluded as ' a risk' to open in Starbucks.

After focusing on the different dimensions of their potential marketing environment Starbucks uses various methods to pool in information from Internal Report System (secondary past data) and Marketing Research system (primary data) which would help them analyse and interpret the collected data in the form of Marketing Intelligence Systems (making sense <https://assignbuster.com/marketing-information-and-starbucks-marketing-essay/>)

out of statistics etc) and Marketing Models. Together Starbucks can finalize in making their marketing decisions (three types: strategic, control and operational).

http://ie.starbucks.com/en-ie/_About+Starbucks/History+of+Starbucks.htm

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