

Starbucks- marketing

[Business](#), [Marketing](#)



Introduction's environmental factors micro environmental factors are the forces close to the company that affect its ability to serve its customers. The factors are also known as the Internal environmental factors such as the company itself, marketing intermediaries, its suppliers, customers, competitors and publics which are wealth or close to the company that have an impact on the organization strategy. Macro environmental factors macro environmental factors are the larger societal forces that affect the micromanagement.

The factors are also known as external environmental factors such as demographics, economic, natural, technological, political and cultural which are the larger forces beyond the company's control. Organization abstractness's Corporation is the premium retailer and well-known as the fastest-growing food and beverage company in the United States. The corporation was established in Seattle by three coffee aficionados in 1971. They started their business through purchasing high quality coffee beans, roasting them and sell the coffee to the customers.

The performance of business was modestly at first start; however, it was soon developed into few stores. The business was then continuing to expand after Howard Schultz joined the business by trading in the bulk coffee sales into retail coffee sales. Nowadays, there are more than 2,100 Starbucks locations in US and also around the world. For example, the first Malaysia Starbucks store was opened in KILL plaza in 1998 throughout a joint venture with BREWERY GROUP. Thus, Starbucks not only the country's largest coffee importer and roaster for specialty beans but also larger specialty coffee bean retailer in US.

Superciliousness can refer to manufacturer, distributor, wholesaler, dealership and recreant In supplying products whether they are work-in-progress to an organization for further production or to be sold to its end-users. Cutbacks makes sustainable relationship with their suppliers especially farmers by supporting suppliers' development and the improvement of their performance. For example, Cutbacks gives its suppliers access to credit and education for their children. Cutbacks buy coffee beans through giving the premium price to them as incentives.

Not only Cutbacks can create affinity with their suppliers, it enables the corporation to secure organization's long-term supply of coffee beans. Besides, producing good quality of coffee beans is the priority for Cutbacks. In order to maintain the highest quality coffee, they ensure coffee production protection from workplace hazards through achieving coffee growing and processing standards, offering higher incomes, expanding employments and education opportunities for producers. (Cutbacks Corporation, 2007).

As finest quality of coffee should create Fair Trade Certified coffee, Cutbacks demonstrate the guidelines of Coffee and Farmers Equity (C. A. F. E) to the farmers. Scoutmaster's consists of five types of markets that purchase a company's goods overspent markets, international market and reseller markers. In other words, customer is who purchases the goods and services from an organization and make uses of it. Cutbacks is establishing customers' loyalty by providing a unique and quality music experience . He customers can burn CDC, use listening stations to explore musical recommendations while enjoying their beverages. It can mean an integrated

moment with friends in Cutbacks coffeehouse. In addition, Cutbacks also conducts research on nutritional information and comment cards for customers to satisfy their needs. Marketing internationalization intermediaries refers to resellers, physical distribution firms, marketing services agencies, and financial intermediaries. They help the company promote, sell and distribute its products to final buyers.

Cutbacks collaborates with large retailers in growing its sales. For example, in 1995, the company incorporated with Dryer's Grand Ice Cream to introduce Cutbacks Coffee Ice Cream whereas in the following year, Cutbacks introduced bottled Cutbacks Production coffee drink via a joint venture with Pepsi-Cola Company. Mum Beam Brands Co. 2005). Overall, each of Cutbacks coffee innovations remain the No. 1 products in their respective categories. Mum Beam Brands Co. , 2005).

Today, Cutbacks can be found in a variety of locations, including bookshops, retail centers, supermarket, university campuses, office buildings and airport terminals throughout the promotions and advertising. It is also due to role playing of marketing services agencies conduct research by placing retail stores in high-traffic and high-visibility locations. (Investment Group, 2007). In future, Cutbacks may cooperate with Beam Global Spirits & Wine Corporation to develop a new market of Cutbacks branded coffee liqueur drink.

Publicist's defined as any group that perceives it having an interest in a company's ability to achieve its objectives. The publics include financial publics, media publics, government publics, citizen- action publics, local

publics, general publics and internal publics. For example, the media public has greater influences to the Cutbacks Company through the promotions and advertising on articles. The readers can be the customers for the company. Cutbacks company priority is the social responsibility.

Therefore, it would mean the public is always attracted to the Starboard's performance. Company internal environment company itself refers as the functional areas inside a company that have an impact on the marketing department's plans. The company consists of the top management departments, finance departments, Research and developments departments, purchasing department, manufacturing department and accounting department. The manufacturing department is in charging of producing the finest quality of coffee beans through the supplying coffee beans by the purchasing department.

All of the departments are inter-related. The finance departments are in charge of sourcing funds and generating the funds for the researching tasks. The top management is to keep in review the daily functions of statement to the top management for reviewing and reporting the profits of Cutbacks made. Overall, the department is functioning importantly for Cutbacks company. Comprehensibility's are those who serve a target marker with similar products and services against whom a company must gain strategic advantage.

Nowadays, competitors may become a threat to Cutbacks especially the specialty eateries, fast DOD restaurants, local convenience stores that choose to make out coffees or other beverages. Take for an example,

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McDonald is a fast food outlet who had successfully launched its subsidiary "MacAfee" by supplying premium coffee, specialty blended beverages and desserts to customers. In order to compete with their rivals, Starbucks has launched a new breakfast sandwiches or non-fat specialty drink alternatives which is regarding to the consumer health conscious lifestyles.

Additionally, customers can choose to customize their coffee or lattes by size, type of milks, temperature and flavor additives. Consumers' desire for a "custom" product continued to be satisfied as Starbucks' speed of service increased significantly (Pearce-Robinson, 2004). Also, it can mean of developing the freedom of choice to satisfy the consumers' tastes.

Demographic defined as the studies populations in terms of size, density, location, age, gender, race occupation and other statistics.

According to Central Intelligence Agency (CIA), the world population is estimated at 6. Billion. In accordance to the ADS-Transport 2006, China is the highest population estimated at 1.32 billion which is 20 % of the population. It means China is the highest population density which makes an ideal market for Starbucks to penetrate. Hence, Starbucks continues expanding their existing store base across current markets with a particular focus on China (Starbucks Corporation, 2007). Besides, it is tricky for Starbucks to sell beverage in Africa community or Northern area which has low households income distribution.

The culture of people may prefer tea rather than coffee or the aging problems have being the great stimulation for tea-consuming since tea beverage is known as the healthy drinks. Thus, Starbucks also substitute tea

average other than coffee. Let is a tremendous success that it is not a place to get a cup of coffee; it has a gathering place for socializing and intellectual discussing, particularly students (Cutbacks Corporation, 2007). Hence, not only working-adults but students are also the targeting consumers for Cutbacks. Chlorofluorocarbons, consumers are concerning about the health consciousness lifestyle.

Cutbacks can follow the trend of creating the addition healthy products to sell such as low caffeine coffee and low-fat cakes or even biscuits. Coffee can be encountered as luxury goods. Therefore, Cutbacks must be set up the premises in an ideal area with high income distribution people who are willingly to spend on as their target markets. The attitude of a person can results the efficiency of the works to be done in the short periods. Hence, Cutbacks would like to locate to an area where the populations have a good behavior to work.

As a result, the training and shops are clean and comfortable, service is of the highest quality and health issues are fully addressed since there might be the consumer with most disposable income adapted to high standards environment. The location of premises must be easy access to transportation for Cutbacks which are convenient for workers to be punctuated on time and also customers to visit sometimes. Cutbacks can promote its place as a place of gathering or meet up due to the reason that a proportion number of staffs in downtown prefer to have lunch outside company instead using internal canteen.

It would mean Cutbacks can have many customers on the stores. Currently, Cutbacks is aiming its products to the young people but the average age of the population is getting older and birth rates stagnating. In order to make profits, Cutbacks has to widen their market as the market for young people is weakened. Political of the political factors is government stability. Cutbacks should keep to date by doing research on the political stability of any country that they plan to expand on. There would be a proportion change of taxation or law due to the political stability.

For example, the formation of new government or existing government may bring in tax due to the forthcoming American elections . The International trade regulations or tariff will affect Cutbacks when exporting and importing goods . When another country's government imposes a tariff it not only results in an competence loss for Cutbacks but big income transfers can become incompatible with equity. This extra charge can turn a bargain into a rip-off. Also, trade relations have been adversely affected between the USA and some other countries.

In addition, the high taxation imposed to the farmers would increases the costs of production throughout the taxation policy. Thus, Cutbacks has to purchases the coffee with higher price. However, if a reduction in licensing costs in employment law would help to lower the reduction costs for farmer. In order to expand its business to the international countries, Cutbacks has to take into accounts regarding the international economy while it can influence the sales of Cutbacks in the markets such as when the economy is

in downturn, it is not the alternative time for the business to venture into the new market widely.

Economist economics are the factors that affect consumer purchasing power and spending patterns. Cutbacks are affected by exchange rates when dealing with international trade. If the value of the currency falls in the country of a coffee applier therefore it would enables Cutbacks to get more money when importing the products to the country. However, exchange rates are changing all the time in the market. During the globalization in the coffee market, the earning of the farmer is lower than they used to be. Therefore, the low coffee production can decrease the supply of coffee and profits in Cutbacks.

Moreover, the economic growth is one of the factors that affect the consumer's spending. For example, if the growth is low in the nation therefore sales may also fall. It is due to the reason that the less exposable income of consumers during the negative growth. At the same time, consumer confidence also reduced. A rise in interest rates also would result Cutbacks pulling off its investment plans of expanding its business. The less investor repayments would rise. Thus, consumers have less disposable income to spend on luxury goods such as coffee.

Furthermore, the competitive pricing would occur in the competitive market Therefore, Cutbacks would lower its profits margin as the rivals are attempted to increase in order to maintain the shares of the company.

Inflation is the increasing price in the economy. Cutbacks will have to set the new price lists when the business costs inflation. Although the prices of

goods increased nowadays but income remains the same in which it lessens customer's spending rate in Cutbacks Coffee. Thus, consumer will think twice before overspending in Cutbacks due to the hike in other goods.

The borrowers will have more advantages during inflationary rate. The firms would only pay less back than in 'real terms' to the lenders as the value of the money will decline over the period. Technological is the forces that create new technologies, new product ND market opportunities. The rate of technological is changing intensely. The users are in demanding the high- speed of internet so that information can transfer within few seconds. In order to keep up with the competitors, Cutbacks would have to invest greatly in the growing market.

Besides, the developments of coffee making machines and the computers that Cutbacks use to run their cash registers not only enabling the workers to work efficient and effectively but also giving the good impression for the customers who are to be served shortly. Also, the productivity of the company can be increased by serving more customers in a day. Moreover, Cutbacks must undergo the research and developments by improving the accessibility of its websites. Hence, customers can make out their order on the Cutbacks website and new ideas always constantly update to the menu of Cutbacks.

Unnaturally are the natural resources needed as inputs by marketers or that are affected by marketing activities. Nowadays, the wastes were often created by Cutbacks customers after they leave Cutbacks stores. Therefore, the innovation for the packaging of the cup from Cutbacks must be

recyclable or environmental friendly in order to reduce the pollution problems. Besides that, Starbucks has to consider the efficient way of disposing their waste since there are strict laws applicable to the company of keeping clean for the environment.

If the company is not abiding to laws, which not only can tarnish the reputation the brand name of Starbucks but also sanction would be imposed financially. Moreover, environmental pressure group is playing a vital role of influencing an organization. Starbucks should be the physical and influential power of groups such as Greenpeace and Friends of the Earth. Any abuse of animal or environmental rights by a company is always followed rapidly and attention-drawing dissent from one of the groups.

Subsequently, brand name and customer are often irreconcilably tarnished by the actions of these groups. In conclusion, Starbucks has established itself to become the premium purveyor of the finest coffee in the world. Although Starbucks has achieved its growth by becoming the leading retailer and brand of coffee in its target markets, however, strategy and investing in innovation in order to prevent competitors stealing their market share. Besides, Starbucks has to strengthen with their supplier in order to satisfy the needs of the customer.