

Social responsibility and the greatest challenge facing starbucks

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Social responsibility is a strategic move for companies. In order for companies to maintain a successful position in the market, they know that they should be liked by many. This is crucial in the preservation of brand equity—the more people regard a brand or a company well. By taking care of its relationships with its various stakeholders, Starbucks knows the key for a company to succeed in the modern marketplace.

The good thing about Starbucks is that it finds a way to strike a balance between its various stakeholders, with strategic management we know that Starbucks start at setting objectives for its investors or shareholders. Of course, in order to fulfill these objectives, it needs to build its relationships with its suppliers in order to get the best quality coffee, then with its employees to ensure that they will provide quality service and good products to consumers as part of a great in-store experience; finally, it needs to give back to its environment and communities where it operates in. All of these prove to be consistent, coherent and in line with the financial objectives, by balancing its priorities among the stakeholders.

We could see that the adoption of social responsibility to Starbucks' overall corporate strategy is a strategic move itself, by seeing that the company operates in a larger whole such as the society, and knowing that in order for it to succeed, those who will be affected by its actions should benefit too. Not only will it give Starbucks a good reputation and association; it will ensure that it is in line with its strategy in order to fulfill its objectives and live up to its mission.

The success of Starbucks lies in its ability to position itself as the “ place next to home.” By providing products and an environment that customers want,

Starbucks has grown so rapidly. However, Starbucks sees that rapid growth and business success is not free—the more successful it is, the more people there will be to pose criticisms for the company and look for loopholes to hamper its growth. One key to having a successful business and brand is being liked by the people and forces among its immediate environment. Thus, business ethics and care for its various stakeholders, while not the primary driver of success, is one of the main factors to ensure its sustainability in the market. By being favored by the various stakeholders, criticisms by various groups are offset by its efforts to adopt business ethics in its business practices.

The growing concern of Starbucks in its environment and various stakeholders are not only good and ethical but also strategic by nature. The care Starbucks have on its employees, apart from its good intention, has a direct effect on employee turnover and productivity; the company recognizes that in order to reinforce the positioning of its brand, it needs the help of its employees by delivering the brand messages when interacting with consumers, in order to create the Starbucks experience. The company also recognizes that by helping its suppliers and ensuring a fair-trade business practice in its operations, not only will it be liked by many but will also ensure a long-term relationship with these stakeholders.

Clearly, Starbucks knows the essence of doing business—taking care of its relationships with stakeholders. The company knows that by taking care of its relationships with these groups, success follows. Whether it is a question of strategy or intention, it is clear that what Starbucks does as apparent in its various ethical practices help ensure its success in the marketplace.