

Research company research papers examples

[Business](#), [Company](#)



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Starbucks started its operation in Indian market in year 2012. Starbucks is an emerging brand in Indian market dealing with various challenges.

Research Question:

The research study will explore how Starbucks can effectively deal with the challenges faced in Indian Market.

Research question is: How Starbucks can become top coffee player in Indian market.

Importance of the Question for Starbucks:

The question is very important for the company because India is second largest populated country in the world. Indian economy is emerging and market has huge potential in terms of growth, and availability of target market. All multinational companies across the world focus on achieving continuous growth and increase in business profit. American companies such as Starbucks also want to achieve continuous growth by expanding their

business in developing countries. India is fastest growing market that is attracting investors from across world. India is a diversified country with presence of multiple well established local coffee operators such as Café Coffee Day and Barista Lavazza. Therefore, It is important for the Starbucks to explore how can deal with diversity and competition in Indian market in order to become large operator in Indian market (Ray, 2013).

Information on the company:

Starbucks is an American company operating in around 65 countries with 17,000 coffee outlets. The company was formed in year 1971 by G. Bowker, J. Baldwin, and Z. Siegl. Starbucks entered in Indian Market in year 2012 by forming joint-venture Tata Starbucks Limited (50/50). Starbucks is operating around 58 coffee houses in India. According to Avani Davda, CEO Starbucks India, marketing strategy of the Starbucks in India is focusing on long-term growth (William Pride, 2014, p. 308-309).

Summary of Learning Outcome of the Research Study:

The launch of Starbucks in India in partnership with Tata was a success at initial entry level. Tata helped Starbucks through supply chain starting from growing to trading. However, company is facing political, social, culture, and economic challenges that are unique in establishing brand in Indian market (Zerrillo et al., 2013). The research study will provide more insight on the environmental challenges that company is facing in Indian market. Research study will also help in understanding, how Starbucks can be a top coffee company in Indian market. Starbucks need to handle competition effectively in India (Atwal and Bryson, 2014, p. 102, 108).

Research Paper Outline

- Introduction
- Discussion and Recommendation
- Strategic Alliance and Effective Dealing with Political-Economic Challenges.
- Strategic alliance help company in understanding local business environment, and fulfilment of rule & regulations.
- Strategic alliance also help in availability and efficient utilization of resources.
- Dealing with Social-Cultural Diversity by Responding to the Unique Consumer Needs.
- Cultural diversity influence consumers' needs and satisfaction.
- Identification of cultural requirements is important to develop customized products and services.
- Customize service create wow factor and achieve customer satisfaction.
- Dealing with Competition by Product Differentiation and Unique Positioning.
- Understanding competitors and their strategy helps in designing competitive marketing strategy.
- Product differentiation and unique positioning attract customers and help in achieving desired market share along with organizational growth.
- Conclusion

Research Paper

1. 0 Introduction

Starbucks successfully operating across 65 international markets with its 17,000 coffee outlets. The company was formed in year 1971 by G. Bowker, J.

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Baldwin, and Z. Siegl. The company is well known for its quality products, great taste and efficient services. Starbucks started its operation in India in the year 2012 by forming a joint venture with Tata Company. Starbucks' operation in India was never easy as company is continuously facing different challenges posed by business environment, and socio-cultural factors. India is a diversified country and each city has its own characteristics of the target market. The country also has presence of well-established local players who are in better position to understand local needs of Indian consumers. The challenges in front of Starbucks is to understand local social and cultural needs of the consumers, understand environmental factors and effectively respond to the competition by product differentiation and unique position of the brand.

2. 0 Discussion and Recommendation

2. 1 Strategic Alliance and Effective Dealing with Political-Economic

Challenges:

Starbucks alliance with Tata Global Beverage Limited resulted into forming Tata Starbucks Limited. Tata is a large Indian company that has good knowledge of Indian market. Strategic alliance with Tata is helping Starbucks in several ways.

a) Strategic alliance helps company in understanding local business environment, and fulfilment of rule & regulations. Ray (2013) mentioned that “ Firms that partake in today's business environments shape alliances not only to access necessary resources, technologies, and new markets, but also as a means for acquiring the know-how, procedures and intelligence that let them build synergies and realize long-term competitive advantage” (Ray,

2013, p. 824). Local partner also facilitate completion of all documentation work, and help in forming processes that legally correct.

b) Strategic alliance with Tata helps Starbucks in availability and efficient utilization of resources. Tata has good database and relationship with local suppliers which ensure that Starbucks receive timely delivery of desired raw material at competitive prices. Bargaining power of suppliers, rivalry between competitors, and threat from substitute are important factors which impact success of company in international market. Strategic alliance provide information on different market forces. Strategic alliance with local company make Starbucks aware about the political, social, economic, culture, and technical factors.

2. 2 Dealing with Social-Cultural Diversity by Responding to the Unique Consumer Needs:

a) Cultural diversity influence consumers' needs and satisfaction. Customers across the world do not show same behavior. How consumers perceive brand and quality is different across locations. Consumers' taste is largely get impacted by their cultural and eating habits. With reference to the Indian market William (2014) said that “ Starbucks must still contend with socio-economic and economic barriers, not only in India more of a tea-driven society, but most domestic coffee companies sell their beverages at fraction of Starbucks prices in the United States” (William Pride, 2014, p. 309).

b) Identification of cultural requirements of the consumers is important for the Starbucks to develop customized products and services. Tea is deeply rooted in Indian culture for several years. India is a tea producing country, and tea is most popular beverage among all class of consumers. However,

young generation and some elite class of people prefer coffee. Indian consumers mostly prefer large quantity of milk in their coffee. Therefore, it is important for the coffee company to understand the local taste of the Indian consumers to provide customer satisfaction.

c) Customize services create wow factor and achieve customer satisfaction. The goal of Starbucks to deliver unique customer experience. Company said “ It happens millions of times each week – a customer receives a drink from a Starbucks barista – but each interaction is unique” (Zerrillo et al., 2013, p. 4/21). Starbucks should understand what experience Indian customer wants when visiting outlet of a premium coffee company. Company should understand different needs of customers such as fast delivery of customized coffee, ambience of the outlet modern yet traditional, and value added service i. e. Wi-Fi connectivity and music. Fulfillment of different consumer’s needs will help company in providing unique experience.

2. 3 Dealing with Competition by Product Differentiation and Unique Positioning:

a) Understanding competitors and their strategy helps in designing competitive marketing strategy. Starbucks is facing tough competition from Café Coffee Day and Barista Lavazaa and various other local companies. Starbucks is a premium coffee brand, hence, company cannot attract customers by adopting low pricing strategy. Starbucks should understand what company can offer that other competitors are not providing. For example company can offer value added services such as free Wi-Fi, music on demand, specialized or customized table service etc.

b) Product differentiation and unique positioning attract customers and help

in achieving desired market share along with organizational growth.

Starbucks will attract customer by establishing brand as a luxury brand that offer unique services and experience to the consumers. Atwal and Bryson (2014) mentioned that “ Cultural and Social norms are softening ., but the obligation of Indian family remain strong. this is where ability of possessing luxury brands feels ‘ worth it’ for many” (Atwal and Bryson, 2014, p. 109).

Conclusion

Findings of the research study conclude that Starbucks is facing different challenges in India such as diversified local culture, tough competition in the market, and changing socio-economic environment. Large Indian population prefer tea, however, the taste of young population is changing, and people are liking coffee. Starbucks needs to differentiate its offering to attract consumers because local Indian coffee companies are offering coffee at very low prices. Therefore, it is important for Starbucks to offer unique experience to the consumers. The paper concludes that Starbucks can succeed in India by addressing local socio-economic and cultural needs of the consumers, and by offering unique experience to its consumers.

References

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