

# Starbucks new tap app marketing plan phase i, ii, and iii essay sample

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



September 11, 2013

### Starbucks New Tap App Marketing Plan Phase I, II, & III

The new Starbucks Tap App will revolutionize the coffeehouse industry. This App will be the first to take the industry by storm, and effortlessly provide a quicker service in an industry driven according to time. The ability to save the consumer the needed time to prepare and get to work or the next meeting is priceless. Identification of the segmentation criteria that will affect the target market, and identification of the target market is assessed. A description of the organizational buyers and consumers of the Tap App and the factors that influence their purchasing decisions are discussed, as well as how these factors will affect the marketing strategy. An analogy of current competitors and a definition of the competitive landscape for the service is an important factor in the marketing of this service. The geographical location used for the marketing of this service will be on the global scale, as Starbucks and their customers are global.

There will be a separate marketing strategy launched in each country, to properly meet the laws of each perspective country. This campaign will also target the language used in that particular country. The marketing plan for the new Tap App is shown in phase I, phase II, and phase II. The team will identify the appropriate place and promotional strategy that should be used in developing the strategic marketing plan, develop an initial sales promotion schedule, and create an advertising plan. The effect of channel management decisions on the marketing of the Tap App will be analyzed, and public relations opportunities for the service will be identified. The team will further

select appropriate distribution channels for the service, and address cost in terms of placement, shipping, and middlemen. (Harris). Starbucks New Tap App Marketing Plan Phase I, II, & III

Starbucks will target both the male and female population, as they are equaled in the consumption of coffee and pastries. The target age will be between the ages of eighteen and forty five, which covers professionals and students. Starbucks loyal customers will also benefit from the service which gives them a competitive edge as well. Starbucks will target those with a professional background, as well as students and individuals that are retired. These lifestyles are usually leisurely with extrovert personalities and desires to spend time socializing with others. They will also capture those with introvert personalities preferring to spend their time quietly in a relaxing environment. It is believed that this service will be used a lot. The App will be easily accessible, and easily measured with the help of information technology. The results will be substantial in terms of how many coffee customers will convert to the new Starbucks way of providing a quicker and easier service. (Harris) Starbucks New Tap App Marketing Plan Phase I, II, & III

Currently Starbucks holds a thirty three percent market share for coffee in the United States, targeting a well-defined target audience. Adult Starbucks customers tend to be urbanites with high incomes, professional careers, and focus on social welfare. Young adult Starbucks customers mostly consist of college students that enjoy the benefit of their locations and atmosphere conducive to writing term papers, studying, and meeting people. Kid and

teen Starbucks customers mostly tag along with parents, enjoying something from the kids menu. Teenagers enjoy having a place to hang out with friends and study. Due to strategic marketing Starbucks has built a loyal customer base. By performing a target analysis, Starbucks would gain insight as to whether an online ordering application would be beneficial to the organization. Starbucks also will benefit from doing a competitor analysis of organizations using online ordering applications. Starbucks will be able to target current customers who purchase their products and are on the go, and unable to wait in long lines or drive-thru windows.

By developing the Tap App, orders will be made in advance to deviate the waiting process. Technology serves the needs of the people and organizations in society in countless ways to meet new and changing needs. Society has increasingly become more demanding in ways to convenience their lives. Because of this Starbucks can adapt to serve any conceivable target market. Rather than determine which market is best served by technology in general, savvy entrepreneurs look for specific technology products and services that provide new opportunities to better serve their lifestyles. Technology can serve virtually any demographic, psychographics, behavioristic, and geographic characteristics in the consumer market. (Sheridan). Starbucks New Tap App Marketing Plan Phase I, II, & III

An online ordering application provides an opportunity to improve and rapidly gain market share from competitors while providing an unserved gap to current and new Starbucks customers. When considering the implementation of the new Starbucks Application its necessary to find if

competitors have a similar marketing strategy. Looking over the coffee and pastry spectrum to major companies like Dunkin Donuts, Shipley's, and Krispy Kreme it has been discovered that none currently have an application to compete with the Starbucks App. The fact that Starbucks has this application and rival coffee shops do not is an obvious advantage from a consumer's point of view. When a customer wants to place a quick carry out order while pressed for time, using their smart phones knowing Starbucks caters to their mobile ingenuity the organization becomes their preference. Other organizations fall behind, thus creating more profit for the Starbucks organization.

These types of applications are flooding the fast food and restaurant industry. Restaurants like Papa Johns, Dominoes, and Pizza Hut provide the ability to order a pizza for dinner while stuck in traffic to maximize time while waiting in traffic. Starbucks will be the first coffeehouse to provide that luxury while on the way to the office. Customers like the fact that Starbucks has provided the best in service with coffee and pastries. When dedication is shown by providing a better way to interact through technology, Starbucks will gain even more repeat customers. Studies show that eateries using online ordering applications tend to get more repeat orders. Another convince is being connected with customers through information technology. Adding the application will be a coffeehouse first and will revolutionize the way the industry interacts with customers. The application will be an asset to rushing customers desiring a cup of coffee, and increase the profit margin for

the organization. (Sheridan). Starbucks New Tap App Marketing Plan Phase I, II, & III

Starbucks has taken the responsibility of purchasing and selling the best coffee, reliably grown and traded morally correct. The key of their method is Coffee and Farmer Equity (C. A. F. E.) Practices, their far-reaching coffee buying program that guarantees coffee excellence at the same time encouraging “ social, economic and environmental standards”. (Starbucks, 2012) C. A. F. E. Practices initiated collaboration with Conservation International creating important social and economic influence for its “ one million workers, and environmental improvements” of participating farms (Starbucks, 2012). Consumers of Starbucks coffee range from young to old, people from all walks of life. To satisfy the wants and needs of its customers, Starbucks must understand its customers’ behavior and knowing what they desire and crave for and meeting those desires and wants will create in the minds of their customers the total experience that of satisfaction and returning customers at most. Starbucks purchases third-party coffees that are certified and verified according to customers’ expectations. The facilities are evaluated to meet the standard of more than 200 measures by disinterested “ third-party” (Starbucks, 2012) organizations overseen by the SCS Global Services. Ninety percent of Starbuck’s coffee was subjected to the standard of C. A. F. E. Fair Trade coffee has been the main source of coffee for Starbucks, as well as other third-party coffees that were verified and certified. Eventually by 2015 Starbucks goal is to source their coffee

from third party sources completely as well as creating greater customer satisfaction (Starbucks, 2012). (Mantano).

The four marketing P's product, place, promotion, and price. The customers of Starbucks are the target market. The apps service will benefit the customers purchasing their coffee or other products offered without waiting in line much too long. With the apps service orders can be placed in advance prior to arriving in the shop. Starbucks participates in this apps service to better serve their customers especially the frequent devoted customers. New product promotion advises the customer if the new product will benefit them or is the new product what they are looking for. Is the price right for the new product? The price affects the purchasing power of customers. Informing the customers of product availability will improve relationships. The apps is a sure way to gravitate those customers that are technologically savvy.

(McCoy). Starbucks New Tap App Marketing Plan Phase I, II, & III

This portion provides information on the third stage of the Starbucks Tap App. The Tap App is a ground breaking service that will change the way that coffee is sold in coffee houses. The service gives the customer the luxury of purchasing coffee and pastries by phone or internet service. The Tap App is a masterpiece in new technology. The paper describes the attributes of the service in detail. The pace at which the service will move through the Product Life Cycle as well as the factors that will affect its movement will be helpful in the marketing process. The paper will also show how the Product Life Cycle will affect the marketing of the service, and identify the positioning and differentiation of strategies for the service. Lastly the paper will identify

the appropriate price strategy that should be used for the service. (Harris).

### Starbucks New Tap App Marketing Plan Phase I, II, & III

An attribute of a product or service is a characteristic or feature that is thought to appeal to customers. Our new Starbucks Tapp App has two key attributes that would be a major benefit for buyers. The first attribute is the apps accessibility, it's much faster. It takes a second to launch a Mobile App. It can take up to several minutes for a Mobile Web site to load in an area with bad reception. With a high percentage of Starbucks customers owning smartphones the app will be easily available to loyal Starbucks coffee drinkers; making it extremely convenient for buyers to use and enjoy the new service. Secondly the service is efficient for customers on the go because it can significantly reduce the wait time for a cup of Joe. Buyers will be able to order their favorite cup of coffee using the app and upon arrival to the Starbucks of choice seamlessly grab and go to their destination without the wait. Both attribute cater to the customer and make their coffee buying experience enjoyable. (Sheridan) Starbucks New Tap App Marketing Plan Phase I, II, & III

The Product Life Cycle (PLC) is the time a product of service is introduced to the market to the time it is in-affective replaced or upgraded. There are four stages to the Product Life Cycle, introduction, growth, maturity and decline. (Houston Chronicle). The pace of the Product Life Cycle with the Starbucks Tap App will vary depending on the geographical area in which it is being introduced. In the areas where the internet service is vast will of course provide a faster growth period. Because this service is cutting edge and vital



for the information technology field, the competition will no doubt follow suit; therefore the cycle might speed up a bit. The expectation for the Tap App is ninety days for stage one, one year for stage two, two years for stage three, and an additional two years for stage four. Near the end of stage two, we will re-visit the Tap App and make adjustments. The effectiveness will determine our direction in upgrading the service.

The factors that will affect the movement through the Product Life Cycle will initially be how the competitors react to the service. The expected reaction is that they will come on board as quickly as possible in an attempt to stay competitive with Starbucks. Other factors will be launching the service in other countries, making sure of compliance with rules and regulations within their perspective countries. The ability to reach those that may not be up to date with information technology could be another challenge. The effort to target the younger generation will be to have them enlighten the more mature generation for complete compliance. The Product Life Cycle will affect the marketing of the service by having an impact on how quickly the service will be introduced. The reception of the service will also impact its usage, and ultimately affect sales by creating new customers. This will of course increase profit. (Harris). Starbucks New Tap App Marketing Plan Phase I, II, & III

Starbucks' positioning strategy in the coffee business has been to serve its customers and provide them the most benefit. Starbucks is a very familiar company name in the U. S. and has spread across the globe. It established itself as the best coffee house introducing lattes to Americans, and the rest

of the world that parallels the Italian coffee establishments. Starbucks brand positioning is a place where its customers may stop for coffee between home and the workplace and ultimately becoming a favorite stop for many.

Starbucks experienced growth in the business and thus expanded to other locations. The target markets are customers with middle to high incomes whose preference is premium coffee. Starbucks idea of success is treating its customers personally, benefiting the customers with satisfying experience, and a possible return to its establishments (Seaford, Culp, & Brooks, 2012). Their motto is serving “ one person, one cup, and one neighborhood at a time” (Starbucks Corporation, 2013). Starbucks dark roasted coffee was well accepted by customers, and other merchandise were soon offered. Starbucks began bottling its specialty coffee drinks, Frappuccino drinks, to retailers in the 1990s. It licensed Sodexho to run Starbucks on naval bases selling pastries, sandwiches, salads, and other products (Seaford, Culp, & Brooks, 2012). A host of competitors entered the gourmet coffee market threatening Starbucks profits.

To counter this influx of competitors, Starbucks started offering more products to include lunch items, desserts, and pastries. Also, the drive through service was implemented by Starbucks increasing sales and profits (Seaford, Culp, & Brooks, 2012). Starbucks is well positioned in the various communities it opened for business. The marketing mix product, place, promotions, and price criterion are met by Starbucks. It's positioning statement need to identify the firm's desired target market, product type, primary benefit or point of differentiation, and the main reasons a buyer

should believe the firm's claims (Perrault, Cannon, & McCarthy).

Differentiation Strategies. Starbucks set itself in that it does not compromise the price of its products. Its products are the best others try and imitate and none compare. It stands above its competitors on products or service (Seaford, Culp, & Brooks, 2012). Starbucks commitment to satisfying its customer includes the design of its establishment giving customers a welcoming atmosphere. The TAP apps is a service that sets it apart from its competitors. Customers will receive better service, for a unique experience. (Mantano). Starbucks New Tap App Marketing Plan Phase I, II, & III

While identifying the price strategy that should be used for Starbucks online ordering application we have considered price sensitivity and consumer psychology laws. Considering the reference price effect consumers are aware of convenience fees for paying for products and services online. Although consumers are not new to online convenience fees we have considered the fairness effect, price quality effect, and end-benefit effect as well. Analyzing price-quality and end-benefit effect we have concluded that loyal early on the move morning customers will benefit from using the online ordering application, paying for their orders online and picking their order up from a Starbucks location without having to wait in line, giving them the convenience of a hassle free morning with their favorite cup of coffee. The consumer would be able to pick up their coffee and continue their morning routine with ease. We have considered the fairness effect by keeping our convenience fee reasonably at anywhere between 99 cents and \$1. 99. The best way to evaluate this new online ordering application is to survey

customers and ask if they are willing to pay an additional fee to place an order online and have the luxury of picking it up without waiting in line. By surveying customers we can get a better idea of what they feel is a fair amount to pay for the added convenience.

By targeting our market for a Starbucks online ordering application and setting a reasonable price for the service we are using the market-oriented pricing method. We will set a price based on analysis and research compiled from our target market, allowing the marketers to set the price depending on the results from the research. There is no cost-based pricing to consider with the Starbucks online ordering application because there is only a convenience fee added to the customer's order. Through customer-based pricing we can offer a "special introductory rate" through penetration pricing by marketing the service at a lower rate, introducing customers and encouraging them to try our online ordering application as well. Once the customers are accustomed to the convenience of ordering, paying online, and picking up at their desired Starbucks location with no waiting in line, they will be willing to pay the higher set price for a hassle free quality coffee order. (McCoy). Starbucks New Tap App Marketing Plan Phase I, II, & III

In conclusion we introduced the new Starbucks Tap App. Through research it is concluded that Starbucks is a very sound company that has penetrated the coffee markets in several countries and provides the ultimate experience in coffee and pastries. The Tap App's attributes are described and you are given an extensive look into the product future lifecycle. Positioning and differentiation strategies for the new tap app are examined, and an

appropriate price point and strategy are examined as well. Applications are a great way to provide a service that customers love and technology is being used to enhance the coffee buying experience for Starbucks customers across the globe. The target market for the app is identified and the segmentation criteria affecting the target marketing is applied to the process. A description of the organizational buyers and consumers of the service, and the factors that influence its purchasing decisions, as well as how these factors will affect the marketing strategy. An analogy of current competitors and the competitive landscape for the service has been defined. The new Tap App looks very promising. The information supplied is evidence that this service is of importance, and will be an asset to the Starbucks organization as well as its customers. In our efforts to introduce the new Tap App, the appropriate place and promotional strategy that should be used in developing the strategic marketing plan is identified. An initial sales promotion schedule is developed along with an advertising plan. Public relations opportunities for the service are a crucial element. The effectiveness of channel management decisions for the service has been selected. Preferred distribution channels for the service, and cost in terms of placement, shipping and the middleman has been addressed. (Harris).

## References

Perrault, W. D., Cannon, J. P., & McCarthy, E. J. (2011). Basic marketing. A marketing strategy Planning approach (18th Ed.). New York, NY: McGraw-Hill Company.

Seaford, B. C., Culp, R. C., & Brooks, B. W. (2012). STARBUCKS: MAINTAINING A CLEAR POSITION. (). Arden: Jordan Whitney Enterprises, Inc.

Retrieved from <http://search.proquest.com/docview/1037815154?accountid=458> Starbucks Corporation, 2013. <http://www.starbucks.com/responsibility> © Copyright 2013 Hearst Communications, Inc.

#### REFERENCES:

Perrault, W. D., Cannon, J. P., & McCarthy, E. J. (2011). Basic marketing. A marketing strategy Planning approach (18th Ed.). New York, NY: McGraw-Hill Company. Starbucks fiscal year 2012 (October 3, 2011-September 30, 2012), unless otherwise noted. <http://www.starbucks.com/assets/581d72979ef0486682a5190eca573fef.pdf>