

# Memo report – starbucks

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As you previously requested I have worked out a memo report on; what Starbucks have done in the past, what they are doing now and how we can learn from them. It is very important to notice what competitors do when there are uncontrollable market conditions, so there can be an easier adapting process. Starbucks have 11. 000 stores worldwide, and they serve more than 40 million customers each week and even with these enormous numbers Starbucks continues to grow. The reason Starbucks is still growing is that; people loves the products that Starbucks provide, but there is more to it, Starbucks is also a very beloved brand.

They have a wide product range and they are very innovative, constantly making new products to keep on being interesting. The clever thing about this is that you never get tired of the brand because it's constantly developing itself, making it a very effective business strategy. In my opinion there is the possibility of following the example that Starbucks have set, it's impossible to argue with the logics of a constantly extending product range that is both innovative and high quality.

Starbucks meet the customer's needs before they even know that they need it. They come up with ideas faster than most other coffee places, making it virtually impossible to criticize the depth of their product range as it is constantly expanding. An example of the creative side of Starbucks could be the new “ Instant coffee” that Starbuck have just added in their product range. The product consists of a small packet of coffee that a customer can carry with them and make coffee almost everywhere, all they need is water.

It would of course be a great idea to be more innovative at Cafe Nero, as it would satisfy a wider range of customers. However one must have in mind that Starbucks is a gigantic worldwide chain and therefore can afford to have whole departments only created to make new products. It is, therefore, not possible to be as innovative as Starbucks, but that shouldn't stop us from trying. I suggest that we should look at what Starbucks have done, for example with the "Instant coffee" but while we do that we also have to remember that our brand name have to remain ours, eaning that we cannot try to copy what competitors do, but that we have to invent our own success. There is another very important aspect; the present consumer trends and the economic downturn that should not be forgotten when we consider how we can be more successful. When people become more afraid of their future economic situation they will be less likely to spend money, meaning that a very logic proposal would be to lower the prices on our products.

Coffee is becoming more and more like aculture, for some even an addiction, some people can't even start their day before they have had their morning coffee. With this in mind, one could make the easy conclusion that there is a demand for coffee and that we could therefore raise our prices. However, I believethat both our current and future customers would appreciate a lowering of our prices, so in a short-term period it would probably lower our income, but I believe that on long-term it would make more customers and make our current customers happier and more loyal to our brand.

When the economy eventually starts getting better, maybe even turning to an economic boom it would be a possibility to slowly raising our prices back

to a more normal level because people feel more safe about the future and therefore will be more likely to spend money. When looking at the present consumer trends I think it's safe to say that consumers love variation and creativity. There isn't a very large market for regular coffee anymore; consumers want to see different products and experience different flavors.

The point of this is that Starbucks adapt to this trend by constantly trying to innovate their brand with new products, but at the same time they stay true to their brand and they don't compromise on quality; that is what made their success. These things that I have lined up are what I have found that we at Cafe Nero can learn from Starbucks, I personally believe that Starbucks is a good source of inspiration and admiration as they have succeeded in so many ways. But what we also have to remember is that we also have to stay true to ourselves and not become something that we are not. Let Starbucks be Starbucks, and let us be Cafe Nero.