

# Starbucks marketing strategy

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



In the task, it is stated that Starbucks is expanding into new markets. For this the marketing mix must be as follows: The additional target segments of Starbucks were retail centers, office buildings, university campuses, hotels, restaurants, airports, airlines. Starbucks positioning changed with the expansion in the target market. Starbucks established itself as a dominant specialty-coffee brand and its objective was “ To become the most recognized and respected brand in the world. ” This was achieved through:

### **Product**

Starbucks introduced a wide range of product variety including whole bean coffees, rich brewed coffees, Italian style espresso drinks, cold-blended beverages, premium teas, pastries, sodas, juices, sandwiches and salads. The product mix varied depending on a store’s location and size. The biggest driver of company’s growth was product innovation. New products were launched regularly and a new hot beverage was introduced during every holiday season. Brand name was established and this again contributed to the position of the company. Starbucks had the Size advantage over its competitors and its goal was opening 15000 stores world wide.

Service was the distinguishing factor and the employees were trained and empowered to provide good quality service, which was evaluated on service, Cleanliness, Product quality and speed of service criteria. Service innovations along with technology functionalities like T-Mobile HotSpot wireless internet service was an added advantage.

### **Price**

Discounts were given at stores. Spilt drinks were replaced without any additional charge. Regular customers were given sample free drinks if they

didn't have cash and provide cheque. Starbucks established itself as a premium-priced player in the market but service overwhelmed price in this aspect.

### **Place**

Channels were used very effectively and Starbucks opened licensed stores world wide. Nearly 77% of the sales came from these stores. Starbucks also sold its products through non-company operated retail chains called Specialty Operations which accounted to about 15% of net revenues. Starbucks operated domestic and international licensed stores. Starbucks also had a joint venture with Pepsi-Cola to distribute bottled beverages. Starbucks had plans to open 15000 international locations. This will ensure their position for a very long time.