

# Example of strategic opportunities for starbucks research paper

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



Companies strategically analyse their operations by conducting a SWOT analysis. This involves analysing the strengths, weaknesses, opportunities and threats that face the company in the external environment both locally and internationally. Market experts also carry out their own analysis and release reports detailing their views on which direction they feel that a company should take. Starbucks management communicates the opportunities the company has in local and foreign markets to different stakeholders regularly. This paper discusses the opportunities of the company as revealed by company management and market experts.

## **Opportunities for Starbucks**

There are many opportunities which Starbucks can take advantage of. In overall, the Starbucks global presence is highly concentrated in the United States. One of the weaknesses of the company is that it highly depends on the local market. Company data shows that less than 20% of the company's profit was generated outside the United States and less than a quarter of the company's stores were located outside the country. This shows that the company is yet to transform itself into a global organization.

Relying heavily on a local market is a great risk in light of the economic recessions that affect a particular market at any time (Walters & Rainbird, 2007). The high concentration in the local market has caused retail stores to be too near each other. They actually end up competing for the same customer pool.

The company should continue increasing its international presence in new foreign markets in order to diversify risk and increase its customer base. Most countries are now realizing the value of foreign direct investment causing them to open their doors to multinationals. In its report, the management reported that the company foresaw a growth in Starbucks stores by at least 20, 000 non-US stores in the next five years (Starbucks annual Report, 2006). In 2011, the company had expansion in 50 countries and had succeeded in opening 16, 000 stores.

There is also an opportunity to increase sales and profits globally by forming smart partnerships with other companies in order achieve brand extension. In 2005, the company entered into two strategic alliances that proved highly profitable for the company. Starbucks and HP came together to create Hear Music, a product that allows the customers to burn CDs that are unique comparable only to the customers favourite drink. Starbucks also came together with Pepsi to offer on-the-go Frappuccino drinks and Jim Beam liquor to their customers.

The company also has an opportunity to increase its product base. The introduction of liquor or alcohol in the product base showed an increase in the sales. Social research shows that there is an increasing positive trend in the consumers towards organic coffee. The company should also focus on speciality coffee. Statistics show that the sales are increasing by 20% every year(E-imports, 2011). The company should take action strategically to address the market gaps that arise due to consumer's changes in tastes and

preferences (Zeithaml, Bitner & Gremler, 2006). The company will be able to increase its market base and earn higher profits.

There is an opportunity for the company to increase its sales by utilizing the latest technological innovations to connect to the customers. The company has already taken certain steps in this area. Starbucks offers Wi-Fi services for the on-the-go customers causing more people to take up this product for great internet access (Griffith, 2003). The company can choose to distribute its products through internet orders. It can also use social media such as twitter and Facebook to connect and communicate with the customers.

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