

Good case study about starbucks in 2012: evolving into a dynamic global organizat...

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Starbucks is the world's most famous coffee shop. The company has not just achieved success in its home country, which is the United States; but it has also managed to transcend national boundaries to become an established global enterprise. Currently, almost every big city in the world boasts of having a Starbucks coffee shop.

An external environmental analysis reveals several forces that influence Starbucks activities. The first is the "threat of new entrants". In Starbucks, this is relatively low as the company has already established itself globally and removing it from its perch is hard. It has an almost religious customer following. The other force is rivalry. There are various coffee shops in the cities where Starbucks is located and the company has to constantly come with new strategies to overcome these rivals. The other major force is that of substitutes. There are varieties of beverages that can be substituted for coffee. These include, water, tea, milk, and juice. Although Starbucks has started offering these products as part of its diversification strategy, their prices are low and customers can easily switch which would mean decreased revenue for the company since coffee is its main product. Two other external environmental forces that play a lesser role in influencing Starbucks activities are the bargaining powers of buyers and suppliers. In terms of suppliers, a variety of suppliers that the company can choose from exists. Since there is not much difference between them, their power is low in terms of influencing the company. The bargaining power of buyers is also low due to their nature of being extremely loyal and less sensitive in terms of price. A SWOT analysis reveals several company strengths that include loyal worldwide customers, strong brand name or image, unique or distinct store

atmosphere and strength in terms of finance and profitability. Some of the Starbucks' weaknesses are higher product prices, high reliance on coffee products and long queues at their stores, which may prompt customers to leave. Some opportunities that exist for the company include expansion into untapped countries as well as an increase in product offerings. Two major threats that face Starbucks are the increasing number of competitors as well as public health consciousness about Starbucks products.

Starbucks is a company that has managed to mark its mark in the world. If the company builds on its strengths, eliminates its weaknesses, takes advantage of its opportunities and enacts strategies to counter its threats, it will even more successful.