

Effect on starbucks store design on consumer behavior

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How Starbucks store design affect its consumer behavior in China. Starbucks Corporation is an American global coffee company, coffeehouse chain stores that adapt Italian-style coffeehouse. It is the largest multinational chain of coffee shops with 20, 366 stores in 61 countries, including 13, 123 in the United States and 732 stores in China. The first Starbucks opened in Seattle, Washington, on March 30, 1971 by three partners: English teacher Jerry Baldwin, history teacher Zev Siegl, and writer Gordon Bowker.

The three were inspired by coffee roasting entrepreneur Alfred Peet, whom they knew personally, to sell high-quality coffee beans and equipment. The first Starbucks location outside North America opened in Tokyo in 1996. After that Starbucks entered the U. K market in 1998. And Finally in January 1999, Starbucks opened its first store in Mainland China at the China World Trade Building and continue spread its wing to Hong Kong in May 2000, and Macau in August 2002. Right now there are near 500 stores in China, including Mainland China, Taiwan, Hong Kong and Macau.

In the Mainland—the region with the fastest growth, there are over 230 stores in 22 cities including Beijing, Tianjin, Shanghai, Guangzhou and Shenzhen. Within a period of time, Starbucks has successfully established itself as the premium coffee leader in China with great brand recognition and high customer satisfaction. In this paper, our group will focus on how Starbucks store design influence its consumer behaviour in China. In order to achieve our goal, first, we will focus on how Starbucks consumer behaviour in China and compare it with other countries such as U. S. A.

And then we will compare Starbucks in China store concept design and how it affect the consumer behaviour in China and then compare it with KFC store design.

STARBUCKS IN CHINA

Asia, particularly China, is well known for its love of tea. Yet Starbucks so excited about the market in China. The stores are full of people most of the time. But it is clearly a tea drinking society. It would be a much longer education process. With an overall population of around 1.3 billion, rising incomes, & increasing in global attitude are viewed very promising for companies around the world. However, coffee market in China is still far behind the hype. 0 percent growth in coffee sales for past 5 years, per capita consumption 1kg per person, while 4kg in US. Tea is still number one beverage in China. Comparing China with Japan, Japan also well known for a tea nation, but Japanese also love to drink coffee. Coffee marketers still find difficulties in transforming tea drinking nation to coffee drinking nation, because Chinese people believe that tea have medicinal qualities that coffee doesn't have. With China growing economy and middle class is increasing in size. Middle & upper class, which are the consumer of Starbucks, tend to be located in major city (GZ, BJ, & SH).

Coffee for younger, wealthier, professional Chinese is seen as enjoy eating out, associated with western lifestyles, associate Starbucks with wealth and status, enjoy sweet tasting foods and beverages, particularly desserts. There are some competitors such as McCafe, etc. However, instant coffee is the major player. Because the Chinese not yet appreciate the taste of coffee and

also cannot taste the difference between each types. Inexpensive mixes, such as Nescafe holds nearly half the market share.

STARBUCKS IN USA

Basically, America is a coffee drinking nation.

They are used to drink coffee in the morning before go to work. Americans always look for coffee during the break time, or in meeting time. Before Starbucks era, coffee used to so cheap and simple, then Starbucks revolutionize it. The Starbucks culture has infiltrated almost every part of American society. They have created a new lifestyle for American people. The Starbucks stores don't just sell coffee, they sell an atmosphere. An example is taken from the Starbucks in Times Square in New York City. It is very common to find several college student doing homework late at night around ten o'clock.

The late hours that most Starbucks stores have is great for business because customers know that there will always be a Starbucks open to sit down and have a cup of coffee. Some Starbucks are even open until midnight. The atmosphere is simply contagious. In US, couples of all ages stop by in Starbucks just to sit down and talk. During the winter, American really like to have a cup of coffee or even hot chocolate to warm up and to sit and chat. Yet Starbucks ran with the idea of the sit down atmosphere and not only applied the concept to the winter time and hot coffee, but they expanded the idea to include every season during the year.

Now a large part of the Starbucks menu is " iced" or " cold" lattes and iced coffees. Moreover, following the interest of people in USA, Starbucks

continues to expand and no competition pursuing it. They continue to play a huge role in society. In NYC, especially in Manhattan, you won't walk by more than four blocks without seeing a Starbucks. The stores are everywhere and the mere sight of them makes you walk into them.

COMPARISON BETWEEN STARBUCKS IN USA AND CHINA

By their culture themselves, USA and China are different.

Americans use to drink coffee, on the other hand, China is a tea drinking nation. People in US see drinking coffee in Starbucks as a part of their life. They gather, do homework, do some business meeting, or even just enjoy a cup of coffee. In China you wouldn't find that. Chinese people prefer to just get some Coco milk tea or Happy Lemon and take it with them while walking. In major cities in China, younger wealthier generation starts to follow the western culture. They start hanging around in Starbucks with their friend, but more into status show-off oriented.

The last point is the level of appreciation on coffee for each country. In America, they will spend a bunch amount of money only for drinking Starbucks coffee because they know that Starbucks is offering high coffee quality. On the other hand, in China, they still consider Nescafe (simple mix coffee) as their choice. So Starbucks should implement different strategy for each of the market. For Starbucks in USA, they should maintain their quality stability so the consumer would be loyal to them, while in China they have to continue their education about the art of drinking coffee.

Starbucks vs KFC As we all know Starbucks and KFC are MNC which already have many branches all over the world. In order to keep the standardization of their branches, they made some characteristic which is very fundamental for every branch to follow as the basic concept of their store. With these standardizations, it is easy for people to notice their store. Now, we are going to learn more about the standardizations which is created by Starbucks and KFC and also their differences. KFC is very famous fast food restaurant in all over the world.

We could find KFC in a lot of countries and also if we notice, all of the KFC stores have same design both exterior and interior. Red and White store colour is their trademark in all over the world. KFC also set their store ambience for family dine in. Coffee; it is the first thing that will come to our mind if we heard the name of Starbucks. As KFC, Starbucks also do some standardization on their branches design which one of them is the brown and green colour. They also use the coffee scent to attract their customers.

However, in some of Starbucks branches, you can see different store design. Starbucks sometimes try to adapt with the local culture like for example Starbucks in Qian Men. Starbucks Qian Men is using classic Chinese Store design as their main theme, but still keep the green and brown concept of Starbucks. Image 1: Starbucks in Qian Men on the top floor. Image 2: Starbucks in Qian Men from outside. Image 4: KFC store in China Image 3: Interior of Starbucks in Qian Men. We found that both KFC and Starbucks have some standard that they have in all of their store design.

However, the difference between KFC and Starbucks is that KFC keeps some the major characteristic of their store with only minor changes while on the other hand, Starbucks sometimes do a little bit of modification on some branches. According to [www. starbucks. com](http://www.starbucks.com) Starbucks are using “ design sandboxes” concept as their main concept. Concept stores are unique environments created by our designers to explore innovations within the coffeehouse. That sense of exploration is extended to everyone who visits, through daily coffee and tea cups, artistic events and community gatherings.

However, Starbucks sometimes take a bold step to take it to another level. They bravely made major changes in some of their store to adapting to the local market and local culture but yet still maintaining their main concept which is sandbox concept. The Conclusion After comparing Starbucks in China and U. S. A, we can conclude that Starbucks consumer in China, whose mainly are mainly rising upper-middle class “ modern Chinese”, white collar workers and college students, consider Starbucks not as a mere coffee shop.

In China, Starbucks image has been upgraded from just a mere coffee-shop to a “ modern” way of living, in comparison to Starbucks in U. S. A. In most cases, Chinese people’s motivation to purchase Starbucks is not because they are a coffee-drinking society but more into status show-off oriented. From store design and atmosphere point of view, Starbucks in China is trying to implement sense of chill and relax to make people like to stay for longer time; in which, you can’t find in any KFC branches.