

Swot matrix for starbucks

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Starbucks has a strong brand name and its known international. Starbucks was the first coffee shop whereby high quality coffee and products at accessible locations and affordable prices, provided a community to share in the coffee drinking experience.

Strengths:

- Brand recognition
- High quality coffee
- Business ethics
- Location they are located everywhere

Weakness

- Competition a lot of coffee shops are offer coffee at a lower price.
- Overexposure star bucks is obsolete according to some consumers.
Too many products
- Not enough marketing

Opportunity

- Business leaders
- New strategy
- Expand franchise

Threat

- Recession
- Mc-cafe offers lattes and cafes at very cheap price with the same quality.
- PLC is at declining stage.

Generic strategy pursued at Starbucks:

Differentiation strategy Starbucks offers high quality coffee that you cant find at other coffee shops. Starbucks spends minimal cost on marketing although they have great market share due to the product differentiation star bucks has a unique line coffee shops so advertising is through a method called word of mouth.

Their core competencies can be defined as high quality coffee and products at accessible locations and affordable prices, provided a community to share in the coffee drinking experience, and variety of choices. They also value ethics and good business practices. Starbucks provide a high quality coffee and unique experience in the convenience of a large volume of locations, which separates them from their competition , the new instant coffee line is straddling differentiation and low cost-leadership.

While it will be a low cost and convenient alternative to Starbucks regular coffee, it is still unique from other products in the market. The in-store gifts and brewing utensils are in the focused differentiation category as they cater to the coffee lover, and are unique items found only in the Starbucksstores.

Strategic direction pursued by Starbucks?

Starbucks new strategy is to refocus on some of the areas that decrease risk and up front investment. Franchising, expanding products and selling at convenient stores not just coffee shops.

This includes expanding foreign stores, with aid of partnerships that share risk and costs, selling whether its instant coffee and other products in retail and convenience stores, and reinvigorating the Seattle’s Best Brand coffee. I

would pursue cost differentiation since star bucks is already I would add a few new bistro's or pastries or offer special deals that wouldn't harm my profit margin but gain more market share. Starbucks doesn't focus on marketing since the brand is already famous so by offering new flavors of coffee, pastries and beverages would attract attention.