Resources, capabilities and distinctive competencies of starbucks essay sample

Business, Company

1) Identify the resources, capabilities and distinctive competencies of Starbucks?

The resource and capabilities for creating Starbuck as one of the ten most global brands is the ambience in which it serves. It could be regarded as Starbucks sell experience beside Italian coffee. The main role in convincing a customer is to relate him/ her with cultural value proposition that Starbuck relates to. Skilled Employee drive the revenue by adding customer satisfaction. The Company considered attention to the design of its stores to create a relaxed, informal and comfortable atmosphere. Employee are constantly trained not only how to prepare the best coffee but also to get trained in handling customer satisfaction. Employees are provided with compensation policies that give even part-time employees stock option grants and medical benefits. Concise target group of people with average income level of 80000 dollars serve the purpose for market targeting.

2) How do Starbuck's resources, capabilities and distinctive competencies translate into superior financial performance? Ans: Starbuck's resources, capabilities and distinctive competencies translate into superior financial performance by providing them – Great Value Proposition – Customer satisfaction.

As a Forum for Gathering – apart from home and office.
Premium Roasted Coffee along with freshly Brewed Espresso Style coffee beverages, a variety of pastries, coffee accessories, teas and other products, in a coffeehouse settings. Good Market segmentation – targeting Market group with average income group of 80000 dollars. Placing the Retail chains

at well known location. Few times we find star bucks just opposite to one another.

3) How secure is Starbucks competitive advantage? What are the barriers to imitation? Starbucks competitive advantage is more secured for the coming decade.

Advantage of being early in the market adds a lot of brand value to Star bucks.

Market Segmentation: Star buck enjoys the top most crème of high worth spending customers. There target lies on targeting people with an average salary of 80000 dollars.

Market Pricing: Star bucks charges premium price for its product and services. As the customers are not prone to market pricing, It enjoys serving people with high pricing strategy.

Customer Loyalty: Customers keep floating into the store at least 20 times in a month tells about the affection that a customer develops with the store.

Barriers :

Starbucks customers mostly are high class people. So barriers to reaching the middle income people could be challenging as well as restricting as per brand loyalty is concerned. Mechanism of running coffee joints in tier 2 and tier 3 cities could be a barrier to the market placing it has.