

# Corporate parenting strategy of starbuck company essay sample

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



## Abstract

*' Establish Starbucks as the most recognized and respected brand in the world' (" Starbucks company," 2007) . This statement embodies the totality of Starbucks Corporation's goals and thrust for their company's growth and direction. The company aims to achieve this by using only the finest coffee beans and provide the finest coffee blends thus receive the respect and acknowledgement on the world all over.*

Since the company has already more than 3, 500 stores local and international (Kembell, Hawks, Kembell, Perry, & Olsen, 2002). The company has maintained its 6 principles strictly which is the reason for the company's success.

As stated in the Starbucks Corporation website (2007), they follow six guiding principles which are:

- Provide a great work environment and treat each other with respect and dignity (Starbucks Corporation, 2007).
- Embrace diversity as an essential component in the way we do business (Starbucks Corporation, 2007).
- Apply the highest standards of excellence to the purchasing, roasting and fresh delivery of our coffee (Starbucks Corporation, 2007).
- Develop enthusiastically satisfied customers all of the time (Starbucks Corporation, 2007).
- Contribute positively to our communities and our environment (Starbucks Corporation, 2007).

- Recognize that profitability is essential to our future success (Starbucks Corporation, 2007)

In the company's endeavor to be the most recognized and respected brand the company have maintained the quality of their products, the ambiance of their branches even to the music that are being played in their outlets. .

Corporate parenting principle can be applied to the Starbucks scenario. The company aims to maintain in providing only the best coffee blends and products. Achievement of this goal is clearly evident in the quality of their blended coffee products by using only Starbuck's whole coffee beans which are roasted in the company's roasting facilities (Kembell et al., 2002).

Ambience in their outlets is also maintained by the management. The company wanted an outlet that busy office people can feel like home (Kiviat, 2006). This is evident in the design and layout of their outlets. Even the music played provided by Hear Music, a former music catalog company which was purchased by Starbucks last 1999.

Other components in the Starbucks outlet working environment are also maintained. The term " Baristas" is attributed to the outlet crew who handles the sales, preparation of the brews and food products and handing out of orders. Their uniform is standard regardless of the store outlet's location. Even the lingoes that baristas used are standard and suited to the company's requirement.

Another innovation that Starbucks Company has utilized is having a centralized source of information, news and updates which can be accessed

worldwide. The company has utilized the internet and information and news can be accessed via starbucks. com (Kembell et al., 2002). This can be also utilized in gathering customer feedback and suggestions.

### *Horizontal Growth*

Over the years since 1987, the company had a very dynamic strategy for its growth and expansion. Since its incorporation, the company's first thrust was establishment of additional branches in different locations. With the acquisition of a new Roasting Plants the company has concentrated in their endeavor to open additional outlets within USA with specific targeted number within a targeted time frame.

International branches have been achieved through joint ventures with local business partners who wished to bring Starbucks inside their countries. Today there are Starbucks outlets in Asia, Europe and Australia. As of November 2006 the company has a total of 12, 440 outlets worldwide (Kembell et al., 2002). This is a combination of company operated outlets, joint ventures and licensed outlets.

### *Vertical Growth*

The Corporation has not only coffee to offer as its product but also a variety of different things. This has evolved due to the study and feedback from the customers along its many branches. Products available are music, pastries, coffee equipments and items along with its standard product brewed blends (ice and hot) and roasted coffee beans (Kembell et al., 2002).

It is notable to mention one of Starbucks's signature flavored drink - Frappuccino. This was introduced during 1995 as a result of an experiment of one of the baristas (Kembell et al., 2002). Other products and business ventures were also capitalized by the company. An example would be the retail sales of Starbucks music CD, which is a collection of songs gathered from customers request (Kembell et al., 2002).

## References

Kembell, B., Hawks, M., Kembell, S., Perry, L., & Olsen, L. (2002). Catching the Starbucks Fever. Retrieved feb 5, 2007, from <http://www.academicmind.com/scholarlypapers/business/marketing/2002-04-000aag-catching-the-starbucks-fever.html>

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