

Business report sturbacks china

[Business](#)



Business Report Starbucks China Part One Starbucks was started in Seattle, USA in 1971 and has become an international coffee chain. It is regarded as the pioneer of the coffee culture in the US and other countries. Originally, the company dealt with coffee beans and equipment. However, it later ventured into building coffee houses in the 1980s. It received a positive result from the returns of the company and customer support. As a result, it expanded within America as well as internationally. From thence, the company has become a global chain with outlets in most of the world cities. The company uses various strategies and approaches in order to venture into some of the world market. Despite the global and local competition and other challenges, the company has managed to thrive (Harrison, 2005, pp. 277-280).

For example, the company ventured the Chinese market despite the great cultural and economic challenges. Venturing China required calculated risks because of the hostility of the market. The Chinese market was regarded as a hard market to crack for most of the western countries (Wang, 2013, p. 31). This is because the Chinese people had a tea drinking culture that was predominant for centuries. However, the globalization strategy used by Starbucks brought much success that attracted the attention of experts. The company started by opening few outlets within the major Chinese cities. In the process, the starters would find it interesting because it was a foreign product. Moreover, the outlets offered coffee at affordable prices that were close to the tea price. The Chinese people began to consume coffee as a substitute for tea. Over time, the customer base had grown steadily. This made the company increase the outlets in order to cater for a large customer base. Within a few years time, the coffee culture was becoming dominant among the Chinese. This made it possible for Starbuck to compete with tea

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companies in their ‘ back yard.’

Part Two

The success of an international company is maintained through the management and operations. In most cases, the expansion of a company can result into its failure in the new market if it is not well groomed. It should be groomed through the feasible and tried structures for it to succeed in a new market. That requires the company to disseminate the structures used in the headquarters to the other new outlets locally and internationally. In the same length, Starbucks employs the same structures of operation in the Chinese market. The headquarters requires its experienced personnel to move to the new outlets to enhance and instil the values, objectives and goals of the company in a new environment. The company deployed some of its experienced personnel into the Chinese market in order to oversee the operations therein (Stolc, 2008, pp. 10-12).

The company did not change the methods of operations in the Chinese market. Rather, it modified them to suit the culture of the Chinese. Starbucks did not compromise the quality of the produced coffee in china. Instead, the management ensured that the quality of their coffee remained to standard. In the same way, the company did not hesitate to provide the coffee to the different cities in china. In this regard, the distribution of the coffee was regulated by the management with the authority from the headquarters. The expansion of the supply chain with the Chinese market was dictated by the market forces (Zhihao, 2008, pp. 5-7). The Chinese population was large enough to offer a feasible market to the coffee business. As the customer base grew, more supply chains were opened. Hence, the Starbucks coffee supply chain has remained successful in china.

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