

Marketing strategy analysis

[Business](#), [Marketing](#)



Essay, Marketing Topic: Marketing Strategy Analysis Starbucks is an American coffee company which is operating in many countries worldwide. It has the title of being the largest coffeehouse company with around 25, 000 stores. It was established in 1971 in Seattle, Washington and has since then, opened up stores in around 62 stores. In 1996, Starbucks opened its first location outside North America in Tokyo, Japan. The marketing strategies used by the brand helped it to include itself into the American lifestyle quickly and expand into other international countries as well. These strategies proved to be an inspiration for other companies` marketing campaigns as well. The effectiveness of current marketing strategy of Starbucks can be judged from an analysis of the marketing mix including product, place, price and promotions of the brand. Product Starbucks is known worldwide for its brewed and blended coffees. In 2003, it acquired the title of Seattle`s best coffee and serves thousands of customers around the world. It started off with coffee but has now expanded by introducing other menu items as well. The product offerings of Starbucks vary from country to country but generally, it includes the following items: brewed coffees, espressos, cold blended beverages, teas, bottled drinks, pastries, sandwiches, ice cream along with other nutritional items. Other items include compact discs sold through its retails stores, coffee related equipment and accessories etc. However, the core product offering of Starbucks is coffee which is highly valued by its loyal customers. The brand is also engaged in selling whole bean coffees to grocery stores and other hotels worldwide (Starbucks Coffee Company, Web). Place As stated earlier, Starbucks has expanded by opening up 25, 000 stores in around 62 locations. It is serving

customers in United States, Canada, Australia, Germany, Thailand, United Kingdom and several other countries around the world. The stores of Starbucks are generally located in high traffic areas where they are visible to the target customers. These are also located near retail centers, shopping malls, office buildings as well as university campuses to cater to its target market. Some stores are often found in remote areas including rural regions to cater to a wide array of customers. In 2004, the company focused on opening up drive-thru stores to increase convenience and accessibility for customers. Various distribution systems are also used such as transporting, storing and delivering to get the products to the customers. The objective is to reach to maximum customers on a daily basis as well as to target other potential customers.

Price The price of a product should always be linked with the value that it provides. The price of Starbucks coffee typically ranges from \$1-\$4.20. This is lower than that of competitors but not by much. However, the price of Dunkin Donuts` coffee is around 17% cheaper than that of Starbucks. However, the high quality of Starbucks coffee should also be accounted for.

Promotions Given the high competition in this industry, effective promotional strategy is the key for success. The promotional activities of Starbucks have been quite unique and successful. The store image of Starbucks is portrayed as providing a relaxing atmosphere for customers. Mobile phone applications are used to interact with customers and special applications assist the customers in finding out store location around the world. Push technology has been used by the brand and commercial advertising is not used as much. It uses a standardized promotional theme around the world and incorporates various cultures in it.

Target market and current marketing strategies The target market of Starbucks include the upper scale of the coffee market with a strong focus on comfort rather than convenience which are focused upon by its major competitors, McDonalds and Dunkin Donuts. To serve the target market efficiently, the brand has been making use of social media which has proven to be extremely successful. The social media strategy includes the company website as well as other social networking websites such as Facebook, Twitter etc which are updated on a daily basis. Along with this, Starbucks focuses upon paying attention to great execution and service to fulfill the needs of the target by providing comfort. The “ My Starbucks idea” website has been successfully engaging customers since a number of years and promises to do so in the future as well. These innovative strategies have given a marketing edge to the brand by strengthening its relationship with existing customers as well as targeting potential customers. It has been providing other such personalized services as well to expand its customer base (“ Starbucks Marketing Strategy, making Social Media a Difference Maker, Web). It may seem that Starbucks` social media following and large customer base are enough for it to achieve success, however, there are other online opportunities which are not yet touched upon by the brand. Although the services are highly personalized, the online existence and platform of Starbucks is not personalized. It could provide a “ third place” to its broad range of online customers through a personalized online platform which is not linked with any social networking website and has free personalized content only for the customers as well. Through this platform, Starbucks can gain its unique online personality and the customer base

would further expand. Works Cited: 1. " Drinks." Starbucks Coffee Company. N. P., n. d. Web. 3 Dec. 2013. . 2. " Starbucks Marketing Strategy ... Making Social Media a Difference Maker." Digital Spark Marketing. N. P., n. d. Web. 3 Dec. 2013. .