

# The overview of starbucks marketing essay

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



Starbucks Corporation is the world's largest coffeehouse and has become coffeehouse chain in the world. It is one of America global company which founded in year 1971. Starbuck considered as a corporation that has grown from small retail inception to global stardom which open over 6, 000 shops worldwide in 2002 and then expand over to 10, 000 in 2005. Thus, it can truly recognize since Starbucks considered as one of the most successful business ventures to-date and become most recognizable brands nowadays. In order to reach into global expansion, Starbucks has using some of key success factors in way to examine these factors from customer's point about them and to justify how essential of customers needs to Starbucks in purpose to retain its current customers. As we know, Starbucks is mainly served for customers who are thirsty. The beverages they sell include hot and cold beverages such as whole-bean coffee, microground instant coffee, full-leaf teas, pastries. Besides they also provide complementary food items which customers can enjoy consumed with Starbuck at the same time. Food items that including snacks, teas. Other than that, Starbucks also using their own coffee-related accessories and equipment for non-food products such as high quality of coffee and Starbucks's specialized glass. Starbucks is using the best coffee bean to produce best coffee to customers and has always been a place whenever you can find the world's best coffees.

## **Background of Starbuck**

The first Starbucks was open on year 1970 in Seattle's Pike place. The name of Starbucks is originated from a classic American novel that is about 19 century whaling industry named as Herman Melville's Moby Dick. However, the founders of Starbucks are Jerry Baldwin, Gordon Bowker and Zey Siegl.

At the earlier, Starbucks is just a small local coffee bean roaster and retailer and now has expanded rapidly. From Starbucks' founding in 1971 in Seattle as a local coffee bean roaster and retailer, the company has expanded rapidly. Since 1987, Starbucks has opened on average two new stores every day. The first store outside the United States or Canada opened in the mid-1990s, and overseas stores now constitute almost one third of Starbucks' stores. The company planned to open a net of 900 new stores outside of the United States in 2009, but has announced 300 store closures in the United States since 2008. (Wikipedia, n. d) Since Starbucks has expansion globally, it has created licenses throughout Asia, the Middle East, Africa, and the Americas. Besides, Starbucks also maintains a 40% market share internationally. Starbucks now employs around 240000 peoples in operate Starbucks Coffeehouse which mainly in US that are headquartered in Seattle. The goal of the Starbucks Company is to create brand awareness through the " Starbucks Experience" in the purpose to make customers experiences and perception in customers mind. By this way, it can translate well that let everyone can enjoy through a relaxing atmosphere together consume with a cup of high quality coffee and present better customer service.

## **Introduction to CRM program**

Customer relationship management at the early time is call a Philosophy which developed by Peter Drucker. This concept of customer relationship management began in the early time in year 1970 and now has developed rapidly into a global scale. Customer relationship program is one of business strategy that the organization use to get closer their customers, to better serve their needs, improves customer service, enhance customer satisfaction

and thereby maximize customer loyalty and retention. (crmapp, n. d).

However, CRM implementation strategy combined with implementation of the right CRM that can help to simplify support into sales and marketing and customer processes as well as improve team efficiency. Nowadays many of the companies have applied this CRM concept to shift from product-centric to customer-centric mean that they are more focus on customers rather than product focus. Those companies create the relationships with customers based on the three simple principles, which is protecting the customer base, nurturing the customer base and increase its asset value. (capabilityphil, n. d.). CRM come from two sides which are CRM communications and CRM technologies. These two aspects are important in helping CRM program to create value and maintain relationship with customers. For CRM communication, customer relationship is not only giving assurance to keeping and winning those customers but mainly listening to them about their view to the companies. In other words, companies other than listening to the customers but at the same time also are giving them a voice. Since that, companies now have constantly contact with customers at outside so it is useful to keep them loyal toward their branded and their business.

Besides, companies are encourage to use various channels such as direct mail, media form, campaign, advertising, call centers, promotions and so on. As a result, customer feedback can gained through these of the channels which relevant to their opinions and insightful information about evolving customers. Also, companies is stressed to invested in loyalty program by keep and retain current customers. For CRM technology, companies now understand what the tools they take to manage the relationships with

valuable and profitable customers. Nowadays, with high information technology, various advent CRM software solutions had been developed. These software are use to manage the complexities of a customer base and requirement for every single customer. Companies can have fully views of their customers and grant them the ability to manage specific relationship at every touchpoint or at every department inside the companies which are mainly relevant such as marketing, customer service, sales force and operation. (capabilityphil, n. d)In a nutshell, the current trend showed that the company using the CRM processes to identify and target their potential customer, generate quality sales leads, and plan to implement marketing strategic with clear goals and objectives. Through CRM company can improve the customer satisfaction and build relationship between the company and its potential customers in the long run businesses.

## **2. Why does the company implement the CRM program? Outcome of the CRM implementation**

### **2. 1 Why Starbucks implement the CRM program?**

#### **2. 1. 1 Better Customer Service**

The goal of Starbucks is to become the third place in the customer's daily lives (Dollinger, 2008). According to the third place concept, one's " first place" is the home, which is the place where one lives in. The " second place" is the workplace, which is the place where one does their job and work. As for the third place, it is defined as a place between work home, which a warm, clean and inviting environment where customers go to escape the chaos of daily life (Wikinvest, n. d.). By aiming to become customer's third place, Starbucks had to provide better customer service in order for the

customers to feel satisfy when they spend and stay at Starbucks. If the customers are satisfied with the customer service provided by Starbucks, they will come to Starbucks more frequently as they can find comforts and belongings there. However, if the customers are not satisfied, they will not see Starbucks as their third place and they might not come again. Besides, the brand positioning of Starbucks is as a personal luxury and to provide sophisticated experience to the customers (Kathy, 2009). Therefore, the price of Starbucks product is not cheap since it is a luxury. Hence, in order for the customers to feel that it is worth to spend their money at Starbucks, Starbucks had to create and deliver higher value to customers such as offering satisfying customer service. In order to influence the customer's perception to view Starbucks as their third place, Starbucks had to provide outstanding customer service. For example, the employees can recognize the customer's name. Besides, they might also know the customer's drink and even the customer's kid's name. Other than that, the customers can stay as long as they like without spending much. They can use the bathroom for free. The customers can even bring in outside food and outside drinks (Ogden, 2011). This is good since the customers will feel that they have full freedom.

## **2. 1. 2 Improve Customer Retention Rate**

Starbucks implements CRM program to improve customer retention rate since lower customer retention rate creates and brings many advantages. For example, Starbucks will have a larger customer base. This is because the customer base will keeps on growing as Starbucks continuously gains new customers and is able to prevent loss of existing customers. Besides that,

improvement in customer retention rate also allows Starbucks to have more cross-selling opportunities. For example, besides coffee, Starbucks sells other products such as cups, grinders, grinders, teapots and teakettles. In order to improve customer retention rate, Starbucks tried to provide better service and deliver convenience to the customers. For example, in year 2011, Starbucks starts to accept mobile payment from iPhone and Blackberry users. Before making any payment at Starbucks, the iPhone and Blackberry user has to download free Starbucks Card Mobile App first from the internet. Then, they can pay for their purchases at Starbucks by holding their phone directly in front of a counter-top scanner (Michael, 2011). This is convenience for the customers as they do not need to bring any cash or credit cards.

### **2. 1. 3 Reduced Marketing Cost**

Another reason Starbucks implement the CRM program is to reduce marketing cost. By deliver greater value or developing a good relationship with the customers, the customers will most likely continue to visit and purchase from Starbucks instead of switching to the competitors shop such as San Francisco Coffee. Hence, less money is needed to be spent to replace churned customers. This is because the amount of cost required to acquire new customers is more than the cost to retain existing customer. For example, existing customers might have subscribed Starbucks for updated information like new promotion. Hence, Starbucks no need to do a lot of advertisement to spread the new information to them. However, to communicate information to potential customers, Starbucks need to do a lot of advertisement such as distributing flyers which will lead to higher

marketing cost. For example, Starbucks had built a remarkable and comfortable environment so that the customers feel relaxed when they stay in Starbucks. Besides, Starbucks also providing free Wi-Fi. By doing this, the customers will not feel bored since they can surf the web. In addition, free Wi-Fi also provides convenience to the customers. If the customers that are dining at Starbucks had an emergency and need to surf the web, they can use the free Wi-Fi to go online and settle the problem. The customers can sit on a nice chair, look out of the window, surf the web, and drink a coffee (Dollinger, 2008).

## **2. 1. 4 Better Customer Insight**

Other than that, by implementing CRM program, Starbucks can gains better customer insight. As time passes, Starbucks will develop better understanding of the existing customer's information, requirements and expectations by collecting customer's data through CRM program and the deployment and interpretation of the data. Example of customer's data is customer's favorite drinks and customer's age. By doing this, Starbucks is able to deliver a greater value to the customers. In addition, customers also understand more about what Starbucks can do for them. In order to have better understanding of the existing customers, Starbucks had created a website which is [mystarbucksideas.com](http://mystarbucksideas.com). There are varieties of categories in this website. The website allows people to post, discuss and vote for ideas in categories. Examples of topics and ideas that people had discussed are the coffee, food, music and atmosphere of Starbucks (Morse, 2008). After people had posted their ideas on the website, Starbucks employees will view the post and give responses. Then, the employee will deliver and communicate



the ideas or suggestions to the management. This will help Starbucks to know and understand more about the customer's wants and needs. Other than that, it can also help Starbucks to generate new and innovative ideas too.

## **2. 2 Outcome of the CRM implementation**

### **2. 2. 1 Customer Satisfaction**

The outcome out CRM implementation by Starbucks is the increase in customer satisfaction. Customer satisfaction is a measure of how products or services provided by a company meet or exceed customer expectation. By implementing CRM program, Starbucks understand the customer's expectation. Hence, Starbucks is able to create, develop and provide products or services that can fulfill the customer's expectations better. This will lead to higher satisfaction among customers. Starbucks had introduced " My Starbucks Rewards" to satisfy the customers. When the customers pay with their Starbucks card or the Starbucks mobile app either at the participating store or the Starbucks website, they will earn one star. The customers have to collect the stars in order to earn benefits. There are three levels of reward. The first level of reward named " welcome". During the customer's birthday, he or she can use the card to earn a free drink or food. The second level of reward is " Green". By paying with Starbucks card, the customers can refill ice coffee and tea at no charge. By giving these rewards, the customers feel satisfy as they feel that the value they receive is more (Starbucks, n. d.).

## **2. 2. 2 Customer Loyalty**

In addition, implementation of CRM program will improve customer loyalty. When a customer is loyal to Starbucks, they will repeat their purchase more often. Besides, they will offer good ratings and reviews for Starbucks. They might also spreading positive word-of-mouth by telling their friends or family about Starbucks products and services. This will increase the reputation of Starbucks. Other than that, word-of-mouth may be able to help Starbucks attract new customers too. Starbucks had done some effort to increase customer loyalty. For example, Starbucks will send an email to the customers that are going to reach their birthday. The purpose of the email is to inform the customer that he or she will soon receive a birthday post card. At the customer's birthday, he or she can use the post card to redeem a free drink. After that, Starbucks will ask for the customer's address so that they can send the post card to their house (Financialaffirmations, 2012). By doing this, the customer will be more loyal to Starbucks since they feel more valued when Starbucks remember their birthday date and had offer them a free drink. Other than that, Starbucks can also mine the customer's data as well. For example, through this program, Starbuck gets to know the customer's house address, which might be a useful information for the company.

## **2. 2. 3 Business Performance**

Other than that, improvement in business performance is another outcome of CRM implementation. Example of improvement in business performance is increase in profit margin. One of the reasons Starbucks is able to generate higher profit margin is customers buy more since they are able to get high

satisfaction from Starbucks. This will cause the revenue earned to grow and lead to increase in profit margin. In addition, existing customers are also willing to pay higher price compared to new customers. This is because existing customers are less price sensitive. When the customer's is not sensitive about the price, they will buy a product although the price of the product is expensive compared to the competitors. Besides, they might buy more quantity of the products since they do not think that the product is expensive. This will help Starbucks to generate more revenue.

### **3. Customer experience and customer value. Theory and practice in the company.**

#### **3.1 Customer Experience**

A customer experience is an interaction between an organization and a customer as perceived through a customer's conscious and subconscious mind. It is a blend of an organization's rational performance, the senses stimulated and the emotions evoked and intuitively measured against customer expectations across all moments of contact (Beyond Philosophy, 2013). The key to impressive customer service is to create loyal customers which can be achieved through customer satisfaction. According to Pareto principle, loyal customer represents no more than 20 percent of customer base, but it contains 80 percent of the company sales (Narula, 2005). It is because they are least price sensitive to spend their money in the company that they have loyalty to that particular company.

## **Customer Experience Concept**

A Customer comes with contact with the company at various stages of the Customer Experience Map. Customer exist wherever customer come into virtual or concrete contact with a company's products, services, communications, places, people, processes or technologies. The customer learns firsthand about the company at all those touch points. (Dhana, 2011) So, it is very vital that to measures customer experience at every important touch point. When a customer become aware of our company, he need to go through the touch points such as websites, and brand identity. When the customer purchase a cup of coffee at the outlets or pay to the cashier or communicate with worker also consider as touch point for Starbucks. While when the customers wish to use the service of Starbucks, the touch point will be the Starbucks facilities and services such as Wi-Fi. Moments of truth occur during customer interactions at touch-points. These are the moments when customers form evaluative judgments, positive or negative, about their experience. When the customer first enter the Starbucks cafe, they need to waiting in the line while purchase the coffee, they experience about situation of queuing. After that, they will experience in ordering the coffee at the counter, they will face with the worker and through communication they will evaluate their service provided. After coffee has been order, the next experience will be waiting for coffee, at the time customer need to wait the coffee they order to be process. The last process of experience is receiving the coffee, after so much time of waiting the coffee finally being served. Through all the stage, customer can experience the process of buying a cup coffee and evaluate the average time taken to get the coffee. So the result

of moments of truth can be positive or negative based on each customer perception. It also hard to predict whether the process got fulfill the standard. Engagement can be thought of as the customer's emotional and rational response to a customer experience. Companies that consciously design customer experience want to evoke strong, positive engagement. So Starbucks recognized that one of the ways to obtain customer satisfaction is by manipulating their perception of equity and fairness in gaining maximum return for their money and loyalty. So, Starbucks introduced the Starbucks Loyalty Card which gives great benefits to its customers; ranging from syrup and milk options on their drinks free of charge, complimentary coffee refills and free beverage with whole bean purchases. The Starbucks Card or the Duetto Visa Card (a reloadable prepaid card/Visa credit card) binds the customer whereby they feel that they are gaining more value for their money, being treated fairly by Starbucks and feeling appreciated by a better quality service in being a loyal and a regular client, thus preferring to stay devoted to the brand and gaining further benefits with their future purchases. ([www. starbucks. com](http://www.starbucks.com)).

## **Customer Experience Clues**

The Starbucks customer experiences are based on the satisfaction of a series of the interaction such as the facilities and environment. Starbucks sought to be a place where people could lounge with a good drink and friends or maybe just a book. This atmosphere was created to establish a friendly and welcoming environment. Through their success they changed the mindset of coffee customers worldwide: from a coffee shop being a place to buy a cup of coffee to a place to experience a good cup of coffee. So it let the customer

to have a great experience in the outlet. Besides that, Starbucks also focus on quality control of their product. Starbucks sought to enrich the quality of the coffee they served by working with the growers to ensure a perfect brew every time, as well as enforcing standards, many of which have become industry norms. Therefore, customer has the chance to taste the greatest coffee. Starbucks also dedicated considerable time to training. Each partner was trained in both the technical aspects of creating the drinks as well as how to connect with customers to maintain the same customer experience across locations. This commitment created employees that weren't just focused on drinks, but customers too. So customer can has greater experience through their atmosphere, satisfaction of their employee and continuity of brand and product. Starbucks are able to manage the experience well through various ways of communication process. Starbucks company also use advertising, brochures, newsletters as other company do to communicate with their customer. But Starbucks is a company that has a unique advertising and marketing strategy when compared to their competitors and most other large, well known brands. Starbucks has embraced a " word of mouth" strategy that lets the high quality of their products and services speak for themselves. Starbucks is known for its high quality coffee and they believe that connecting with their customers, and focusing on their in-store experience is more valuable than any advertisement or mass marketing. They believe once a customer is satisfied, it is more effective when they personally promote their brand because they are a pleased customer who will return and will remain loyal to their brand. They have focused on utilizing their current customers to attract new ones.

Starbucks non-traditional method for advertising their brand shows that they are driving their sales through the company's image and reputation.

Starbucks also provided the websites and electronic media such as official websites, fans pages in the facebook, twitter and specially the Starbucks's channel in youtube to create the customer experience. Besides provide the different special spot light of different location of Starbucks, it also post some press news in the facebook wall to share their proud with their customer . It not only provided the interaction between employees but also provided the interaction between customers themselves. Customers can share their photo in the facebook pages and even discuss about the services and also share their experiences in Starbucks. The success of Starbucks' loyalty card program can also be attributed to its mobile rewards app. Over one million mobile users have Starbucks' mobile rewards app. With this app, customers can use their phones to pay for their orders. They can also check their loyalty program account information in real-time on their phones. Additionally, the app delivers special promotions to users and locates stores. Additionally, the mobile rewards app further contributed to the loyalty program's success because when other customers in line see people using their mobile phones to purchase coffee, it arouses curiosity and encourages more sign-ups. The Starbucks loyalty card program has also been successful in encouraging repeat business because many customers go to Starbucks and order drinks, just so they can earn additional stars. Starbucks have a fine visual identity in order to communicate with their customer. As we all know the twin-tailed mermaid or Siren is the fine visual identity of Starbuck to communicate with customer. March 8th, Starbucks marked the 40th anniversary of the world

renowned coffee company with the release of the new identity materials. Brand New published an interesting review and photos of the new branded products. The symbol only logo needs to be dynamic, flexible and in the same time recognizable. Starbucks has imprinted their logo across different products and merchandises are very up to date, bold and vibrant. Many customer love the way the logo is cropped and moulds on angles and sides, actually branding the products. The idea with the new identity is to be recognizable and not to respect rigid branding rules; the idea is for the logo to be playful and fun as opposed to well contained and rigorously positioned. It would confidently say that the new identity is a definite improvement, bold and evolved, giving the company a renewed energy. Starbucks also involve in product presence which comprises a number of product-related variables, such as product design, packaging, display, brand characteristics and point-of-sale. Innovative design can evoke strong emotional responses. Given that a large number of consumer choices are made at the supermarket shelf. Packaging is very important, having only fractions of seconds to capture the attention and evoke a response from shoppers (Buttle, 2009). The new logo itself has received good feedback; it is a great step forward for Starbucks, being one of very few companies confident enough to actually remove their name from their logo. Starbucks on the other hand have had to promote their logo over the years, making it more and more recognizable until it would be instantly recognized by the majority of the stores passer-bys. Moving onto design feedback, the logo is just a more minimalist version of the previous logo, which was a more minimal version of the one before that, and so on. The lack of excess design makes the logo extremely beautiful to



look at. Especially like the fact that there are no strokes, letting the white of the logo sit against whatever color or image the logo is placed upon. Base on the new product design of Starbucks, a preview of the new identity as a whole; the classic white cups, takeaway lids, cup-holders which making it easier to hold the cup without burning ourselves, paper bags and napkins. The combination of bright white and brown paper, especially the off-white brown used for the napkin. Combined with bright green this makes some really interesting and somewhat appetizing packaging.

### **3. 2Customer Value**

Value is the customer's perception of the balance between benefits received from a product or service and the sacrifices made to experience those benefits. A value proposition is the explicit and implicit promise made by a company to its customers that it will deliver a particular bundle of value-creating benefits (Buttle, 2009).

### **Value From Products**

The further explanation where companies may make products, but customers do not buy products. Customers buy solution to their problems. They buy benefits or, better said, they buy expectation of benefits. Products that offer better solution to problems create more value for customers. A better solution is one in which the balance between benefits and sacrifices of the value equation is enhanced for the customer. Product based value is created for customer through product innovation, additional benefits, product-service bundling, branding and product synergies (Buttle, 2009). Product innovation can be define as most ' new' product are modifications

for existing products, cost reductions or line extensions. Very few products are 'new to the world' or create new product categories. New product in all of these categories can improve customer value perception, but it dramatic ground-breaking inventions that create leaps in customer value (Buttle, 2009). For example Starbucks recently announced a new line of energy drinks which is Starbucks Refreshers. There are two flavors Cool Lime and Very Berry Hibiscus and instead of copying other energy drinks, and use the same active ingredients as the usual suspects, they instead decided to use something uniquely Starbucks - green coffee extract. Starbucks Refreshers are coffee drinks that don't look like or taste like coffee, but provide the caffeine jolt that many of their customers are looking for nonetheless. And as an added bonus, they are coffee drinks that are much lower in calories and fat than many of their traditional hot or iced lattes. Starbucks Refreshers beverage are a breakthrough innovation that deliver thirst-quenching refreshment from real fruit juice and a boost of natural energy from a new source, green coffee extract. The new beverage platform gives Starbucks an opportunity to introduce a completely new offering globally. As we can say that this is a proof point of how Starbucks is executing its growth strategy. Product-service bundling is the practice of offering customers a package of goods and services at a single price. For the customer, bundling can reduce money, search and physical costs. For company, there are economies in selling and marketing. Changing the composition of a bundle can increase customer perceived value; adding or removing elements from the bundle can both have its effect. Adding element to the bundling increase the benefits side of the value equation. Bundling is the act of building an added-value

package around the products and services you sell (Buttle, 2009). When Starbucks offer customers a bundle, mean giving customers more reasons to come back to do business with Starbucks. Every time a customer uses and is satisfied with one of the benefits in the bundle, he or she comes another step closer to becoming a customer for life. As we all know Starbucks is a coffeehouse or a coffee shop shares some of the characteristics of a bar and some of the characteristics of a restaurant, but it is different from a cafeteria. As the name suggests, coffeehouses focus on providing coffee and tea. Food choices range from pastries and muffins to soups and sandwiches. The Starbucks combine them together; in Starbucks you can also buy the sandwiches as well as cakes. This idea is convenience for the office workers. And Starbucks also sell instant coffee in their shops or to some supermarkets. This is Starbucks Service-product bundle. Branding can be defined as a brand is a any name, design, style, word or symbol that distinguishes a product from its competitors. Brands create value for customers in number of ways, on both sides of the value equation. Brands reduce search costs by clearly identifying one product as different from others. Brand can also reduce psychic costs. Over time, customers assign meanings to brands. A customer who understands what the brand means is less at risk than a customer who does not understand. Brand knowledge like this is acquire from experience, word of mouth or marketed controlled communication (Buttle, 2009). As we all know the Starbucks logo which famous with the twin-tailed mermaid or Siren is use by their branding. Through the branding it differentiates with other brand and creates brand awareness among customer. It is a successful branding which attracts many

customers. Besides that Starbuck conducted tons of customer research about every aspect of drinking coffee and built their brand strategy around the entire experience. With Starbucks, it's not just about the coffee. It's about a moment of escape and self-appreciation in a hectic world where you can feel overcome daily rigors. It's about the aroma, the myriad choices, flavors, styles, and names. The branding of Starbucks is rated high in every time because of the efficiency of word-of-mouth of customer which spread a positive image or brand of Starbucks.

### **Services quality theories**

Service quality is one of the important determinants of success in attracting loyalty customer. While, the instrument named SERVQUAL shall be used in measuring the service quality. SERVQUAL measurement of 22 items representing expectations and 22 items representing perceptions. It identifies to analyze the gaps between expectations and perceptions offer diagnostic insights useful in assessing and improving service quality. Furthermore, there are also five dimensions of service quality where gaps between expectation and perception may exist, and the narrowing or elimination of these gaps would lead to improved service quality. Reliability is the ability involves performing the promised service dependably and accurately. It also meant to provide services that the company promised and maintain the error-free records of the company. Starbuck's staff perform their work that have been promised to their guests and giving good services to encounter by their guests. Each employee of Starbucks is empowered. For example, when a customer purchase a cup of coffee by using Starbucks membership card, the worker can easily identified the customer identity. The

worker will greet the customer with their name as recognition. The customer will feel more valued. For the assurance, it refers to the knowledge and courtesy of employees and their ability to convey trust and confidence in terms of competence, courtesy, credibility and security. All employees in Starbucks have already been successfully trained for their position. So, all the staff has a certain level of required skills, knowledge and competence to perform the services. Courtesy involves politeness, respect, consideration, and friendliness of contact personnel. Starbucks uses the principle of "Smile - we are on stage." And let their staff always maintain the positive eye contact. It needs their staff to use the proper vocabulary such as "Good Morning," "Certainly," "I'll be happy to," and "My pleasure" with their customer. Credibility involves trustworthiness, believability, honesty; it involves having their customer's best interest at heart. In this case, every staff in Starbucks is an ambassador in and outside of the work place. They always talk positively and keep good image of Starbucks. Tangibles refers to the appearance of physical facilities, equipment, personnel and communication materials that to provide the service. Besides the ambience types of environment and facilities of the Starbucks, it also focus on staff outfit. The staff must be dressed the uniform appropriately as set by the company. Further, the responsiveness is the willingness to help customers and provide prompt service to customers such as quick service, quality service and consistent service. Empathy is all about the provision of caring and individualized attention to customers that to communicate and understanding the customers well. Communication means keeping customers informed in language they can understand. It also involves with

explaining the service itself, the cost and also to assure that a problem encountered by their customer will be handled. Besides that, Starbucks also put much effort to understand the customer's need. As Starbucks's Motto is "to inspire and nurture the human spirit - one person, one cup and one neighborhood at a time." It is very important for a Starbucks to continuously measure users' evaluation of its service quality offered, because that is the only way to work on improving their service offers and to adapt it to needs and desires of consumers.

## **Conclusion**

Starbucks is successful in managing CRM program in their company. Starbucks has achieved a great result in their business especially about the brand with twin-tailed mermaid or Siren that has become most recognize brand in worldwide. Starbucks make a great effort on reaching successful on CRM program. The most successful CRM program of Starbucks is by implementing loyalty program. Starbucks believe that by implementing loyalty program, they can get a step closer with customer and get know the customer well because the customer will provides their particular information which is very useful information for Starbucks. Base on the information Starbucks can easily identified their market segment and target their market. Therefore, it can easily design their retention program or reward that suitable to the company and customer. For example, the more frequently customers go to Starbucks to drink coffee, the more they are rewarded from it. Starbucks create an effective loyalty program such as " My Starbucks Rewards" which is one of famous loyalty program in Starbucks. Another example, they provide Starbuck's card to peoples who come to

enjoy coffee which Starbucks are intend to grab and retain customers. By this way, when customers each time come to buy Starbucks coffee and shows their card, it will automated help them to earn the point and give them discount. When they earn until such a highest point, they will free them with drinks. So that customers will have more intention comes in frequent to collect the stars in order to earn benefits. Therefore, customers will tend to more loyalty toward their company. For Starbucks, its competitive advantage is they have better touch and interact with customers directly. They provide personalized service to every single customer in order to meet their need and requirements. Employees of Starbucks are a core factor to build relationship and interact with customers directly. Starbucks success in provide personalized service which increase customer's satisfaction is ensuring the loyalty. For example, personalized service provided to customers include flexible changes to the customers' drink or order, personal greeting and giving customers a smile when they come to counter for ordering and memorizing the favorite order of each customer so that customers. This kind of customer intimacy is requiring to making each customer feel they are value and special to them. Thus, customers will come to Starbucks more frequently since provide high of quality. These points can highlight Starbucks is outstanding on creating customer relationships. Provide high quality of coffee considered as one of success factor in CRM. Starbucks is considered as unique features of the coffee-based beverages. Since it provides large variety with innovative drinks, this would drive to attracted new customers to experience luxury coffee drinks. Also, peoples can enjoy luxury coffee with affordable prices in a very cozy and relaxing

environment. Besides, Starbucks has created coffee culture to customers by educating them on the roasting process or recipe, distinguish from coffee types and origins. Therefore, it is useful to established brand credibility and gaining trust of customers in their brand. In other words, Starbucks first come to customer mind is high quality provided. Lastly is strong brand equity on Starbucks. Starbucks has own design their unique earthly-colored on the wall for each of the store, display innovative product such as put inside their store and in front of counter, create a cozy atmosphere by changing according to seasonal themes, promotions and so on. These have makes Starbucks to a strong equity brand which allows for customer retention and brand recognition. Starbucks logo is the twin-tailed mermaid or Siren that can highly differentiate from other brands. Starbucks store is clean and the concept store's design has added very much to the strong image of Starbucks since customers feel Starbucks provide them with clean and comfortable environment and drive them come store frequently. It is important to create good reputation to overall image of Starbucks. In conclusion, overall Starbucks is doing. They have a great CRM program to help them manage their customer from all over the world. Although the cost to implement a CRM program is expensive but it is worth implement it. This is a win-win situation, both parties get what they need.