

Individual ethics and product consumption paper

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



Starbucks Marketing Ethics Presented Starbucks Marketing Ethics Starbucks is the leading dealer of fine coffee in US. Currently Starbucks is the premier roaster and retailer of coffee beans globally. The company has a global reputation in having the finest coffee, adhering to strict ethical principles in acting ethically, upholding the highest degree of integrality and honesty, and adhering to the letter and spirit of the law, all which have been the driving force behind the company's success. The company's mission statement reads: " people first, profits last," indicating the dignity in which all people are treated in the company. Below is an analysis of the six pillars of ethics in marketing as applied at Starbucks.

Honesty The company is honest to the best extent possible in sticking to their codes of ethics, despite the cost of such honesty. For example, Starbucks adheres to strict standards against the use of alcohol in any of their company's properties, except in special cases where alcohol is permitted in Starbucks sponsored events. This standard is applied across the board; the company does not tolerate any alcoholic drinks, or any illegal drugs in the company's premises. This requirement of zero tolerance to alcohol has been followed regardless of the level of employee or guest. In addition, the company has strict adherence to laws, standards and regulations in all its operations, making honesty a virtue in the company. The company takes honesty to higher levels. For example, there was uproar in Argentina after the company apologized for using locally made products instead of the Starbucks branded cups. Though some perceived the apology to be ill advised for portraying the cups used in a negative way, the company meant that it had diverted from its principle of using branded cups that reflect the company's brand name in all cases.

Responsibility The company is highly responsible for the welfare of its employees. The company holds such employees as partners rather than employees. In 2011, though many companies were heavily cutting their employees' healthcare costs due to increased cost of doing business and difficult economic conditions, Starbucks was praised for not following suit, which indicates the company's responsibility to its partners in times of profits or losses (Ferrel & Fraedrich, 2012). **Caring** The company offers all its employees who work more than 40 hours per week a comprehensive package, which includes dental and vision benefits, portraying the company's caring nature for the welfare of all its employees and ensuring they are comfortable to work (Ferrel & Fraedrich, 2012). All employees are well compensated for all the time worked. **Respect** Respect is one of the founding principles in Starbucks operations. The company has much respect for all diversity of people, their strengths, abilities, and differences. The company offers a favorable working environment for all races and diversities of people, without any bullying, discriminations, or harassment (Schultz, 2012). Any instances of verbal or physical abuse, offensive language or jokes, display of offensive materials or any unwelcome gesture are never entertained within the company, among the employees or customers. **Fairness** Starbucks being the largest dealer in fine coffee has to work with smaller and large suppliers of such coffee. One aspect that Starbucks uses with all its suppliers is fairness. The company pays small coffee suppliers especially in developing countries premium prices for all the coffee produced and delivered, to ensure they make reasonable profits to support their families as required. To ensure the small farmers are equipped with the

latest coffee growing technologies and skills, the company instead of leaving such small farmer's helps them through farmers support centers, which are aimed at helping such coffee growing farmers while at the same time improving their farming skills (Ferrel & Fraedrich, 2012). Examples of these centers are located in Rwanda and Costa Rica. Citizenship Starbucks has been a vocal crusader of green environment in all its activities. The company has initiated major environmental friendly policies, which include environmental conservation and educating all its partners through its Green Team initiatives. The company has also designed the Plant Website, which outlines the company's environmental goals, and how the company is fairing along in achieving its goals. The company has also partnered with many NGOs globally in contributing to communal projects. Examples are the Fair Trade Certified Coffee, where the company increased its contribution from 19 million pounds to 39 million pounds, and the Bono's Product Red, which raises money for HIV and AIDs research. The company gives out more than 14.5 million dollars in loans to farmers with an aim of increasing this to more than 20 million in 2015 (Ferrel & Fraedrich, 2012). However, the company has to improve several sectors for it to meet its mission statement of " people's first and profits last." Despite the company's strong campaign towards environmental sustainability, more than 3 billion disposable cups from the company are thrown to landfills each year, with only 5% of Starbucks shops undertaking comprehensive recycling of their cups (Ferrel & Fraedrich, 2012). Though the cups are from a less hazardous material (polypropylene no. 5), the cups present a serious challenge in waste management. Therefore, the cups need to be recycled effectively. Starbucks

has over the time faced serious criticism in the European market and from NGOs on the need for the company to acquire certified coffee from only markets that have been certified for growing and selling coffee under certain economic and social conditions (Schultz & Speiser, 2009). The criticism mainly targeted coffee imported from developing countries such as African countries that have been blamed for using inorganic substances and chemicals in the coffee growing process. The company is obligated to ensure all their suppliers embrace organic farming methods to reduce the effects of inorganic substances on human health. Such inorganic substances have been banned in most European countries. With the above improvements, Starbucks will make a great difference in meeting the codes of marketing ethics, leading to a large market penetration especially in the European market.

References Ferrell, O. C., & Fraedrich, J. (2011). *Business ethics: Ethical decision making & cases*, Boulevard: Cengage Learning. Schultz, H. (2009). Starbucks: Business ethics and compliance. Retrieved from <http://globalassets.starbucks.com/assets/eecd184d6d2141d58966319744393d1f.pdf>. Schultz, H., & Speiser M. J. (2009). Starbucks' international operations. *Business Internationalization*. Retrieved from http://www.mi.rei.ase.ro/Site%20MI/Starbucks_EN.pdf.