

Starbucks store image analysis

Business



Our group has decided to do a research of Starbucks Corporation, an internationally renowned coffee house chain based in Seattle, Washington. Starbucks is the largest coffeehouse company in the world, with over 17, 009 stores in 50 countries.

This includes over 11, 000 stores across the United States, over 1, 000 in Canada, and over 700 in the United Kingdom. Starbucks' success can be attributed to the creation of a successful retailing model. This report will discuss its development and of how the store image has contributed to the success of the corporation. It will analyze the components of the store image from the perspective of atmosphere; total shopping experience and promotions. It will also evaluate how closely the store presents the image it purports to project.

Finally, the report will make recommendations for the retailers to further improve its image. People-Customer Service Starbucks focused primarily on providing services and made sure that customers came, enjoyed and stayed. Starbucks had no particular target market and catered to almost everybody with a wide ranging product line (Moon and Quelch 2006). Starbucks adopted the philosophy that keeping their employees happy would eventually make the customers happier. It believed that this would increase the speed of service which in turn would help them achieve the goal of customer satisfaction and make them stay longer.

Therefore Starbucks trained their employees to adopt a pleasant and welcoming nature and to greet customers. It thought that by exchanging a few words with customers, employees would be contributing towards

customer retention. Therefore all what they wanted was to win an argument and loose the customer (Moon and Quelch, 2006). Employees were well educated and trained to be coffee culture experts, communicate and engage in a friendly conversation with customers. This enabled customers to enjoy the Starbucks coffee culture and all that Starbucks had to offer. Starbucks' efforts to cultivate customer loyalty has been very successful, according to the Starbucks marcom manager.

He suggested that Starbucks customers have constantly appeared over 18 times per month (Moon and Quelch, 2006). As a result, Starbucks made a market orientation and keep a good store image, then it succeeded to improve its scope. Starbucks chose to operate a directly owned cafe model. This was because Starbucks believed that this was the only way to ensure the quality of products and service provided. According to Schultz (Moon and Quelch, 2006), the manner in which employees communicate in Starbucks is what they felt as one of the most decisive factors for the success of its brand.

Therefore, Starbucks would rather spend more money on opening a new store, training their own people, and also ensuring that starbucks products and services were of unity and high quality rather than spending on advertising. By deleivering highend customer service as mentioned above and treating customers in the way the employees are trained to do would help starbucks polish its store image and make customers 100% satisfied with the product and extinguished service starbucks has to offer. Promotion According to Moon and Quelch (2006), Starbucks has not engaged in large advertising campaigns, compared to its competitors, who spend 3% to 6 % <https://assignbuster.com/starbucks-store-image-analysis/>

of its budget on advertising (MOON AND QUELCH, 2006). Starbucks mainly focuses on point of sales and local store marketing. In-store promotions act as a favorable method of advertising for a globally recognized brand like Starbucks which is often located in high visible areas.

These promotions include Special rate coupons, Discount coupons, Happy hour drinks etc. These methods acts as good in store promotional approaches for Starbucks and helps to boost the number of incoming store traffic (Mintz, 2008). For example- Starbucks had an in store promotion of free coffee give away to all customers on 13th of May 2010 (Starbucks, 2010). These types of promotions attract regular customers as well as non-customers who try Starbucks for the first time. This will further help people to be exposed to the Starbucks store image and would create an eagerness to further experience it. Another strategic approach was to ensure that Starbucks got enough “ word-of-mouth” marketing.

This was done to promote the expansion of Starbucks target audience. For Starbucks, word of mouth has been the best form of advertising. The proposed slogan of Starbucks is: “ We cook every cup of coffee, grasp every detail”. These types of words attract more consumers to return and start a conversation about it. Starbucks offers a variety of different mixed coffee drinks to cater to the different needs and taste of its customers. Therefore, the enterprise brand promotion is not only by the dulge of advertising, but also acts as a way to transfer brand connotation in order to win customers recognition and acceptance.

Therefore, based on a good promotion and special sale model, Starbucks tries to make coffee a life experience. PriceFor the coffee itself, Starbucks priced the coffee believing it was of the highest quality. In order to ensure that the coffee they sold was of the best quality, Starbucks controlled to a great extent the supply chain of the coffee. They purchased green coffee beans directly from the growers in various countries and oversaw the custom roasting process. This ensured that the blends and single source coffee were made to exact company specification. They also controlled the distribution of the finished coffee to the various retail outlets around the globe (Moon and Quelch 2006).

Starbucks wants its customers to know that whatever they are purchasing from any of the Starbucks stores is made of exceptional quality and is priced just above the price of normal coffee. This helps to create the impression amongst its customers that they are consuming a product of an exceptionally high standard. (MOON AND QUELCH, 2006) Store atmosphere Store atmosphere, according to Schultz was the reason people would stay in a Starbucks store (Moon and Quelch 2006). They included lounge areas and Wi-fi Internet access that made for an inviting environment. Starbucks was not only a place for coffee, but a place to relax and enjoy the beverage within a fine environment.

For example a non-coffee drinker might linger in the Starbucks atmosphere and enjoy the wide product range of beverage/food items sold at Starbucks, all the while using its wireless network to stay connected with their friends/family or business over the Internet. Starbucks also began to open music stores that operated alongside its regular beverage line in-store.

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According to their website, they branded it “Hear Music”. It began to function like any other music store, showcasing new releases, hit CDs, various other compilations. They even created their own label by the same name and the website states that the first international artist they signed was Paul McCartney. This was done to attract a wider audience, specially the younger music fanatics who enjoyed music with a cup of coffee.

The decision to create better customer value comes with sound reasoning as Yu and Fang (2009) and Woodruff (1997) described and this was the next source of obtaining a competitive edge. In addition Mitchell (2003) outlined that Product, Service and Environment act as key factors in establishing significant value, which is exactly what Starbucks did. Location The next component that Starbucks stressed on while building its overall store image is location. Starbucks is located in high visibility areas, busy-high-traffic zones such as airports, city centers and universities, where everyone could recognize it just by its logo (Moon and Quelch, 2006). These locations were chosen due to its limited advertising campaigns and to help improve brand recall among people.

Assortment The Staff wears a green color uniform with the Starbucks logo towards the middle section of the apron, which gives a sense of formality within the store and contribute to the relaxed more peaceful environment. Centralization in the store is a form of a chain retail store, decisions are made and being chosen by higher-level management making Starbucks to have a centralized business management. When considering the organizational breadth star bucks not only sold coffee but sold fizzy drinks, non coffee drinks, beers in some stores, merchandise, tea, patties and food

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items etc (Moon and Quelch, 2006). Evaluation -evaluation and What type of strategies.. etcReference Mintz, J.

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