

AN EXAMPLE OF DIFFERENTIATION LEADER

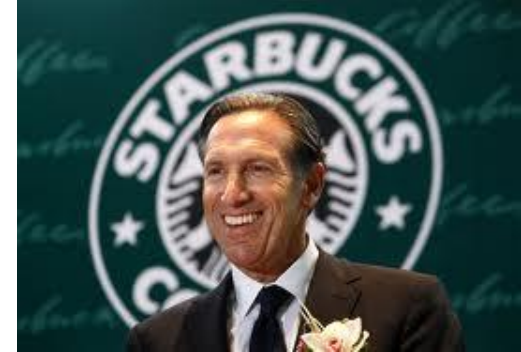


©purplishblack

The Starbucks experience: premises

- Coffee is a widely diffused good
- Starbucks has become market leader (the number of Sb cafes in California is higher than the total number of cafes of its competitors in the whole United States)
- Starbucks's coffee is more expensive than that of the competitors
- There are about 20 small local and regional competitor chains in the US and abroad.

Starbucks milestones



Howard Schultz joins SB as director of retail operations and marketing. SB starts to provide coffee to fine restaurants and espresso bars

1982

Schultz tests his new coffeehouse concept in Seattle, where the first SB Caffè Latte is served

1984

Il Giomale acquires Starbucks, becoming Starbucks Corp.

1987

Starbucks is listed in the Stock Exchange as SBUX. It is the first to offer a stock option program also for part-time employees

1992

Starbucks Foundation is established to fund educational programmes

1997

1971

First store opens in Seattle. It sells coffee beans and coffee machines for home use.

1983

Schultz travels to Italy, where he's impressed with the popularity of espresso bars in Milan. He sees the potential to develop a similar coffeehouse culture in Seattle

1985

Schultz becomes CEO and founds Il Giornale, offering brewed coffee and espresso beverages made from SB coffee beans

1988

Starbucks offers full health benefits to full-and part-time employees

1996

Launch of Bottled Frappuccino® with a partnership with PepsiCo

First Starbucks store outside USA (Jap.).

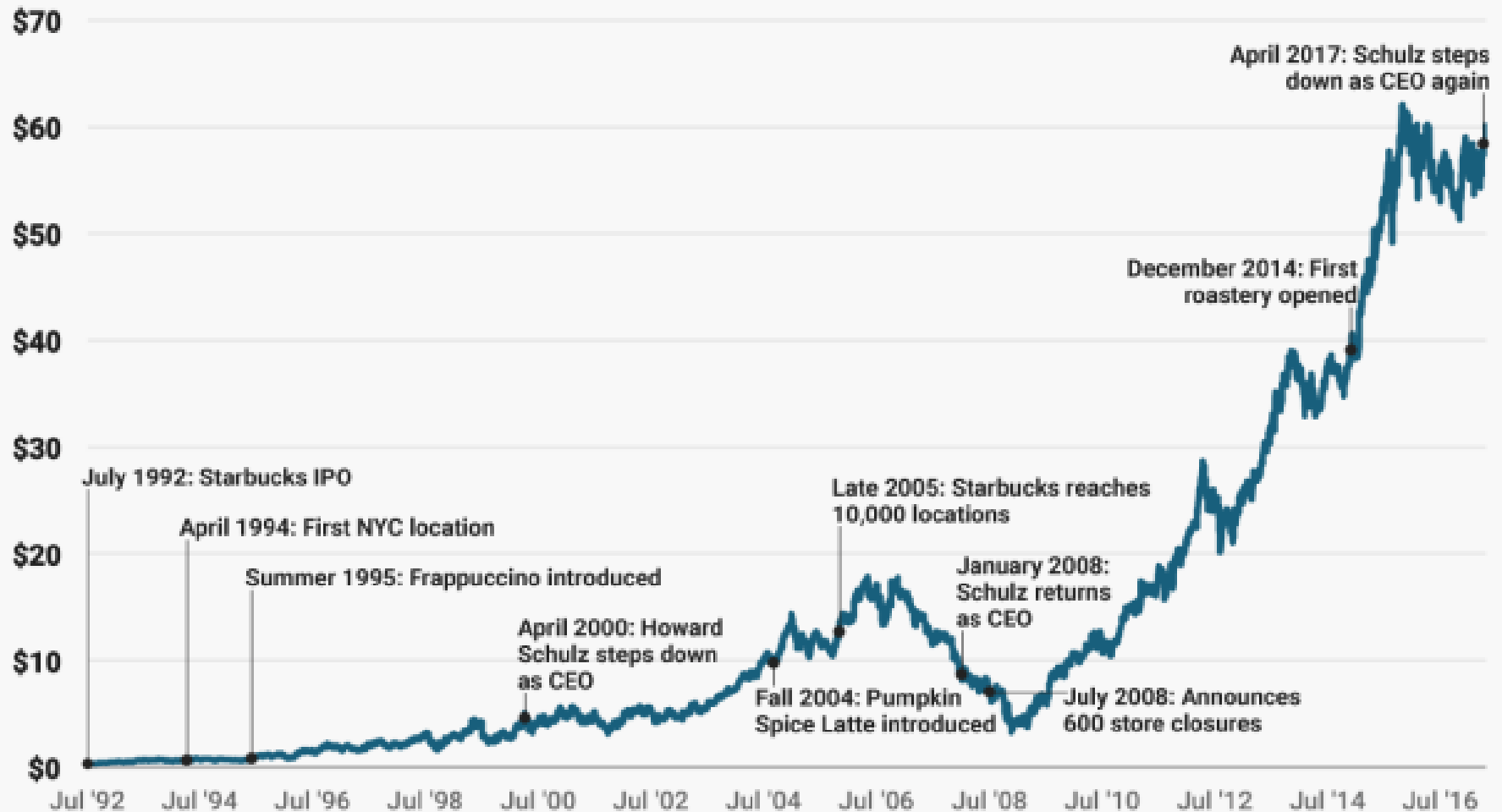


1971

Cont.



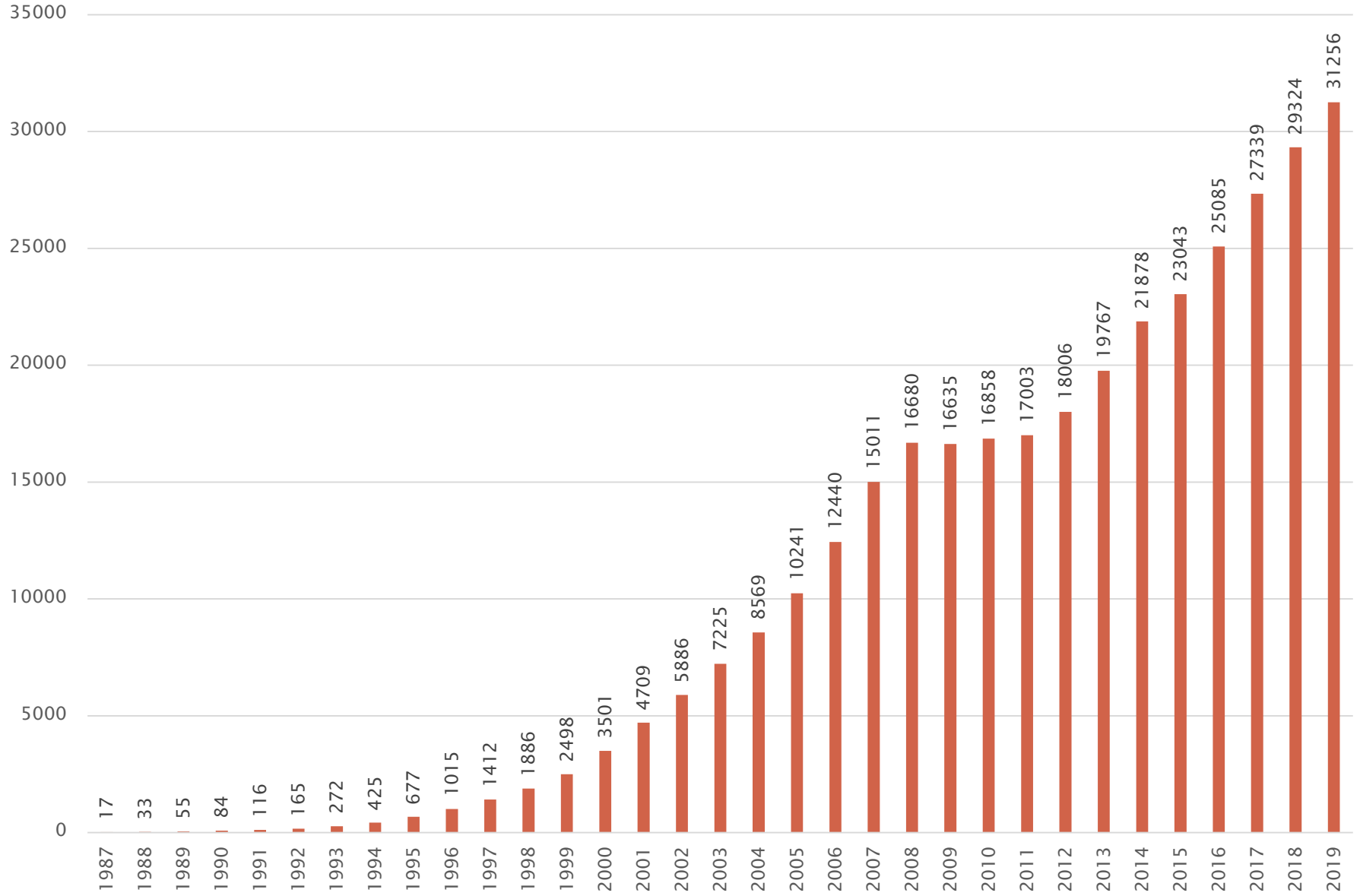
STARBUCKS TIMELINE



SOURCE: Yahoo Finance. Stock price adjusted for splits and dividends.

BUSINESS INSIDER

Starbucks stores



Creating and reinforcing a brand

- ▶ “Starbuck” is taken from Moby Dick by Herman Mellville;
- ▶ The idea is that of a mermaid «enchanting» coffee drinkers by attracting them «towards the cup»
- ▶ Aim: Making Starbucks the most famous and respected brand in the world.



Winter
has arrived.

Warm up with a
Peppermint Mocha


COZY.

SPICE UP YOUR LIFE 



JOE JOE JOE JOE José

INTRODUCING CUBAN ESPRESSO
BY STARBUCKS




STARBUCKS SEASONAL BLENDS

The perfect blend
for your favorite show...

...and any other occasion.


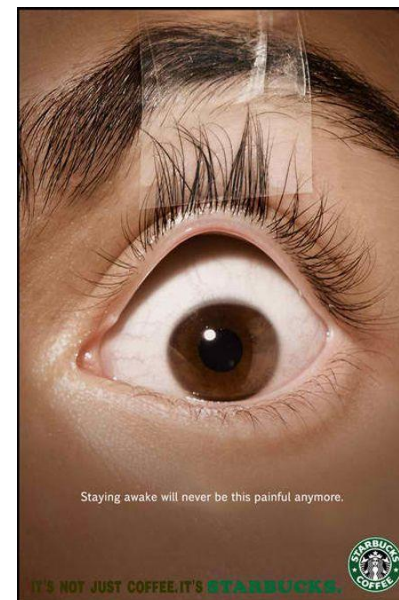


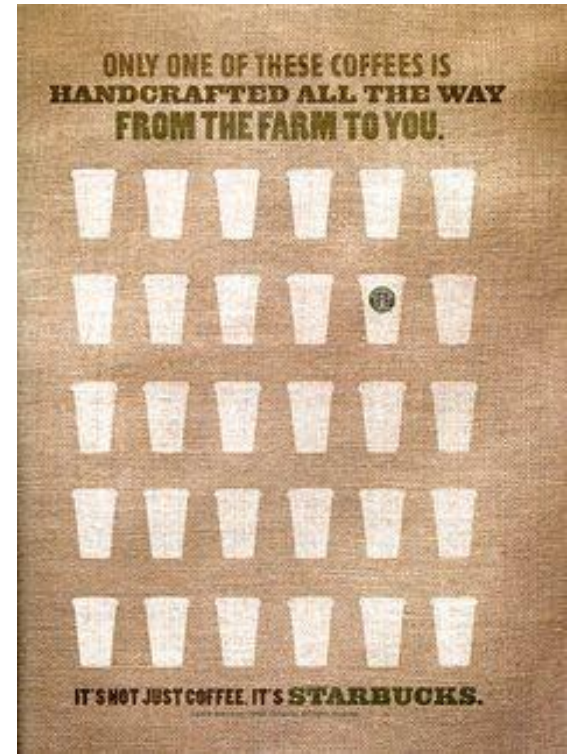

**THE BEST COFFEE
FOR THE BEST YOU.**




Staying awake will never be this painful anymore.

IT'S NOT JUST COFFEE. IT'S **STARBUCKS.**



**WE CAN'T SAY
OUR DECAF IS
BETTER THAN
STARBUCKS VIA
THEY DON'T
HAVE ONE**



**STARBUCKS VIA
FOUR
TIMES
OUR PRICE
A FRACTION OF
OUR FLAVORS**



four bucks is **dumb.**
now serving **espresso.**



**FRIENDS
DON'T LET
FRIENDS
DRINK STARBUCKS.**

DUNKINBEATSTARBUCKS.COM

**THE TRUTH IS OUT!
DUNKIN' BEAT STARBUCKS**

In a recent national blind taste test, more Americans preferred
the taste of Dunkin' Donuts coffee over Starbucks.
It's just more proof it's all about the coffee (not the cookies or music).

◀ SPREAD THE TRUTH



LEARN THE TRUTH ▶

FIND A DUNKIN' DONUTS NEAR YOU
Enter your ZIP code [SEARCH](#)

[WATCH THE COMMERCIAL](#)



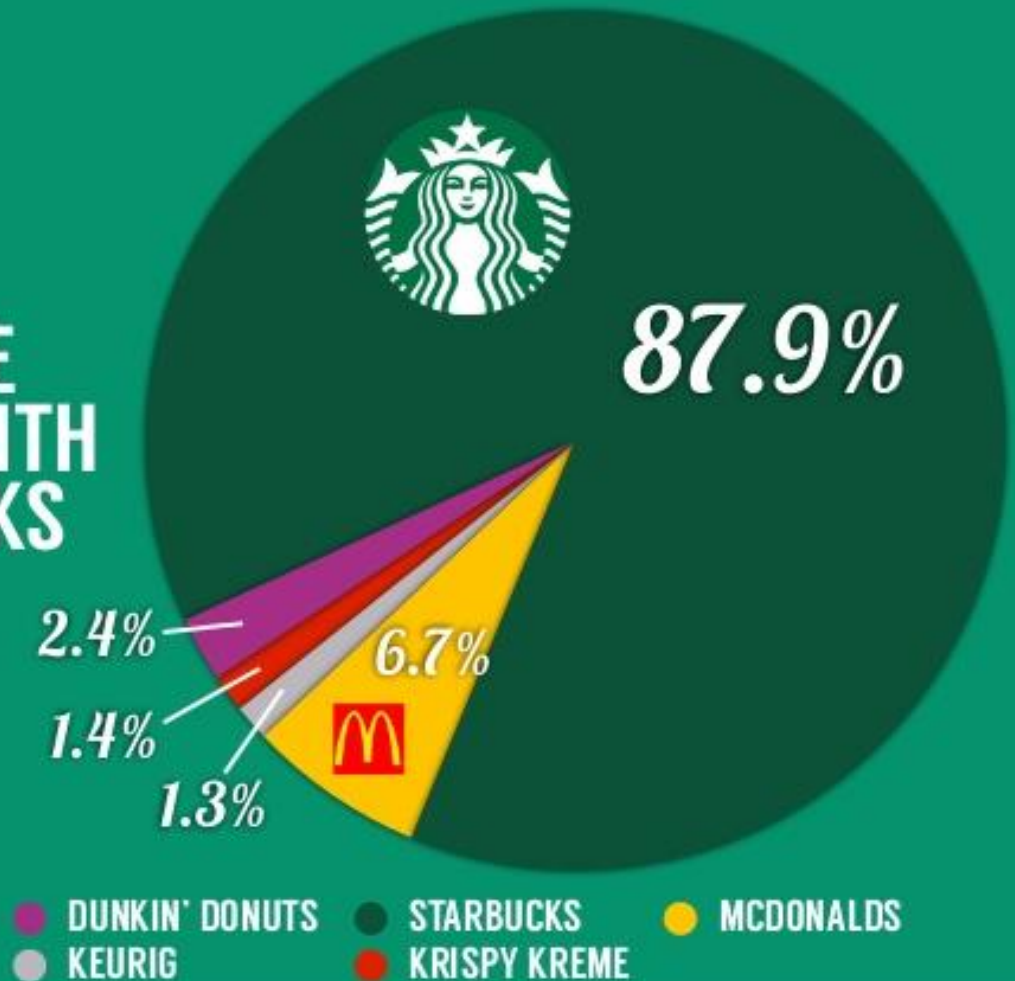
**DUNKIN'
DONUTS**
Drinkers
**LIKE THEIR
COFFEE ICED.**

THEY TALK ABOUT
ICED COFFEE
3.7x
MORE FREQUENTLY
THAN STARBUCKS
DRINKERS.



WHAT STARBUCKS *Drinkers* TALK ABOUT

MEANWHILE,
STARBUCKS
DRINKERS ARE
OBSESSED WITH
THE STARBUCKS
BRAND.



Starbucks mission

Our mission: to inspire and nurture the human spirit – one person, one cup and one neighborhood at a time. Here are the principles of how we live that every day:

Our Coffee

It has always been, and will always be, about quality. We're passionate about ethically sourcing the finest coffee beans, roasting them with great care, and improving the lives of people who grow them. We care deeply about all of this; our work is never done.

Our Partners

We're called partners, because it's not just a job, it's our passion. Together, we embrace diversity to create a place where each of us can be ourselves. We always treat each other with respect and dignity. And we hold each other to that standard.

Our Customers

When we are fully engaged, we connect with, laugh with, and uplift the lives of our customers – even if just for a few moments. Sure, it starts with the promise of a perfectly made beverage, but our work goes far beyond that. It's really about human connection.

Our Stores

When our customers feel this sense of belonging, our stores become a haven, a break from the worries outside, a place where you can meet with friends. It's about enjoyment at the speed of life – sometimes slow and savored, sometimes faster. Always full of humanity.

Our Neighborhood

Every store is part of a community, and we take our responsibility to be good neighbors seriously. We want to be invited in wherever we do business. We can be a force for positive action – bringing together our partners, customers, and the community to contribute every day. Now we see that our responsibility – and our potential for good – is even larger. The world is looking to Starbucks to set the new standard, yet again. We will lead.

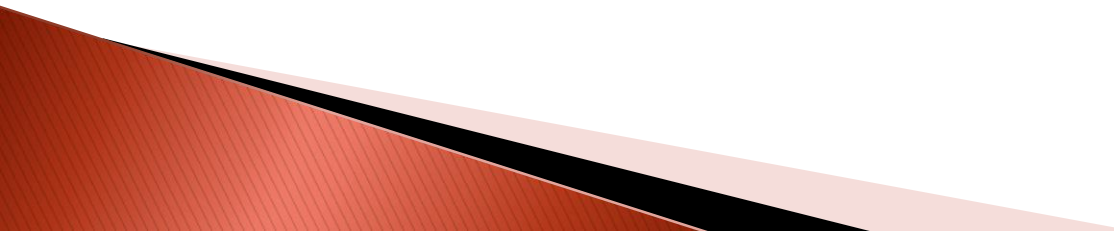
Our Shareholders

We know that as we deliver in each of these areas, we enjoy the kind of success that rewards our shareholders. We are fully accountable to get each of these elements right so that Starbucks – and everyone it touches – can endure and thrive.

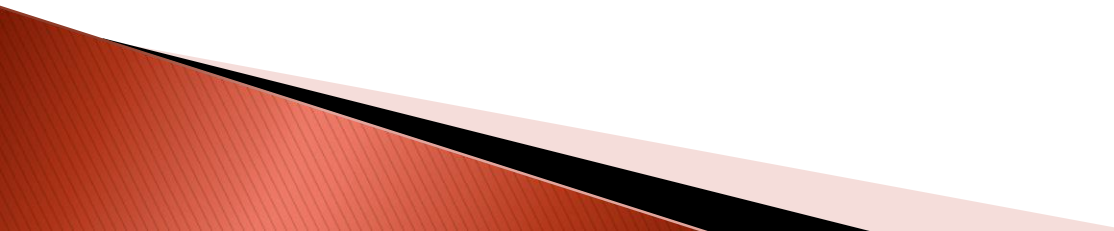
Starbucks mission(cont.)

You get more than the finest coffee when you visit a Starbucks-you get great people, first-rate music and a comfortable and upbeat meeting place. We establish the value of buying a product at Starbucks by our uncompromising quality and by building a personal relationship with each of our customers. Starbucks is rekindling America's love affair with coffee, bringing romance and fresh flavor back to the brew (Howard Schultz).

Main elements of SB's strategy

- ▶ Leading position with **owned stores** in its main markets: USA, Japan, Australia, Great Britain (more than 50 countries);
 - ▶ Steady focus on **growth**, realised by means of continuous innovation: at least two new drinks/ideas every year;
 - ▶ Steady improvements in the **process** (ex. pre-orders by phone);
 - ▶ **Pioneer entry** and aggressive growth in all target markets (1992 first agreement with Barnes & Nobles library);
 - ▶ Brand used to enter **new product categories** and channels;
 - ▶ Fulfilment of its values, culture and guiding principles. SB gives a lot to its community, and it takes care of the wellbeing of its suppliers and employees.
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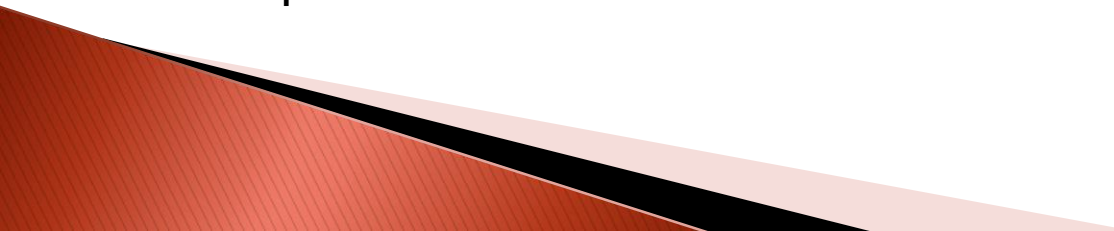
The key role of innovation

- ▶ Being coffee a “commodity”, SB needs to innovate continuously in order to avoid to be displaced by competitors with lower prices or a stronger orientation towards healthy products;
 - ▶ New distribution channels and sales modalities (online sales, drive thru)
 - ▶ Focus on quality : of the product, of the working environment, of all the production phases, of the community: «to build a company with soul».
 - ▶ Central role of employees that, being satisfied with their job, perfectly know all products, take care of all the details and communicate the passion for SB to the consumer.
- 

The treatment of employees

Working at Starbucks is a lot like working with your friends. We understand, respect, appreciate and include different people. And we believe in keeping each other informed, so our senior leaders regularly hold Open Forum events to answer your questions.

The Starbucks Total Pay package is called “Your Special Blend” because it’s just for you. Your Special Blend might include:

- ▶ Competitive pay
 - ▶ Insurance: medical, prescription drug, dental, vision, life, disability
 - ▶ Bonuses
 - ▶ Paid time off
 - ▶ Retirement savings plan
 - ▶ Equity in the form of Starbucks stock and discounted stock purchase plan
 - ▶ Adoption assistance
 - ▶ Domestic partner benefits
 - ▶ Emergency financial aid
 - ▶ Referral and support resources for child and eldercare
 - ▶ A free pound of coffee each week
- 

Starbucks Charges 9/11 Rescue Workers \$130 for Water

Did a New York Starbucks charge workers for water?

emerged today

Starbucks

Published September 26, 2001

SEATTLE – The president of Starbucks said that workers at a New York branch of the coffee chain were forced to pay for water after a terrorist attack on the World Trade Center.

He added that the scene of the attack was the scene of the attack.

Starbucks charged rescuers for water
[Guardian/UK](#) ^ | 9/26/01 | Staff and agencies

Posted on 27/9/2001, 01:28:55 by [katracks](#)

A branch of the coffee chain Starbucks charged workers for water.

Ambulance workers were forced to scramble in their pockets for money to pay a \$130 (£88) bill for three cases of water.

Starbucks refused to give

The manager of the shop refused to comment.

Starbucks refused to give free water to the responders during 9/11. Fuck Starbucks. Offering to sell water to those who are risking their lives to save people's lives after an attack on the twin towers.

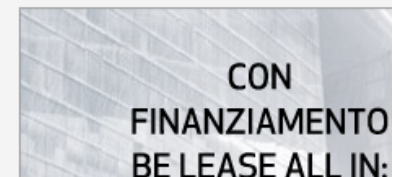
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Starbucks for Water Flap



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Two black men Starbucks

They were there for a bu
says officers did nothing

By Emily Stewart | emily.stewart@vo

Arrest of two black men 'trespassing' sparks pr

Protesters gathered at a Philadelphia Star
were arrested after they reportedly refuse
the store



▲ Protestors demonstrate outside a Starbucks on Sunday in Philadelphia, where the police arrested two black men who were waiting inside the Starbucks. Photograph

Protesters targeted a **Philadelphia** Starbucks on Monday after two black men were arrested last week when a store employee called police to say the men

Starbucks Employee Who Called Police on Black Men No Longer Works There, Company Says



A protestor demonstrated on Sunday outside a Starbucks in Philadelphia, where the police arrested two black men who were sitting inside. Mark Makela/Getty Images

Localisation



- ▶ Very visible and highly popular places;
- ▶ Different dimensions of cafés according to the different contexts (university airports, city centres, libraries, etc.)
- ▶ Easy to access both by car and by foot.



Customers

Customers can be:

- Habitual: they go to SB every day, while going out to work or for shopping
- «Captured»: they are in a limited environment where SB is the only choice without having to move (university campus, airport, etc.).

SB customers accept to pay a SB coffee much more than that of the competing chains (\$1.89 against 0.69\$ of a standard coffee).

WHY?



Performance: SBUX

know the Starbucks story, here is the short version. Two black gentlemen were waiting for a friend and didn't want to order anything until he showed up. Because they were just sitting in the store and hadn't bought anything (yet), the manager asked them to leave. When they didn't, the manager called the police. The men were arrested and held for hours before they were released without being charged.



Per fronteggiare la situazione di scarso sviluppo, Starbucks intende promuovere più bevande sane, come té freddi a basso contenuto di zucchero. Si spera che la strategia attrarrà i consumatori più attenti alla salute. La compagnia promuoverà inoltre iniziative digitali, come l'utilizzo di coupon digitali e l'utilizzo dell'app.

Future challenges

- Attractive market: high probability of new competitors;
- Fierce competition already existing: small local competitors, fast foods, smaller similar chains;
- Mature product with a decreasing demand due to the effects of caffeine on health: need to enlarge to new products while avoiding the risks of becoming a fast food.





Some strategic choices

- **Product:** how to maintain differentiation?
- **Price:** to decrease it (crisis) or to keep it high (competition)?
- **Distribution:** How to maintain a widespread diffusion in order to take away good locations to competitors without self-cannibalization (more than 800 store closed in 2008 because non performing)?
- **Promotion:** how to further strengthen the brand?
- **International presence:** new markets? How to offer standard products while at the same time adjusting to local tastes?



Starbucks, nuova apertura a Milano: in arrivo altre 15 caffetterie in Italia

—di Giovanna Mancini | [@mancinica](#) | 20 novembre 2018



L'INTERVISTA AL PRESIDENTE EMEA

Starbucks a Milano: “Questa è la nostra location più bella”

—di Giovanna Mancini | [@mancinica](#) | 07 settembre 2018

Starbucks Coffee Company **ha annunciato oggi** una partnership per l'apertura del primo negozio di Starbucks in Italia. Il gruppo Percassi, confermato come licenziatario in Italia, sarà proprietario e gestirà il negozio Starbucks, che verrà aperto a Milano nei primi mesi del 2017.

STARBUCKS
RESERVE[™]
ROASTERY
—
MILANO



MILANO

STARBUCKS È ARRIVATO A MILANO

ABBIAMO APERTO NELLA
CITTÀ CHE DA SEMPRE CI ISPIRA.

SCOPRI DI PIÙ