

Starbucks UK Marketing Communications Plan



Course: Integrated Marketing Communications

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Executive Summary

After a successful period of 10 years, Starbucks in the UK has lost its unique position in the mind of customers. The conducted market, trend, customer and competitor research have revealed that in order to secure long term success of Starbucks in the UK, we have to use our established brand and strong financial assets to take advantage of declining pub markets and new profitable customer segments. Moreover we have to move the customer back to the center of our decisions in order to create holistic customer experiences and prevent increasing direct and indirect competitors from stealing our market share.

Two profitable target segments have been identified for our company. Jessica who leads a hectic lifestyle and is always eager to share experiences be it online or with her friends and family. And Margaret who belongs to the ageing group of 55+ and feels the need to socialize.

The proposed marketing communications are based on the need for Starbucks to go back to its roots of nurturing relationships and serving high quality coffee. Our key message is thus "Back to the Roots".

Level 1: "Back to the Roots of Community"

- Support local charity
- Grow your own Starbucks plant

Level 2: "Back to the Roots of Coffee"

- Free Barista Trainings
- Cultural Coffee Weeks

Communication will be targeted to the different segments through various communication channels tailored to their needs and media behavior essentially focusing on in-store events and revamps.

The proposed budget for the implementation over 33 months is £22 million.

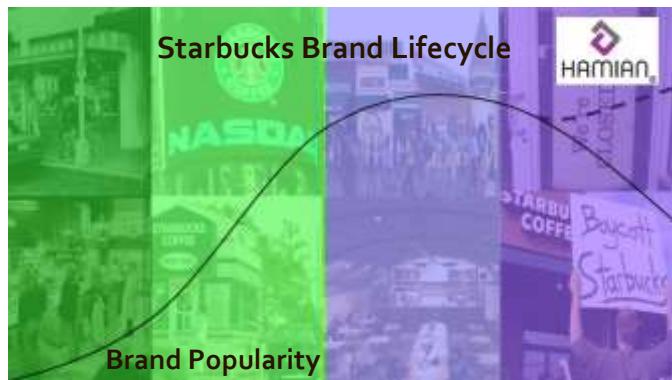
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1 Introduction

Ever since Starbucks opened its first store in 1971, the major idea of what we wanted to create for our customers was the holistic experience of a 3rd place between work and home. This has also been our intention for taking on the UK market in 1996. After a successful period of 10 years we have lost our unique position in the mind of our customers. Since 2007, increasing competition and a lack of innovative value creation has led to decreasing customer satisfaction and a watered down brand image.



In order to regain our place in the hearts and minds of our target segments we will have to "listen" to what our customers need. To ensure a positive future for our brand, this report provides a detailed analysis of Starbucks' current and future macro- and micro-environment as well as customer and competitor insights.

Moreover, it proposes a coherent marketing strategy to achieve our set goals throughout the next three years.



2 Market Insight

2.1 Market Overview

A relatively narrow definition of the market Starbucks is operating in would be the "Coffee Shop Market". According to the research agency Allegra, the UK coffee shop market grew by 7.5% in 2012 to embrace around 15,000 coffee shops representing a 5.8 billion pound business (Allegra Research, 2012). The biggest part of the market comprises "branded coffee shops", a segment that shows an oligopolistic structure (Keynote, 2012). The total of almost 15,000 stores is distributed amongst 5,300 "branded coffee shops", 4,800 "non-specialist outlets" and 4,100 "independents" (Neate, 2012). However we don't perceive ourselves to be a "Coffee Shop" but a "space to inspire and nurture the human spirit"

(Starbucks, 2013). Thus, we pay close attention to any offers that provide our customers with this benefit.

2.2 Key Research Results

Based on a thorough analysis of the macro as well as micro-environmental forces that include a PEST Analysis, company synopsis, competitive structure, customer insight and consumer trend research, we identified the following SWOT analysis. (For more details, see appendix pages –III, V, IX, XII, XVII, XXVII, XXXII)

Strengths

- Developed brand, established logo, copyrights & trademarks
- Focus on a holistic customer experience
- Strong global network and financial foundation
- Strong relationships with suppliers
- Exceptional staff performance

Weaknesses

- Low perceived quality of core product = coffee
- Inconsistent customer service
- Negative PR
- Lack of “customer centricity”
- Product pricing vs. perceived value
- Lack of scarcity
- Lack of differentiation

Opportunities

- Re-establish Starbucks as the third place
- Declining pub market
- Target customers are relatively price inelastic if they perceive a higher value
- Franchising
- New Target Segment 55+

Threats

- Decreasing consumer confidence
- Cannibalization and watered down Starbucks experience.
- Market saturation
- Increasing direct and indirect competition
- Inability to keep up with market trends and ensure long-term future success



3 Objectives and Measuring Marketing Effectiveness

3.1 Marketing Communication objectives for Starbucks

(For more details, see appendix page-XXXV)

1. Constant Innovation

- Organize in-store events (highlighting the essence of “Back to the Roots”)
- Encourage ‘Co-creation’

2. Grow the Starbucks Community

- Create an incentive for the customers who get more than a certain number of votes for their suggestion on the online community – “MyStarbucksIdea” (A free cup of coffee on their next visit to Starbucks).

3. Perception of Coffee Quality

- Emphasize the coffee’s authenticity of taste and quality.
- Retract the current notions about the deteriorating quality of Starbucks coffee

4. Customer Loyalty and Retention

- Rather than gaining new customers, retain our old and loyal customers by providing them with additional benefits and incentives.
- Regain the customers that defected following the negative publicity of tax evasion.

5. Positioning

- Re-enforce the “Third place” concept in our consumers’ minds and keep them coming back for more.

6. Employee Satisfaction

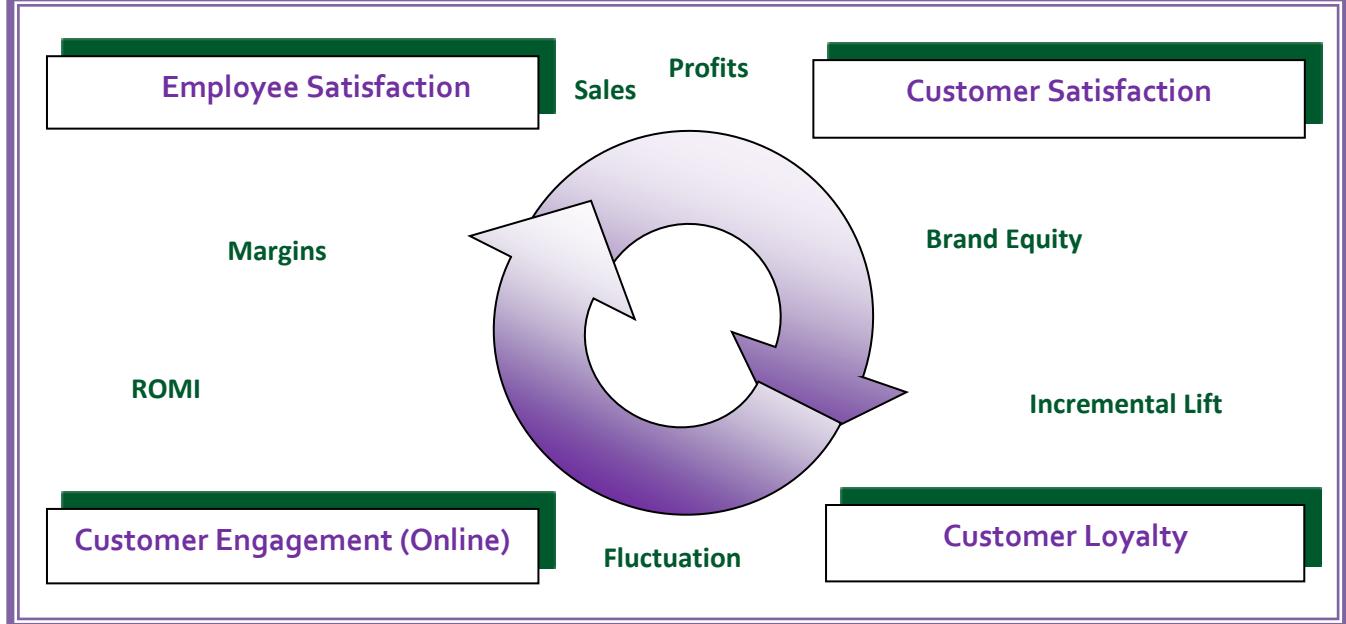
- Strengthen relationships with our employees.

7. Target the right customer segments

- Continue to target the profitable segment of customers ranging from 25-40.
- Target the growing segment of 55+

3.2 Measuring Success

In order to measure the effectiveness of our Integrated Marketing Communication Strategy, we will implement the following metrics:



(For more details, see appendix page- XXXVIII)

Keeping our marketing communication objectives and measures in mind, our budget estimate for the 11 quarters of 2013-2015 is £22,000,000.



4 Pen Portraits

The majority of frequent coffee shop visitors belong to the age groups of 18-24 and 25-40 years respectively. Among these, the more profitable segment is 25-40 years. Coffee shop visitors are mainly business people or students that perceive a coffee shop as a place to unwind and sip on their favorite drink while they socialize (Keynote, 2012; The Guardian, 2012; Chris Tong, 2010). The 55 + segment currently constitutes a minority. However, the UK population is ageing and this segment will be profitable in the future and should be targeted (BDO, 2011).

The following pen portraits were developed from the outdoor interviews and the focus group results.

Jessica



Jessica is a 26 year old MSc student and lives in a shared house. She has a part time job as a waitress. However, her income is insufficient for her living expenses, thus she is supported by her parents. Her father is a bank employee and her mother is an elementary school teacher. Jessica is an only child. Jessica is a socially active person with a wide range of interests.

She has a lot of friends and enjoys spending time with them, either on a personal level or chatting online. Like most people her age, she is tech-savvy and can't live without her iPhone and iPad, hence the availability of free WiFi in places where she socializes is extremely important to her.

She is addicted to coffee and consumes an average of 4 cups a day. She loves to sit at coffee shops sipping on her coffee and working on her assignments or simply socializing with her friends

Jessica loves lazing around and sinking in the soft comfortable couches at coffee shops. Her favourite coffee shop is Starbucks. She prefers it over the other local ones because she likes knowing what she can expect rather than being disappointed.

Margaret



Margaret is a 61 year old widow, with children and grandchildren. She is now in her first year of retirement and likes to keep herself busy.

She spends most of her time doing housework and engaging in hobbies like gardening and salsa classes. She loves socializing with people her age.

Margaret goes shopping over the weekends and never misses a chance to donate a pound or two towards charity. She is concerned about fair trade and prefers to spend her money on products that are environment friendly.

Margaret prefers her home brewed coffee over the ones available at coffee shops which in her opinion are usually of substandard quality. However, she feels the need to socialize and hence visits coffee shops often and sometimes even spends an entire day there.

She values a friendly atmosphere and strongly believes that the staff is responsible for creating the perfect customer experience. Therefore, in her opinion, it is crucial that they are well-trained and courteous.

Margaret watches at least an hour of TV every day, either the news on BBC or British comedy shows (Carla Seddon, 2011).



5 Creative Planning and Execution

---- "Back to the Roots"

5.1 Background

The recent economic crisis, increasing competition and negative PR have diluted the brand image and harmed customer satisfaction. (For more details, see appendix page-XXXIX)

Target Audience <ul style="list-style-type: none">● Segment 1: James (Seeks 'pub' alternative)● Segment 2: Margaret (Seeks company)	Objectives <ul style="list-style-type: none">● Innovation● Grow the Mystarbucksidea community● Change
Value Proposition <p>For our neighbours that seek to socialize and unwind, we provide an inspiring environment to nurture relationships. Our customers are part of our Starbucks family: Back to our roots!</p>	Tone of Voice <ul style="list-style-type: none">● Warm● Welcoming● Personal● Fresh● Interactive
Key Benefits <ul style="list-style-type: none">● Sense of belonging/ Engagement● Entertainment● Relaxation● Make memories● Connect (friends and WiFi!)	Reason to Believe <ul style="list-style-type: none">● Giving back to the community● Free Barista Trainings● Cultural Weeks● Eco-Friendly● Refurbish our Stores
Key Message <p>Back to the Roots</p> 	Deliverables <ul style="list-style-type: none">● Integrated Marketing Communications campaign using ATL (TV, Radio, Billboards, Magazines)● BTL (Social Media, Blobs)
Budget <p>£2 Million per Quarter</p>	Schedule <p>April 2013 – December 2015</p> <ul style="list-style-type: none">● Stage 1 Apr. 2013 – Jul. 2014● Stage 2 Aug. 2014 – Dec. 2015

Proceeding from the situational analysis, we are embarking on an experience based campaign focusing on quality and culture - **Back to the Roots!**

Our goal for the next 30 months is to re-establish a clear market position and revive the "3rd place" concept via a national marketing campaign ; "Back to the Roots".

"Back to the Roots" is directly focused on the identified target segments. It aims at tailoring the Starbucks experience to the needs and wants of its local customers and communities. This will be done on two levels; back to the roots of coffee and back to the roots of community.

Each level will contain a wide variety of marketing activities putting the customer in focus. We want every customer to feel that Starbucks is his unique place and not the same everywhere. Our aim is that every store carries the heritage and values of its area and for every customer to have a unique relationship and experience.

5.2 Timeline

(For more details, see appendix Page-XXXIX)

Stage 1: 2013-2014

Customers participate in the making of their favourite coffee and share it with everyone in addition to participating in the regular cultural weeks

Barista Art Training

Barista Art training aims at offering customers a chance to be creative and interactive as well as emphasize the coffee quality. The activity is emotional, sensual, creative, and personal. In addition, when a certain recipe gains popularity, it can be added to the menu.

Plant the Roots

Every customer buying Starbucks coffee has the chance of getting a coffee stirrer that has an integrated seed at the bottom for free. Customers will be encouraged to stick the stirrer in a cup filled with soil and let it grow. Cups will have a QR code, so people could use their phones to scan it and get a full view of the image, life cycle and details about the plant.

Stage 2: 2014-2015

Store revamps tailored to each area in addition to charity donations and hosting cultural weeks.

Vote for Community Charity

This activity supports the community whilst simultaneously strengthening the relationship between the community and the brand.

International Breaks

As the UK is becoming more and more culturally diverse; hence the “roots” are more international than ever. This activity aims to not only engage the customers, but also enlarge the brand’s influence among various cultures locally.

Store Revamps

This plan aims at unveiling a new Starbucks in-store ambiance. The interiors of the stores will witness minor but critical facelifts in an attempt to differentiate Starbucks from its standardized corporate décor.

Media touchpoints for the two segments

Jessica: Youtube, Facebook, Twitter, Pinterest, MyStarbucksIdea.

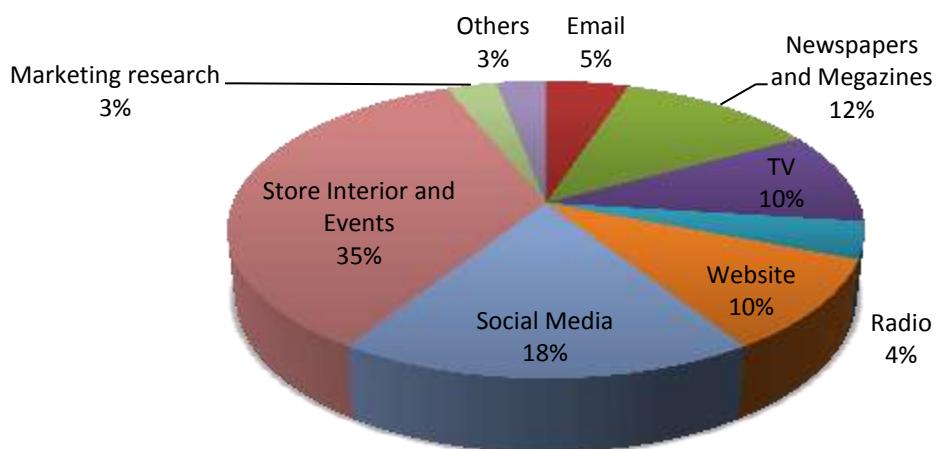
Margaret: Newspapers and Magazines, Radio.



6 Budget Break Down

Our budget plan estimates the advertising and marketing costs necessary to execute the communications strategy through various media touch points. Starbucks generated £395 million in sales last year. Approximately 1% of the total revenue was spent on advertising and marketing (BBC, 2012). As a result, the advertising and marketing budget was £4 million. Due to the decrease in customer satisfaction and brand image, our marketing budget should be doubled. Based on the research conducted on customer behavior, the pie chart below shows the budget breakdown for each channel.

Marketing Budget Plan for Starbucks



(For more details, see appendix Page-XLVI)

The budget will be equally distributed over the 11 quarters embracing the “Back to the Roots” campaign.

Marketing Budget Break Down (2013.4–2015.12)												
Time Channel	2013.4–6	2013.7–9	2013.10–12	2014.1–3	2014.4–6	2014.7–9	2014.10–12	2015.1–3	2015.4–6	2015.7–9	2015.10–12	Total (£)
Email	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,100,000
Newspapers and Magazines	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	2,640,000
TV	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,200,000
Radio	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	880,000
Website	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,200,000
Social media	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	3,960,000
Store Interiors and Events	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	7,700,000
Marketing research	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	660,000
Others	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	660,000
Total (£)	2,000,000	22,000,000										



7 Conclusion and Strategic Recommendations

The customer and market insight derived, clearly shows that we have to take a step back and reconsider who we are and what we stand for. The traditional proposition as the 3rd place that inspires and nurtures human connections is what we need to re-communicate by promoting “Back to the Roots” of coffee and community. In addition to the proposed Marketing Communications Plan, we believe that changes must be made on a corporate level. In coherence with our Chairman’s belief, Starbucks shouldn’t grow too quickly and in the wrong places, therefore serving our coffee on trains and planes which takes away the essence of our brand should be discontinued. This will increase our brand's scarcity value and ensure that purchases are based on conviction rather than convenience.

All in all we are convinced that taking a step back on the Starbucks brand lifecycle will be a step closer to our customers who in the end own our brand more than we do. (*For more details, see appendix page - XLIX*)



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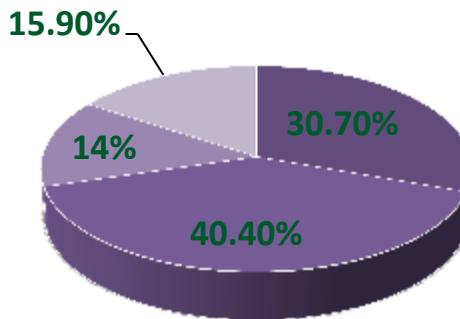


Market Structure

A relatively narrow definition of the market Starbucks is operating in would be the "Coffee Shop Market". According to the research agency Allegra, the UK coffee shop market grew 7.5% in 2012. and now embraces about 14.000 coffee shops representing a 5.8 billion pound business, exceeding expectations by far (Allegra Research, 2012).. The market has an oligopolistic structure with the three major chains Starbucks, Costa and Café Nero together making up more than 30% of all stores between them. However a variety of smaller chains such as Le Pain Quotidien and Tesco-owned Harris + Hoole, and independent coffee shops are increasing the competition further. Moreover chains that have not been focused on coffee in the past such as Pret A Manger, EAT and McDonald's are investing heavily in this area and the Italian company Lavazza has just recently announced their plans to open 400 shops in the UK in the next 10 years (Allegra Research, 2012).

Besides branded stores, in the past years major coffee shop chains have increased their presence by taking over retailer's in-store cafés and setting up in-store shops in other locations such as hospitals, universities, cinemas etc. (Keynote, 2012).

Market Share



- Starbucks
- Costa Coffe
- Café Nero
- Others

Starbucks, Costa and Café Nero, the three biggest players in the UK coffee shop market, together own more than 2500 outlets and account for more than 85% of the entire market.

In 2012 Costa made up 40,4% of the coffee shops, followed by Starbucks with 30,7% and Café Nero with 14%. The rest of the market is occupied by small chains and independent stores

the biggest accounting for just 1,7% of the outlets (Keynote, 2012).

Forecast/Outlook

Allegra Research forecasts that the future battle for customers will not only take place between the big coffee shop chains and their small but fast moving direct competitors but that they will increasingly compete with the pub businesses. While the coffee market has experienced significant growth over the past years, the demand for alcoholic beverages and pubs has decreased.

Pub owners have responded to this trend by offering ever better non-alcoholic options such as a variety of coffee. But at the same time, coffee shops are starting to sell more and more alcoholic beverages to benefit not only from the morning, lunch and afternoon customers but also participate in the evening service (Allegra Research, 2012). However industry insiders agree that the increasing preference for coffee shops over pubs does not only result from the different beverage offerings but also from the entirely different experience. The light, cozy and modern look is completely different from the traditional, rusty and rowdy pubs, which is increasingly appealing especially to the elderly generation (Urquhart, 2012).

While as mentioned before the coffee shop industry has grown over the past years, alcoholic consumption outside the home has decreased by more than 40% between 2002 and 2012 (NHS, 2011). This trend could be a good sign for an ongoing growth in the coffee shop market.



PEST Analysis



Source: ODI (2012)

POLITICAL

During the last 15 years Starbucks has paid the low corporate tax amount of \$8.6 m, despite estimated sales of \$3bn. Throughout this time period only once has Starbucks reported an actual profit in the UK. The company was able to justify this tax spending by adding a variety of payments to subsidiaries abroad

and huge R&D expenditure to their profit and loss calculation. However pressure, not from the UK government since the company has not infringed against any laws, but from the consumer side to show remorse and pay a "fair" amount of corporate taxes, together with the threat of boycotts against the company's stores, has led to the firm voluntarily paying \$20m over the next two years. According to Kris Engskov, managing director of Starbucks UK, the company takes this step not because they are legally forced to do so or because the company acknowledges that it did something wrong/unethical but because they listened to their customers and want to what the customer perceives they should (BBC News, 2012).

One of the major issues when using raw ingredients such as coffee beans and cocoa is ethical sourcing. This embraces sourcing these materials from farmers that apply a sustainable way of growing and paying those farmers a fair price for the crops they produce. A fair price in this sense should enable them to improve their own and their families' living standards (Key Note, 2012).

Even though Starbucks is making a big effort to ensure ethical sourcing regarding coffee, tea, cocoa and when purchasing manufactured goods for their stores, this does not apply for the various food offerings (Starbucks, n.d.).

A second political development that needs to be considered is the nutrition information that starting in December 2013 have to be included on all labels for processed food (European Commission, n.d.). Many Coffee Shops including Starbucks have already pledged to the Department of Health's "Public Health Responsibility Deal and introduced calorie and trans-fat labeling on their products and/or at visible places at the Point-of-Sale (Department of Health, n.d.).

ECONOMICAL



Income

In the years before 2007 the UK economy has grown on an average rate of 3,3%. Due to the recession however, in the last three years growth averaged only 0,9%. The unemployment rate decreased during the last quarter and now accounts for 7,7%. Even though dropping unemployment rates are a good sign for employees, company continue to keep a lid on salary increases averaging at about 1,4%. Together with an estimated

Source: PresentationSkillsBlog (n.d.) inflation of more than 2% this means that the UK is facing another year of declining living standards (Inman, 2013).

The Retail Price Index (RPI) for coffee and other hot drinks, which affects margins and is there a good indicator for the development of selling price for the consumer, has been growing steadily over the past eight years, from 2005-2009 exceeding the inflation rate, thus making the products more expensive for the consumer. Since 2010 the coffee prices have been increasing beneath the inflation level, making products slightly more affordable (Keynote, 2012).

Latest developments of the consumer confidence index however depict a slightly positive change meaning that the level of optimism that consumers have about the economic performance in the next 12 months is growing. Still with -26 in January 2013 the index is still well below the average of -9,5 between 1981 and 2013 (GfK NOP, 2013).

Interest and exchange rate

Since march 2009 the benchmark interest rate in the UK is on a record low of 0,5% supporting a slow but steady recovery from the last recession, facilitating foreign investment and domestic spending (Tradingeconomics, 2013).

Consumer spending

The average UK household expenditure on café and restaurant meals decreased by 10,3% between 2006 and 2009 but has experienced a slight recovery since then (Office for National Statistics, 2012).

The recession changed the UK market for coffee shops slightly by resulting in some of the smaller chains and independent stores that were not able to absorb the decreased spending and revenue to determine their business. Some of the big chains closed single outlets however the impact on these coffee shop brands was rather weak (Keynote 2012).

SOCIAL



According to the OECD's Better Life Index, the UK performs very well, ranking among the top countries in several factors that affect overall well-being. The average income of 26.552 USD per year for example is well above the OECD average. However, a large gap between the richest and the poorest members of the population with the top 20% of the population earning six times more than the lowest 20%.

Source: Googleimages (n.d.)

Also the unemployment rate of 7,7% is supporting the UK's good well-being ranking and on average people work less hours than in other OECD countries. Good education is a prerequisite to be successful on the job market and one of the major concerns of the English. Concerning the public sphere English people are reported to have "a strong sense of community and a moderate level of civic participation" Overall 75% of the people living in the United Kingdom claim to, on average, have more positive experiences than negative ones are more satisfied with their lives than the OECD average. (OECD, 2012)

Demographic Change

The UK population is aging. According to the Office for National Statistics, the percentage of the UK population aged under 16 has decreased by 25,5% to 18,7% between 1971 and 2009. This is due to both, an increase in overall life expectancy and a decrease in birth rate. Moreover the amount of people over 75 has increased by 4,7% and now accounts for 7,8% of the total UK population.

The council projects that this is an ongoing trend and that by 2018 the number the age category of 65+ will be larger than the category embracing people between 0-16 years. Moreover life expectancy is to increase further, supporting the aging population trend (Office for National Statistics, 2011).

As of 2009 87,9% of the UK population are "white-british", 5,9% are "Asian" or "Asian British" and 2,9% of the population belongs to the "Black" or "British Black" population group. "Chinese" account for 0,4% of the population and the rest is made up by "Mixed" and "other ethnic" groups. The size of the ethnic group of "white British" has remained stable over the last years. Thus the average population growth of 0,6% is a result of an increasing number of people belonging to the non- "white-british" population. On an absolute basis, the strongest growing group "other whites" that mainly migrate from other European countries but also from Australia, Canada, New Zealand and South Africa. The strongest

relative growth is observed within the "Chinese" population group (Office for National Statistics, 2011b).

Household Structure

The 2008 census states that the number of households has increased by almost 25% between 1981 and 2008 to 25.7 million. Taking into account that the total population only grew by 9% over the same time period, this means that the average number of members of a household has decreased strongly. The number of one person households for example has increased by 73% (The Royal Commission of Environmental Pollution, 2011). Less people are getting married and the average age of getting married is increasing. Moreover the number of births outside of marriage is growing and more and more parents are parenting alone and/or act as a step parent (Finch, 2002).

Consumerism

The UK consumer spending has seen a slight recovery since 2009 but as of January 2013 consumer spending is still 4% lower than it was in 2007. Moreover "the relationship between the consumer and the rest of the economy has changed. Last year as the economy dipped back into recession the consumer sector returned to growth", mainly driven by a decrease in unemployment and the resulting confidence boost of consumers. For the rest of 2013 experts expect consumer spending to increase by 0,9%, three quarters less than the rate than the norm rate before the financial crisis. However since tax rises and high inflation have passed and average earnings are forecasted to pick up, it seems that the worst lies behind the UK consumers (Stewart, 2013).



Source: DTH (2011)

TECHNOLOGICAL

A major technological trend within the coffee market is the constant growth and improvement of household coffee machines. Products like Nestlé's Nespresso and Kraft's Tassimo that produce a variety of different coffees from "pods" or "capsules" increase the expectations of customers for coffee purchased in cafés. Moreover they are potentially increasing the habit of creating your own "café-experience" at home (Keynote, 2012).



Company Overview

History

Starbucks Corporation is an American global coffee company and coffeehouse chain that was founded in Seattle, Washington. The first Starbucks opened on March 30, 1971 when Gordon Bowker, Jerry Baldwin and Zev Siegl were seeking new ventures. In 1982, Starbucks marked the starting point of the transformation to the brand we have come to know now when it hired Howard Schultz to manage the company's retail sales and marketing (Funding Universe, 2000). Schultz, currently president, chairman and CEO, was the spur for the company that would place the customer at the centre of the organization when delivering the value proposition (Marangos, 2009).

Name and Logo

While opening the coffee shop, the founders of Starbucks were looking for a name that is related to the Northwest of The United States. After research, They came across a Washington's Mount Rainier mining camp named Starbo. This was later worked out and converted into Starbucks (Rudeen, 2010).

The siren, a half-human mythical temptress who led sailors to their deaths, logo was born after the founders recognised a connection with Starbuck, the first mate of the Pequod in *Moby-Dick*, and thought that the name will bring to mind the traditions of the sea (Rudeen, 2010).

However, in 2011 Starbucks changed its logo for the first time since 1992 opting to eliminate the word writing (Starbucks Coffee) and zooming in on the female siren.

Sales and Expansion

Starbucks is the world's number 1 specialty coffee retailer in the world (Hoovers, 2013). Starbucks currently connects with millions of customers in 61 countries via nearly 18,000 stores (Starbucks, 2012)

Mission Statement and Vision

Starbucks changed its mission statement and vision recently from a long one explaining how the company strives for the best cup of a coffee emphasizing quality and how the finest coffee beans are brewed and prepared to create happiness, peace and enhance human

values to a shorter simpler one that stresses more on the customer experience and less on the product.

Starbucks' mission currently reads as follows: "to inspire and nurture the human spirit – one person, one cup and one neighbourhood at a time" (Starbucks, 2012)

Products

Starbucks offers a wide variety of products including coffee, handcrafted beverages, merchandise and fresh foods such as baked pastries, sandwiches and salads.

Corporate Objectives

Coffee: Starbucks takes pride in the quality of coffee served at their shops and constantly emphasize the ethical sourcing of the finest coffee beans and the efforts to improve the lives of the people who grow them.

Partners: Starbucks refer to their employees as partners because they believe it is not a job rather a passion. The company embraces diversity and builds relationships with respect and dignity between parties.

Customers: Starbucks state that their work goes beyond offering the perfect beverage for their customers. "It's really about human connection" (Starbucks, 2011)

Stores: Starbucks view their stores as a haven for their loyal customers who feel a sense of belonging, a place to escape their worries and meet friends.

Neighbourhood: Starbucks see themselves as leaders in setting the standards when it comes to being part of the local community. They always look to bring together their partners, customers and community together for positive action.

Shareholders: Starbucks believes that if it performs well in all the areas above then shareholders will ultimately be rewarded.

Management

Starbucks applies a de-centralized style of management in an attempt to maximize the divisions of labour and decision making (Marie, 2010). This also ensures maximum efficiency and quality of performance for the company as it permits employees to improve deficiencies as they see fit eliminating the need for top of the chain consent (Kiviat, 2006).

Corporate Responsibility

Community Involvement: Starbucks placed a strategy to motivate their employees and customers to contribute 1 million hours of community service per year by 2015. It aims to achieve that through collaborating with non-profit organizations and establishing a website to keep track of the community service hours (Janice, 2011).

Recycling: Starbucks aim to utilize recycle bins outside all company owned stores by 2015 in addition to serving 25% of all beverages in reusable cups (Janice, 2011).

Energy Conservation: Starbucks intends on replacing lighting in all company owned stores with LED lights by 2015 as part of the strategy of purchasing 50% of electricity used in stores (Janice, 2011).

Water Conservation: Starbucks aim to reduce water consumption 25% in all company owned stores by 2015 (Janice, 2011).

Starbucks UK

Starbucks penetrated the UK market in May 1998 through the acquisition of 60 local coffee shops. Today, Starbucks contributes £300m per year to the UK economy by owning more than 760 outlets across the country. Only in 2011, Starbucks grossed £398m in sales (BBC, 2012). Moreover, Starbucks employs more than 8,500 employees across the UK and have committed to a five year plan that includes creating another 5,000 new jobs by opening 300 new stores (Starbucks, 2012).

Franchising

As of the beginning of 2012, none of Starbucks' nearly 18,000 stores worldwide was operated as a franchise. However, and as part of its growth strategy, Starbucks announced that it will be adopting the franchise model by the end of 2012 with the UK hosting the first store. Kris Engskov, Starbucks managing director in the UK, stated that franchising in the UK will allow the company to open in smaller towns, contribute to Starbucks' knowledge of the local market, and compete more in highly competitive coffee market like the UK (Riley, 2012).

On February 6, 2013, the first franchised Starbucks coffee shop in the world opened its doors in Hampshire, UK. The move into franchising is believed to be part of Starbucks' company strategy to increase profitability in the UK after being scrutinized for avoiding corporation tax for three years (Eversham, 2012).



Competitors

Competitive Structure

Competition is basically a situation where in two or more parties have the same objective. It can primarily be divided into two categories, Direct and Indirect competition. Direct competition comprises a market scenario where in competitors produce the same product or service to satisfy a particular customer need or want. Indirect competitors on the other hand, are those which may offer different products or services which indirectly satisfy the same need or want of the customer (Ma, 2012).

Direct Competitors

Starbucks is classified as one of the top branded coffee shops in the UK. The direct competitors for Starbucks are brands which produce lattes, cappuccinos and other such products which are exclusively associated with coffee shops.

The dominant players in the branded coffee shop market and which are among the direct competitors of Starbucks in the UK are Costa Coffee, Caffé Nero and Coffee Republic. The various factors that influence the competitive structure among direct competitors for Starbucks are as follows:

Price and Quality

Companies set high prices in order to target the privileged and higher middle class consumers in the market. However, it is essential that the quality of a product is valued by customers and does justice to its high price. Starbucks has previously quoted that they do not wish to be price leaders and instead serve 'more for less' (Baturan et al., 2009). However, through recent customer reviews, it is evident that they are deviating from this purpose. Starbucks has been criticized for serving products priced higher than average while compromising on quality (Pitek, 2009). Costa on the other hand, follows a high pricing strategy as well, but unlike Starbucks, offers products of outstanding quality and superior tastes (Rodenberg, 2009). Caffé Nero offers the cheapest latte at £1.55 as compared to Costa, Starbucks and even Coffee Republic. However, the size of the smallest cup at Caffé Nero is exactly half the size of the smallest cup available at the other coffee shops. Therefore customers inadvertently pay more for a latte at Caffé Nero as they do at Costa or Starbucks (Starkey, 2008). Another intriguing fact is that Caffé Nero has a rather inconvenient 'dual' pricing strategy. For instance, the price of a take-away cappuccino is £2.20 which is slightly cheaper than it is to drink it in-store, which costs £2.30 (King,

2011). The prices at Coffee Republic are also on the steeper side as compared to the average coffee shops in this market, however, it is certainly cheaper than Costa coffee and Starbucks (Starkey, 2008), however, their quality of food and drink is said to be better than that of Starbucks but does not necessarily match up to the standard of Caffé Nero and Costa coffee.

Brand Image

The brand personality of Starbucks is so effective, that it echoes in every aspect of communication. The logo (the twin tailed Siren), the storefront and the atmosphere within the store, all blend together perfectly to create a similar look and feel (Ruiz, 2012). The customers of Starbucks are made well aware of the fact that the produce is ethically sourced. This is indicated through their in-store FairTrade branding (King, 2011). According to Park et al. (2006) the visually appealing ambience of Starbucks evokes an emotional connection. This justifies the core branding strategy of Starbucks which is based on establishing emotional relationships with their customers (Nielsen & Mortensen, 2011). However in the recent past, the brand image of Starbucks has certainly diminished. It has been accused of not paying corporation taxes or failing to record a taxable profit in the UK for 14 out of the last 15 years (Knight, 2012). With other dominant players like Costa, which has a luxury brand image, a reputation for good value of money and excellence in service, there is no such evidence of differentiation as far as Starbucks is concerned (Rodenberg, 2009). Similarly, Caffé Nero has also acquired a reasonably high brand image thanks to its attention to detail. Every employee undergoes days of intensive training before being allowed to serve an espresso, Caffé Nero not just prides itself in its coffee but have also won numerous 'Barista of the year' accolades (Drcoffee, 2012). This poses a threat to Starbucks which has gradually converted itself into a regular coffee shop that fails to deliver and create the distinct, authentic and unique experience that it promises (Nielsen and Mortensen, 2011).



Product

Drinks – Starbucks has an eclectic range of coffees varying from different types of roasts (Blonde roast, medium roast and dark roast) to different flavours which include caramel, cinnamon, regular mocha, peppermint mocha and vanilla. Starbucks definitely has an edge over its competitors like

Costa, Caffé Nero and Coffee Republic as far as variety of drinks is concerned. Starbucks also provides a choice of 15 healthy drinks (Less than 150 calories) for its diet conscious customers. But even though Starbucks boasts a wide range of drinks, the temperature of its coffee and the taste which is generally too bitter for the taste buds of most of its customers

is certainly a let-down (King, 2011). Caffé Nero on the other hand is well acclaimed for its superior quality of coffee which is known to be better than both the top two players in the market, Starbucks and Costa (Rajul, 2010).

While all the other coffee shops in the market follow a simple consumer friendly, easy to



comprehend nomenclature for their coffee products (Small, Regular and Large), Starbucks, has been criticized as being pretentious. Owing to its so called "exclusively Italian" nomenclature (Tall = small, Grande= regular and Large = Venti). Besides the fact that these names defy common sense, they have also proved to create confusion and are greatly inconvenient for customers (Hong, 2009). Starbuck's clearly falters on an important advertising mantra, i.e. Keep it simple!



Food

Starbucks has one of the widest ranges of food options among most of the branded coffee shops in the UK. These options include Bistro Boxes, Breakfast, Cakes, cookies, fresh fruit, hot lunch, muffins, pastries,

doughnuts and sandwiches (Starbucks.co.uk). Starbucks is also catering to the health conscious consumers with options like organic sandwiches, 'skinny muffins', token fruit salads, and 'light' pastry. They also provide a food nutritional information guide which contains nutritional information for many of their fresh food products available in stores in the UK and Ireland (Baturan et al., 2009). However, much like their coffee products, the food at Starbucks is also said to be overpriced and lacking quality.



Source: yadig (n.d.)

Costa on the other hand is well acclaimed for its superior quality food products which also include a number of healthy options. The food at Caffé Nero is fairly decent albeit not outstanding. However, their pastries look very fresh in the morning which is probably due to the way in which they are displayed in a baker's basket (Rajul, 2010). As far as the food at Coffee Republic is concerned, customers usually have

nothing to complain about. Coffee Republic is known as the "British Starbucks" but unlike Starbucks, the snacks here are really tasty (Sabsi, 2012). The fact that, it is now a requirement that sandwiches and snacks are to be prepared at the premise of each store, gives a clear indication of the freshness of the food served here. However, Coffee Republic certainly lacks variety as compared to the other dominant players like Starbucks and Costa Coffee (Clark, 2011)

Added Benefits

Ambience

"Starbucks profits from the way they make their customers feel, allowing them to portray a prominent image and feel like the upper crusted elite in society" (Pitek, 2009). Similarly Costa, with its soft comfortable furniture and lavish decor gives the customers a sense of an indulgence in the greater things in life.



On the other hand, Caffé Nero's ambience is not that impressive. Its blue and black colour scheme and high ceiling provides a rather dark, gloomy and ware-house like feel to the café. Another setback is the fact that their refrigerated unit selling sandwiches and cold drinks is generally set away from the main counter, so customers cannot remain in the queue

while making their choice (King, 2011). Similarly, Coffee Republic which is black and red sends out a rather dark vibe and seems a bit Claustrophobic. Although the dash of red worked for some customers who saw it as cozy and romantic, Coffee Republic nevertheless decided to change the ambience of their stores completely to give it a more airy feel with light colours.

Wi-Fi

Using Wi-Fi at coffee shops is slowly becoming a necessity rather than a luxury for most customers. Most of the branded coffee shops in the UK like Caffé Nero, Costa, Coffee Republic, offer free Wi-Fi. However Starbucks is selective as far as this is concerned and only offers free Wi-Fi to its card holders (Rajul, 2010). This is an unhealthy policy



and poses a hindrance in delivering satisfaction to Starbucks customers who are not necessarily cardholders.

Loyalty card

The old Starbucks loyalty scheme where in customers topped up their pre-paid card with £5 and got free shots, syrups and money off on coffees whenever they used the card, has now been replaced with the new Starbucks Reward scheme (when a customer tops up his card with £5, he becomes a green member and only after earning 15 stars can he get a voucher for a free coffee which is posted to the address). This is far more complex as compared to the old system (bbc.co.uk). Caffé Nero on the other hand has a very simple and valuable loyalty scheme wherein a customer's loyalty card is stamped every time a coffee is purchased and after 9 stamps, the next coffee is free (Rajul, 2010). Coffee Republic, in collaboration with sQuid, has adopted a system wherein, every time a purchase is made at coffee Republic with sQuid, 10% is added to the 'I love CR' loyalty purse and the reward balance consequently increases (squidcard.com).



Unlike all the other dominating players in the market, the loyalty scheme

for Costa has been poorly implemented. The staff give little importance to the schemes hence making the customers feel indignant rather than rewarded (Rajul, 2010)

Indirect Competitors

In order to better understand the indirect competition for Starbucks, let us take the 'Starbucks Latte' into consideration. It's a drink which contains caffeine and hence can be classified as an energy booster, or merely the fact that it is a hot drink serves the purpose of keeping you warm on a cold winter day. While all other coffee houses like Costa, Caffé Nero, Coffee Republic, Krispy Kreme etc. which serve Lattes fall under direct competitors with Starbucks, there are others which may or may not serve lattes, however still compete indirectly (Ma, 2012).

If a customer classifies the Starbucks Latte as an 'energy booster', then it will automatically compete against other energy drinks containing caffeine like Gatorade, Red bull etc. The indirect competitors for Starbucks in this case will be Marks and Spencer foods, Tesco, Café de coral, Sainsbury's and all other such businesses which sell energy drinks. And if a customer classifies the Starbucks Latte as merely a 'hot drink', then the competitors for Starbucks will be restaurants like KFC, McDonald's, PretAManger etc. These businesses sell other hot drinks besides Lattes such as Café Mochas, hot chocolate etc and hence indirectly compete with the brand (Ma, 2012).



Focus Group Interviews

Our group decided to conduct a focus group as one of the qualitative market research methods among others that were employed for this assignment.

Research Objectives

Determine the appeal of coffee in general and what drives it.

Recognise consumer interests in regards of products at coffee shops and their purchases.

Understand consumer insights and ideas concerning the ideal coffee shop.

Unveil perceptions and opinions about coffee chains in general and Starbucks in comparison to competitors.

Determine similar or changed attitudes towards Starbucks

General thoughts and feelings about Starbucks

Our group will moderate a focus group session with 6 respondents for an extended period of time. The respondents will answer briefly a set of questions in addition to hosting open

dialogue to stimulate interaction and different opinions. Different projective techniques will be applied to determine perceptions towards the brand.

Recruitment Criteria

Respondents must be between the ages of 21 and 64 and reside in areas near Starbucks shops. The group should consist of people from various fields and statuses ranging from light to heavy coffee users.

Discussion Topics

Coffee

1. What drives you to go to a coffee shop?
 - a. Grab a quick coffee on the run
 - b. Spend time with friends
 - c. Relax after a day of shopping
 - d. Other...
2. What are your motivations
 - a. Drinking coffee
 - b. The atmosphere, service, prices, other...
3. What times of the day do you usually visit a coffee shop and what products do you go for?

Coffee Shops

1. How would the ideal coffee shop look like in your opinion?
2. What would you rate to be the most important factor for you in choosing a coffee shop?
 - a. The coffee, people, atmosphere, music, other...

Attitudes and Feeling

1. How do you feel about chain coffee houses?
2. How do you feel about local coffee shops?

Attitudes towards Starbucks

1. What are your experiences with Starbucks? (experience ordering Starbucks specialties)
2. What is some important brand attributes associated with Starbucks?
3. If you could change one thing about or at Starbucks what would it be?
4. What is your favorite Starbucks product?

Projective Techniques

1. Write down the first three words that come to mind about Starbucks
2. Brand association with a car for insight on performance, function and status

3. Brand association with restaurants for insight on service attributes of Starbucks
4. Brand association with people to provide insight on the more emotional attributes of Starbucks
5. Mood Boards



Analysis of Focus Group Findings

Qualitative data analysis revealed several principal themes during the one hour focus group conducted on 17/02/2013. The discussion addressed both general coffee shop perceptions, as well as perceptions associated with Starbucks.

Within each of the major themes, a number of sub-themes were recognised as the discussion took its natural course of action.

Themes

Coffee

During the focus group, participants reported several drivers for visiting a coffee shop. One of the most blatant reasons was the coffee! However, other participants identified studying and chatting with friends as the key reasons to visit a coffee shop while one participant goes there to meet people.

Most participants believe that the atmosphere in coffee shops is what motivates them to go there albeit for grabbing a cup of coffee, studying or meeting people. Criteria such as service, music, and quality seemed to take a back seat to atmosphere and ambiance.

Nonetheless, not all participants agreed about what they order at the coffee shop. While some go for the usual Frappuccino, others prefer tea and some even go for deserts such as cake and muffins.

Most participants opt to visit coffee shops during the afternoon with a few opting the morning as their prefer time of visit but only to grab a coffee on the go and not to sit there.

Coffee Shops

All of the respondents in the focus group seemed to agree that the ideal coffee shop would be spacious and full of seats. The group reached full consensus that sofas are integral while most like their ideal coffee shop to be warm...even in summer!

When asked about the most important factor in choosing a coffee shop, answers started flying across the room between price and brand names going through atmosphere and the people in the shop.

Attitudes and Feelings

Respondents that identified consistent quality and brand names as the important factors in choosing a coffee shop displayed a preference for chain coffee shops rather local ones. On the other hand, the respondents that identified price and atmosphere as the determinant factors in choosing a coffee appeared to prefer the local coffee shops as opposed to big chains. When asked why by the moderator, one respondent replied:

Chain coffee shops have no character or personal touch they're just too corporate...it's just money making, I know all businesses are money making, but Starbucks particularly is overpriced... it's just fake!

In Contrast to that, one respondent argued:

International chains have kind of combined several styles of doing coffee and have it all on one menu so I don't necessarily have to go somewhere else to know how their tea tastes like, I could have a little bit of Tennessee right here... and when it comes to the international chains, they [local coffee shops] cannot match up to it.

Attitudes towards Starbucks

Attitudes towards Starbucks appeared to vary significantly among participants. Although all the participants stated that they have never had any particularly bad experience with Starbucks, they seemed to formulate different sentiments towards the brand as revealed in one exchange:

(Respondent) ...It's just money making, I know all businesses are money making, but Starbucks particularly is overpriced... it's just fake!

(Respondent) Although I agree with that, but when you travel and you want to go have a cup of coffee, you have to try a new place right? So instead of going to some place you don't know, you can go to Starbucks because you think oh okay I know the quality/price I expect... instead of going someplace new that you don't know and don't know what to expect.

(Respondent) But if you go to a new place you want to find out what these places have to offer from their own and Starbucks, Subway and places like that take that away because now you can eat and drink the same thing everywhere.

(Moderator) You don't think Starbucks offers you the "American" experience of coffee?

(Respondent) No.

The interesting part was how some participants perceived corporate social responsibility as a positive guarantee of quality and customer rights while others blamed it for lack of minimum basic human connection and flexibility in decision making required for creating memorable customer experiences. As the discussion regarding corporate social responsibility took its natural course of action, an intense exchange occurred when one respondent claimed:

(Respondent) You can't talk about Starbucks corporate responsibility because they just found out that they didn't pay any of their taxes...and aren't doing the right thing whereas you got the small coffee shops, they get away with nothing and they're paying huge amounts of taxes.

(Respondent) In my point of view that is the hypocrisy of everything because people have been doing this for years , it's just because someone goes hey hang on, you've been making too much money then they check figures...

(Moderator) So why do you blame Starbucks for evading taxes when they haven't done anything illegal and you don't blame the British taxation system? They just said that they don't make money in the UK

(Respondent) ...which is a lie! They paid loads and loads more than they had to when it came out to over-compensate what they'd done because they knew it was wrong or else they wouldn't have paid off millions and millions.

When asked about attributes the participants associate with Starbucks, some found it easier to state what it is not. Some participants claimed that it is not unique or special while others referred to Starbucks as a need in the market.

All participants in the group agreed that they would like the Starbucks shops to be more spacious. One respondent would like the coffee to be hotter while another suggested that Starbucks should reconsider their prices.

When asked about their favourite Starbucks products, two things stood out. The first thing is that half the respondents named a desert for their favourite product while the other half named a drink. The second point that stood out was the fact that from the respondents that

named a drink as their favourite product, some either found it hard to remember or didn't remember at all so they described it!

Moreover, as discussions went on among participants in the focus group, a few sub-themes came to our attention. Two participants shared two stories about Starbucks and their corporate behaviour. The first was about how a pregnant customer was not allowed to use the bathroom because it was after hours; the second was about claims that Starbucks was supporting Israelis during the 2006 war against Lebanon via donations. Both stories rendered the participants with poor attitudes and feelings towards the corporation irrespective of the reliability and credibility of the stories.

Projective Techniques

At the end of the set questions, projective techniques were applied to the respondents in an attempt to enhance our understanding about how Starbucks is perceived.

Respondents were asked to write down the first 3 words that come to mind they hear Starbucks.

Respondent 1	Coffee	Social	Relax
Respondent 2	Green	Greed	Corporate
Respondent 3	Free Wi-Fi	Cappuccino	Muffin
Respondent 4	Wi-Fi	Coffee	Cinnamon
Respondent 5	Coffee	Comfort	Social Networking
Respondent 6	Coffee	Average	Convenient
Respondent 7	Coffee	Muffins	Comfort

As depicted in the responses shown in the above table, Starbucks has become synonymous with coffee and vice versa. On a more contemptuous level, Starbucks was associated with comfort as much as it was associated with a space to find free Wi-Fi. However, it was viewed as a positive environment for socializing.

Then, respondents were asked to participate in the following brand associations:

1. Associations with cars ranged between a new highly demanded Ferrari F50 to a mundane VW golf and going through a Mini Cooper.
2. Starbucks was mostly associated with fast food chain restaurants such as McDonalds whereas a minority related it to an Italian restaurant where you can get a quality meal.

The final projective technique used was personification. Of the more memorable responses, one respondent said:

It would be a smart entrepreneur who wants to get something done when no one wants to.

Another respondent described it as:

...A greedy fat pervy middle aged business man.

Finally, respondent were supplied with the appropriate material to create their mood boards in consistence with the rest of the projective techniques applied earlier.

For results , kindly see mood boards submitted in the appendix.

Conclusion

The findings from the focus group conducted showed that people visit coffee shops for different reasons. However, the majority of opinions voiced agreed that coffee shops must be spacious and comfortable. Major factors detrimental in picking a coffee shop were very personal to each participant and varied widely (Price, atmosphere, products, and people). Participants were divided regarding the preferences of products ordered in a coffee shop in addition to selecting chain coffee shops versus local ones. This contrast in opinions was carried on when Starbucks was scrutinised for its communal behaviour on one hand, and praised for its social corporate responsibility and setting a high benchmark on the other. This also became clearer as the projective techniques applied showed how Starbucks was perceived by consumers as "good" while other saw it as being "evil". Finally, as Starbucks is one of the biggest worldwide retailers of premium coffee, this small sample of market research exploited many gaps and shifting attitudes towards the brand in the past few years.

N.B: Kindly refer to the short video accompanied with the report for more information.



Outdoor Interviews

We interviewed 7 people outside the Starbucks located at Southampton city center mall. The interview focused mainly on the older age groups of Starbucks customers, to get in touch with them face to face, explore their needs and their point of views regarding the brand, in an attempt to attain further insight about Starbucks' current and potential customers. Our aim is to build **personas** for these customers and analyze the target market they represent in order to develop our marketing communications objectives. A persona "usually consists of a list of characteristics a user of a service or product has, combined with a picture to create a profile" (article.yeeyan.org). Due to the mall's policy along with the fact that some customers are uncomfortable in front of cameras, we were only able to retrieve pictures of 4 interviewees out of the 7.

The interview consisted of the following set of questions:

- 1. What drives you to go to a coffee shop? What are your motivations?**
- 2. In your opinion, how would the ideal coffee shop look like?**
- 3. What coffee shops do you usually go to and why?**
- 4. How often do you go to Starbucks?**
- 5. What are the first thoughts that come into your mind when you think of Starbucks?**
- 6. If you could change one thing about or at Starbucks what would it be?**
- 7. What is your favorite Starbucks product?**



Customer 1

The first customer we met was an old lady walking past Starbucks. She told us that she visits a coffee shop namely to grab a quick coffee, or to relax after a long day of shopping. She does not go to a coffee shop to meet a friend and believes her own coffee is better than any coffee served in shops. Her ideal coffee shop must have great tasting coffee, and preferably a clean space. If she decides to go to a coffee shop, her first choice would be Starbucks because she trusts the brand name. She goes to Starbucks once a month. The first thought that came into her mind when thinking about Starbucks

was 'friendly staff'. She would not change a thing about Starbucks, and her favourite product is cinnamon. The lady's age was 82.

Although this customer is not a frequent visitor of Starbucks, she is definitely a fan of the brand. Since she prefers her own coffee and she loves Starbucks desserts, Starbucks can attract customers as such with a variety selection of high quality desserts to go with her coffee in order to get her to visit the store regularly.

Customer 2

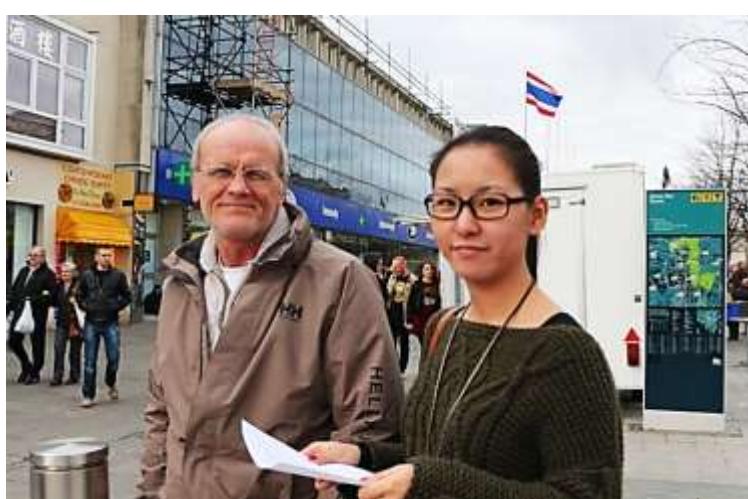
The second interviewee strongly condemned the tax complications that Starbucks faced and firmly stated that he now despises the brand after the tax evasion scheme the company attempted. He claimed that since he is paying his taxes and the company is not, he would not use his money to buy anything from Starbucks. However, he later confessed that he does not like coffee and never drinks Starbucks.

Since this kind of customer is not an avid coffee drinker, he is not part of the target market.

Customer 3

The 53 year old gentleman does not go to coffee shops very often. He told us that when he would go to a coffee shop it would be for a quick drink. He prefers clean and modern coffee shops, and he goes to Starbucks mainly due to its location. He goes to Starbucks every other week. The first thing that occurs to him when talking about Starbucks would be the Logo. Moreover, he stated that he would not change anything about Starbucks and his favorite product is the latte.

As revealed in his answers, this customer category does not care much about where they go or what coffee they drink. Their primary concern is a quick cup of coffee that is easily accessible. Starbucks Local might not be a bad idea!



Customer 4

The 45 year old gentleman waiting outside the city centre mall told us that his main motivation to visit a coffee shop is usually he usually to grab a quick coffee on the go. He likes modern and clean coffeeshops, and usually goes to Costa for coffee. He ascribes that to the fact that there is a Costa in his community of residence. He is

aware of Starbucks but never tried it, nonetheless, is willing to if there is a Starbucks in his neighbourhood. Thinking of Starbucks, the first word that occurred to him was 'tax'.

What this interviewee needs is clearly a Starbucks Local in his community. He heard about the tax issue of Starbucks but opted to disregard it as a decisive factor. This customer category portrays a certain behavioural pattern for coffee shops—they go to the nearest and most convenient shops. He is a potential customer.

Customer 5

A lady sitting on a nearby bench was waiting for her friend to go to Salsa classes. She told us she goes to coffee shops simply for the coffee and sometimes to socialize. Her ideal coffee shop would consist of friendly staff and a clean setting. She likes local coffee shops because they are abundant and within the proximity of her home. She is not a regular Starbucks customer, but she likes it, because she likes the staff and service they offer. The first thought that came to her mind concerning Starbucks was definitely the 'coffee'. If she could change one thing about Starbucks, she would alter the price which she perceives as too high. Her favourite product is the skinny latte. She told us she was over 60.

This lady is not a typical Starbucks target customer, since she loves local coffee shops and she thinks the price of the Starbucks coffee is too high. Nevertheless, for this type of price sensitive customers, certain promotions or coupons would 'pull' them into the coffee chain shops.



Customer 6

The 54 year old gentleman (left), claimed that he has been working in the hospitality business for many years. He would only go to a coffee shop when he is meeting someone there. His favourite coffee shop is not in the UK, and he picks coffee shops according to location and convenience. He visits Starbucks around 3 times a month. However, typically he just goes to any coffee shop that is along the way to his destination. When he thinks about Starbucks, first thing that comes to his mind is 'Access to internet'. If he can change anything about Starbucks, he necessitated that he would train the staff because he views them as incompetent and aloof. Furthermore, he mentioned that every Starbucks shop offers a different level of service and variety of products,

some of which are better than others. He does not have a favourite product; his preferences vary from time to time.

According to his answers, it seems that the only thing this man likes about Starbucks is the free Wi-Fi. His reference group (friends, family, and co-workers) clearly has an influence on him as he only goes to the coffee shops his companion chooses. He is also similar in behaviour to customer 4 select coffee shops nearby and according to convenience. Additionally, since he claimed that he has been in the business for a long time and believes that he is knowledgeable on the industry, he sees himself as an expert in the realm of hospitality. Therefore, he is most likely to be attracted by something new and diverse in the market.



Customer 7

This 42 year old gentleman was waiting outside for his wife who was in Starbucks buying coffee. He told us he would go to Starbucks for meeting friends and socializing, sitting in a nice atmosphere to chat with people. "Starbucks is the new pub to me" he said. In his opinion, an ideal coffee shop should have soft, cozy chairs and a wide selection of newspapers. Although he goes to Starbucks, he prefers Costa because it offers newspapers and magazines, good coffee, soft easy on the ear music, in addition to an amicable atmosphere as well. He goes to Starbucks once a week. Talking about Starbucks, the first thought that came into his mind was 'commercials'

because of the notable Starbucks commercials he has seen on TV, in magazines, etc. If he could change anything about Starbucks, the man wished for more spacious stores and more efficient service in order to decrease the waits in queues. His favourite Starbucks product is the double espresso.

This gentleman undoubtedly depicts the typical Starbucks consumer. He visits the shop, knows the brand well and gives out practical suggestions to improve the shop. He clearly knows and enjoys what Starbucks is offering—A Third Place. Nonetheless, Starbucks in the UK could improve via offering a selection of newspapers and magazines and calmer music to attract customers, similar to this gentleman, who enjoy having a cup of coffee while reading in a serene atmosphere.



Trend Research

Social Everything

Social technologies, that have already become an important part of everyday life, will increase its influence in the work environment. Social mobility and connectedness is going to help companies build better internal networks and deliver value to customers. Marketing in particular will move away from a one-to-one relationship towards a many-to-many approach.



Source: Edmonson(2012)

Co-Creation

The participation in the value creating process will become more and more essential to the personalization seeking customer of tomorrow. Customers want to co-create their products and services instead of just consuming them. Moreover, according to trendwatching.com in the next years, two completely new consumptions models called

"Presumers" and "Custowners" will be established. "Presumers" want to participate in value creation by supporting, funding and promoting products and services they think are worthwhile being realized." Custowners" as describes by trendwatching.com are business-savvy customers that see such great benefits that they want to move from simply consuming their products to investing in the company. (The Economist, 2012)



Source: Reach (2011)

Mobile

With regards to mobile usage trendwatching.com predicts that consumers are asking for experiences that they can instantly enhance, share and maximize via their smart-devices. In Austria for example, cities that don't have a public library, start posting codes all over the city which, when scanned with ones phone, give the user access to a free e-book.



Sustainability

The trend for more ecologically sustainable business models will carry on in 2013. However the trend goes beyond eco-friendly products and packaging recycling. The new challenge is creating and delivering products and packaging that contain life themselves. A Korean designer for example developed chop sticks that contain a little seed on one end which can be planted and grown into a plant when finished with the generally disposable item.

Source: Mongoose Metrics (2012)



Source: AdSenseFlipper (2012)

Transparency

Consumers are demanding more transparency from the companies they are buying from and engage with. Within the next year this need for transparency will go beyond putting pretentious statements on values and the corporate culture on websites. Companies will have to proactively tell their customers about what they do and why and clearly and honestly share their actual achievements and losses with them. Studies show that consumers are becoming more and more critical about companies' ethical and environmental credentials. At the same time they are becoming less likely to actively demand this information. They will simply expect companies to provide it in the first place and if not, won't do business with them (Trendwatching.com, n.d.).



Source: Elmwood (2010)

From profit to purpose

Social and economic challenges and increasingly seen not only as a political responsibility but also a responsibility of businesses. This trend is reciprocal, on the one side demanding customers, employees and other stakeholders put pressure on companies to consider their impact on such challenges, and on the other hand it gives

businesses the chance to broaden their field of operation and is a good source of added benefits (Trendwatching.com, n. d.).



Internal Social Media

A report by the MC Kinsey Global Institute states that the potential of value creation through and with the help of Social Technologies is still far from being exploited by the industry. Despite value creation and co-creation by gaining more customer insight by listening to them and analyzing their behaviors, engaging them directly and crowd sourcing ideas, there is also a large untapped potential for companies to increase their internal performance. According to the research experts, social technologies have the potential to increase high-skill workers' productivity

by "streamlining communication and collaboration, lowering barriers between functional silos, and even redrawing the boundaries of the enterprise to bring in additional knowledge and expertise" (Mc Kinsey Global Institute, 2012).



Marketing Communication Objectives

One of the prime marketing goals that Starbucks initially proposed and continues to abide by is that it's not just about the coffee, but creating an overall experience for the customer. The main intention is to build an image separate from smaller coffee chains and ensure that people come for the coffee, stay for the ambience and come back for the connection (Articlesbase, 2011).

The following marketing communication objectives can assist us with fulfilling this goal:



Source: Hopkins (2012)

Innovation- Starbucks has always been acclaimed for its efforts to come up with innovative ideas for its products and services. They've added new coffee flavours and more food, including healthy options to their menu (King, 2011). Starbucks was also the first of its kind to offer internet services in the stores (Voteforus, 2012). Since Starbucks is known to provide a 'one of a kind' experience for its customers, we can innovate even further by organizing in-store events (which highlight the essence of our new campaign – "Back to the roots") and other such activities. that engage the customer. By encouraging 'Co-creation' we can give customer experience and in turn customer satisfaction a whole new dimension.



Grow the Starbucks community- Starbucks has created an online community around its brand (Voteforus, 2012). This community is known as 'My Starbucks Idea' in which customers are encouraged to share their experience and give suggestions that will benefit the company. Every suggestion gets a vote. However, ideally, there should be

an incentive for the customers who get a certain number of votes for their suggestion (possibly a free cup of coffee). This would show that their suggestion is greatly valued and will encourage them to participate and feel like they are a part of the Starbucks family.



Source: Google images(2013)

Change the customer's perception of the coffee quality – Since Starbucks is not really concerned about being price competitive and the coffee is priced on the higher side, it is imperative that we emphasize on the coffee's authenticity of taste and quality. Our main concern at the moment is to retract the current notions about the deteriorating quality of Starbucks coffee and change the perception of quality in the minds of the customers.



Source: Mirror (2013)

Focus on customer loyalty and retention – Rather than gaining new customers, it is crucial that we retain our old and loyal customers by providing them with additional benefits and incentives. These are the customers that are not just loyal to the coffee but also to the brand and could possibly continue being drawn to Starbucks even in their old age. After Starbucks gained

negative publicity for its attempt to evade the tax scheme, we lost many regular and loyal customers. It is therefore essential for us to try and regain these defected customers.



Source: Mihalik (2013)

Positioning – Right from the beginning, Starbucks has positioned itself as the "Third place" between home and work. However in the recent past, the customers have started to point out that Starbucks has a rather dull and gloomy ambience as compared to the other competitors who are stepping up. It is thus essential that we re-establish and re-enforce this concept in our consumers' minds and keep them coming back for more.



Employee Satisfaction – The most crucial factor that influences the customers experience is service. An employee is more likely to provide the customers with good service when they are provided with some incentives and given a sense of belonging to Starbucks. For example: Whenever a new product is launched in the menu, we can offer a free trial for all the employees and encourage their feedback emphasizing on how valuable their suggestion would be.

Source: Law (2009)



Source: Google images(2013)

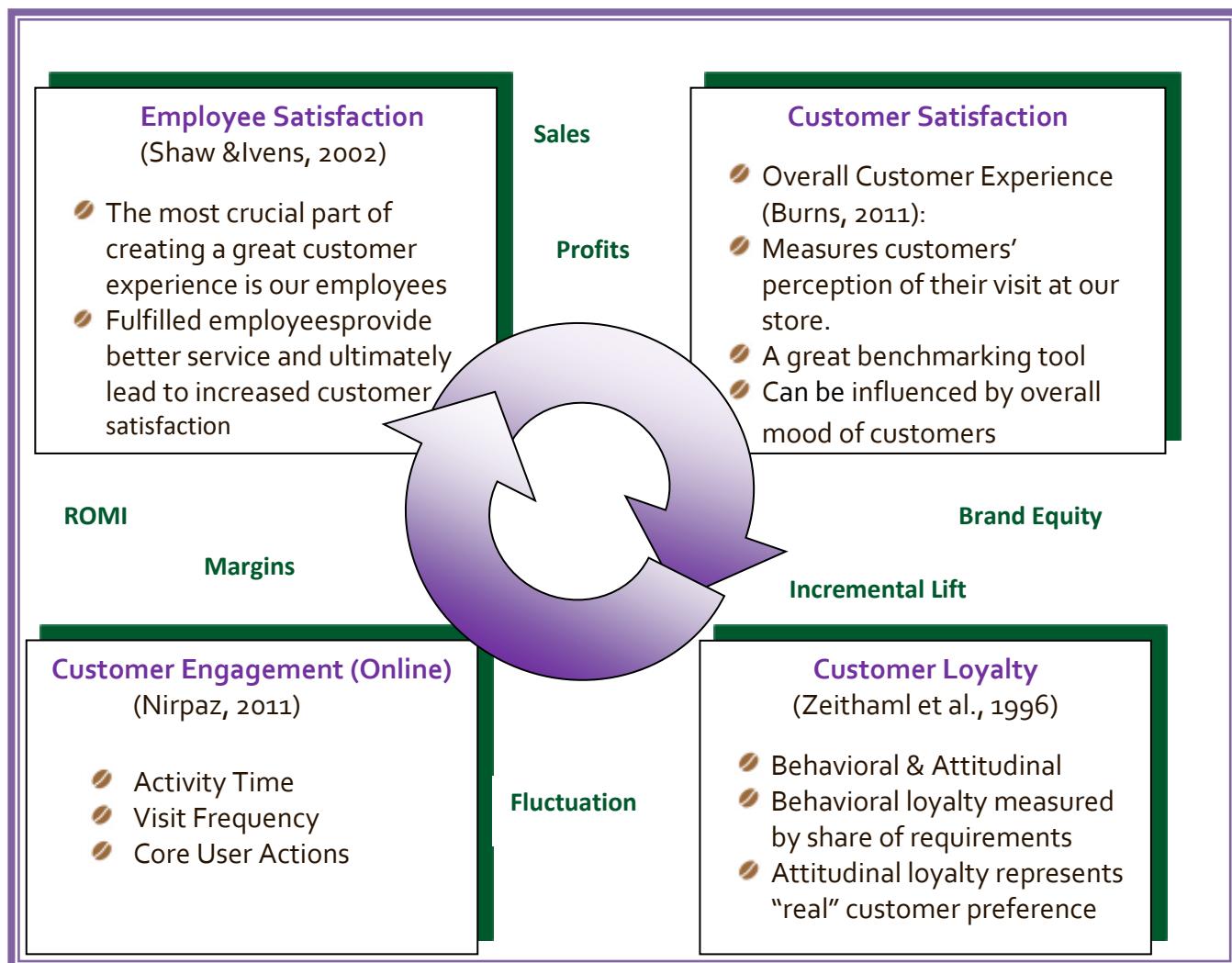
Targeting the right customer segments–

The 2 customer segments in the UK that are majorly profitable and greatly contribute to the revenue of Starbucks belong to the age groups of 25-35. The 55-65 years olds can also be targeted considering that they are loyal customers who spend most of their time socializing at Starbucks. In order to determine the effectiveness of our “Back to the roots” campaign, it is thus crucial that our marketing communication is predominantly targeted towards these two segments.



Measuring Success

"You can't manage what you can't measure" is an old management adage and we strongly agree with. Of course the overall goal of each business is to be profitable and therefore "traditional" KPIs such as revenues and profits as well as brand equity will be measured. All the different proposed marketing activities will as well be measured on Incremental Lift and Return on Marketing Investment. However in order to measure and support the success of our Integrated Marketing Communication Strategy we will also implement the following metrics:





Creative Planning and Execution ---- "Back to the Roots"

Background and Overview

Ensuring that Starbucks never grows outside its culture is something our Chairman and CEO, Mr Howard Schultz, has always taken pride in (Samlehnert, 2012). Our marketing campaign is directly aligned with this belief.

Market research conducted and data collected unveiled to us what our customers are looking for; quality of coffee and a home away from home environment.

Our goal for the coming 30 months from 2013-2015, is to re-establish a clear market position and revive the "third place" concept via a national marketing campaign under the title **"Back to the Roots"**.

Back to the Roots is directly focused on our identified target segment. It aims at transforming Starbucks from a mundane unvarying multinational corporation to the UK's local coffee shop in an attempt to make it homogenous with its local customers and communities. This will be done on two levels; back to the roots of coffee and back to the roots of community.

Each level will contain a wide variety of plans and activities where the customer is at the heart of the campaign. We want every customer to feel that Starbucks is his unique place and not the same everywhere. Our aim is that every store carries the heritage and values of its area and for every customer to have a unique relationship and experience with every store.

Timeline

Proceeding from the situational analysis, we are embarking on an experience based campaign focused on quality and culture - **Back to the Roots!**

2013-2014: Customers participate in the making of their favourite coffee and share it with everyone.

2014-2015: Bringing the customer and the brand into a homogenous environment through store revamps according to each area in addition to participating in regularly organized cultural events.

Back to the Roots of Coffee

To amend the public opinion's belief that 'Starbucks no longer serves the best coffee' or 'Starbucks is no longer focusing on the coffee', the department believes that Starbucks must remind customers that it has been and always will be concentrated on selling high end quality coffee. From interviewing our customers, we established that 'coffee' is still, undoubtedly, the customers' first concern vis-à-vis Starbucks.

A. Barista Art Training



Source: Limini Coffee Services Ltd (2012)

Starbucks is well renowned for its friendly staff. The interaction between the staff and the customers and the warm communication atmosphere has always been indispensable to Starbucks' success.

To enhance this communication we are going to hold "Brewster Show off" nights. During these nights, we welcome people who are interested in making their own coffee and sharing their recipes. As an additional incentive, all the participants receive souvenir gifts such as Starbucks mugs, coffee beans, etc. Hence, when a certain recipe enjoys popularity, it can be added to the menu and named after its initiator.

This marketing activity aims to attract the type of customers who usually grab a quick coffee from Starbucks but prefer to enjoy it at their homes. "Brewster Show Off" also appeals to customers who are interested in creative coffee making after a long routine day at work. This activity also serves as a means for the company to know customer tastes and preferences better by via direct contact with them.

Media touchpoints: Facebook, Pinterest, Mystarbucksideas.com

B. International Breaks

An ongoing marketing event under the heading "International Breaks" will take place with the intention of increasing the choices of coffee beverages. Since there is a growing trend transforming the UK into a highly diversified community in the past few years, it would be important to provide international customers with a taste of their hometown whilst offering UK natives a chance for experiencing a variety of cultures in their hometown .

Media touch points: Facebook, Pinterest, Magazines, and Mystarbucksideas.com

a) March—May : “Japanese spring”



During the spring time Starbucks would promote East Asian styled products on the menu allowing customers to try East Asian coffee beverages such as soy milk coffee, Matcha green tea coffee, and more.

Japanese Matcha coffee recipe:

3/4 cup unsweetened almond milk, soy milk or rice milk (medium-high heat)
1 teaspoon Matcha power
1/4 cup boiling water
Sweeten with agave syrup

b) June—August: “French Summer”

Starbucks would launch French styled products during the summer offering customers the traditional French ice coffee.

French coffee recipe:

1/2 cup whipping cream, chilled (heavy cream)
1/8 cup powdered sugar (confectioners' sugar)
1/2 teaspoon vanilla
1/2 cups hot coffee



Source: zcache (n.d.)

c) September—November: “ Italian Autumn”

Vienna Coffee comprises of small tweaks such as steaming the milk and adding vanilla to the cream to make it special.

Italian Coffee recipe:

1 tablespoon ground coffee
200ml milk
200ml thickened cream, cold
1 teaspoon vanilla essence



Source: allrecipes.com (2012)

d) December—February : “Irish Winter”

To provide customers with a warm winter!



Source: Thinkcoffeelovers (2013)

Irish coffee recipe:

1.5 oz Irish whiskey
1 tsp brown sugar
6 oz hot coffee
heavy cream

**Back to the Roots of Community
Plant Plan**



Our purpose is to give back to society while considering Mother Nature. Every customer buying Starbucks coffee has the chance of getting a coffee stirrer that has an integrated seed at the bottom for free. Customers will be encouraged to stick the stirrer in a cup filled with soil and let it grow. During this time cups will have a QR code, so people could use their phones to scan it and get a full view of the image, life cycle and details about the plant (While they are waiting for someone in the coffee shop it is a great way to kill time). Whenever a customer

purchases a cup of Starbucks coffee, it is a chance to add a bit of “green” to the world. Moreover it is the perfect symbolic representation of our “Back to the Roots” campaign. During the activity period, Starbucks will provide fertilizers for the plants, so customers who are growing cup plants at home can come to the shop more often for the fertilizers.

Media touch points: YouTube, Facebook, Twitter and other social networks.

Videos of our partners growing plants in Starbucks cups will be uploaded to YouTube, Facebook, and Starbucks’ Online Community as a teaser. Then, tutorial videos introducing the life cycle of the plants and the process of growing the plants will follow. As we monitor people searches of “Starbucks plant” on Google, we will unveil the plan of spreading the seeds of Starbucks going “green” at the right time.

Finally, customers who actually begin to grow the plants are encouraged to share their experience with our online community, on twitter and on the Starbucks' Facebook page.



Source: Allegra Foundation Ltd (2012)

Everyone is rooted in the community. "Back to the Roots" campaign is also about giving back the community, but this time, the customers decide!

1. Charity

A. Step 1: Tell your story

Starbucks is there to support people who need help in the community. All they need to do is log in to our online community and tell their story. Then, Starbucks staff will collect the stories and put them in the list.

B. Step 2: Vote for the good causes

Each month every Starbucks branch will donate to 1 of 500 local charities that customers choose. Everyone leaving Starbucks counter can use the stirrer as a token to vote for their preferred charity organization by putting the stirrer into a little bucket which represents the good cause he/she would most like to support. The cause which gets the most tokens would receive the donation.

C. Step 3: Volunteer

Starbucks invites the company's friends, partners, and community members to volunteer, visiting the foundation that received the donation, and bring them Starbucks coffee.

The volunteers will take pictures of the activity and upload them on Starbucks' Facebook page, Twitter and online community.

2. Store Revamps



This plan aims at unveiling a new Starbucks in-store ambiance. The interiors of the stores will witness minor but critical facelifts including tables, ceilings, art and unique pieces of furniture in an attempt to extract Starbucks from the standardized corporate décor. The customization of Starbucks stores is meant to celebrate the cultural diversity

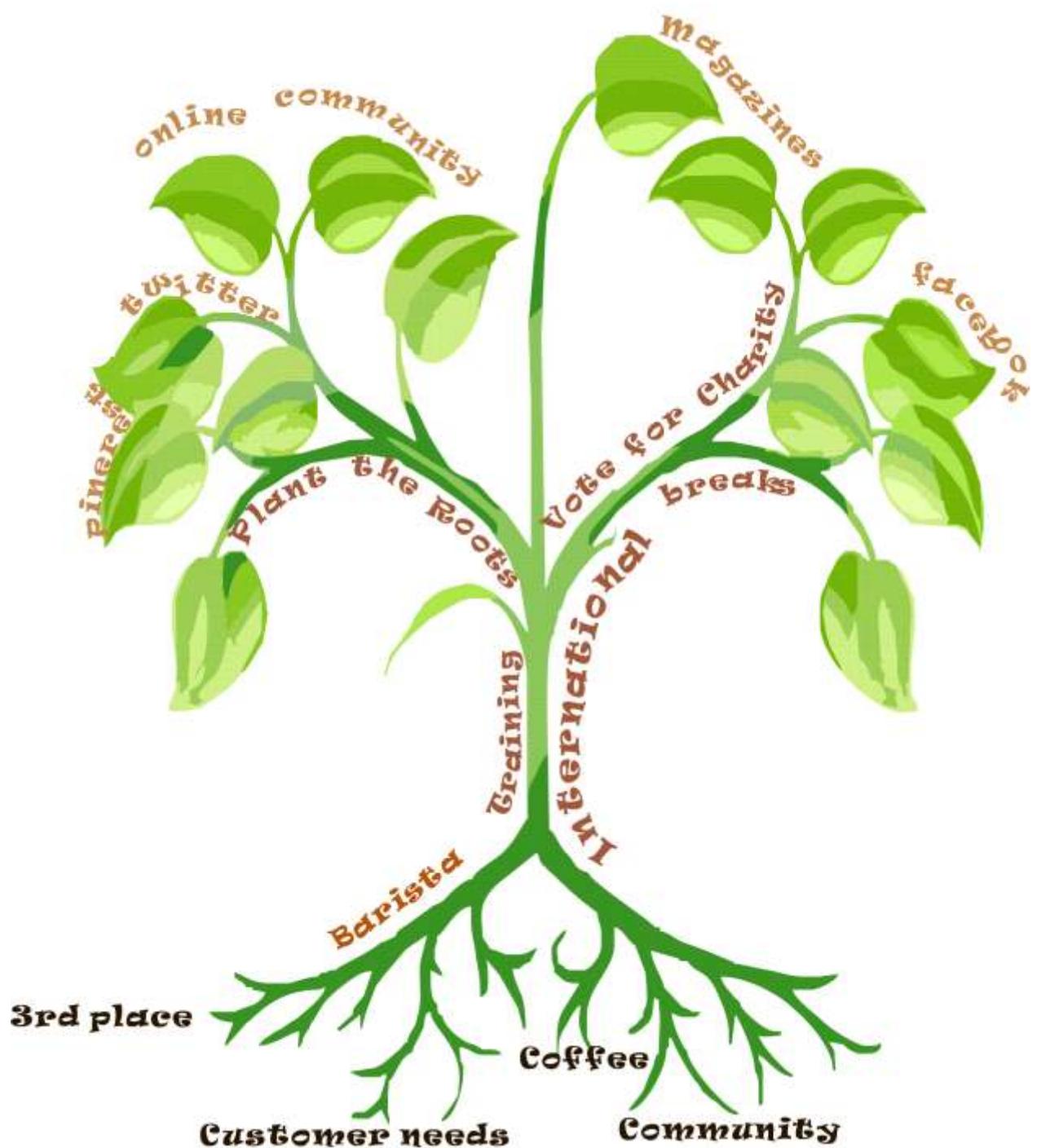
and uniqueness of each town and city it is part of. For example, the Vigo street branch will entice the feel of the French “Maison” to go with the 110 year old building it’s in. In contrast, the branch near Savile Row will comprise of Chesterfield seating and colours recounting heritage (Gosling, 2012). Localizing and personalizing every store to match its surrounding environment is part of taking Starbucks back to the roots of its host community and ultimately, truly turning the store to the “third place” for the citizens of the neighbourhood.

Channels of Communications

The media channels we chose to convey our message were based on the identified target segments. Accordingly, the biggest budget was allocated for store interiors and events in addition to newspapers and magazines to appeal to the 55+ segment. Moreover, Facebook, Twitter and websites will be utilized greatly as social media is currently the “*hottest* place, brimming with people from almost all walks of life” (DeMers, 2013). This is aimed at targeting our second market segment of 25-40 years of age. TV budget was set at 10%. This is somewhat less than the main channels (Events, Social media, Newspapers and Magazines) because the plan focuses namely on highly rated program sponsorships rather than commercial ads. The rest of the budget is distributed in small portions among email, marketing research and radio.



Campaign Tree
---- "Back to the Roots"



Budget Plan

---- For Starbucks

The budget plan is aiming at estimating the marketing cost necessary to reach the business goals through various touchpoints and to support the marketing campaign in order to improve the relationship with our customers. Based on Starbucks' annual reports of the last 5 years, approximately 1% of the total revenue were put into advertising and marketing. According to BBC News, Starbucks generated 395million in sales in the UK last year (BBC, 2012). As a result, 4 million were set for the advertising and marketing budget. Because of the extremely high costs of TV commercials, Starbucks media touch points mainly focus on public relationship, magazines, newspapers, radios, mystarbucksideas.com and social networks including YouTube, facebook, twitter and others. Moreover, Starbucks is not just taking advantage of new ways of promoting it products through different channels but also using public relations to improve the company's image and reputation. Therefore, each of the touch point should be taken into consideration in the advertising and marketing budget plan.

- *Starbucks -- Budget on Advertising and Marketing in the past*

	<i>Annual Revenue(USD)</i>	<i>Annual Spend on Advertising&Marketing(USD)</i>	<i>Advertising&Marketing Revenue(USD)</i>
2007	\$9,400,000,000	\$95,000,000	1.0%
2010	\$1,070,000,000	\$97,600,000	0.9%
2011	\$1,170,000,000	\$123,300,000	1.0%
2012	\$1,330,000,000	\$120,200,000	0.9%

1. Print advertising

1) Newspaper advertising

Newspaper cost can be separated into local and national newspaper based on the different prices. For the local newspaper advertising, it costs £250 for a quarter page, however, advertising in national newspapers can cost over £30,000 for a full color page. For the Starbucks marketing campaign, press releases for the special activities can be written and distributed to local newspapers which cost less. (Marketing Minefield, 2011)

2) Magazine advertising

Magazine advertising can reach targeted niche audiences which cost £200 in minimum for a full-page advertisement in a magazine with a readership of 5,000 people. Advertising costs in magazines with a higher reach however are much more expensive. Designing a magazine or newspaper advertisement doesn't cost very much. (Marketing Minefield, 2011)

2. E-mail advertising and marketing

Email advertising and marketing can reach the target audience directly which is also cheap and fast. It costs approximately £ 430 for sending 50,000 direct email message (Thewebshoppe, n.d.).



Source: Usdadafoundation (2011)

3. TV Commercial campaign

The cost of a certain TV advertising campaign approximately accounts for £10,000 to £100,000 depending on different channels and time periods. Generally, companies spend 10-20% of the total marketing budget to produce a TV advertising campaign (Marketing Minefield). For Starbucks however the TV media channel will mainly be used in ways of sponsorship of popular programs

4. Radio Advertising

Radio advertising can reach our target audiences at relatively low cost compared to other media. It costs about £250 for a small broadcast stations and around £2,000 for the most popular stations in one week time including script writing, actors speaking as well as music and sound effects. A campaign runs on radio advertising at least 4 weeks and repeat at certain times (Marketing Minefield).

5. Social media advertising and marketing

1) YouTube video advertising and marketing



Source: YouTube (2013)

Marketing on YouTube via video can reach both global and local audiences especially the younger generations. Generally, producing and editing a video cost £350-20,000 depending on the quality. But it is free to upload videos to YouTube which is the second largest search engine in the world.

However, the most important thing for the marketing success on YouTube is to maximize the effectiveness of the video for the business purpose and send the right message to engage with potential customers. As a result, video frequency, video search engine optimization and hits should be taken into account (Articlesfactory, 2009).

2) Face book and Twitter advertising and marketing



Source: Facebook
and Twitter (2013)

To set up an account and create some interaction with customers costs around £1500-3500 per month for each of the Facebook and Twitter channels (Contentfac, 2011). Moreover, creating a less than 3 month, short-term promotion costs £1000-14000 excluding the offered prizes and promotions. For a more elaborate promotion which would be a 3-6 month, long-term one the costs account for approximately £16500- £50000 (Mackcollier, 2012).

6. In-store and event marketing

The budget of Starbucks in-store activities and events is based on the creative plan – “Back to the roots”. A 2 hour Barista art training for example costs £40,000. The proposed plant your own Starbucks plant is estimated to cost around £80,000. Moreover, every Starbucks branch in each area will donate £500 per month to local charities that customers choose.



Contingency Plan

Similar to any business, Starbucks is not safe from failures due to poor performance of the proposed marketing communications plan and any crisis that may emerge. For this purpose, a contingency plan is created to give a general outline of the company's actions in case of a downfall.

Re-evaluation of communication channels

In case the communication channels used in the marketing plan do not reach the target audience, re-evaluation of the entire communication channel as well as the message itself is essential. If, as a result of the investigation, the fault cannot be detected or corrected, the following actions should be taken:

- *Elimination of least profitable coffee shops*
and/or
- *Implementation of Franchising System*

Elimination of least profitable coffee shops

Firstly, in case of downfall, it is essential to concentrate our attention on the most profitable regions of the UK and to reduce the number of coffee shops. According to the Guardian, if you stand on the corner of Regent Street and Wigmore Street in central London, you are within five miles of 164 branches of Starbucks (Burkeman, O., 2007). That is to say Starbucks has more than enough branches. If Starbucks is ever at risk in terms of finance or store management, cutting back stores should be brought into consideration. Due to the increasing tendencies towards higher urbanization in the long-run (BBC, 2010) it would be recommended to close those coffee shops situated in areas with a smaller population in order to reduce costs.

Franchise

As of 2012, Starbucks has officially started franchising. This concept might be a good opportunity to create stronger relationships with the local communities. Franchising is aiming to "partner with local entrepreneurs that share the values of Starbucks" (Bighospitality, 2013).

The primary benefit of the franchising concept would be the opportunity to use the investments of local entrepreneurs to expand the brand. This would reduce costs regarding the creation of company-operated stores as well as provide additional revenue that could be spent on the development of new and more effective marketing strategies. Secondly,

franchising would reduce the risk associated with the opening of new coffee shops and provide further administrative and operational benefits both for Starbucks and for the franchisees (franexel, n.d.).



Our Team

In harmony with the market trend today, and similar to many brands, we opted to go for a simple logo which holds in its making many meanings that represent the values of our department.

Concept

Hamian is old English for establishing a home (Online Etymology Dictionary, 2012). A home is a place of safety; a place built with strength and unity. A home represents life, trust and love. It is a sanctuary. We want to project this idea while constructing the identity of our marketing department especially that our client is a company that takes pride in calling itself "the 3rd place".



Logo

The square is the symbol we used for the design concept. The square represents something stable, serious, strong, pragmatic and secure, it also signifies integrity, balance, structure, order and direction. These values reflect the image of our company.

The square which has a 4-sided structure that joins everything together: the 4 cardinal directions (north, south, east, west), the 4 major seasons (winter, spring, summer, fall), the 4 cosmic elements (sun, moon, planet, stars), the 4 common phases of human (birth, child, adult, death) and last but not least the 4 prime elements (fire, water, wind, earth).

Therefore, the square is a symbol of regulated life and actions.

According to the Bauhaus Methodology, the square creates all other shapes such as the circle, the triangle and the hexagons. The co-existence of all these shapes creates a wholeness and unity (Whatsyoursign, n.d.).

Through the design process, we were able to create the following shape based on squares in order to represent the icon of the company.

The typography used is a modern bold typeface to reflect power and sustainability.

Colours

The colours used are purple and grey.

Grey means neutrality while violet stands for authenticity, truth and quality.

Both colour symbols combine to transmit the Hamian vision.

Internal communications

Social networking plays a big role in communicating with our customers. However we also see a big potential in using this type of media to improve our internal communication and live our message of "Back to Community". Utilizing the private social network services of NVolve we will motivate our own Hamian team and all Starbucks UK employees to add value to our company, listen to their ideas and concerns and ultimately build stronger ties between employees and our brand. The Service is designed to bring employees closer together and increase productivity and creativity by easily sharing information via different media channels such as web and mobile (Thinkpassenger, 2013). Our fundamental goal is to increase productivity throughout the company by making every employee feel part of our Starbucks family and amplify the valuable input of the people that are closest to our customers and therefore hear their voices.



Employee Profile

1. Name:Julia Bentien



2. Employee Position: Chief Consciousness Officer

3. Age:25

4. Nationality:German

5. Number of years spent working for this company: 1 year

6. The most important marketing strategy (*in your opinion*) for Starbucks:

Don't just listen to your customers, talk to them!

7. What drives you to work for this company?

Starbucks to me is not a product or a store, it is part of my daily life that I associate lots of great memories with. I want to give people the opportunity to feel the same.



Employee Profile

1. **Name:**Ali Cheikhali
2. **Employee Position:** Senior Marketing Analyst
3. **Age:**24
4. **Nationality:** Lebanese
5. **Number of years spent working for this company:** 3
6. **The most important marketing strategy (in your opinion) for Starbucks:** Move away from the corporate image and make it more personal in addition to customizing stores according to region.
7. **What drives you to work for this company?** I like the brand and the atmosphere associated with it. I like what it represents in general from a point of view of someone living the fast pace city life for more than I can remember.





Employee Profile

1. Name:*Minaliz Vilma Chico*
2. Employee Position:*Marketing Manager*
3. Age:*26 years*
4. Nationality:*Indian*
5. Number of years spent working for this company:*2 years*
6. The most important marketing strategy (*in your opinion*) for Starbucks:
"Co-creation"



7. What drives you to work for this company?

I love the enthusiasm and positive energy of this work environment and Starbucks' constant urge to innovate never ceases to amaze me.



Employee Profile

1. **Name:** Sevil Gadirli



2. **Employee Position:** Marketing Analyst

3. **Age:** 21 years

4. **Nationality:** Azerbaijani

5. **Number of years spent working for this company:** 1 and a half years

6. **The most important marketing strategy (in your opinion) for Starbucks:**

Innovation

7. **What drives you to work for this company?**

Teamwork, strong motivation, excellent perspectives



Employee Profile

1. Name: *Christina Liao*
2. Employee Position: *Marketing Trainee*
3. Age: *22*
4. Nationality: *Chinese*
5. Number of years spent working for this company: *1 year*
6. The most important marketing strategy (*in your opinion*) for Starbucks:
Customer Experience
7. What drives you to work for this company?



The passion for marketing and branding and the opportunity to communicate with people.

Employee Profile

8. Name: YuweiQiao

9. Employee Position: Marketing Executive

10. Age: 24 years



11. Nationality: Chinese

12. Number of years spent working for this company: 7 year

13. The most important marketing strategy (in your opinion) for Starbucks:

Keep “The 3rd place” position and bring it back to being about the coffee.

14. What drives you to work for this company?

My passion to work in a marketing department and good relationship

with my colleagues.