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Starbucks: The Road to Customer Value Through Marketing Concepts Found in Chapter 11, Marketing: Building Profitable Customer Connections.

From the sight of the iconic siren to the smell of quality coffee, Starbucks has embraced several marketing ideas that bring value to their customers. The history of Starbucks dates to 1971 as a single store in Seattle’s Pike Place Market. There are now more than 24,000 retail stores in 70 countries. A contributing factor to Starbucks’ success is the ability to use such marketing ideas as place utility, global marketing environment, and social responsibility. According to Starbucks’ website, <https://www.starbucks.com/>, these ideas are easily accessed and shared.

Starbucks utilizes place utility to deliver value to customers. Place utility can be defined as satisfying customer wants by providing goods and services in convenient locations. The Starbucks website, <https://www.starbucks.com/>, allows customers to use the “find a store” tab on the home page. By entering a city, state, or zip code, several stores that are within the surrounding parameter are quickly displayed on a map as well as list form. By choosing a store in the list, the address and operating hours are displayed. The Starbucks logo is also placed on signs located on interstates that point customers in the right direction to a store location. Starbucks satisfies customer wants through place utility by stand-alone retail locations, as well as smaller scale versions of the store located in major retailers such as Ingles grocery stores, Kroger grocery stores, and Target discount stores. Starbucks’ retail locations provide inviting atmospheres where customers can sit down to enjoy beverages and food. The smaller versions, located in other retail stores, provides customers with delicious beverages that can be enjoyed while shopping for groceries. Starbucks successfully implements the use of place utility by providing convenient locations that can be easily found using the website as well as interstate signs.

Starbucks’ success in nurturing a global marketing environment has allowed the company to grow in other parts of the world. Starbucks locations are now found in 70 countries. To be successful, companies must be knowledgeable and considerate of elements in global markets such as competition, economics, social and cultural differences, technology, and political and legal policies. The first international Starbucks location was developed in Tokyo in 1996. The importance of embracing global markets is clearly published on the Starbucks website, located in the tab named “Starbucks Coffee International”. The company states “We like to delve deep into another company’s soul. Shared values, strategic fit, good leadership and a strong track record are among the most important qualities we look for.” Further, Starbucks Chief Executive Officer Howard Schultz states “We remain highly respectful of the culture and traditions of the countries in which we do business.” Obviously, the concept of developing and respecting a global marketing environment has been important in Starbucks’ success in growing their business internationally.

Starbucks is committed to the social responsibility movement as well. Starbucks believes in ethically sourcing coffee, tea, and cocoa. Starbucks participates in several programs that attest to their belief of social responsibility in the communities affected by their business. The Starbucks website guides the user to these efforts by placing the “Social Impact” tab on the home page. From here, various programs can be accessed by links that provide further details into the movement. One movement is to provide for 100 million trees to farmers. Starbucks has donated over 25 million trees to coffee farmers. The goal is to sustain a long-term supply of coffee and to secure the economic future of coffee farmers. Starbucks is committed to supplying the 100 million trees by 2025. According to the website, Starbucks hoped to raise enough funds by the end of 2016 to plant 20 million seedlings to replace tress that will decline because of age and coffee leaf rust. 10 million trees were donated in the summer of 2016. Another goal published on the website is to provide $50 million in loans to coffee farmers, through the Starbucks Global Farmer Fund. Starbucks is committed to providing the loans with reasonable credit terms and offers, through the fund, assistance with agronomy best practices, business planning, and price risk management training. Because of these efforts, Starbucks can contribute to the further education and well-being of the communities they service. Clearly, Starbucks is doing well in implementing this concept, as the expansion into 70 countries is a significant sign of their growth.

Starbucks, a recognized leader and brand in the coffeehouse industry, has made a positive impact on customer growth. By utilizing various marketing concepts, such as place utility, effective global marketing, and the recognition of social responsibility, Starbucks has enjoyed the successes of these implementations in providing value to their customers and partners.