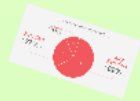


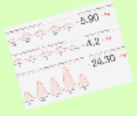
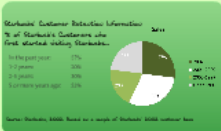
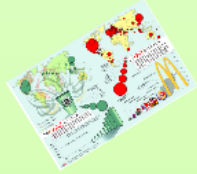
Starbucks Delivering Customer Service

Starbucks' Famecount Index
Starbucks is one of the leaders in social media marketing, being a worldwide company utilizing technology to critical.



Starbucks beats the competition by:

- Advertising
- Brand Recognition
- Customer Service
- Location



Market Analysis



Competition Analysis

- Caribou Coffee
- Peet's Coffee Tea
- Starbucks Bunnies
- Fast Food Chains
- Independent Specialty Coffee Shops

Starbucks: Then and Now

1982	2002
• Single demographic quality of assets	• Compete with growth "Partners" model
• Beachfront location	• Moving to "Third Place"

Porter's Five Forces



Starbucks was able to create a unique position within the market by focusing on the "Third Place" concept, which is a place where customers can go to relax, socialize, and work. This concept has become a key differentiator for Starbucks.

The Decision!

In order to increase customer satisfaction, it is additional 20 hours of labor. This would ultimately cost Starbucks \$40 million annually.

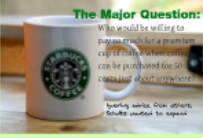
What would you do?



Case Questions

- 1. How do you think Starbucks should handle the situation?
- 2. What are the key factors that influence your decision?
- 3. How do you think Starbucks should communicate with its customers?

The story began in 1971... Back then it was a roaster and retailer of whole bean and ground coffee, tea and spices with a single store in Seattle's Pike Place Market.



The Major Question:
Who would be willing to pay more for a premium cup of coffee? Starbucks can be purchased for \$50 million by a private equity firm.

Case Summary

Market Research showed that Starbucks was not meeting customer expectations.

- Do we believe what customers are telling us about what constitutes "excellent" customer service?
- If we deliver it, what would be the impact on sales and profitability?

Customer Service



Fast Forward to 2011



Starbucks Coffee Company Mission Statement

To inspire and nurture the human spirit—one person, one cup and one neighborhood at a time.

Starbucks' goal is to create a "third place" other than work and home. Starbucks looks to fill this void by creating a relaxing and enjoyable setting conducive for individuals or groups. Under Schultz's leadership, new stores began to emerge. Before going public, Starbucks had roughly 140 stores throughout the United States.

Key Attributes in Creating Customer Satisfaction

- Clean store
- Environment
- Treated as a valuable customer
- Friendly Staff
- Coffee taste/ flavor
- High-quality coffee
- Fast Service

Customer Service is Important.

- Partners are trained "Soft Skills"
- Customer Snapshot

Current Issues

2011

- Not Recession Proof
- Closed 900 stores worldwide
- Cut \$580 Million dollars

2012

- New logo
- Expand in China, India and Czech Republic
- New product lines (VIA)

Starbucks: Delivering Customer Service
Case Analysis



Starbucks: Delivering Customer Service

Case Analysis



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PUBLIC MARKET CENTER



MEET THE

DELIND
HOTEL

FARM MARKET

In 1982 Howard Schultz joined the marketing department. Before buying the company from the three founders, Schultz realized the true potential of a neighborhood coffee shop during a trip to Italy.



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