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Question: To illustrate and apply the concept of Co-Creation to an actual business

Answer: -

COMPANY: STARBUCKS



Starbucks was founded in 1971 by Jerry Baldwin, Zev Siegl, and Gordon Bowker at Seattle's Pike Place Market. During the early 1980s, they sold the company to Howard Schultz who – after a business trip to Milan, Italy – decided to convert the coffee bean store into a coffee shop serving espresso-based drinks. As chief executive officer from 1986 to 2000, Schultz's first tenure led to an aggressive expansion of the franchise, first in Seattle, then across the West Coast of the United States. Schultz was succeeded by Orin Smith who ran the company for five years and positioned Starbucks as a large player in fair trade coffee, increasing sales to US \$5 billion. Jim Donald served as chief executive officer from 2005 to 2008, orchestrating a large-scale earnings expansion. Schultz returned as CEO during the financial crisis of 2007–08 and spent the succeeding decade growing the company's market share, expanding its offerings, and reorienting the brand around corporate social responsibility. Kevin Johnson, the current CEO, succeeded Schultz in 2017. In March 2022, Starbucks announced that Schultz would return as CEO in April 2022.

Question 1: Is Starbucks a success or failure?

- According to me Starbucks is a successful company. For any company that wants to be successful, planning and patience are the most important things and Starbucks do this very effectively. Starbucks always target correct audience, gain the trust of

customers, promote the brand with visibility, strictly follow social media strategies, keep posting and updating about their offers, these things make Starbucks more successful than any other competitors in the market. Branding has been one of the key elements of Starbucks strategy over many years. The company has invested significantly in creating a standardised look and feel of its stores, merchandise and food and drinks. The Starbucks Siren logo is one of the most recognisable logos in the world.

As Starbucks continues to expand into new markets and consolidates its position, it will increasingly come across different levels of local and regional competition. The company, without doubt, is a successful global marketer with significant experience in entering and establishing themselves in new markets. But as it expands and grows, it needs to reassess constantly and keep its ears close to the ground to understand consumer preferences. Innovation and operational efficiency would be the bedrock for Starbucks to continue to gain success internationally and also in existing markets.

Question 2: How does today's digital world impact (positively and negatively) to any business?

- In today's world digital media or technology plays the vital role for everything. As we all know every coin has two faces so there is positive as well as negative impacts for any businesses:

Positive Impact of Technology on Business

1) Human Errors in The Workplace Are Being Reduced:

A miscalculation or a case of poor grammar can be costly to a company's reputation. Technology has provided us various types of applications that detect these errors before they become critical. There are accurate accounting packages, for

example, that allows businesses to calculate revenues and properly manage expenses.

2) Organizes Information: Computers store and organize information in ways that would often take human beings considerably more time.

3) Saves Money: Technology saves money for your business by saving time, such as the hours that would be required to compile reports by hand. In addition, meaningful and up-to-date information helps you quickly recognize problems and opportunities and respond proactively.

Negative Impact of Technology on Business

1) Business Dependence on Technology: Technology dependency in business is a major concern. We use technology so frequently that it has changed our business habits.

2) Raises Privacy Concern: We always heard that some hackers hack the system and steal all the valuable proprietary information.

3) Job Loss: It is the one of the main concerns after AI integration in Business.

Question 3: How can Starbucks improve its co-creation strategy?

- Co-creation means collaborative development of new value like concepts, solutions, product and services together with experts and stakeholders (such as customers, suppliers etc.) Co-creation is a form of collaborative innovation: ideas are shared and improved together, rather than kept to oneself.

Starbucks can use a platform for their user's taste and preferences where user submit their own suggestion then others vote for it. The best gets in action which combine submitting and tinkering models.

Starbucks have to make its brand more personal to its customer by involving them in community used to develop its strategy in many disciplines. Not only products but also in social activities and engaging ideas.

Question 4: What tactics or tools can Starbucks use to enhance their success model?

- Starbucks is one of the recognizable brands in the world. Their brand recognition has reached epic heights thanks to the strength of their marketing and their commitment to keeping their brand consistent.

According to a research report done in April 2020 the target audience for Starbucks is men and women in the middle to upper classes who can afford Starbucks higher priced beverages regularly. They offer their target audience an experience when they come into their stores. By focusing on the third place and giving their customers a place to be and interact, they make the price of the drink worth it in the eyes of their customers. There is something comforting about ordering a good cup of coffee and being encouraged to sit in the shop with your laptop and work. That's the experience Starbucks provides.

Starbucks uses 4 P's (Price, Product, Promotion and Place) in their marketing strategy.

They also use their social media channels to create conversations with their fans and customers, much like the ones their baristas would have in store. These are usually short and sweet conversations that touch on the customer's experience with the brand.

Starbucks also uses various types of technologies for enhancing their services like they use Artificial Intelligence, Big Data, Cloud Computing, Block Chain, Machine Learning etc.