Case Study -2
Conversation between Complex Data and Home Universe

Complex Data [CD]: *So, it sounds like Home Universe has been using Data Churn for a while now. Is that correct?*
Home Universe [HU]: *That is correct. We have a few licenses that we bought 3–4 years ago, and our team has been using the tool to analyse data and generate insights.*

CD: *------------Churn isn't always straightforward to calculate, especially when it's measured on past data? Isn't it also difficult for teams to apply the findings of churn analytics to individual?*
HU: *It is a difficult tool to use, I must admit, but the team has learnt how to make the most of it.*

CD: *-----------------Then, it must be taking much time to solve the problem and to reach the solution?*
HU: *It does not affect us much. We have trained a team of five people on how to use Data Churn effectively.*

CD: *------------------How do you deal with on time submissions of projects to the clients when it's taking more time than expected?*
HU: *Not much. The requests pile up only when one of the five members quits our organization and we are waiting for a new member to be trained on Data Churn.*

CD: *---------------Does your team likes working on Data Churn tool?*
HU: *Yes, our team members certainly do not like using Data Churn and tend to quit within 12–18 months.*

CD: *------------How long will it takes to train a new employee on Data Churn? How much your organization is spending on the new employee to be project ready?*
HU: *It takes 4–6 weeks of training for a new team member to use Data Churn competently. So, that is at least 1.5 months of salary incurred as training cost. In addition to that, we also make a separate payment for the new team member to complete certain training projects, certifications and quizzes provided by Data Churn, which costs about a month's salary of a team member. So yes, our training cost is quite high. And so far in this year, we have trained six new members because of employee attrition.*

CD: *--------------------------------------Does Data churn team works only on your house projects? If not, how do you deal with client's deadline when you are short-handed?*
HU: *Data Churn offers services as well, wherein they provide us one of their trained employees as an additional team member when one of our team members leaves and we are in the process of training a new one. But they charge really high rates for it, which is about three times what we pay our team members. So, we either use that option to handle heavy workloads when we are short-handed, or we pay overtime for the existing trained team members.*

CD: ------------------------Do you pay double than normal for overtime? Are the employees happy with the double pay and show interest to work overtime?
HD: Yes, our overtime pay rate is double the normal salary. But even with overtime pay, the existing team members are not willing to do the extra work, which leads to further attrition.

CD: Got it. But when you employ contractors from Data Churn, who do not know your data as well as your team members, does that not affect the quality of the work?
HU: Absolutely, data knowledge is key to our work. So, when we employ Data Churn contractors, the quality of their analysis and insights is not as good as what our team members would produce because the former do not have in-depth knowledge of our data. Because of this, our existing team members need to review their work, which leads to duplication of effort.

CD: -----------------I will tell you about the latest version of our tool Data fire which can easy all the problems facing by your organization.
HU: Tell me about it! I keep getting escalations every other day from the heads of various departments that my team is not functioning optimally. I wish I could get some peace of mind at times. Data Churn is certainly not helping our case!

CD: ---------------------------------What do you think about the tool, isn't that state of art, easy to use solution with rapid response time?
HU: It definitely does. Our business is becoming more and more data driven, and all the departments are highly reliant on us to provide on-time quality insights. Else, their decisions are delayed or are sub-optimal. Just last week, the Head of Marketing was on my case on the phone, talking about how their marketing campaign was delayed by more than two weeks during the peak season because my team could not share insights on which stores are to be targeted for the campaign.

CD: It sounds like Data Churn is causing employee attrition, high training costs, high overtime costs, high contractor costs, low-quality output, duplication of effort and delays, thus affecting critical business decisions. Is that a fair summary?
HU: Looks like Data Churn is indeed a pain in the neck!

Case Study -3

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Questions on Product

Q1: What is the core product of Starbucks?

A1: ------------

Starbucks locations serve hot and cold drinks, whole-bean coffee, microground instant coffee known as VIA, espresso, caffe latte, full- and loose-leaf teas including Teavana tea products, Evolution Fresh juices, Frappuccino beverages, La Boulogne pastries, and snacks including items such as chips and crackers; some offerings (including the annual fall launch of the Pumpkin Spice Latte) are seasonal or specific to the locality of the store. Depending on the country, most locations offer free Wi-Fi.

Q2: What are the actual and augmented products of Starbucks?

A2: ------------

- Initially, Starbucks used to sell only coffee beans, later in 1986 after expansion to six store they begun to sell espresso coffee.
- Actual products are: Premium coffees, teas, Sandwiches, desserts, Coffee making equipment, collectibles, ice creams etc.,
- Augmented Products: Free Wi-Fi, Prepaid Starbuck card, Duetto Visa, In-store Music.

Q3: What are the various product categories offered by Starbucks?

A3: -------------

1. Coffee
2. Tea
3. Baked goods
4. Frappuccino
5. Smoothies
6. Other foods and beverages
7. Merchandise (mugs, instant coffee, etc.)

Q4: How has Starbucks adapted its product offering to suit the Indian market?

A4: -----------

Tata's collaboration and expertise in local taste and market conditions helped Starbucks learn more about doing business in India.

Apart from the usual products offered internationally, Starbucks in India has some Indian-style product offerings such as Tandoori Paneer Roll, Chocolate Rossomalai Mousse, Malai Chom Chom Tiramisu, Elaichi Mewa Croissant, Chicken Kathi Roll and Murg Tikka Panini to suit Indian customers.

In January 2017, Tata Starbucks introduced Starbucks' tea brand Teavana offering 18 different varieties of tea across its outlets in India. One of the varieties, called the India Spice Majesty Blend, was specifically developed for the Indian market and is only available in India. Price to cater to price sensitive Indian Market

Q5: How has Starbucks introduced healthy products in its range?

A5: ------------

CEO Kevin Johnson said in a 2020 interview that, milk substitutes will be a big part of reducing carbon emissions. That effort has prompted vegans, environmentalists, people with lactose intolerance and others to urge the company to eliminate the upcharge for drinks made with dairy-free milk.

Starbucks began a "skinny" line of drinks, offering lower-calorie and sugar-free versions of the company's offered drinks that use skim milk, and can be sweetened by a choice of natural sweeteners (such as raw sugar, agave syrup, or honey), artificial sweeteners (such as Sweet'N Low, Splenda, Equal), or one of the company's sugar-free syrup flavors.

Starbucks retrained its baristas and changed its roasting methods in 2010 in order to "standardize quality over quantity."

Q6: Mention an innovation by Starbucks with regard to an existing product.

A6: ---------------

Starbucks the first to bring green coffee extract innovation to customers on a global scale

Starbucks Refreshers beverages are a breakthrough innovation that deliver thirst-quenching refreshment from real fruit juice and a boost of natural energy from a new source, green coffee extract.

Q7: What are some partnerships that Starbucks has entered, from the point of view of product?

A7: --------------

Strategic partnership to enter India, Starbucks and Tata Global Beverages 50:50 partnership, hopping over to Asia's largest coffee maker Tata Coffee's 8,258 sq feet roasting facility at Kushalnagar near Coorg made perfect sense.

Questions on Price

Q1: What is the most expensive coffee that Starbucks in CP sells?

A1: ---------

Sexagintuple Vanilla Bean Mocha Frappuccino

Q2: What is the least expensive coffee that Starbucks in CP sells?

A2: -----------

As part of the Brewtrobber campaign any Tall Coffee for INR 100

Q3: Which of the following pricing strategies does Starbucks follow? Justify your answer.

- Economy pricing strategy
- Penetration pricing strategy

- Skimming pricing strategy
- Premium pricing strategy

A3: ---

Starbucks uses a *premium pricing strategy*. In the marketing mix context, this pricing strategy takes advantage of the behavioral tendency of people to purchase more expensive products on the basis of the perceived correlation between high price and high value.

Questions on Place

Q1: How many cities in India have at least one Starbucks store?

A1: -----------

As of April 2021, there are 22 cities in which Starbucks has atleast one store

Q2: What is the total number of Starbucks stores in India?

A2: -----------

As of April 2021, There are 219 stores in India.

Q3: Which cities in India tend to have a Starbucks store? Why?

A3: --------------------

Starbucks entered into Madhya Pradesh in 2021 by opening 3 stores in Indore and Bhopal with further expansion plans in Indore. Starbucks is also gonna enter Rajasthan by opening 2 Stores in Jaipur in 2021.

Q4: Mention an innovation by Starbucks with regard to its store strategy.

A4: -----------------

Starbucks is taking a step back offering a unique experience, iconic and representative of the mark from the outset. Store design, or brand localization, is just one of the creative ways Starbucks connects with its customers, integrating local aesthetics into each of its stores.

The biggest design decisions Starbucks ever made was adding a drive thru, which was a departure from the company's "home away from home" vibe. The company found ways to

bring the interior brand experience to the outdoor lane, experimenting with digital confirmation boards at the drive thru with two-way live video communications that featured a barista making your beverage.

Q5: What are some partnerships that Starbucks has entered, from the point of view of the place?

A5: ---------------

Southern Sun Hotels South Africa signed an agreement with Starbucks to brew Starbucks coffees in select Southern Sun and Tsonga Sun hotels in South Africa.

Starbucks experimented with eateries in the San Francisco Bay Area through a restaurant chain called Circadia.

Starbucks acquired Coffee Equipment Company, the manufacturer of the Clover Brewing System. It began testing the "fresh-pressed" coffee system at several Starbucks locations in Seattle, California, New York, and Boston.

The service offers home delivery from Starbucks outlets through a partnership with Swiggy.

Questions on Promotion

Q1: What is the primary means of promotion for Starbucks?

A1: ------------

Starbucks Corporation promotes its products through interpersonal relations and communications, although advertising is also part of the promotional approach. In this case, Starbucks' promotional mix is as follows:

Word-of-mouth Marketing
Advertising
Sales
Promotions
Public relations

Q2: How does Starbucks go about executing its primary means of promotion?

A2: ------------------

Starbucks became popular primarily through word-of-mouth marketing. In the marketing mix, word-of-mouth usually focuses on providing the best customer experience in order to encourage people to spread positive words about the business.

Q3: What is meant by 'Third Place' in the context of the marketing strategy of Starbucks?

A3: -----------------------------

Considering Oldenburg's theory and Starbucks' successful business model, more and more, consumer/customer experience strategists consider the idea of the third place, which includes the user experience, generally thought of in technological terms – for systems, applications, websites, etc. Service, Observation, Empathy, Method, Constant reinvention.

Q4: What is meant by 'Fourth Place" in the context of the marketing strategy of Starbucks?

A4: ---------------------------

The digital Network, Social Media, Free Wi-Fi.

Questions on People

Q1: What are the primary target customer segments for Starbucks?

A1: ------------------

The primary target market of Starbucks consists of men and women aged between 25 to 40 years from urban areas and usually with high incomes. This target segment accounts for almost half the sales of the Starbucks. In order to appeal this target audience Starbucks works keep its products current and position them in such a way that they become a status symbol. Then comes the target market of young adults aged between 18 to 24 years. This segment accounts for 40 percent of the sales of the company. … It makes it easier for the students whether they want to hang in there and work on their projects or it can be that they just want to hang in there to enjoy the coffee.

Q2: What is the connection between the target customer segments for Starbucks and its choice of price and place?

A2: -----------------------------

Usually price and quality determines the value of the product. Starbucks always tried to deliver high value to the consumers by buying quality beans, assuring that their staff got effective & efficient training, and mostly, creating an environment to enjoy coffee. For the Starbucks's customer had to pay more; it was expensive.

To keep the competitive edge. The company also began to implement other value added services like. Introducing $3.95 "breakfast pairings," which includes breakfast items along with a coffee (2010). This is to target the price conscious customers.

Experimenting Drive Thru and customized ambience based on place's culture and interests etc.,

Q3: What are Starbucks employees called?

A3: ---------------------------

Starbucks believes in calling all employees "Partners" because the term fosters a sense of equality and shared vision. In the company's words: "we are all partners in shared success."

Q4: Mention an innovation by Starbucks with regard to its employee training.

A4: --

On-demand instructor-led training that's the same every time.
A video platform enables trainers to record one training class and then share it securely for any employee to view on-demand in an interactive multi-media player that gives them the same in-class experience. Not only does this require less of an investment in travel and central training facilities, but it also ensures that every employee at every store is trained consistently.

Questions on Physical Evidence

Q1: How does the Starbucks store layout contribute to its marketing strategy?

A1: ------------------

Coffeehouse should be a place to find connection. They believe it should fit seamlessly within its neighborhood. And believe its environmental impact should be as minimal as possible.

Their efforts to create a space where people want to come and hang out and relax. They do this by creating a similar environment in every Starbucks location.

Q2: What is the Starbucks logo?

A2: ------------------

 The Origins Of The Siren.

Q3: Has the Starbucks logo evolved over time?

A3: -----------------------------------

Yes, 4 times as of now. the words Starbucks and Coffee were cut from the cup so the brand could potentially expand beyond coffee products.

Q4: Can the Starbucks app be considered part of physical evidence in the 7 Ps framework? Justify your answer.

A4: --------------------------

Yes, This part of Starbucks' marketing mix shows how the firm adapts to changing times, technologies, and market conditions.

Starbucks added personalization elements that allow the app to recall your favorite order, suggest what food items might pair well with that order, and suggest where you'd like to pick it up.

The Starbucks Rewards program is a prime example of how to get customers to utilize a mobile app. Simply put, the more you spend at Starbucks, the more rewards points (or "stars") you earn.

Questions on Process

Q1: What is the process improvement philosophy that Starbucks adopted a decade ago to improve its productivity?

A1: --

Lean Six Sigma implementation ensures Starbuck's success. It was introduced in early 2000. Basically, the experiment was by introducing a new machine that roasted Espresso and

steamed the milk replacing hand-roasting. However, it was not an instant hit and was criticized marking the dropping of sales.

But finally, the business shoot up with lean six sigma implementation and the result is before us. In 40 years, Starbuck has climbed the ladder from a standalone shop in Seattle to the largest coffee-house chain in the world.

Q2: What are some of the key metrics that Starbucks uses to measure in-store productivity?

A2: --------------------------------

Layout Design and Strategy. The layout design of Starbucks cafés maximizes workflow efficiency. It also supports a warm and friendly ambiance to match the company's organizational culture. This layout strategy does not maximize space utilization for tables and seats because Starbucks' focus is on premium customer experience, which involves higher prices for more leg space in the cafés. In this decision area of operations management, Starbucks prioritizes customer experience over space utilization.

Starbucks occasionally uses strategic clustering of cafés in the same geographic area to gain market share and drive competitors away. This decision area of operations management shows that Starbucks emphasizes areas with affluent consumers who could afford its premium priced products.

Case Study - 4

5Ws + How analysis for the 6 entities in WalStore Operations

	Supplier	**Warehouse Transporter**	**Warehouse**	**Warehouse -to-store transporter**	**Store**	**Customer**
What?	----------? What kind of products they supply? What are the types of contracts they have?	---------? What are the conditions involved in stopping the transportation?	------------? What is the capacity of warehouse storage?	-------------? What is your mode of transport?	What is the size of the buffer supply area? --------------? What will be the store timings?	-----------? What are the different products you are interested in this store? ----------? What will be your visiting time?

How?	----------? How do you measure your product quality?	----------? How many transporters are involved?	-----------? How products are assembled in optimal way?	How are the schedules arrived at?	----------? How many employees do you have? ----------? How often you run out of stock?	How is the store layout optimized?
Who?	-----? Who are the other vendors you supply?	Who are the transporters?		--------? Who loads and unloads the products?		------? Who visits the store from your family?
When?	When do the other suppliers get the delivery in a day?	----------? When do they face difficulty to transport?	When do the warehouses receive goods from the transporters?	--------? When do the stores receive goods from the warehouses?	-----------? When do the store face serious customers and shortage of goods?	When do they visit the store?
Where?	Where are the suppliers located?		----------? Where do they receive goods from	Where are the major warehouses to the store which can supply	----------? Where are the store locations?	

			the suppliers?	goods in time?		
Which?	Which are the major items do they supply?	Which prominent routes are used by the transporters for navigating between the suppliers and the warehouses ?	--------------? Which warehouses are near to the suppliers	------------? Which warehouses are near to the stores.?		