

A STUDY ON : THE LEADER OF A PEOPLE'S COMPANY AND THE RISE OF STARBUCKS

MGT1024-ORGANIZATIONAL BEHAVIOUR

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RESEARCH METHODOLOGY

Research Design

Three types of research design can be implemented namely exploratory research, descriptive research and causal research. However, we have conducted only exploratory research for our project.

Tool we used:

Tableau Public: To visualize the graph and to make dashboard.

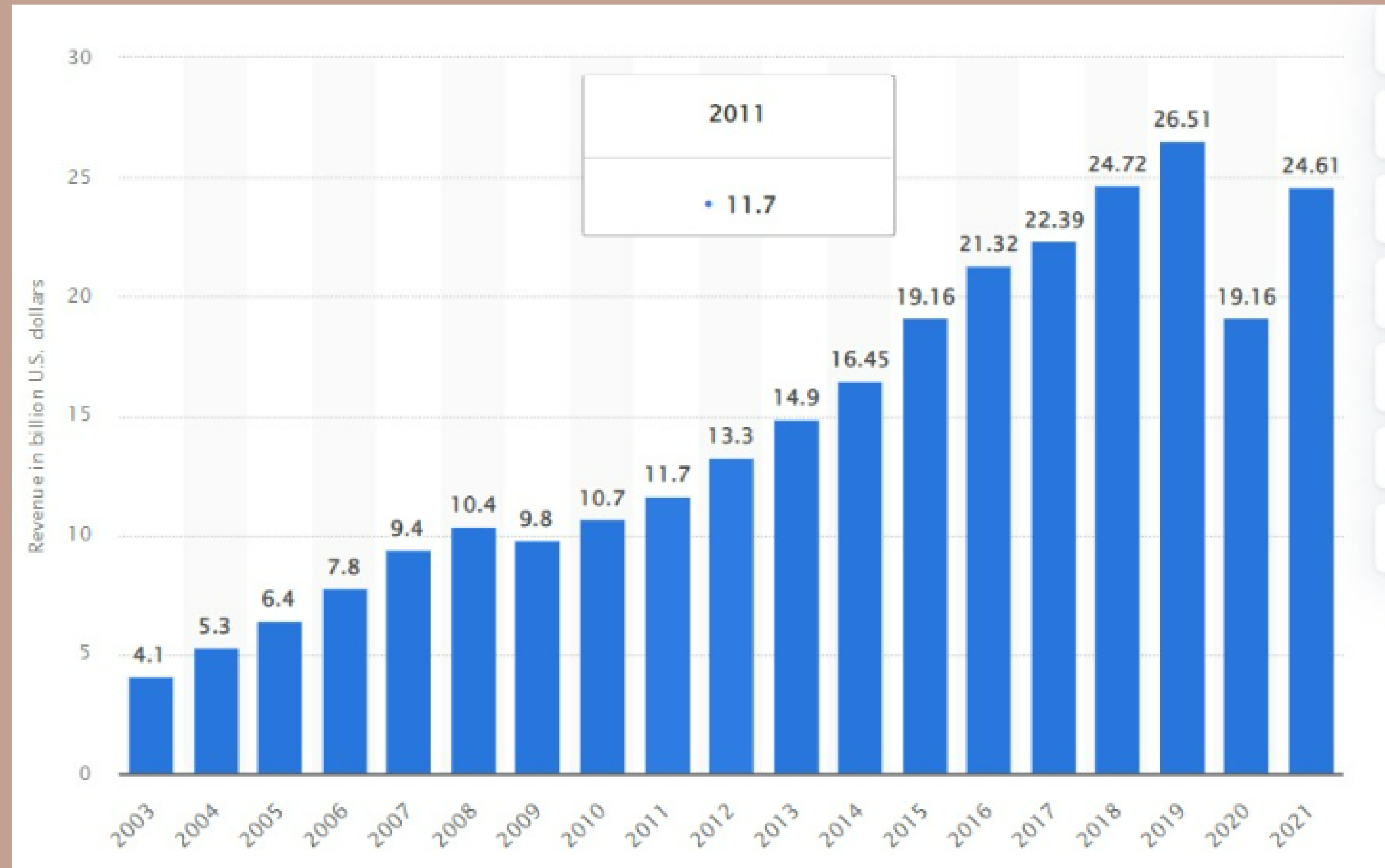
Exploratory Research

When a problem has not been clearly defined we can use exploratory research to explore and analyze the situation. This will help us to discover research problems. Exploratory research does not give us an answer but it helps us to understand the situation better. Exploratory research helps determine the data collection method and often relies on secondary research (such as our literature review). The objective of exploratory research is to gather preliminary information that will help define problems and suggest hypothesis. Exploratory research on its own is not sufficient but it is essential for conducting descriptive or causal research. We have utilized secondary data analysis to identify the factors.



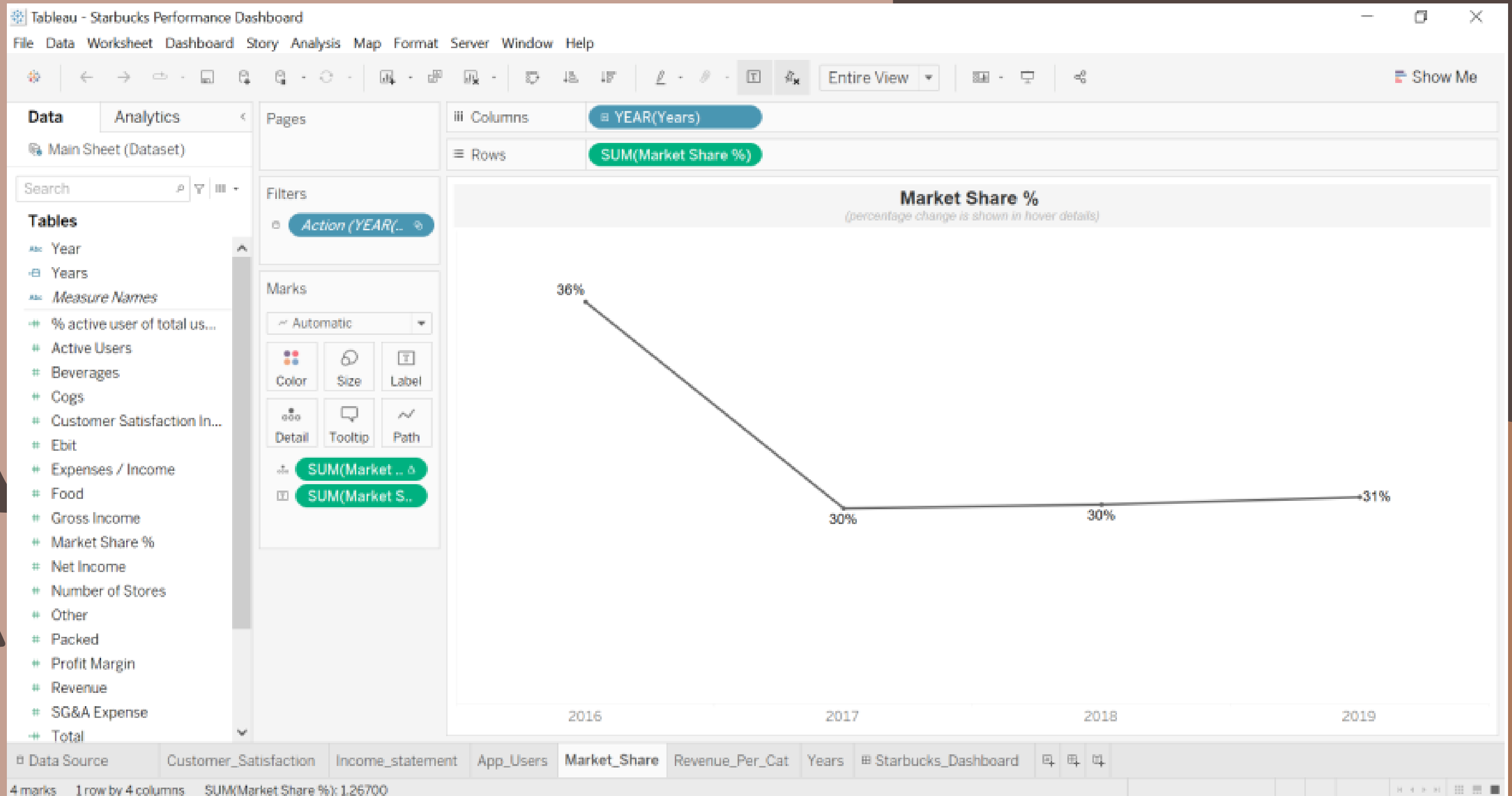
DATA ANALYSIS

Starbucks revenue from 2003 to 2021

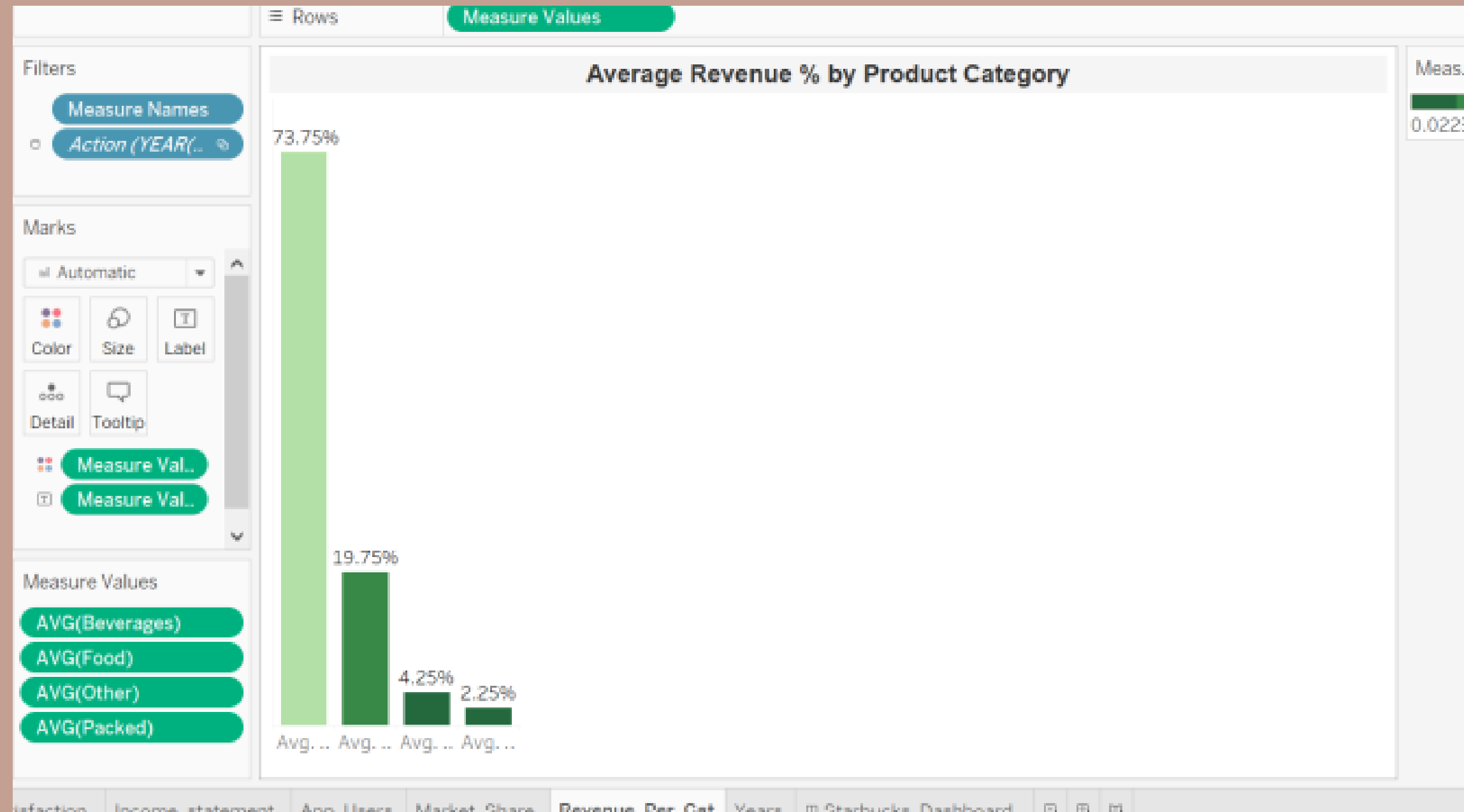


DATA ANALYSIS

STARBUCKS DURING PERIOD 2016-2019

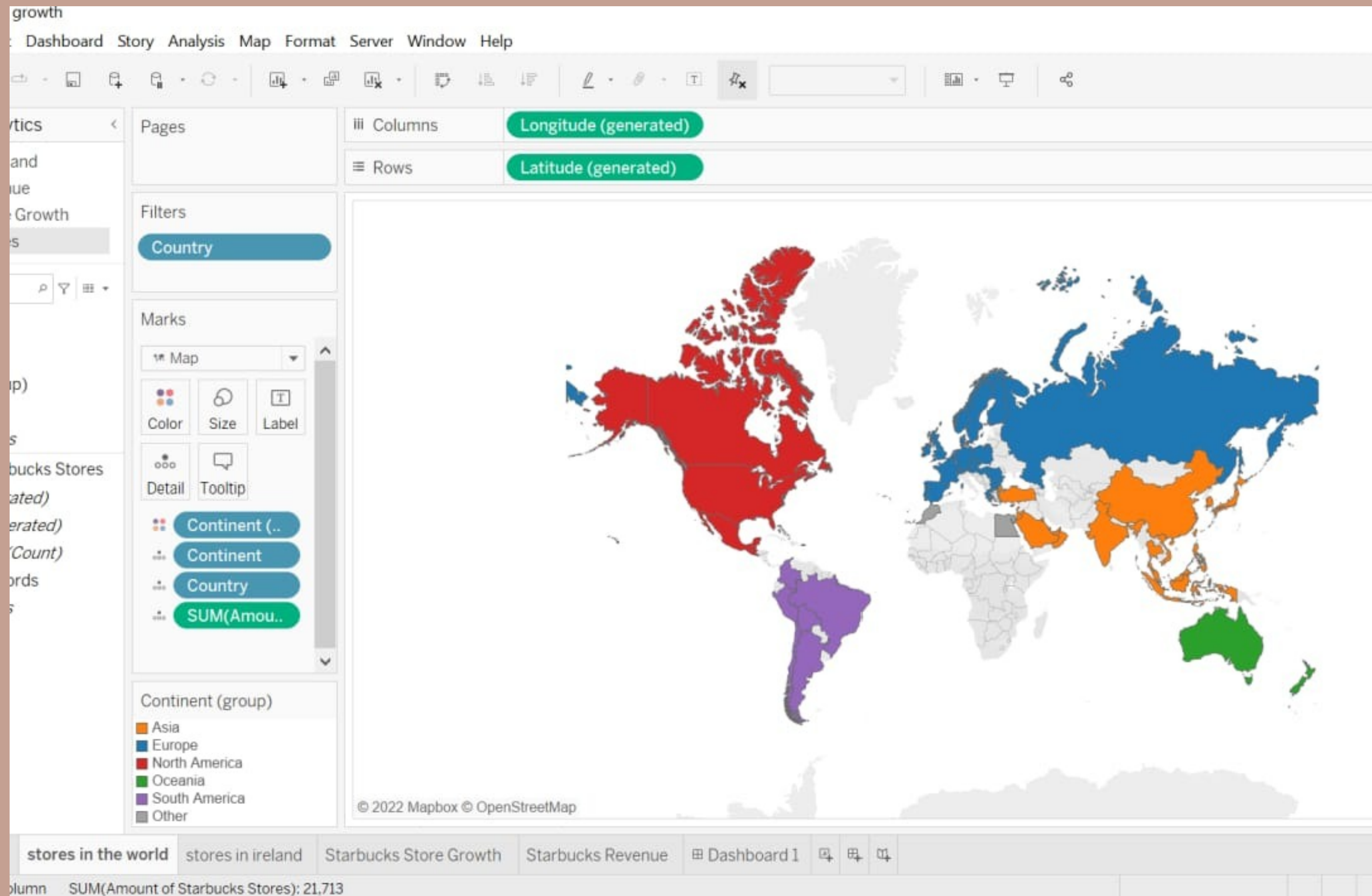


Product-wise revenue

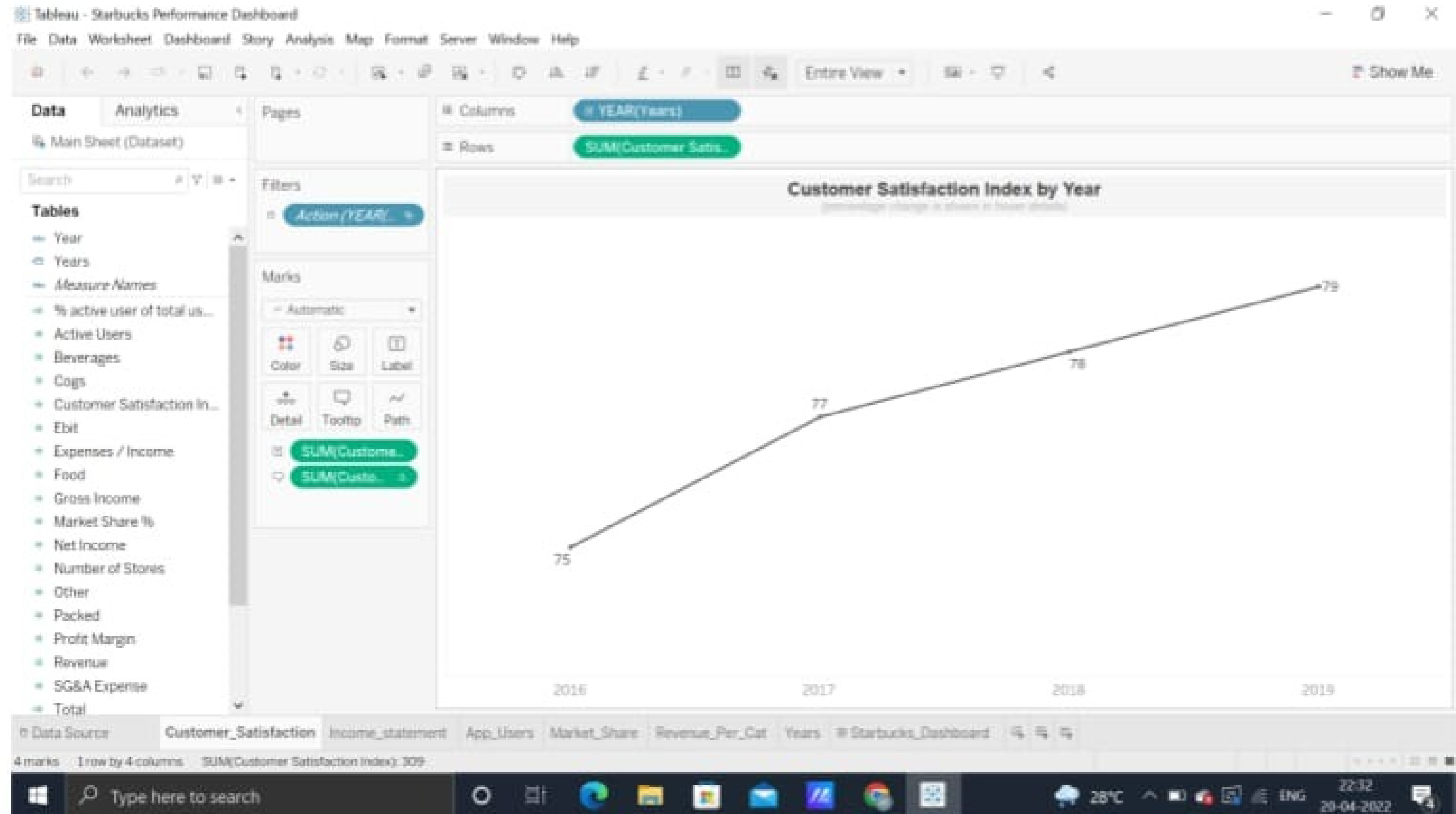


Strategies For Growth:

- **Growing The Number Of Stores**
- **Elevating The Coffee Experience**-by delivering customers the highest quality coffee.
- **Creating New Customer Occasions**
- **Schultz made it clear that the importance of the supply chain needs to be elevated.**
- **Extending Digital Engagement**
- **Establishing New Partnerships**- like with macy
- **In 2011, the brand also redesigned its logo to be more minimal**
Changes to the logo including removal of the "Starbucks Coffee"
company name and simplifying the color scheme to green and white



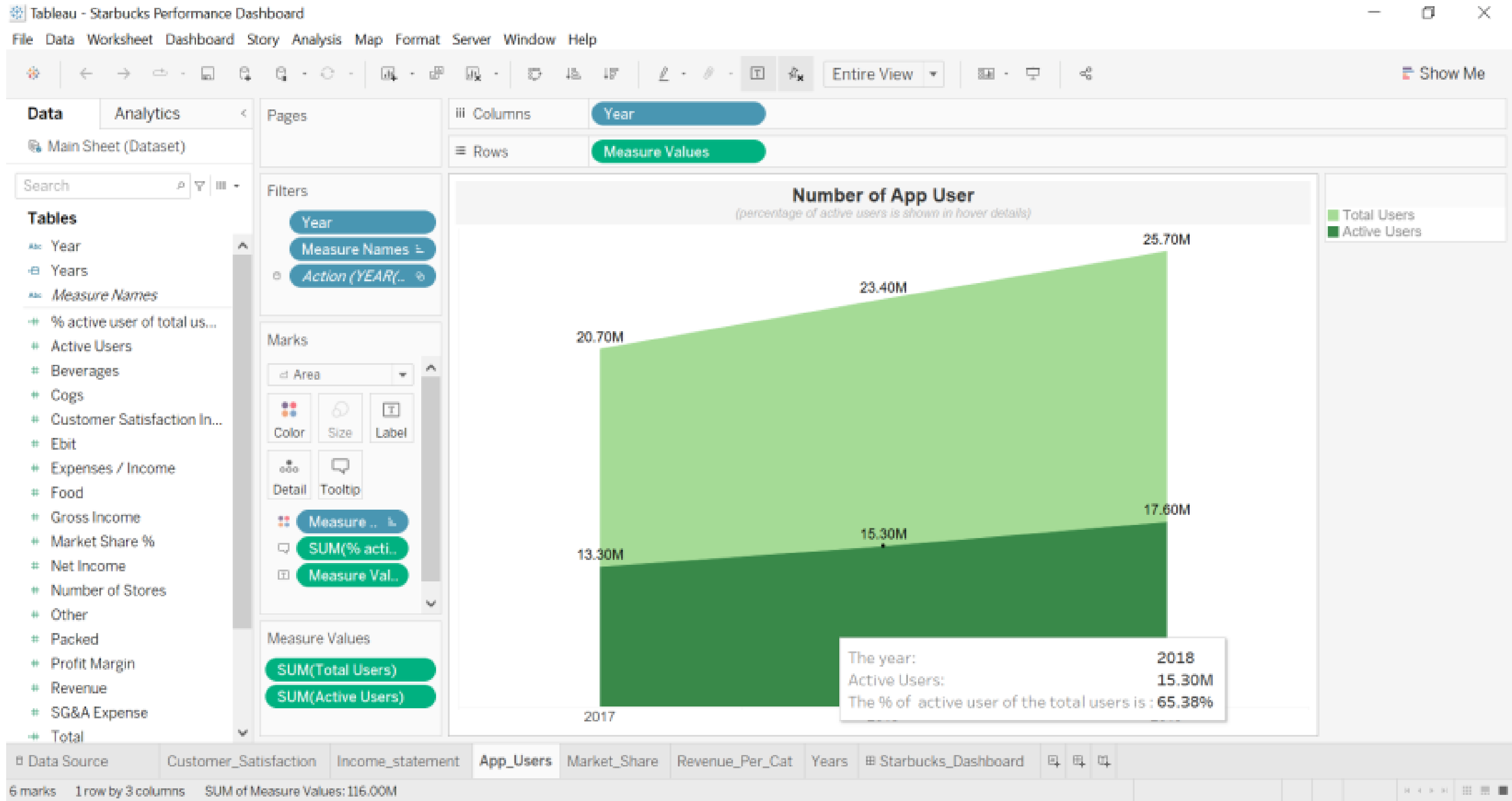
This graph is the expansion of Starbucks around the world



Customer Satisfaction Index during the period 2016-2019

With 26,000 stores across 75 countries, Starbucks brings in 90 million customers per week. In 2017, Starbucks planned to improve customer experience through digital platforms.

Mobile order and payment represented more than 8 percent of all transactions in Starbucks U.S. locations, and the company had about 9 million mobile-paying customers.





HOW HOWARD SHULTZ IS GOING TO PREPARE STARBUCKS FOR THE FUTURE?

NOVEL STRATEGIES

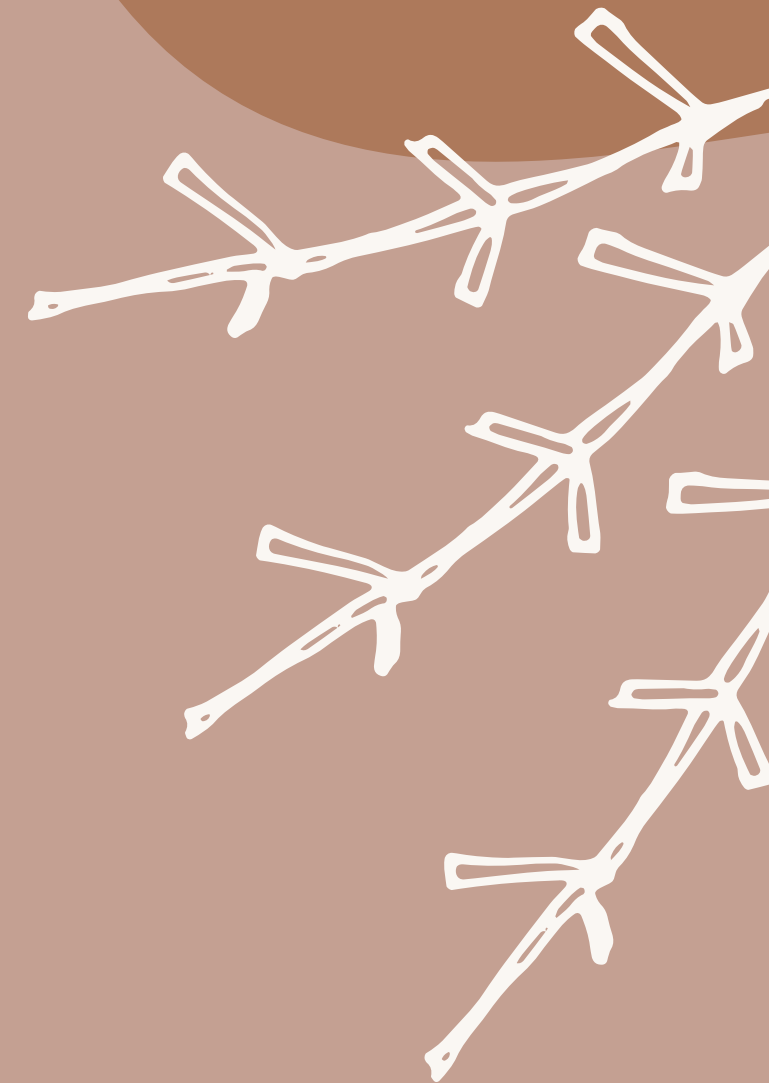
Chief Executive Kevin Johnson will retire after 13 years with the company, and Howard Schultz, the company's founder and former CEO, will take on the role again on an interim basis.

A store expansion goal to reach 55,000 company-operated and licensed stores in 100 markets by 2030;

The launch of new in-store equipment like Mastrena II espresso machines, the Starbucks Cold Brewer, Clover Vertica, a proprietary single-cup brewer, and MerryChef ovens.

HYPOTHESIS

**WILL HOWARD SHULTZ NOVEL STRATEGY
HELP STARBUCKS TO MAKE A MARK IN THE
RETAIL COFFEE AND SNACK STORE
INDUSTRY?**



FINDINGS AND SUGGESTIONS

- **Changing the game:
The New Way.**

By 2030 they are ready to take on the retail industry in decarbonized solution. And from a very early years of the company we could see the company's commitment towards the society and nature and so they have made solar available and is planning to continue expansion of solar pilot locations to new stores. Next thing what they are planning to expand is the vehicle charging facility. An initiative towards a greener and pollution free environment.

- **Playing the other way: Playing bullish**

Later in the year 2009-10 the first thing that Shultz did was closing of stores but then now Starbucks is planning to have a massive expansion ,even in China were another Corona wave is expected . As Starbucks is aware that its the market that's best for expansion because of their increasing population. If you see 2021 Starbucks outlets opening over 653 stores where opened in China in a total of 1,173 stores opened globally and that's the very reason that China is becoming the largest overseas market for Starbucks.

If you observe the pattern in India its a bit different approach wherein they are coming up with drive thru some of them are already live in Delhi.

- **The other dimension: Now they are planning to bring new machines for making coffee and along with that sweets and cakes and this can make a great impact in the present conditions of the business as the market for fast and easy food is increasing day by day and is a multi million dollar industry.**

- It can be a strategy that the board is executing, if you analyze properly the stock price before and after the news came. The new stock price has increased by 5% this has only happened because of the name Howard Shultz because after all the stock price depends on the emotions of people is coming back then something big is going to happen. According to JP Morgan's analysis the stock price is expected to reach \$101.

Starting wages will go up to a range of \$15 to \$23 by summer 2022.

Starbucks is also committing to a \$20 billion share buyback program over the next three years.



CONCLUSION

It's evident that Starbucks' popularity isn't going anywhere judging by the resilience of the company even through tough times such as the coronavirus pandemic. Though they may receive some backlash for being so mainstream, there's nothing wrong with enjoying a good cup of coffee from a global brand. And most importantly Starbucks not only planning to be labelled just only a good coffee server, it's now planning to expand and provide more services long with coffee which would make people believe, make people feel comfort, make people have full faith on Starbucks.



Thank you for listening !