CaseStudy-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: *----------?* How does the team find the tool to use?
HU: *It is a difficult tool to use, I must admit, but the team has learnt how to make the most of it.*

CD: *-----------------?* How do you plan to handle the challenging features of tool? Does it effect your team?
HU: *It does not affect us much. We have trained a team of five people on how to use Data Churn effectively.*

CD: *------------------?* Do you have concerns with overload of requests on Data Churn?
HU: *Not much. The requests pile up only when one of the five members quits our organisation and we are waiting for a new member to be trained on Data Churn.*

CD: *---------------?* Is there a team-wide concern on usage comfort with Data Churn?
HU: *Yes, our team members certainly do not like using Data Churn and tend to quit within 12–18 months.*

CD: *------------?* How does Data Churn impact training plans? Do data churn training costs are high? How many team members have been trained till now?
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: *---?* How does Data Churn support you during attrition and training new employees? Is it effective and do you use their support?
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: ------------------------? Isn't overtime pay higher than regular? Does that help to retain trained employees? Do employees willing to do OT?

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: ----------------- Don't you think, you should consider alternatives to Data Churn to make your team to function optimally?

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: ----------------------------------? Does optimal functioning of your team impact business directly?

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!*

CaseStudy-3

Questions on Product

Q1: What is the core product of Starbucks?

A1:

- Premium coffee experience
- An uplifting coffee experience
- The "Starbucks lifestyle", Sophisticated, trendy, community

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

A2:

- The actual products of Starbucks:- Physical goods: premium coffees & teas, sandwiches, desserts, CDs, packaged coffees & teas, coffee-making equipment, collectibles, ice cream, etc. Starbucks Brand, Elegant yet comfortable store layout, Brand Name, Features, Quality level, Design & Packaging.
- The augmented products:- After sale service, Delivery & Credit, Free wireless internet, Prepaid Starbucks card, Starbucks Duetto Visa (credit card & rewards card), In-store music download

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

A3: The various product categories offered by Starbucks are:-

- Coffee: More than 30 blends and single-origin premium coffees.
- Handcrafted Beverages: Fresh-brewed coffee, hot and iced espresso beverages, Iced Coffee, Cold Brew, Nitro, Frappuccino® coffee and non-coffee blended beverages, Starbucks Refreshers® beverages, and Teavana® teas.
- Merchandise: Coffee- and tea-brewing equipment, mugs and accessories, packaged goods, books and gifts.
- Fresh Food: Baked pastries, cold and hot sandwiches, salads, salad and grain bowls, oatmeal, yogurt parfaits and fruit cups.

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

A4:

- Starbucks localized their offering to crack the Indian coffee chain market.
- Starbucks product offerings reflect an understanding - 'a mix of western staples, a wide range of interesting Indian snacks as well as localized beverages on offer at the stores'.
- Starbucks seems to have created a localized business model, aimed at delivering a globally consistent product and experience at locally competitive prices. This helps to create "**Create innovative and localized business model**"
- Starbucks started building a country specific operation with local people at the helm and across all visible consumer-connect points, giving them the required authority to orchestrate and operate.
- While the coffee variants are largely untouched, the beans and espresso blend at the heart of the coffee are locally sourced. Even the Tata Tazo tea range throws up a spice-infused Chai Tea Latte—distinctly Indian.

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

A5:

- Starbucks have an understanding as **attitudes towards health also play an important role in determining the demand in the industry**.
- Starbucks tried to adapt the local flavors & taste.
- Starbucks understood the Indian weather and requirements are unpredictable. So as per the primary target consumer, ready to pay high price for esteemed coffee. Hence they launched few seasonal drinks with help of seasonal fruits, veggie,etc
- Starbucks localized their offering to crack the Indian coffee chain market
- **Starbucks India** has made healthier additions to its limited edition Spring Range.
- The healthy options like the Savoury Quinoa Oatmeal, smoothies like Mango, Chocolate and Blueberry, etc
- They also introduced few new eats – Chicken Pita and Vanilla Cruffin. The creamy chicken was quite tasty and coming with a whole wheat pita is yet another tasty, healthy option.

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

A6:

- Starbucks has unveiled a new range of plant-based items across its menus in Asia.
- Starbucks innovation with plant-based ingredients happened across their key platforms like espresso, cold brew, refreshment, food and more.

- A new initiative called Starbucks Barista Pride was introduced by Starbucks India where baristas from each Starbucks store will feature a beverage unique to their store, conceptualized and created by themselves.
- Till the end of February 2020, all Starbucks stores across India will serve a specially curated beverage, enabling customers to 'coffee hop' and try 134 unique beverages across the 134 Starbucks stores in India.

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

A7:

- Starbucks has entered in JV with TATA COFFEE, which allowed them to source coffee beans from TATA's Indian facilities and also allowed them to work towards developing Starbucks stores in Tata's retail outlets and hotels.
- Starbucks Corp decision to partner up with India's TATA Global Beverages shows a focus on leveraging multiple benefits.
- Starbucks Corp is expanding its partnership with Tata Group beyond India by launching the latter's single-origin coffee in the US.
- Starbucks Corp tied up with the Himalayan mineral water in Singapore.
- Starbucks Corp also ties up with the world's largest coffee retailer, also launch specialty tea brand Teavana in India.
- Starbucks Corp began retailing its products on board all flights of Vistara, a joint venture between the Tata Group and Singapore Airlines

Questions on Price

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

A1: - Caramel Proline Latte(venti-Rs365/-), Caramel Java Chip(venti-Rs350/-) and Caramel Mocha(venti-Rs345/-)

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

A2: - Espresso(Solo-Rs165/-) and Espresso Macchiato(Solo-Rs165/-)

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.*

Justification - 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. This pricing strategy helps Starbucks to maintain its high-end specialty image through which company strives to develop and actually provide high quality products and a satisfactory customer experience in its coffeehouses

Questions on Place

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

A1: 15 cities

State/Region	City	No. of Outlets	First outlet
Delhi	New Delhi	17	24 January 2013
Delhi NCR	Gurgaon	7	10 July 2013
	Noida	3	15 February 2016
Maharashtra	Mumbai	46	19 October 2012
	Pune	11	8 September 2013
Karnataka	Bangalore	19	22 November 2013
Tamil Nadu	Chennai	8	8 July 2014
Telangana	Hyderabad	10	1 October 2014
West Bengal	Kolkata	7	21 March 2018
Chandigarh	Chandigarh	3	19 October 2018
Punjab	Zirakpur	1	13 July 2020
Gujarat	Ahmedabad	3	8 August 2019
	Surat	3	8 August 2019
	Vadodara	1	15 December 2019
Uttar Pradesh	Lucknow	2	2 August 2020

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

A2: About 176 Starbucks stores in India (August 2020). (According to wikipedia)

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

A3: As per latest update, Starbucks announced the opening of its first drive thru store in India which will add convenience for those customers who want to pick up their orders from their car, or travelers on the go.

Such stores are planned to open at Dhillon Plaza, Ambala Chandigarh Expressway, and Singhpura in Zirakpur.

The metros are majorly covered by Starbucks, next level is to penetrate further to two-tier cities.

This milestone demonstrates the company's long-term commitment to the Indian market along with the vision of offering more ways for customers in India to enjoy the Starbucks Experience.

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

- Starbucks tries to follow the consistency in store formats. This helps to maintain the unique selling point of consumer 'experience' and also to gain 'economies' of scale on capex.
- Starbucks stores across the world have this whole feeling of having values from the neighborhood and fit into the culture beautifully, where they also created few flagship stores using lot of local inspirational elements to keep the local (city) touch.
  For e.g. - Their flagship store in Hyderabad – is designed with the elements of Hyderabadi pearls.
- Starbucks focus is to provide their customers with a distinct community gathering place through people, stores and their offerings.

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

A5:

- Global brands always face the dilemma of whether to go solo or tie up with a local partner. Starbucks' decision to partner up with India's TATA Global Beverages shows a focus on leveraging multiple benefits.

- TATA Group is one of India's ethically-driven brands. Tata partnered for producing the raw material (coffee beans) in Karnataka.
- Starbucks has contracted catering to TATA's TAJ SATS, which also supplies to TATA's premium hotel chain – The TAJ.
- The TATAs are also invested into the retail sector – with store brands like Westside, Tanishq, Croma, Star Bazaar, etc.
- It helps its own expansion blueprint. It also gives scope for store-in-store sales

Questions on Promotion

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

A1: Starbucks primary means of promotion is 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

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

A2: Below mention are five principle which helps to execute the primary means of promotion.

- Credible – Word Of Mouth is Honest and Authentic marketing messages from brand to customers and from Customers to customers

- Respectful – Word Of Mouth is Transparent and trustworthy behavior as it relates to privacy matters between brands and consumers.

- Social – Word Of Mouth involves brands listening to, participating in, responding to and encouraging to conversations online and offline.
- Measurable – Word Of Mouth is the ability to define, monitor and evaluate a program's success.

- Repeatable – The ability to deliver on these principles over and over again in order for a business to become truly talkable brand. The reality is not every brand becomes talkable.

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

A3:
- The 'Third Place'- is a sociology-inspired concept, referring to another place outside the home and work that people can gather and build a sense of community.
- 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.

- It was the idea of the third place that created the new mission statement for Starbucks which is: "To inspire and nurture the human spirit – one person, one cup and one neighborhood at a time."

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

A4:

- The 'Fourth Place' in context of the marketing strategy of Starbucks is based on the **Digital & Social media** concepts.
- This indicates the need for social media and the close relationship between Starbucks and the leading social media facilities as a part of its social engagement strategy. (includes such as app called My Starbucks Brew, online community like My Starbucks Idea, etc.)
- As per Director Marketing & Category - "You also have to keep pace with the emerging and shifting trends and adapt to them accordingly. The power of digital media and social networks is something all businesses must accept, understand and embrace

Questions on People

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

A1: The Primary target market for Starbucks Coffee Co. in India is the young both male and female in the middle to upper classes from the ages of 16-38.

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

A2:
- The Primary target market for Starbucks Coffee Co. in India is the young both male and female from the ages of 16-38.
- This market is well educated and comes from middle class to upper middle class population and out-of-home coffee drinking culture.
- As per target customer five most important attributes we come across i.e Ambience, Quality of Service, Taste, Price and Service Time.
- As per analysis along with Correlation Matrix help us to understand that Price is highly correlated with Taste, Discount and Location.
- It implies that someone with high degree of satisfaction in Taste will be willing to pay higher price and Price is highly correlated with Ambience and location.

Q3: What are Starbucks employees called?

A3: Starbucks employees are called "Partners" because we are all partners in shared success.

Starbucks believes in calling all employees partners because the term fosters a sense of equality and shared vision.

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

A4: Starbucks serves up tech training for 2,000. The retail coffee chain is upskilling its employees, getting them ready for a raft of new innovations i.e. Mobile Order & Pay. The training program of Starbucks comprises of many quintessential concepts and ways which are by far the best training program that any organization offers. Beginning with 'The Starbuck Experience' classes where the baristas go through a detailed induction on the company's history, its culture and the Corporate Social Responsibility. It takes place by providing baristas with training booklets and the green apron book so that they can always go back to re-learn what they learned initially. It is what makes the Starbucks training program so distinct. They have a series of other training programs such as mentoring under a learning coach, use of various training tools, lots of hands-on practice and barista certification. They make for an exceptional execution of training that is both- empowering and impactful.

Questions on Physical Evidence

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

A1:

- As an internationally recognized brand, Starbucks always needs to be consistent with their branding .
- This spans every message they send, every piece of branded collateral they create, and every aspect of their in-store design and experience.
- The store design and environment of its retail stores are meant to drive fatigue away and offer the guests, premium space to relax and enjoy their coffee.
- Unbeatable Branding Consistency- From the atmosphere in their stores, to their digital content, to their advertising, everything looks sounds and feels like Starbucks
- Modern design philosophy extends to everything they create at store.

- Starbucks are meticulously designed to make customers stay longer, buy more and return for another visit. From lighting to ordering counters, everything in the store has specific purpose.
- Store design and layout, or brand localization, is just one of the creative ways Starbucks connects with its customers, integrating local aesthetics into each of its stores.

Q2: What is the Starbucks logo?

A2:

- Starbucks legendary logo design is the brainchild of Terry Heckler, who pored over old marine books until he came up with a logo based on an old 16th-century Norse woodcut: a two-tailed mermaid.
- The Starbucks logo is circular in shape.
- The design also features the brand name in wordmark inside the circles with two stars on either sides.
- The newest logo design features an enlarged Siren with no stars and wordmark.

Q3: Has the Starbucks logo evolved over time?

A3: -Yes

- Evolution took place in year- 1971, 1987,1992 & 2011
- This history, evolution and design of Starbucks logo reveals how its originality and uniqueness helped it withstand the test of time and emerge as one of the most popular landmark in the world.
- Brand should always focus to give a uniqueness while designing a logo.
- It helps to create brand identity.

- This new evolution of the Starbucks logo … embraces and respects our heritage and at the same time, evolves us to a point where we will feel it's more suitable for the future.

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

A4: Yes

- In addition to the traditional seven Ps, The digital and mobile age has brought more components that cater to the increased power of customers and their behavior.
- These elements may be more relevant for enterprises offering services and using multichannel schemes but can be used by all companies with a mobile app.
- Starbucks app is considered as a physical evidence for company. As it also contain relevant information that a customers may look for.
- Your app icon communicates the product/ service you offer at a glance and creates brand recall.
- It actually keep an eye out for customer reviews and social media interactions.

Questions on Process

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

A1

- The most effective approaches that an organization adopted Lean Six Sigma Process
- It is a unique example of innovative ways to increase efficiency while retaining their individuality.
- The philosophy which was embedded in the fact was that every dollar earned passed through the hands of a Starbucks' employee. Thus, the employees had a profound effect on customer sentiment toward Starbucks.
- Starbucks puts great emphasis on employee morale and satisfaction levels.
- Starbucks operating philosophy has a profound impact on the three areas, the first is people-oriented corporate culture, the second is employee stockownership, and finally is the enterprise spare no effort to training employees.

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

A2: Starbucks have a clear vision i.e "Bridge to the Future," and accelerating plans to transform store portfolio, elevate the customer experience for this new era, and drive long-term growth Key Metrics can be as follows:-

- Revenue growth.
- Global comparable-store sales growth
- Active rewards members
- New store openings
- Comparable-store sales guidance

CaseStudy-4

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

	Supplier	Warehouse Transporter	Warehouse	Warehouse-to-store transporter	Store	Customer
What?	**What are the payment terms and are they negotiable**? What are the products that you supply? What are the types of contracts they have?	What is storage capacity of your vehicle? What is single trip transportation capacity?	What storage, packaging and assembly options do you offer?	What systems or processes you follow to ensure order fulfillment accuracy?	What is the size of the buffer supply area? What operational bottlenecks do you anticipate? What is the minimum sale of store?	What kind of material mostly you used? What are the payment options you like?
How?	How the flow of material happens through different operations within the organization?	How long have you been in this operation or bussiness?	How do you Inspect the Quality and quantity check of the incoming goods?	How are the schedules arrived at?	How the Binning and storing the goods takes place at respective categories? How the replenishment process are followed?	How is the store layout optimized?

	Supplier	Warehouse Transporter	Warehouse	Warehouse-to-store transporter	Store	Customer
Who?	Who would be your key contact with WalStore? Who are your warehouse partners?	Who are the transporters?		Who give regular orders? Who are your trusted stores?		Who generates orders in your family? Who keeps track of new material arrival.? Who takes care of your specific inventory requirements?
When?		When are the shipments moved once received from supplier?	When do the warehouses receive goods from the transporters?	When you would need the shipment to ensure it reaches to store at short duration? When do you start delivering to stores?	When are the shipments loading & unloading takes place at store? When do you receive the material?	When do they visit the store?
Where?	Where are the suppliers located?		Where are warehouse located(city/town?		Where are store located?	

Which?		Which prominent routes are used by the transporters for navigating between the suppliers and the warehouses?	Which are the systems or processes being followed to ensure fulfillment of order as per dispatches? Which type of operations (robotised or manual) is used mostly?	Which tools you use to communicate to ensure the fastest turn around time of shipment? Which are your delivery routes?		