**Starbucks failed in Australia**

**About current Market**

Key competitors- The top 5 competitors of Starbucks are-

## 1. Costa-

## starbucks starbucks Image - 1

This is the second largest coffeehouse in the world after Starbucks and the largest in the UK. Founded in 1971 in the UK, costa coffee has expanded to over 3000 stores in over 30 countries. In the UK alone, it operates over 2000 restaurants. Mid this year, Costa coffee moved its coffee roaster to Essex. An investment that cost a close to 40 million pounds. This, in turn, increased the roasting capacity to 44,000 tons of coffee beans from the initial 11,000 tons in a year.

As at the end of 2016, Costa Coffee’s net income was approximate £153 million with revenues exceeding £1.167 billion. This company reaches to its customers through its advertising slogan ‘a coffee for every mile’ whose aim is to have as many coffee shops as possible. Costa Coffee is also probably the only Starbucks Competitor on this list which exclusively deals and promotes its coffee. All other starbucks competitor have a combination of different products to offer.

## 2. ****McDonalds McCafé****

## Image - 2

## McCafe is strongly coming up as one of the Starbucks Competitor which is gaining market share. This is because of the backing it has with the huge number of McDonald’s stores across the globe. This coffee house not only specializes in coffee but food and other beverages as well.

## It was formed in Australia in the year 1993 and is a true reflection of espresso coffees. In the year 2015, McCafe was among the top three coffee sellers with over $1.4 billion from slightly over 4,500 outlets. However, this is set to increase after McCafe upgraded its equipment to ensure consistency in the taste of its coffee. Currently, it’s ranked the largest in New Zealand and Australia.

## ****3. Dunkin Donuts****

## starbucks Image 3

Dunkin is a donut company as well as a coffee house based in Massachusetts USA. Founded in 1950, it has expanded to become one of the largest baked food and coffee chain in the world.

It operates in more than 35 countries with over 11,500 restaurants. In the year 2010, its sales were estimated to be 6 billion dollars and an estimated revenue stream of around US$828.9 Million as per the 2016 data.

In terms of production, Dunkins produces 8% donuts, 65% drinks and 27% of other food items. Its presence in 35 countries itself tells the success story of the company.

## 4. Café Coffee Day

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## Image 4

Café Coffee Day is another global company and largest Arabica beans producer and Exporter in Asia. Started in 1996 CCD is now a world brand with its initial investment capital estimated to be over160 million dollars.

As at mid-2015, Café Coffee Day had over 1,500 outlets across 28 India states. The company is well known for vertically cutting down on costs; this is from owning Arabica coffee plantations, making furniture for its outlets and also making coffee machines. Even though it started in Asia, it has expanded to some countries in Africa, Czech Republic, and Nepal.

Its initial marketing strategy was the change of original Logo with the new Logo showcasing the chain as a ‘place to hold talks’ leading to total revamp of interiors and addition of lounges.

## 5. ****Independent Fast-food chains & Bakeries****

## Coffee is not only sold in large chains but it is also sold in local bakeries and small coffee centres. In fact, travel sites are generally full of coffee shops you should experience in a place that you visit. These coffee shops are famous for their personalized service and the friendly staff whom you know very well.

## As a result, the 100’s of coffee shops around the corner are the most widespread Starbucks Competitor and a true competitor for the coffee chain.

## Starbucks has itself strived hard to become the coffee shop around the corner. But across the world, there are many many coffee shops which become an unorganized Starbucks Competitor.

* Position of Starbucks in market compared to other competitors (Market Share)

## Marketing strategies

## 1. Advertisement by customers- sometimes they write the wrong name of customers on their coffee cup and customer get surprised that how can Starbucks writes wrong name and they take a pic and posted it on social media like tweeter, Facebook and WhatsApp etc. In this way they advertised there product free in the world.

## 2. Sensory marketing- Here sensory means eyes, ears, nose etc.the strategies of Starbucks is that the coffee is made infront of customers and the pleasant smell of coffee attracts the customers, and they maintain the hygienics. In this way they attract the customers.

## 3. Premium pricing- In general stores of coffee available at Rs 10 to Rs100 but in Starbucks minimum coffee rate is Rs1000/cup. So not a ordinary people can afford this.so it Is a status symbol of taking starbucks coffee.

## 4.Extreme personalization- Starbucks provides 87000 combinations of drinks, a customer is free to drink there own choice