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**Questions on Product**

**Q1:** What is the core product of Starbucks?

**A1:** The “ Starbucks lifestyle”, which is sophisticated, trendy, community.

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

**A2:** **Actual Product:** Premium Coffees

**Augmented Products:** Starbucks offers after-sales service in the form of wireless connections and atmosphere in store, as well as providing customers with some education about coffee and coffee making and an interactive website

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

**A3:** the product categories in which Starbucks deals are:

* Coffee.
* Tea.
* Baked Goods.
* Frappuccino.
* Smoothies.
* Starbucks Merchandise (Mugs, Instant coffee etc)
* Other food items and beverages.

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

**A4.** TATA Starbucks Private Limited is a 50:50 Joint Venture company between TATA Consumer Products and Starbucks Corporation which brings unparalleled experience to Indian customers.

Starbucks have introduced Tata's branded tea called Teavana and Himalayan water beverages to add to the products. Due to the introduction of these food items in their menu, the revenue from food and beverages is more than 35% in India which is more than 20% higher as compared to the USA.

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

**A5:**  Starbucks has made healthier additions to its limited edition Spring Range. A refreshing glass of Yoghurt Smoothie right in the morning or even after a workout should be great. The smoothies at Starbucks are packed with whey protein and fibre powder and comes in three flavours – Mango, Chocolate and Blueberry. We loved the Mango flavour the best and loved the fact that all the smoothies were topped with granola.

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

**A6**: 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 company's design studios are strategically located so that designers can better understand their communities.

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

**A7:** Strategic partnerships and acquisitions with Evolution Fresh, La Boulange, Teavana, Danone, and Green Mountain Coffee Roasters have allowed Starbucks to penetrate highly lucrative international markets.

**Questions on Price**

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

**A1:** Cortado (Vanilla/Hazelnut/Chocolate)- Flight- M.R.P- 490

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

**A2:** Caffe Vienna – single- M.R.P -195

**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:** **Premium pricing strategy:**

Starbucks can charge a premium price because[**their entire brand**](https://www.starbucks.com/) image is based around luxury. Starbucks sets its prices on a simple idea: high value at moderate cost. When people feel like they are getting a good deal for their money, they are more likely to pay a higher cost.

Starbucks appreciates that the mainstream of their customer base is impervious to price. It uses small price rises that everyday customers may not notice to increase margins.

The goal is to use the [**price increases**](https://goodmanlantern.com/blog/why-should-you-review-your-pricing-strategy/) to guide the customer towards your most profitable product.

Starbucks do not increase the prices of their products with the highest margins. Starbucks raised the price of a tall coffee in order to convince customers to buy a larger coffee size (with slightly higher margins)

**Questions on Place**

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

**A1:** - Starbucks operates in 46 cities of India

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

**A2:** Starbucks operates 254 Starbucks stores all across India

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

**A3:** Starbucks have stores in all the major and busy cities of India as Starbucks believes that Number of coffees sold is a function of foot traffic into the store. The more peopel visit starbucks, the higher their revenues. The reason why Starbucks would have multiple stores is to increase foot traffic. Also, Starbucks' preferred locations are at signalized corners with multiple access points. They prefer the main path with easy entry and exit points as they want to be as visible as possible.

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

**A4:** 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 company's design studios are strategically located so that designers can better understand their communities.

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

**A5:** TATA Starbucks Private Limited is a 50:50 Joint Venture company between TATA Consumer Products and Starbucks Corporation which brings unparalleled experience to Indian customers.

**Questions on Promotion**

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

**A1:** 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.

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

**A2:** 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.

Starbucks aims to show that its product is more than just coffee. Also through their social media pages do not push dull, overly commercial product posts, but instead creates a narrative for the products. The brand prioritizes personal experiences of their customers and the shared moments.

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

**A3:** In the third place, **the idea is to make customer service not only satisfactory but excellent**.

**Q4:** What is meant by ‘Fourth Place” in the context of the marketing strategy of Starbucks?

**A4:** **creating a place that is "digitally-equipped" with a robust mobile and online delivery system**. Starbucks calls it the fourth place.

**Questions on People**

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

**A1:** The target audience of Starbucks **is middle to upper-class men and women.**

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

**A2:** . The company's pricing and positioning strategy is customer-based, giving more than what the customer needs. It's the percentage of the general public who can afford their higher priced cups of coffee on a regular or daily basis. Besides producing great coffee, it promotes a good reputation to its target market through excellent store ambiance, environmental protection, and social commitment. It's the percentage of the general public who can afford their higher priced cups of coffee on a regular or daily basis.

**Q3:** What are Starbucks employees called?

**A3:** Starbucks **calls** all **employees partners** because they are all **partners** in shared success

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

**A4:** Starbucks employs over 238,000 people, worldwide and trains their Baristas **using a Learning Management System (LMS) built on WordPress, BuddyPress and BadgeOS**—developed in partnership with WebDevStudios.

**Questions on Physical Evidence**

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

**A1:** Starbucks have stores in all the major and busy cities of India as Starbucks believes that Number of coffees sold is a function of foot traffic into the store. The more peopel visit starbucks, the higher their revenues. The reason why Starbucks would have multiple stores is to increase foot traffic.

**Q2:** What is the Starbucks logo?

**A2:** The logo is an image of a twin-tailed mermaid, or [siren](https://en.wikipedia.org/wiki/Siren_(mythology)) as she's known in Greek mythology.

**Q3:** Has the Starbucks logo evolved over time?

**A3:** Yes, Starbucks logo has evolved various times from beginning of the brand till date.

Starbucks logo first appeared in 1971 and continued to be the brand identity for the next fifteen years. The initial logo of 1971 had a two-tailed mermaid or siren. It had a wordmark around the circular badge.

The siren Starbucks original logo design was full of details. There were many small accents, which gave it an ornate and traditional look. Also, the logo had text written in block letters in a modern sans-serif typeface. Such a typeface balanced the ornate look of the mermaid inside of the circle.

The text on the thick edge of the circle was the company name “Starbucks’’ at the top. Then, :Coffee Tea Spices’’ on the bottom. Two white dots also were on each side of the word “Tea’’.

In 1987, the company came up with a new Starbucks logo. This time, the badge had a new addition — green color. The thick round image of the siren was in green.

Only two words “Starbucks’’ and “Coffee’’ were now on the wide rounded frame of the siren. The typeface was bolder, and the letters were also bolder and more prominent.

This logo featured the image of a bare-bodied mermaid or siren covered with flowing hair. However, this [**logo design**](https://www.designhill.com/logo-design/) had the navel of the mermaid visible.

In 1992, the designers enlarged the image of sirens to the extent that the face occupied the most circle space. Now, viewers could see only the siren’s face, hair and a side hint of the two mermaid tails.

The company redesigned the Starbucks logo in 2011 and made it a brighter and simplified version of the previous one. In that year, the company was celebrating its 40th anniversary. This time, the siren became all white, and her hair and the two mermaid tails were in the green Starbucks background.

The logo looked simple after the words “Starbucks’’ and “Coffee’’ were no longer in the logo. Also, the designers got rid of the two stars. So, the back details were missing in the new redesign. With the unique color combination, the [**company’s logo**](https://www.designhill.com/logo-design/company-logos) transformation was complete.

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

**A4:** Yes, As mobile apps allow customers to conveniently place their orders online so they could easily get their food and drinks at the company’s coffeehouses. This part of Starbucks’ marketing mix shows how the firm adapts to changing times, technologies, and market conditions.

**Questions on Process**

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

**A1:** they have also adopted Lean Six Sigma concept to increase revenue and customer satisfaction. They took the process by:

* testing in laboratory
* Framing the situation
* Interacting with management, employees and customers
* Gathering data, measuring and analyzing
* Leaning the defects (waste), solving the problems
* Continuous improvement and customer’s satisfaction

So, 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.

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

**A2:** Starbucks’ operations management use various productivity criteria based on the area of operations. Productivity measures in the store is based **on average order filling duration**.