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Questions on Product

Q1: What is the core product of Starbucks?

A1: ----- Starbucks lifestyle, sophisticated trendy community.

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

A2: ----- Actual products include physical good, Starbucks brand and elegant yet comfortable store layout. Augmented product level offers free wi-fi, Starbucks Duetto visa card and in-store music download

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

- **A3:** ----- 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: ----- Starbucks generally preferred a strategy of premium prices, using a menu and store layout somewhat modified for local tastes to suit Indian market like Tandoori Paneer Roll, Chocolate Rossomalai Mousse, Malai Chom Chom Tiramisu, Elaichi Mewa Croissant, Chicken Kathi Roll and Murg Tikka Panini to suit Indian customers.

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

A5: ----- Starbucks Refreshers™ beverages brand platform is an evolution of the coffee market using a new breakthrough coffee experience using green coffee extract, resulting in thirst-quenching, delicious, low-calorie refreshment with a boost of natural energy from caffeine and fruit juice.

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

A6: ----- Teavana® Oprah Chai Tea, Teavana Shaken Iced Tea, Fizzio Handcrafted Sodas, Digital Tipping, Shake to Pay, Mobile Order and Pay, Starbucks Mobile Truck, Evolution Fresh Smoothies are great examples of how they have experimented with coffee.

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

A7: Tata Global Beverages, , which has a joint venture with the Seattle-based coffee giant Starbucks and TATA group, 50-50 partnership between the two firms. All espressos sold in Indian outlets are made from Indian roasted coffee beans supplied by Tata Coffee.

Questions on Price

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

A1: ----- Caramel Praline Latte

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

A2: ----- Espresso

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 follow Premium pricing strategy. Starbucks targets consumers with lower price elasticity for demand. Like on the case regarding China and Russia, Starbucks is considered as luxury goods, associated with Western influence and a chic lifestyle. By creating a more loyal consumer base, Starbucks “captures consumer surplus from consumers with a willingness to pay a higher price.” The loss in sales due to the increase in price is usually a lot less than the increase in profit margin from higher rates. Also, Starbucks increases the price of a tall latte, for example, to motivate people to upgrade. This also helps increase their profit margin

Questions on Place

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

A1: -----24

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

A2: 219

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

A3: Mumbai, Delhi NCR, Hyderabad, Chennai, Bengaluru, Pune, Kolkata, Chandigarh, Ahmedabad, Surat, Vadodara and Lucknow have Starbucks store through a network of over 2,000 passionate partners (employees)

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.**

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

A5: Starbucks entered the Indian market in October 2012 through a **50/50 Joint Venture with Tata Global Beverages.**

Questions on Promotion

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

A1: Starbucks predominantly uses **its website, social media channels and in-store displays** to promote the brand and the products. It also uses sales promotions, events, direct marketing, print media, and PR in an integrated manner to multiply the impact of its promotions.

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

- **A2:** The Starbucks uses word of **mouth marketing** for promoting its products, Advertising etc.

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

A3: The third place context meant by Starbucks is to give the experience of a third place apart from home and work on which they can rely. 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: Starbucks is now adding one more dimension :**digitally-equipped**

Questions on People

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

A1: -----

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

A2: -----

Q3: What are Starbucks employees called?

A3: -----

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

A4: -----

Questions on Physical Evidence

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

A1: Starbucks has been able to incorporate the needs of customers and their own goals to create unique, comfortable, consistent and sustainable stores all over the world. Store layout plays important role in marketing strategy

Q2: What is the Starbucks logo?

A2: Two-tailed mermaid.

Q3: Has the Starbucks logo evolved over time?

A3:



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

A4: Starbucks aims to address the 7Ps of Starbucks which stand for product, price, place, promotion, process, people, and physical evidence.

Products of Starbucks

Starbucks offers its customers a very good number of food and drink options.

Prices and pricing strategy of Starbucks

There are several pricing strategies available to organisations. Premium, cost-plus, loss leader, and going rate are some of the popular pricing strategies. Starbucks uses a premium pricing strategy.

Place/distribution channels of Starbucks

Starbucks offers most of its products through Starbucks cafés. It operates in 80 countries and has over 32,646 stores

Promotional strategies of Starbucks

Starbucks makes use of a number of promotional strategies to communicate with its stakeholders. For example, it spent \$245.7 million on advertising in 2019, and \$258.8 million in 2020

People of Starbucks

Starbucks already has a massive workforce. After a challenging time in 2020, it has started hiring people in many countries. It is an equal opportunity employer and is committed to building a diverse workforce.

Processes in Starbucks

Each Starbucks business function goes through a process. Let us take customer service process as an example. Starbucks is often a very busy place, and employees need to serve customers as efficiently as possible.

Physical environment of Starbucks

Physical environment of Starbucks includes but not limited to its store designs, logo, coffee cups, and napkins. Starbucks offers customers an inviting atmosphere. It has adopted a new approach to store designs.

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

- Consumerism – marketing and ways how business tailor to customer experience
- The Art and Science of Persuasion and Admiration
- Change from Practicality to an 'Experience' – the Experience should be efficient, personalized, honest
- Operation without waste of time and resource for producer as well as consumer

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

A2: maintenance productivity.

roasting plant productivity.

Starbucks café productivity.

Inventory management