

With reference to an organisation of your choice, examine the impact of globalisation on organisational change

The organisation that I will be using for this essay is Starbucks. Starbucks Corporation is an American coffee company and coffeehouse chain. Starbucks was founded in Seattle, Washington in 1971. The multinational operates 23,768 locations worldwide as of 2016. This essay will examine the impact of globalisation on organisational change.

Globalization refers to the free movement of goods, capital, services, people, technology and information. It is the action or procedure of international integration of countries arising from the convergence of world views, products, ideas, and other aspects of culture. Change is the driving forces and restraining forces that creates change in a business so that they can move forward and remain competitive.

The rapid increase in the use of technology is an important phenomenon in globalisation today and is a significant driver of change in every aspect of business operations. Starbucks has incorporated technology into various business functions and kept up with the changing technological scene across the world. Starbucks launched its mobile application for iPhone and Android users in January 2011 and windows 10 mobile. The wide array of platforms is sufficient to reach most of Starbucks' target audience. The application serves as a portal for its Starbucks loyalty program, mobile convenience and pre-ordering of beverages. In late October 2013, Starbucks announced that now 11% of sales volume comes through its own mobile wallet. This is a staggering amount of transactions for a single retailer, about four million mobile payments per week, and eight million consumers are using mobile apps to pay. Along with the increase in use of technology, Starbucks has started offering free wifi within their retail stores to increase customer frequency and encourages people to stay in their outlets as long as they like. This has shown that changing organisational strategy to keep up with globalisation and its trends is crucial in remaining competitive and gaining competitive edge within the industry.

Globalisation has also led to increasing amounts of available information and coffee drinkers are now more informed and educated about the types and varieties of coffee available in the market. To appeal to a highly informed target audience, Starbucks Coffee uses the broad differentiation generic strategy. In this generic strategy, the goal is to make the company different from other competitors. As a result of being more informed and educated about coffee, the demand for specialty coffee and different brew types has increased dramatically. The company's emphasis on specialty coffee easily differentiates Starbucks cafés from many other large establishments that offer coffee. Starbucks launched their new retail concept called Starbucks reserve, which are specialized experience stores, highlighting rare and exquisite coffees that are available in limited quantities globally. It features small-batch roasting and coffee education amid a 15,000-square-foot interactive retail store. This retail concept was launched in 2014 and is well-received across the locations launched.

In conclusion, globalisation has become an important and integral part of every aspect of Starbucks' business strategy including innovation, growth and marketing.