**SWOT Analysis: Starbucks Coffee**

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**Strengths:**

1. Brand Recognition: Starbucks has its fame and reputations worldwide. It has its branch stores covered in 68 countries, and its name becomes almost a reflex response to many when mentioning coffee shop.
2. Customer Experience: Starbucks pays attention to the customer experiences. The store ambience, the professional baristas for gourmet coffee/drinks, the cool jazz and the Wi-Fi.It is obvious to see that the company tends to create its own “urban chic” coffee culture, rather than just being a large retailer selling coffee products. To many, especially ones from outside of the U.S., Starbucks represents the sophisticated “American lifestyle”.
3. Accessibility: Starbucks has a strong network covering a large territory. The fast-food-like chain stores make the brand highly accessible when one wants to find it.

**Weaknesses:**

1. Dependence on the U.S. market: According to *Value Line* (Dalavagas, January 11, 2016), about 69% of the total revenues were generated primarily in the United States, with 13% for Asia/Pacific and only 6% for Europe, Middle East, and Africa combined. So the economy of the U.S. highly determines the rise or the decline of the company’s financial performance.
2. Price: Many have complained about the expensive price for the Starbucks Coffee. Also, some are cynical about the unworthy quality of the Starbucks products. Starbucks is likely the most expensive one among its generic rivals such as Dunkin’ Donuts or McCafe. Higher retail price is thus likely to lose many middle/lower-class customers.
3. Corporate Standardization: Starbucks has a strong corporate standardization throughout its production. It guarantees the same product quality to be delivered to its customers regardless of locations, meanwhile, it demonstrates somewhat its rigidity to adapt to the local cultural contexts. Starbucks’ brand localization does not excel in comparison to other American food & beverage chains with their localization strategies for, e.g. Asia.

**Opportunities:**

1. Geographical Segments: Although Starbucks mainly depends on American market, and the idea of Starbucks Coffee does not appeal to most of the Europeans, Asia, on the other hand, with its huge population and its fast-growth of economy, has become more promising with potential as well as space for growth for the future opportunities of Starbucks.
2. Consumer Packaged Goods: It appears that Starbucks has good exposures on consumer-packaged goods to subsidize sales revenue and emphasize the brand awareness, and will likely continue to do so. These consumer-packaged goods include bagged coffee beans, bagged ground coffee, K-cups, and so on.
3. Co-branding with Other Brands: Teavana, Tazo, La Boulange, Evolution Fresh. These examples of co-branding showcase a more integrated, more sophisticated, and more versatile brand of Starbucks. These successful examples of co-branding will presumably encourage Starbucks to continue such strategy, bringing new names as well as new opportunities to the game.
4. Corporate Ethics Strengthening: Under the trend of “Going Green”, a company with conscience and ethics will win support from more consumers. Consumers now care about a healthy, positive corporate image, also the “good cause” they and the business are involved with. Fair trade produce, recycled containers/packages, Starbucks has already paid attention to such points of ethics. Remaining their interests on the corporate ethics will surely help the company going a long way.

**Threats:**

1. Price Competitions: High price of Starbucks products is the most criticized negative aspect of the brand. Such faulty condition is hard to be corrected. Therefore, Starbucks will continue to face threats from other cheaper generic products, such as McCafe, in this already fierce competition.
2. Imitation: Starbucks does not own a highly original/unique concept or product, that is, its concept and its products are moderately copyable by other imitators. Some have already copied and succeeded.
3. Market Saturation: Coffee market in America is saturated, regardless of chain stores or packaged goods. Dunkin’ Donuts, McCafe, Tim Hortons, or Peet’s, Green Mountain Coffee, Gevalia, etc. There are so many choices with none holding the obvious competitive edge. Consumers do not have to be loyal to a certain brand.
4. Other External Factors as Threats from the Suppliers: Starbucks relies on its supply chains for the raw materials. Given that most of the suppliers are located on the foreign territories, unforeseeable events like natural disaster, financial inflation and exchange rate variation, or strike/military revolt, have to be put into consideration as threats, because they may very well impact the efficiency of the supply chain therefore make damage to the company.

2)What is the right time and how often SWOT Analysis could be done?

From my perspective SWOT analysis can be done at any level and how often depends on the project or depending on the phase of SDLC until the product becomes obsolete or you never know external factors may change depending on the market scenario.

3)How frequently you should conduct JAD session?

JAD session is only conducted when it is required to have effective requirements gathering. However, it can’t be conducted in initial stage too because we don’t have workflows/Sketch.

Notes: I am not sure about this answer because in class you told that it can’t be conducted in initial stage, but theory also states that it generally being used in preliminary phase of SDLC.

4)When you can write definition of Done?

From my understanding DOD is only written when task under Acceptance criteria has been fully achieved with the quality or only after the user story has been completed. For that demo session should be held before passing sprint into Definition of Done box and it should pass all the criteria.