



Starbucks Going Global Fast

Brewing better business together

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Strengths

- Strong brand image.
- Strong financial performance.
- Growth in the number of stores.
 - Diversification.
- Quality, taste, and standardization.
- Excellent employee treatment.

Weaknesses

- High price point.
- Imitability of products.
- Generalized standards for most of the products.
- High-calorie drinks, which are unhealthy for consumers.
- Procurement Practices.

Opportunities

- Expansion in developing markets.
- Business diversification & Products Specifications.
 - Introducing a new range of products.
 - Partnership with other firms.
 - Adopt Price Differentiation.

Threats

- Competitors with a lower cost coffee.
- Products can be easily copied.
- Rising Prices of Raw Coffee Beans

Challenges in Global Expansion

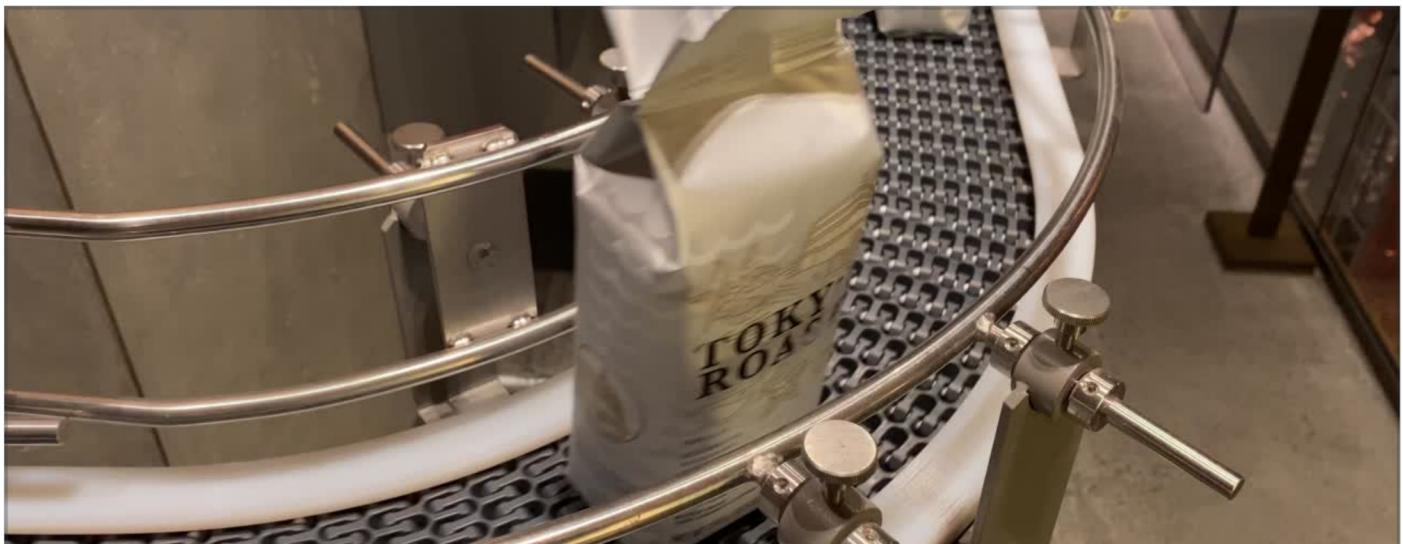


- Cultural Differences; e.g. (People in China prefer tea).
- Competition from existing brands that have loyal customer support.
- Supply Chain Risk
- Cost Disadvantage
- Regulatory and Compliance issues
- Mastering Marketing

Major risks associated with global expansion

- Satisfy the demands of its clients
- Uncertain Economic and political environment.
- Culture differences.





UNETHICAL ISSUES

- “Predatory” real estate strategy.
- Aggressive expansion.
- Lack of morality and sensitivity of the leadership.
- Low pay wage of employees.
- Union Busting.

Major issues & Challenges faced by the company



- Dying cult
- Cost Disadvantage
- Lack of adaptation to local culture
- Threat of Substitution
- Cannibalization of sales due to high concentration of stores



INTERNATIONAL MARKET

How might Starbucks do well in Japan?

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- Customer Recognition
 - Set competitive prices to increase profitability
 - Offer a Japanese version of its US-style online platform
 - Introduce a variety of cultural and entertainment campaigns
 - Additional efforts during economic downturns in the Japanese market.
 - Expand their menu & experiment with different ethnicities.

How might Starbucks do well in Europe?

- Introduce porcelain glasses than using paper cups like Americans.
- Europeans (Italians) would rather converse for a while at a physical table than carry their coffee while strolling.
- Adapt the coffee custom in Europe.
- Italians place a high value on their cuisine; they dislike eating at restaurants that charge exorbitant prices and frequent cafes that serve far superior coffee for just 1€.
- Lower the price.



THANK YOU!

