

Case Study Analysis

MKTG 3350

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Strike with Pride: Starbucks Workers United

Starbucks made its debut in 1971 but didn't truly expand into the powerhouse business we know it as until the late 90s. They've solidified their position as the go-to coffee stop with their progressive mission "With every cup, with every conversation, with every community - we nurture the limitless possibilities of human connection." (Starbucks). But one part of this mission is being questioned about its sincerity. As arguably the world's largest coffee chain, Starbucks has had many controversies over the years, spanning from social issues to consumer complaints. This past June the Starbucks employee union conducted a week-long strike against unfair labor practices and resistance to pride decor. "The union, Starbucks Workers United, said more than 150 stores representing nearly 3,500 workers have pledged to join the strikes." (Rogers).

The union strike serves as a current threat to Starbucks as a business for many reasons. First, they're driving away potential and current customers—those who are allies and those who are a part of the LGBTQ+ community have shown their weariness to buying coffee from there now. Being in the age of social media acting as a sole resource for many people, information spreads like wildfire now. Many alternatives to Starbucks are promoted and people have decided to support local coffee chains instead or make their own coffee at home. Not only is Starbucks losing customers, the boycott puts their competition ahead of them.

Starbucks' response to the union and the boycott was simple and brief. They pointed out how it's outlined in their policy that they don't tolerate discrimination against anyone regarding their sexuality. This was a good tactic because it's evidence that the company can always fall back on no matter what happens. Other than that, Starbucks mostly stayed silent. "But Starbucks has also done a lot of nothing — time-buying, morale-eroding, innocent-seeming nothing." (Stack). They did not fight against the union or go back and forth with them in a press/media war. On the surface, everything was fine. For the demographic of their customers that weren't aware of what was happening, everything was normal.

I like to say Starbucks turned a threat into an opportunity with this situation. Clearly against the union workers, they "said Monday it will increase wages — which currently average \$17.50 per hour." (NPR). This was for all non-union workers, so if you weren't boycotting you got a raise. For some employees, money is more important than justice, so Starbucks easily kept the staff at their stores. The other thing that the business was doing with increasingly promoting their rewards program. "The company has made it easier for customers to earn reward stars." (Waller). Starbucks is not known for an overwhelmingly great rewards program, but recently this year they'd been highlighting their deals and how customers could save money on their products.

Even though I don't necessarily agree with Starbucks and their decisions regarding the union and boycotts—I think their actions to not let it affect the company are smart. What Starbucks is doing is completely taking control of their macro-environment even though it's so difficult to manage. Starbucks knows what their customers want to buy from them: coffee. And

because just being a huge known chain was starting to not be enough for those who were boycotting to consume their coffee, they added a new strategy. Increasing the usability of their in-app rewards system and raising the amount of money the customer can save, is giving people a reason to come back.

Starbucks also took advantage of the demographic of their customers who don't know about the silent war between them and the union—by just making their customer experience even better. With that, they win and unfortunately the union does not.

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