



**"OUR MISSION: TO INSPIRE AND NURTURE THE HUMAN SPIRIT –  
ONE PERSON, ONE CUP, AND ONE NEIGHBOURHOOD AT A TIME."**

**– STARBUCKS**

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ABOUT THE COMPANY

ABOUT THE COMPANY

Brief History

Social Media

The first Starbucks store opened in Seattle in 1971. The name “Starbucks” was inspired by Moby Dick, and intended to evoke the romance of the sea and honour early coffee traders.

The first Starbucks in Canada opened in 1987 in Vancouver at the Seabus Skytrain Station. This would be Starbucks’ first international flagship.

Today, there are over 17,000 stores in 50 countries.



ABOUT THE COMPANY



Followers:  
16,234,034

#starbucks:  
31,123,065

Posts are visual, product based; such a photos of drinks and ware.



Followers:  
11,908,562

Tweets:  
133K

Mainly promotional based post



Likes:  
37,195,437

Follows:  
35,700,413

Posts are primarily charity and advertisements based

STARBUCKS' OFFERINGS



COFFEE

More than 30 blends and single-origin premium arabica coffees.



HANDCRAFTED BEVERAGES

Fresh-brewed coffee, hot and iced espresso beverages, coffee and non-coffee blended beverages, Vivanno™ smoothies and Tazo® teas.



MERCHANDISE

Coffee- and tea-brewing equipment, mugs and accessories, packaged goods, music, books and gift items.



FRESH FOOD

Baked pastries, sandwiches, salads, oatmeal, yogurt parfaits and fruit cups.



READY-TO-DRINK

Starbucks® bottled Frappuccino® coffee drinks, Starbucks Discoveries® chilled cup coffees, Starbucks Doubleshot® espresso drinks, Starbucks Doubleshot® Energy+Coffee drinks; Seattle's Best Coffee® Iced Lattes, Tazo® bottled iced and juiced teas.





# THE HOFSTEDE MODEL

## THE HOFSTEDE MODEL

Hofstede’s model has been used as framework for the development of many companies, and can help to identify values of the corporations. Through its descriptions and characteristics of multiple scales consumers can see these values with more clarity: the power of authority, masculinity versus femininity, individuals versus collectives, the tendency to avoid uncertainties, and short term versus long term goals and gratifications.

## UNDERSTANDING THE BRAND

Brand Market & Products

## BRAND’S MEANING IN TODAY’S MARKET

Perception  
Behaviour  
Performance

## BRAND EVOLUTION OVER TIME

Examples

## TARGET MARKET

Changes Over Time

## BRAND’S CULTURAL POSITIONING

Evidence

# THE HOFSTEDE MODEL

## UNDERSTANDING THE BRAND

### Brand Market & Products

Products include coffee, tea, specialty drinks, breakfast, lunch, snacks, pastries, mugs, and wares. Coffee and teas are tailored and personalized to the customers, able to add certain quantities of milk, cream, sugar, or other sweeteners. Their products are also sold at retailers including kiosks, grocery stores, and convenience stores, making it a worldwide recognizable brand.

## BRAND’S MEANING IN TODAY’S MARKET

### Perception, Behaviour, Performance

The stance of Starbucks reinforces the social hierarchy through its prices. Considering the above-average price for coffee or other beverages, people with low income are less likely to purchase. They are more likely to get their coffee from a convenience store or a fast food restaurant. The Starbucks member card implies that a customer shops there regularly, meaning they spend more money frequently. Lower incomes would be unable to spend as often on coffee. The environment itself is warm and features earthy colours, the environment allows you to sit and enjoy your drink. There are different levels of seating, such as bar stools, couches, and normal benches. Different levels of seating allow for different interactions within the environment, whether it is meetings, studying, or socializing. These colours and environment provide a masculine, powerful feel while still being cozy. Clientele largely includes businessmen rather than families, such as Tim Hortons would in comparison. The cup itself is personalized, because adding your name to it gives it a personal feel. The amount of customizations that are allowed to customers’ coffee adds depth and immerses the clients in the product.

STARBUCKS®



# THE HOFSTEDE MODEL

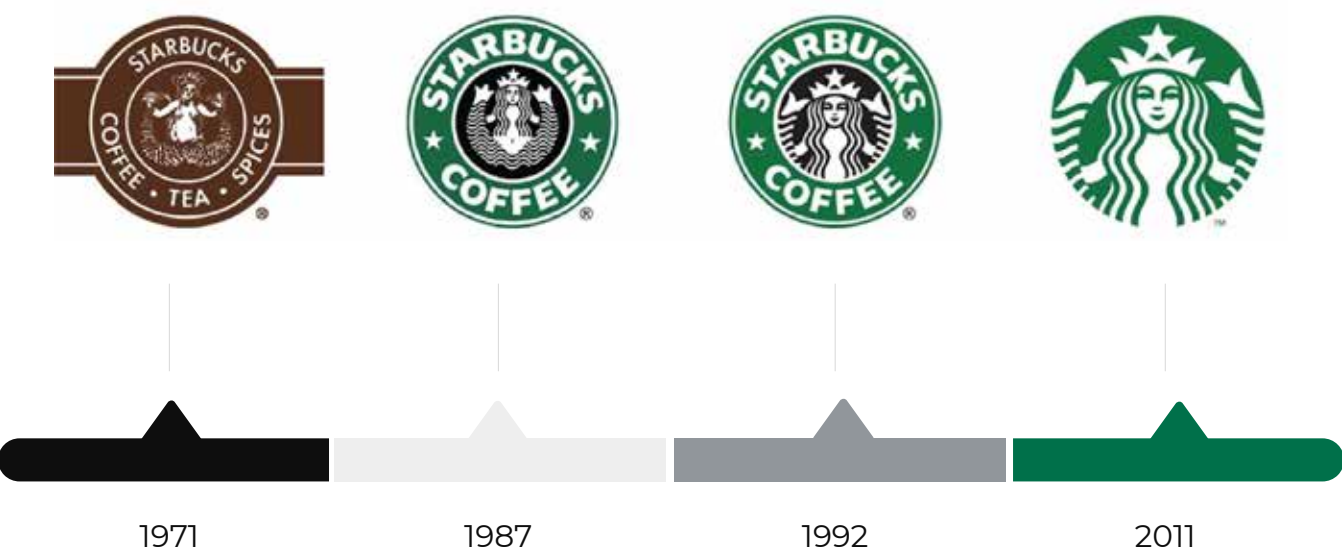
## BRAND EVOLUTION OVER TIME

### Examples

The Work Design Group describes the logo as, “...the Starbucks siren. The bare-breasted, two-tailed mermaid, or siren, is intended to be as seductive as the coffee itself. It is based on an old sixteenth-century Norse woodcut.” The name also changed from “Starbucks Coffee, Tea, and Spices” to “Starbucks Coffee”. The imagery was originally black and white, but later changed to a bright green colour. In 1992, the black strip around the outside was changed to green, and the siren was cropped so that she can only be seen above the stomach. In 2008, the rebrand attempt failed miserably when the entire brand changed to black, featured the full-bodied siren, and changed the style of illustration. After the public backlash, the logo reverted and eliminated the band to show only the green siren.



CURRENT



# THE HOFSTEDE MODEL

## TARGET MARKET

### Changes Over Time

The target market originally would have been for teenagers and over, since doses of caffeine are not extremely healthy for children. However, with the introduction of breakfast and snack foods, the food has become available to all audience ages. Their target audience is still coffee-drinkers, which is primarily young adults.



## BRAND’S CULTURAL POSITIONING

### Evidence

The high-quality personalization of consumers’ beverages makes Starbucks an incredibly individualistic company. Evidence would be the coffee they sell, which they allow customers to alter with different amounts of sugar or cream. On the cultural scale of masculinity and femininity, Starbucks would be in the middle. While their products contain dominant values of success (with their high prices and perceived quality, for example), the tailoring of drinks is close to the feminine side of quality of life and improvement. During the backlash to the rebrand effort in 2008, the company is very closely tied to uncertainty avoidance. Their branding has remained consistent ever since the public reaction to the “classic” rebrand effort. Starbucks scores quite high on the power distance scale, since their products are priced above the typical standard for coffee or other goods. This advocates for the wealthier class, especially those with member cards that would imply that they purchase beverages regularly. As for time perspective, “Culturally, Starbucks is long term oriented has one of its guiding principle is caring for the environment and the community which are long term aspects.”



# THE AAKER MODEL

## THE AAKER MODEL

The collection of assets and liabilities of a brand. It is linked to the brand identity that shows the added value, in the mind of consumer, that the company has earned from the past performance of its brand.

### BRAND AWARENESS

Brand Awareness  
(Recall & Recognition)

### BRAND ASSOCIATION

Perceived Value  
Brand Personality  
Organizational Association

### BRAND LOYALTY

Price Premium  
Satisfaction/Loyalty

### PERCEIVED QUALITY

Perceived Quality  
Leadership

### MARKET BASED MEASURES

Market Share  
Price & Distribution Indices

# THE AAKER MODEL

## BRAND AWARENESS

### Brand Awareness

#### (Recall & Recognition)

People can clearly recognize a difference between coffee companies. Even if you took away all immediate branding, people would be able to tell if they were in a Starbucks or a Tim Hortons. Carey Earle puts this into perspective by explaining that “If Krispy Kreme emulates Starbucks, it will certainly lose its shine and appeal—that goes beyond alienating a cult following and puts it at risk of losing market differentiation.” The sheer magnitude of Starbucks’ empire forces us to have some level of brand awareness – even somebody who is not a coffee or tea drinker would be able to identify the Starbucks logo with ease, and would recognize if something were out of place. Starbucks has made a business out of being everywhere, so it’s no surprise that such a large majority of people have some sense of brand awareness. Dedicated Starbucks fans have even been shown to pick out the exact Starbucks Green when compared side by side to other similar shades.



In an experiment completed by 10 people, 7 were able to correctly identify that the second swatch is the official Starbucks colour. The people asked to participate were both male and female between the ages of 16 and 42. 5 of the 10 participants reported consuming coffee on a daily basis.





# THE AAKER MODEL

## BRAND ASSOCIATION

### Perceived Value

### Brand Personality

Starbucks offers edible products. Food is valued in society. Beverages such as coffee have a huge audience which promotes likability towards Starbucks. The option of specializing one's coffee, having influence over little details to fine-tune the drink to match it to what it is one is looking for, adds value to the product. Being part of the "design" process of the final product (cup of coffee) makes the customer feel important and empowered. The "value added" by creating a special interaction and exciting experience for the customer, makes the cup of coffee special to one who ordered it - making it seem reasonable to pay extra. As per the looks of the beverages themselves, the beautiful, picture-perfect drinks are to "die for" in social media world (Instagram, Pinterest, We Heart It). Social media posts, of which there are tons, especially in the photography based social media sites promote not just the brand and the products, but a lifestyle.



In social media, Starbucks photographs often seem to chase and pursue epitome of excellence and perfection of beverage drinks. As a brand Starbucks is one to post about; it is trendy and popular. Posting about them makes one associated with Starbucks and the brand's qualities; "She drinks Starbucks, she must be rich and elegant." Since it is not just Instagram-famous people who drink coffee, but business man in fancy suits as well as yoga instructors wearing Lululemon, the brand carries a strong personality with a statement that seems to be valued.

The brand is strong and bold. The visual branding is seen as masculine and earthy as Starbucks favours green (their corporate colour) and complements it with coffee bean brown (in the interior design/décor.) The logo features characteristics of a human-like face, which make the brand immediately approachable and interesting through emotional connection to the human-like features. Brand personality is perceived rather personal though the naming convention of the coffee cup and personalization of the final product. In the real world this might not always work as planned, as many times customers' names get misspelled when baristas and cashiers are rushing to get the orders in and out. Perhaps popularity is taking a toll on the quality; if the baristas had more time to care about writing the customer's' name right and to prepare the drink, maybe all the drinks would look as though they were straight out of food magazine photoshoot?

**"High class, modern and global-minded brand with high service levels which could fit better with the associations of a specialty coffee shop."**

—Tenna Jørgensen

# THE AAKER MODEL



# THE AAKER MODEL

## BRAND ASSOCIATION

### Organizational Association

Starbucks is associated with “good”, global, world and people-friendly organizations such as Fairtrade and C.A.F.E. However, there has been speculations of Starbucks trying to create “eco-friendly, environmentally and society caring” image, than them actually being great.



### Starbucks Charities

The Starbucks Foundation was created to support our commitment to community. We started in 1997 by funding literacy programs in Canada and the United States. Today we’re supporting communities around the globe in all kinds of ways:

### Nurturing Young Leaders

With fresh eyes and willing hands, young people have a lot to contribute to their communities. Starbucks™ Shared Planet™ Youth Action Grants help give youth the opportunity to make a difference by supporting their efforts to make the world a better place.

### Supporting Coffee, Tea and Cocoa Communities

Starbucks supports social development projects that help the communities that produce our coffee, tea and cocoa. Projects include improving access to education and agricultural training, microfinance and microcredit services, improving biodiversity conservation, and increasing levels of health, nutrition and water sanitation.



### Access to Get Clean Water

Ethos(R)™ Water started as a social venture startup with the goal of providing people in developing countries with access to clean water. For every bottle of Ethos(R)™ Water sold in the United States, 5 cents is directed to the Ethos(R) Water Fund to help finance sustainable water programs around the world. Thanks to our valued customers, we have raised more than \$6 million to date.

### Fostering Education in China

In 2005, as part of its ongoing commitment to social responsibility and in recognition of China’s rich tradition of placing an importance on education, Starbucks Coffee Company established the Starbucks China Education Project, a US \$5 million (approximately RMB 40 million) commitment to support educational programs in China at Give2Asia.

### Rebuilding the Gulf Coast

Starbucks and the Starbucks Foundation created the C.O.A.S.T. Fund to assist in the recovery and revitalization of Gulf Coast communities devastated by hurricanes Rita and Katrina.

# THE AAKER MODEL

## PERCEIVED QUALITY

### Perceived Quality

### Leadership

Starbucks believes themselves to be the best quality coffee available. As well as a helping pillar to the community, as seen in their mission statement “to inspire and nurture the human spirit – one person, one cup and one neighborhood at a time.” Starbucks wants consumers to perceive their quality as a consistently friendly place in your community and quality location to get your coffee and snack/food products, as they have stated on their site: “We’ve always believed that businesses can—and should—have a positive impact on the communities they serve.” With the aid of a loyalty program, getting a free refill or points aids to show a consistency within the brand.

## MARKET BASED MEASURES

### Market Share

### Price & Distribution Indices

- \* Starbucks is a share owned company under the NASDAQ market
- \* The stock has been on a steady rise since founded but lately has been seeing a slight decline
- \* The market shares are currently worth \$7,372.01 per share
- \* Currently Starbucks is the top coffee brand in America
- \* The prices listed are between \$1.75 and \$5.25 with the average large coffee product coming to a price of \$4.50
- \* The distribution is regularly a pay at register and pick up at counter. The cup normally has the name of the purchaser on it. As of recently, Starbucks has launched pickup and pay online that allows the customer to skip the lines and get their coffee as they arrive. Starbucks does offer delivery but only in certain places, like the Empire State building