Starbucks

[Name of the Writer]

[Name of the Institution]

Starbucks

**Mission**

“To inspire and nurture the human spirit, one person, one cup and one neighborhood at a time”.

**Vision**

“To establish Starbucks as the premier purveyor of the finest coffee in the world while maintaining our uncompromising principles while we grow”.

**Starbucks’ Strategy**

Organizational and Business Strategy of Starbucks is majorly based on four pillars.

1. The company utilizes the strategy to offer the “third place” experience to the visitors. The stores of Starbucks are efficiently located as “third place” far from the workplace and home where visitors spend time comfortably in a peaceful place with families, friends.
2. Product differentiation is the key part of the company's strategy in which they focus sell of the highest quality.
3. The expansion of business operations to new markets while focusing on highly emerging economies.
4. Integration of technology for performance and operations improvements as well as value addition to the numerous business parts and processes. (Geereddy, 2013)

**Product and Services**

To keep its market and business position at hand, Starbucks offer premium and high-quality products to its customers. Starbucks is providing innovative and better quality to its customers.

Starbucks is specialized in coffee. The company sells coffee, beverages, cold drinks, and teas. With the understanding of permissibility of coffee, Starbucks take serious care in each footstep convoluted in coffee production process. To keep its customers and market share, Starbucks expanded its product categories (Geereddy, 2013). They also launched Tazo Tea to attract and bring all customers who like tea. Starbucks also offers a different product to the customers in different seasons like strawberry cream and juices and some cold drinks in summer and different lattes at Christmas.

Activities of the company which is taken into action for enhancing and maintaining their product values are considered as services of Starbucks. Those services do not include only, providing a comfortable and relaxed environment, providing best services at stores, and the provision of highly convenient customers’ journey map (Goetsch, & Davis, 2014).

**SWOT Analysis**

**Strengths**

* The most valuable coffeehouse brand and world’s largest coffee chain.
* Starbursts have the strongest specialty coffee retailers all over the world with high market share and robust recognized brand quality and high-level services which provide Starbucks with brand equity which cannot be matched by any of the competitors (Aiello, & Dickinson, 2014).
* The profitability of Starbucks as compared to its competitors is a major strength because of the strong and continuous rise in terms of profits and inclusive economic performance.
* High-quality products and services and loyal customers all over the world.
* Starbucks treats its employees and management as partners and provides them a comfortable work environment which cannot be provided by any other competitor.
* Starbucks has the strongest and efficient customer journey map at every retailing branch.

**Weaknesses**

* High prices especially when compared to competitors’ products and quality which they offer for very low prices than Starbucks.
* Being an American brand, it doesn’t focus on uniformity in locations to identify other residential national taste all over the world.
* Poor performance in terms of social restraint like weak determinations of being societally superficial and weak dealing of supplier from developing nations etc. (Aiello, & Dickinson, 2014).
* Starbucks is over-dependent on the generation of revenues from Americas segments and markets.
* The company is overly prices sensitive and doesn't change its prices according to fluctuation in the market.

**Opportunities**

* The significant opportunity for Starbucks is the expansion of its services and operation to other emerging markets out of the USA.
* Opportunities for a strategic partnership outside America where the company can introduce and launch its products in cafes, bars, and restaurants, etc.
* Increase its product range and product line in its existing product menu.
* The growing consumer product market is also a huge opportunity for Starbucks to be utilized.
* Starbucks has potential opportunities for vertical expansion towards its suppliers so the company will have a better supply of raw material (Aiello, & Dickinson, 2014).
* The huge opportunity for Starbucks is further expansion of its business operation to China.

**Threats**

* Here is certain immersion in the coffee marketplace to the point where Starbucks needed to close a few stores which were excessively near one another and were in competition with each other.
* Supply disruption might affect the company and its operations and performance negatively and inversely.
* Legal threats like trademark issues which may discolor Starbucks which create unimportant and unnecessary costs for company too (Aiello, & Dickinson, 2014).
* The continuous changes in the exchange rate of USD may affect the revenues and profits from global markets/countries.
* Increased and strong competition from other largest competitors and standard local cafes and brands in other countries where Starbucks operates (Aiello, & Dickinson, 2014).
* The most critical threat for Starbucks is the success of low priced competitors like Dunkin' Donuts and McDonalds, who offer the same products and quality with lower prices in the market than Starbucks.

**Performance Management Policies and Practices.**

Policies and practices of Starbucks regarding performance management are highly strong and efficient. Starbucks considers employees are business partners and crucial asset for the company’s growth and success. The company invests hugely in availing talent which results in the best performance of the company (Otley, 1999). Starbucks utilizes its performance management policies and practices as strategy and tactics for having competitive lead. The company implements HR Management strategies for the purpose to develop effective performance management policies and practices.

Beyond that, the company retains and encourage employees towards their success at Starbucks and provide them all benefits which are crucial for improving their performance. For improving and managing existing performance, Starbucks works to pick people with highly appropriate skills and knowledge from the talent pool.

**References**

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