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Competitors of Starbucks

# Introduction

Starbucks was founded in Seattle, the USA in 1971 that operates in more than 30,000 locations worldwide. The company is known for its distinguish coffee due to its better quality, taste, and better customer experience. Its total assets are of $14.5 billion with net income of 2.8 billion. The company is represented as the ‘second wave coffee’ which was quite popular than its other competitors. The coffee is made through automatic machines for better efficiency and hygiene reasons. It serves both hot and cold drinks in the menu, instant coffees such as espresso and latte, tea products, fresh juices, and snacks. There are seasonal packages as well which serves according to the locality such as the pumpkin spice Latte. There is ‘Starbucks Evenings’ that offers wine, beer and appetizers. The company first overseas franchise was opened in Tokyo in 1996 and thus immediately spread throughout the world.

**Discussion**

The company is known for its innovative marketing strategies and stood 132 on the Fortune 500 list. The company has a mobile app of Starbucks through which customers can purchase products. In 2013, the company has started a campaign through Twitter, in which they have to tweet “Tweet-a-Coffee" with a friend and purchase a gift card for one another. A report suggested that 180,000 purchases were made due to the marketing strategy. Starbucks also has a customer suggestions website through which they collect feedback about their services. They also have loyalty offers for registered users. However, the company has its share of competitors such as Costa Coffee, McDonalds McCafe, Café Coffee Day, Dunkin Donuts, and KFC are few to name. Costa Cofee holds the second position after Starbucks, founded in the UK in 1971 which has its stores in almost 3o countries. Its net income is approximately 153 million pounds. The company has an advertising slogan “ a coffee for every mile” which describes the companies goals to have coffee shops all around the world (Geereddy).

McCafe is coming up with high popularity and market share compare to Starbucks due to their various stores around the world. It's an Australian Company and has more outlets than Starbucks, thus being more famous in developing countries. The coffee is ranked the highest in Australia and New Zealand and was among the top three sellers globally. Dunkin is another company which has many outlets in approximately 35 countries which makes it a great success. In 2010, the company's sales were expected to be 6 billion dollars. It is famous for its baked foods, coffee, drinks, and other products. Café Coffee Day is a well-known coffee chain for Arabica beans producer in Asia. The company has almost 1500 outlets in India with low-cost strategies to fulfill the needs of people at low budget. The company has also started coffee plantation which saves them the budget of importing coffee beans, thus increases its revenues (Brooks).

**Conclusion**

Costa Cofee gives high competition to Starbucks coffee as it only focus is towards the best coffee business, whereas other companies provide competition in several other products. However, coffee is not only associated with large companies, but local coffee shops have also specialized in the product and have done great businesses. These are referred to as unrecognized competitors which are largely famous in towns. Tazo Company was one of the biggest examples which were proficient in producing herbal tea. It gained popularity due to its unique taste and medical qualities. Thus the company was purchased by Starbucks later and is now working under their stores in more than 50 countries. Starbucks handles the purchasing and distribution of coffee themselves and never compromises on the quality of the coffee.

# Works Cited

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