



The Starbucks Experience: Synopsis

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With its beckoning siren in signature green, the Starbucks brand took root in brewing relationships along with high-quality coffee blends. It has since seamlessly assembled a cult following by providing consumers with more than just coffee, but an experience they have never had before. By creating a concept of a third place and actively caring for their community, Starbucks has found a way to provide consumers intangible desires along with a drink creation they can call uniquely theirs.

Contrary to expectations, the original Starbucks did not sell coffee beverages. The company began as a small coffee bean roaster and retailer in 1971 by Jerry Baldwin, Zev Siegl, and Gordon Bowker. The original Starbucks Store, located in Pike's Place in Seattle, specialized in roasting quality beans that were purchased from growers, and selling them to the retail market. Then Starbucks' owners met Howard Schultz, an entrepreneur who had an idea that would change everything.

Schultz had just come back from a visit to Milan, Italy, where he saw coffeehouses where people paid top dollar for gourmet beverages in a warm, sophisticated atmosphere. Inspired by this concept, he presented the idea to Starbucks' founders, but they rejected

the idea. Discouraged, Schultz left Starbucks to open his own coffee shop called Il Giornale. It was successful but a year later he found that the founders were selling Starbucks, so he bought it.

In creation of his version of Starbucks, Schultz had to be the first to confront the issues of changing peoples' perceptions of coffee, inspiring a brew-at-home person to give up their routine, and discover how to convince people to spend time in a European coffeehouse. He did, and his strategies proved successful.

Today, Starbucks has stores in over 37 countries with over 17,000 stores, each averaging more than 35 million customer visits each week, and has loyal customers who typically return 18 times a month. How did Schultz do it?

He created an experience.

“For Howard Schultz, the coffee was at the heart of things. But for Howard everything else mattered too: the choreography of the baristas, the relationship between the barista and the customer, the warmth, the smell, the sound, the whole experience. Above all, the sense of a community being created, a relaxed and relaxing place for people to gather.” (Michelli, “The Starbucks Experience” 137)

Starbucks also has many loyal partners who they've teamed up with to enhance that experience. Starbucks-goers can pick up an iTunes Pick of the Week card and receive a code for a free download of either a song, game, or app for their Apple devices. AT&T also partners with Starbucks so customers can enjoy free internet access in stores.

There are more than 900 licensed franchised stores at various venues including airports, Barnes & Noble bookstores, and grocery and mass-market retail chains such as Target, Albertson's, and Safeway stores. Other licensees, such as United Airlines and Marriott, have agreements to serve Starbucks coffee exclusively, so travelers can enjoy a comfort from home in transit.

People go to Starbucks to experience a comfortable setting where they are valued on a personal level and where a meaningful connection is made. Everything the company does is intended to give the customer a positive, perhaps uplifting, experience while purchasing a quality beverage or food item. To achieve this, the ambiance of the store must be inviting; the store must be a place where a person will feel comfortable hanging out alone or with friends. This setting, often referred to as a "third place" must capture a unique warmth that sets it apart from the first two places in most people's lives: home and work. The Starbucks experience can be found in two distinct levels of the company. First, in its unique corporate culture. Leaders within the business create a unique corporate culture for employees in which empowerment, entrepreneurship, quality, and service define the values of the firm. Second, Starbucks' operates on Five Key Business Principles: Make it your own, Everything Matters, Surprise & Delight, Embrace Resistance, and Leave your Mark.

The concept of "Make it your own" includes five strategies: Be Welcoming, Be Genuine, Be Considerate, Be Knowledgeable, Be Involved.

Offering people a sense of belonging is the foundation for producing a predictably warm and comfortable environment. Starbucks leaders emphasize that partners can and should use their individual talents and knowledge to create a place where people feel that they are a priority and where their day can be brightened, at least for a moment. In his book *How to Win Friends and Influence People*, Dale Carnegie remarks, “Remember that a person’s name is to that person the sweetest and most important sound in any language.” This is why Starbucks employees strive to recognize guests by name. In a recent interview with Devin, a Starbucks Barista and Supervisor, he expressed his thoughts on connecting with customers. “What we do is sell the opportunity to have you come in and have your day changed, in a positive way. We build relationships with our customers. We ask for their name, not for just efficiency and organization purposes, but to get to know them. We ask how their day at work is going, how the kids are, along with giving them their favorite drink to take with them and brighten their day,” he said.

The Starbucks brand maintains a genuine characteristic by connecting with their guests, discovering their wants, and replying. The My Starbucks Idea website serves as a strong communication channel. On the website, consumers can post their ideas for Starbucks drinks, products, and technology. Ideas like free WiFi and reusable coffee sleeves originated on this website.

Starbucks employees are encouraged to share their knowledge and passion for coffee with everyone. Baristas can participate in a special training program to become

“Coffee Masters,” or experts on all things about coffee. These black apron-wearing coffee virtuosos can help customers find the perfect cup of coffee for them.

In the community, Starbucks’ efforts to provide for from which they take are applauded. One hundred percent of Starbucks coffee is purchased fair-trade, or from small-scale farmers to help empower the farmers to compete in the global marketplace. The coffee purchased is also organically grown, without pesticides or hormones, so it is better for the environment.

Beyond coffee purchase, Starbucks extends its caring heart by being involved in the lives of its consumers in a positive way. There are countless stories of Baristas who noticed change in the routine of their regular guests. When they learned of the tragedy that had interrupted their lives, they went above and beyond to provide them with free drinks, and, on some occasions, someone to share their time with.

These specific accounts of pure generosity have allowed Starbucks to sell the intangible. To maintain providing quality intangible service elements, Starbucks upholds the principle “Everything Matters.” Starbucks has magnified the truth that the customer notices everything, and therefore, attention to detail in providing the highest quality is invaluable. Attention to detail also allows for consistency. With consistency comes consumer trust, and trust lies in the heart of all major decisions.

Consumers want the predictable and consistent, with an occasional positive twist or added value thrown in. That’s why Starbucks strives to surprise and delight every customer through going above and beyond their expectations.

Although, Starbucks still counts on creating the familiar for their customers. This is because consistency is crucial for success in a world that is unpredictable. It gives customers a reason to incorporate the company into the rituals of their lives. Also, when customers can rely on a consistent, positive experience they want to share it with others.

Starbucks believes in turning even a negative experience into a positive one. The company values criticism and focuses on addressing complaints head on so that it may improve. When faced with negative criticism from a customer, Starbucks realizes that it may have an opportunity to actually strengthen that relationship. By thanking customers for their business and recognizing their criticisms, they know they are more likely to keep that customer.

It's apparent that Starbucks cares about more than just financial success, and people want to be a part of that. Making it's mark, Starbucks practices socially responsible business in a myriad of ways. For example, by going to business with Ethos Water, Starbucks showed diversity support and concern for the environment. Social involvement is an integral part of Starbucks leadership. Also, when negotiating deals with coffee growers, in order to get a contract with Starbucks, the provider must commit to being measured on aspects like, "Does the grower pay its providers all the way down to the coffee picker? Starbucks is also working on developing environmentally friendly practices like using less pesticides, and improve living situations for laborers.

In pursuit of the success Starbucks has, we can learn much from the company's culture, principles, and strategies. In development of our own business' brands, we can

ask ourselves questions like, “How consistently welcoming am I? Am I overlooking any details?” Where can I offer more surprise and delight in the workplace? Do I embrace resistance? Or do I run from it?” and, “What mark am I leaving at home, at work, and in the community?”