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“Espresso Yourself: Starbucks Unparalleled Business Model has Extra Flavor Shot”

“The success of Starbucks demonstrates...that we have built an emotional connection with our customers.... We have a competitive advantage over classic brands in that every day we touch and interact with our customers directly. Our product is not sitting on a supermarket shelf like a can of soda. Our people have done a wonderful job of knowing your drink, your name, and your kids’ names.”

-Howard Schultz, 2004

The Beginnings of Seattle’s Best

1971, the first Starbucks opened in Seattle in Pike Place Market- just another coffee shop in a sea of many in the coffee capital of the United States. When current CEO Howard Schultz came to work for Starbucks in 1982, the store had not changed much. Shultz was in charge of marketing for the four stores of the small coffee company. A run of the mill coffee shop, Starbucks did not have the image and aura of the coffee giant it is today. It was a business trip to Italy in 1983 that was the seed of what blossomed into today’s Starbucks Coffee Company. A trip to Starbucks would not be simply a coffee break but an experience as Shultz was impressed with the popularity of espresso bars in Italy. The founders of Starbucks, however, did not share this idea and Schultz’s beliefs would have to be put on hold until he was able to purchase the company for \$3.8 million in 1985 (Schultz, 2011). By the year 2012,

Starbucks was an influential global brand. With popularity comparable to McDonalds and Coca Cola, Starbucks had more than 17,651 stores worldwide in places ranging from Morocco to Poland (“Starbucks Company Timeline”, 2012).

With growing popularity also comes growing criticism. Starbucks has been viewed as an unauthentic chain store and a potential market monopolist with its mergers and buyouts of companies ranging from tea to ice cream (“Starbucks and Unilever”, 2008). The modern European coffee shop atmosphere that Starbucks revived serves as business models for many independent coffee shops- especially in the United States. Supporters of small business have become Starbucks’s harshest critics. Some of the largest opponents of Starbucks come place of its origins- the Pacific Northwest and Seattle (Johnson, 2012). Critics argue that promoting a third-place chain store is a paradox: it is not possible for a chain store to have an independent aesthetic (Shaylon, 2013). How is it possible then to build a global company with a strong reputation and distinctive personality from other similar businesses? The answers to these criticisms lie within the same business model that is under scrutiny. The paradox is not in the ideology of the business model, but that supporters and opponents love and hate Starbucks for many of the same reasons. Although Starbucks may be taking away small business, the small business models would not have existed without Starbucks in the first place. Small coffee shops, specifically in the United States, have Starbucks to thank for introducing the modern European style coffee shop (Fellner, 2008).

Although Starbucks has its critics, the corporation continues to grow and expand with a business model that is unmatched in the fast food industry. What makes Starbucks so successful is the focus on the environment and upscale egalitarianism that creates a sense of

community among customers. Evident via worldwide revenue and profit reports, Starbucks has fought through periods of economic uncertainty to stand true to its business model (Schultz, 2011). By listening to the customer's needs and focusing on making each trip to Starbucks a personal experience Starbucks is not simply a brand, but an individual culture which has influenced the larger coffee shop culture. Not a just corporation, Starbucks is an industry icon. Not just a drink, Starbucks is a symbol of status (Simon, 2009). It is Starbucks's business model and ability to adapt that has allowed the corporation to flourish.

Growing Opportunities and Growing Concerns

According to Starbucks's website, its mission statement is to "establish Starbucks as the premier purveyor of the finest coffee in the world while maintaining our uncompromising principles while we grow" ("About Us", 2013). Schultz active involvement and ambitious goals for the company since 1986 has helped Starbucks reach unprecedented heights for a coffee shop. On what Shultz calls the "happiest day of my life," Starbucks went public in 1992. A short time later in 1994 Starbucks established a drive thru and opened its first international location in 1996 ("Starbucks Company Timeline", 2012). With the rapid technology growth and the invention of the internet in the 1990s, productivity skyrocketed and boosted the United States economy to record heights. The "New Economy" of the 1990s fostered economic prosperity for America and allowed businesses to flourish ("The New Economy, 2012). With its eyes set on more international locations including Europe and China in the early 2000s, Starbucks enjoyed steady increases in net revenue (Schultz, 2011). What seemed like endless possibilities awaited Starbucks in the new millennium.

The new millennium brought more challenges than the prosperous 1990s. Economic down turns, changing CEOs, and internal company problems were all challenges the corporation would have to overcome. Schultz transitioned to chairman and chief global strategist and Orin Smith was promoted to CEO in 2000. Under Smith, 6,740 new stores were opened until his retirement in 2005 (“Starbucks Company Timeline,” 2012). The value of the company increased from \$7.2 billion at the beginning of Smith’s tenure to \$20 billion at the end of his time as CEO. The affluence and comfort felt under Smith’s tenure was to come to a screeching halt. In retrospect, Schultz admits that he should have prepared himself and the company for Smith’s retirement and helped bridge the transition between CEOs (Schultz, 2011). Schultz had worked closely with Smith for a number of years and the new CEO was to be a new face at Starbucks.

The board of directors selected Jim Donald as Starbucks’s next CEO. Donald previously ran Wal-Mart’s grocery operations and had no prior experience working at Starbucks like Orin Smith. Schultz describes Donald as “someone who almost everyone liked and admired” (Schultz, 2011, 58). At first, the growth and prosperity that had become an expectation at Starbucks continued. During Donald’s time as CEO, Starbucks expanded into entertainment by selling CDs, books, and DVDs. Movie companies were willing to pay Starbucks to promote their films. It seemed as if the possibilities [and profits] were infinite with Starbucks. By 2007, however, Starbucks had hit a bit of a road block. Starbucks had expanded too rapidly in a short time period. Store growth slowed and Starbucks stock dropped by 42 percent. Schultz describes that “an aura, a spirit... [Something] was sapping the stores of a certain soul” and the distinguished brand was “silently deflating” (Schultz, 2011, 24). Determined to restore the

Starbucks that he envisioned on that 1983 trip to Italy, Schultz sent out a memo, a now infamous memo, to his executives entitled “The Commoditization of the Starbucks Experience.” The memo addressed Schultz’s concerns with the future of the company and innovating and expanding too quickly and therefore creating brand dilution (Berta, 2007).

On February 23rd, 2007, Schultz awakened to a media nightmare. The memo that he had confidentially sent to his executives was a national headline. One executive, for reasons unknown, leaked the email to the media. As news circulated, critics, business experts, and customers alike all speculated the meaning behind the memo and why it was leaked. Some people even questioned its authenticity (Schultz, 2011). For whatever the reason one thing was sure: something had to change. Starbucks had to learn how to balance its innovative growth and heritage. Although Starbucks had continued profit growth, \$9.4 billion in 2007 a 21 percent increase, the tensions in the internal operations of the company and threat of rival coffee companies made Starbucks’s future look ominous (Schultz, 2011). Starbucks stock had plummeted 20 percent in 2007 as investor confidence in the company waned (Ellis, 2007). McDonalds had launched a \$100 million advertising campaign to expand its McCafe brand with espresso-based beverages to all 14,000 US stores (Schultz, 2011). Higher commodity and increased competition intensified (Ellis, 2007). Concerned with the future, Starbucks Coffee Company reintroduced a familiar face to run the company. Howard Schultz was reappointed CEO in 2008 at the time when Starbucks needed him the most.

The next few weeks and months were some of the most changing and developmental in Starbucks’ history. Howard Schultz had returned to the CEO position and “stroved to balance humility about [Starbucks’] missteps with self-assurance about [Starbucks’] ability to self

correct” (Schultz, 2011, 62). With group brainstorming sessions, Schultz and his executive board looked to make Starbucks not only a coffee company, but a customer experience icon. Schultz’s next move was unprecedented and almost as bold as the dark roast Sumatra Blend. In an attempt to restore the idea of the authentic Italian espresso, Schultz closed the doors of every Starbucks in America for three hours for baristas to perfect the art of making espresso. DVDs were sent to all 7,100 Starbucks locations to teach baristas the proper way to craft drinks (Schultz, 2011). In those few short hours, Starbucks lost over six million dollars in profit. All major news sources covered the closing and Stephen Colbert even discussed the topic on his show (Groth, 2011). Some customers were critical of the three-hour coffee break. These customers did not think the move was necessary- coffee is coffee, there is only so much one can do to change and improve flavor (Grynbaum, 2008). Yet other patrons felt the move was a wise decision and appreciated the concern for customer satisfaction (Allison, 2008). A closing of this nature was unprecedented in the company’s history and its purpose was to be a part of a broader goal.

This move was a part of a larger effort to return Starbucks to its key principles addressed in the “transformation agenda.” The “transformation agenda” was a series of steps and goals Schultz and his team of executives designed to return Starbucks to its pre-2006 glory (Schultz, 2011). Instead of focusing on the profit side of the company, Schultz advocated changes with coffee quality and customer service (Schultz, 2011). Starbucks sales increased by 9 percent in 2009 due to higher customer visits and average spending and the company expanded its US stores for the first time in nearly two years. The company attributes this rebound to its effort to improve customer service and product quality (Martin, 2010). With a few years passed from the

initial starting point of the agenda, Starbucks has been able to monitor its effectiveness. Since its short slip in 2007, the company has not looked back as growth has been steady, especially in the United States. In 2012 alone stock shares rose eleven percent (Patton, 2012). This domestic growth has allowed the company to refocus on its overseas franchises.

Americano Goes Global

Today there are nearly 18,000 Starbucks worldwide on six of the seven continents. Starbucks first became international in 1996 when it opened its first Asian franchise in Japan (“Starbucks Company Timeline,” 2012). Some fifteen years later, Starbucks is shifting its expansion plans back to the Eastern hemisphere. Since 2011, Starbucks has put much focus on growing its Eastern operations. Although tea has long been the beverage of choice in China and India the growing popularity of coffee has increased since the introduction of Starbucks and other chain coffee stores.

Last year consumers in the Asia Pacific region spent \$9.3 billion at coffee shops. This is a significant 66 percent increase in spending from just five years prior (Chu, 2013). It is important to note that the Asia Pacific region excludes China and Japan as sales in those countries continue to soar as well. Sales in China reached \$214 billion in 2012, a 28 percent increase from 2011 (Chu, 2013). Both China and the Asia Pacific region are the fastest growing areas regarding Starbucks franchises. In 2011, Starbucks planned to have over 1,000 locations in China by 2015 (Pollock, 2011). In 2013, the goal number was increased to 1,500 (Chu, 2013). A representative for Starbucks noted in 2013 that the corporation expects to more than double the number of employees in the Asia Pacific region to about 40,000 people in the next five

years while adding hundreds of locations to Indonesia and in the Philippines (Chu, 2013). In the next two years, it is predicted that the Asia Pacific region will surpass Canada as the second biggest market (Choi, 2013). As the company looks to broaden its horizons the numbers do not lie: Starbucks locations in the Asian region are more profitable than those in the Americas and the United States.

Starbucks coffee chain “ generates less sales volume per store in China than in the US but its Chinese stores are more profitable than those in the company's home market” (Jopson, 2012). Operating profit of a portion of sales in 2011 in Asia was 34.6 percent, higher than the 21.8 percent margin in the Americas (Jopson, 2012). The popularity of Starbucks in Asia has its roots from when the first international Starbucks was introduced in Tokyo. In 2000, just four short years after its establishment, the Tokyo store was the busiest Starbucks in the world (Mackay, 2001). What makes Starbucks so popular in Asia? The answer: the same aesthetic that caused its success in America.

The Starbucks’ brand is a symbol of wealth and status, especially in lesser developed Asian countries. Drinking coffee is seen as an urban and upper class experience in Thailand, the Philippines, and Malaysia. The growing middle class in Asia is now willing and able to pay for a Café Americano or a Frappuccino (Rohde, 2012). Starbucks coffee is a higher quality drink than that of watered down, unsweetened coffee served in plastic bags or poorly tasting instant coffee. Young people and families alike enjoy the atmosphere of Starbucks just as much as the coffee. Urban chic interiors with sturdy wooden seating arrangements are nearly identical to US stores. This is a sharp contrast to the cramped, smoke ridden cafes of Tokyo with less than

stable seating arrangements (Chu, 2012). Starbucks business model is not like that of other stores and restaurants in Asia. With a very Westernized approach, Starbucks is seen as a haven with safe food to consume and a clean, neat atmosphere. As China and more Asian nations reach towards middle class status, citizens look for a way to show their status (Rein, 2012). Although the average coffee sold in China is more expensive than in the United States, carrying a Starbucks cup is “a way to demonstrate sophistication and the capability to afford a personal luxury” (Rein, 2012). Starbucks is a price friendly way for all people to enjoy a drink, the atmosphere, and step back from the chaotic world outside of the doors.

Starbucks first set its sights on European expansion in 1998. In April of that year, Starbucks purchased Britain’s Seattle Coffee, a chain of 56 stores for \$85 million dollars with hopes of opening 500 stores in Europe (Tomkins, 1998). Expanding into the heart of the European continent soon followed in the year 2000. In 2009, there were over 1,550 locations in the Europe Middle East Africa (EMEA) division of Starbucks International. Although Starbucks has been able to grow in Europe over the years, the growth rate is not very high (Baertlein, 2012). Due to high operating costs such as rent and labor, operating profit in the EMEA region is only 2 percent of Starbucks worldwide totals. Furthermore, this region only makes about 10 percent of worldwide revenue as well (Baertlein, 2012).

Similar conditions that Starbucks faced in the US in 2008 have been plaguing Europe since late 2010. European franchises of Starbucks are looking towards the successful US “transformation agenda” to improve its operating margin (Baertlein, 2012). Michelle Gass, the president of the EMEA division of Starbucks notes that “a tough economy, record unemployment, fierce competition and [Starbucks’] own self-induced mistakes” caused the

recent one percent drop in European sales (Baertlein, 2012). The macroeconomic situation of Europe played a large role in the company's numbers. The cost of production and commodity price increases coupled with high unemployment rates caused sales to drop and fewer customers entering the stores (Baertlein, 2012). Following the "transformation agenda," Starbucks launched a new project to take place in Amsterdam- the "concept store" (Harlin, 2012).

The "concept store" incorporates local design and architecture within the franchises. These stores will serve as laboratories for design and testing potential new menu items. The result of these experiments with the "concept stores" is still being analyzed and not all information is yet available (Harlin, 2012). A large problem with recent European sales can be attributed to the European financial crisis. Consumers simply do not have as much money to spend and coffee per cup costs more in Europe than in the United States (Alderman, 2012). Focus being shifted to the United States during its struggling period does not help the European situation either. Schultz has admitted that proper attention was not given to the EMEA region in the immediate years following his return as CEO in 2008 (Datta, 2012). The results of the "transformation agenda" in Europe will be known within the next few years as the plan develops.

Although Starbucks has struggled with sales in Europe over the past two years, overall the corporation continues to expand. Net revenue worldwide was up almost 19 percent in 2011- which translates to \$309.9 million (John, 2012). Overall, Starbucks continues its growth through European setbacks. Schultz believes that an improved macroeconomic situation in Europe will boost sales to their former places (Baertlein, 2012). For a company to reach

national and international success like Starbucks, the company must have a strong business model, good leaders, and a satisfied customer basis.

An Unprecedented Business Model

Starbucks is a step up from McDonalds: it is a chain store disguised as a “third-place’ business that fosters a sense of community between its employees and customers alike, regardless of whatever type of background (Fellner, 2008). It adds a touch of class to the fast food industry and is more appealing to those of modest means and upscale urban patrons (Fellner, 2008). Just like the dollar or the calorie, a Starbucks cup is a form of measurement- a social form of measurement that is. Just like the brand name plastered across your handbag or the symbol on the grill of your car, a Starbucks cup says something about a person’s “quality of life, success, [and] modernity” (Fellner, 2008, 110). As mentioned earlier, these feelings are not just within the United States, this symbol of social status is seen in Asian countries as well (Rein, 2012). Nowadays, the consumer does not simply want a product- they want pleasure in an aesthetically appealing environment (Postrel, 2003). Aside from the environment Starbucks is a way to relate to other people. It is a place where each customer feels as appreciated as the last (Simon, 2009). A communal exclusivity factor separates a “Starbucks trip” from a “Starbucks experience.”

Priya Raghubir, a marketing professor at New York University who has studied Starbucks notes, “Starbucks stands for coffee; it’s converted that into an experience” (Shaylon, 2013). Customers appreciate the convenience and uniformity yet unique experience. Raghubir also recognizes that Starbucks has made extra efforts to make cafes a welcoming and friendly

environment for all customers (Shaylon, 2013). Starbucks urban aesthetic appeals to a large customer basis. What is Starbucks's target age group? To put it simply, there is not one single group. The primary audiences of Starbucks are men and women aged 24-40 (O'Farrell, 2013). This is a sixteen year span and is not narrow. Essentially, Starbucks appeals to the majority of working aged adults. Another large audience of Starbucks are young adults aged 18-24. This is the fastest growing audience with 4.6 percent yearly growth compared to 3 percent growth of adults aged 24-40 (O'Farrell, 2013). Needless to say, Starbucks serves a wide range of customers.

If Starbucks can appeal to such a large customer basis, then how is it possible to strive to make every person's experience genuine and personal? Starbucks has the ability to adapt. A customer's experience is all based on personal interpretation. This is best made evident through profiling customers. Just take a look at customers at any given time: some sit and read the newspapers, others are hard at work on a new blog post, and some are chatting with friends. Every customer enjoys Starbucks for a different reason (Fellner, 2008). Starbucks has a versatility factor and aura that many fast food companies do not possess.

How does Starbucks maintain this aura and continue to keep customers coming back? The answer is within the leadership model of the company. Starbucks is so successful that Joseph Michelli, an organizational psychologist, wrote a book entitled, *The Starbucks Experience*, outlining the key principle factors that make Starbucks' business model not only unique, but successful as well. The book serves as a "How-To" model for other businesses by highlighting the main points corresponding with Starbucks' success. Among others, the most important point that Michelli points out is to make the business your own. A small gesture that

Starbucks makes that other large chain stores like McDonalds do not is taking the customer's name. Writing a person's name on a cup is a small gesture, but makes the visit that much more personal. Michelli notes it is a psychological fact that people like it when others call them by their given name. In a conversation, adding a name makes the conversation more engaging (Michelli, 2007). When customers become regulars, memorizing drink orders and the name also add to the experience and make it more genuine. Starbucks leadership prides itself on being genuine by "connecting, discovering, and responding" (Michelli, 2007, 25). Successful business leaders emphasize, train, and encourage respect in its employees and managers.

Responding to customers' needs is also a part of the respect Starbucks employees are expected to have when interacting with customers. Michelli illustrates an incident where a manager actively responded to a customer's request. Betty Doria from New York stumbled upon a Starbucks and was excited to see that they offered real malt in their drinks. A delicacy that she had not enjoyed since childhood, Doria was thrilled to try her drink. However when she tasted the drink, it was not to her liking. The manager, instead of ignoring Doria's reaction, worked with her to create a drink that was to her liking. Doria was thoroughly impressed by the manager's efforts to make her experience individual and enjoyable (Michelli, 2007, 29-30). Listening to a customer's needs show the company truly values the customer's opinion. Human interaction and understanding work better than simply handing out free coupons to apologize for a mistake or negative experience.

Customers want to feel like their needs matter and as Howard Schultz said, "we are not in the coffee business serving people, but in the people business serving coffee...we continually are reminded of the powerful need and desire for human contact and community" (Michelli,

2007, 28). This belief was best demonstrated in 2008 when Schultz shut down all Starbucks franchises in the United States for baristas to learn how to craft the perfect espresso. Schultz sensed a problem in 2006 and followed his intuition and his idea for the company to change the direction the corporation was headed. Schultz turned the ship back towards the goal of providing excellent customer experience (Schultz, 2011). Instead of focusing on expanding overseas and solely increasing profits and the number of franchises, he focused on the principles and ideology of his business model. Through all of the lessons taught in Michelli's book, the basic framework of the Starbucks business model is to "be welcoming, be genuine, be considerate, be knowledgeable and be involved" (Michelli, 2007, 175). These principles set the standard for all 18,000 franchises worldwide. So far, with record setting revenue and expansion, the principles Schultz stands by appear to be working for Starbucks (John, 2012). There is no denying the success and popularity of Starbucks and as more franchises pop up on street corners, some people worry about how Starbucks is affecting the coffee market and small businesses.

A Monopolist in the Making?

Questions regarding Starbucks' influence on the coffee market worry some people—especially small business owners and people against big business (Simon, 2009). We live in a world where the "big guy" is the enemy and it is best to side with the "underdog." We live in a world where large corporations and organizations scare the population because we are a very power conscious people. Large and powerful businesses can use their influences in a negative way. People do not want every sector of their lives to be controlled by big business. It is not just

Starbucks that is under fire. Many large brands like Wal-Mart all have their critics and their business records checked and analyzed (“Wal-Mart’s Mega Growth,” 2004). Monopolies are not desirable. Taking away choice and originality is not desirable either. However there is a line between a monopoly and a successful business. Starbucks is in no way a monopolist. If Starbucks was a monopolist, drink prices would be extremely low to knock out any competition with the hopes of then raising the price once market competition no longer exists (“Monopoly,” 2013). And when a 20 ounce coffee costs \$2.25 at Starbucks and \$1.95 at Dunkin Donuts, this assumption is simply not true (Ovide, 2011). Still, some people fervently believe that Starbucks is a monopoly. In 2006, Penny Stafford, the owner of a Seattle based coffee shop sued Starbucks on the grounds that “Starbucks exploited its monopoly power in the specialty retail coffee market through predatory practices” (“Starbucks sued,” 2006). The court case was eventually dropped.

Some of Starbucks’ main critics come from the place of its origins: Seattle. Kirk Johnson, a writer for the *Seattle Journal*, argues that Starbucks has destroyed the coffee market in the Pacific Northwest. Starbucks is one of the reasons why coffee and Seattle go hand in hand. Starbucks “has a sensibility of the Pacific Northwest, but they’re locally relevant” (Johnson, 2012). Although Starbucks is no longer the small coffee shop down the street, its aura has influenced the design and aesthetic make-up of cafes everywhere. The idea of a coffee shop with open window space for customers to enjoy drinks while “watching the world pass by” is a Starbucks creation (Johnson, 2012). Yes, Starbucks may be taking a shop’s business, but if it were not for Starbucks, the shop would not have existed in the first place.

Some business writers argue that Starbucks is actually beneficial to small “mom and pop” coffee shops (Salmon, 2007). Starbucks brought back the coffee market in America. Suddenly, coffee shops are a relevant part of the community make-up. If it were not for Starbucks’s success, small coffee shops everywhere would not have market opportunities. Essentially, Starbucks created the coffee market (Salmon, 2007). Some advocates of the “mom and pop” coffee shops do not agree with this assertion and are vocal in their dislike of Starbucks. Sara Halterman, a supporter of small coffee shops, dislikes Starbucks so much that she has a bumper sticker on her car that reads: “Friends don’t let friends go to Starbucks” (Simon, 2009, 17). Halterman adds that Starbucks “is a monster...like Wal-Mart” and that she “is not a corporate person” (Simon, 2009, 17). Some people prefer to embrace small-scale authenticity rather than chain stores.

People may avoid Starbucks because it is a personal preference to support local, small business instead of a chain store, but trying to claim that Starbucks is a monopolist or ruining coffee markets is simply not true. Starbucks is successful because people enjoy the product and the experience and continue to patronize the business (Fellner, 2008). Starbucks should not be criticized for living up to its business model and achieving its goals. Starbucks started out just like the small coffee shops but with a good plan and sound investment was able to become the coffee giant that it is today (Schultz, 2011). In a capitalist economy, there are always winners and losers. Firms and businesses open and close- that is just the nature of the business cycle (Romer, 2008). It is important for critics to remember that Starbucks is successful because of the consumer’s preferences. No one is forcing customers to frequent Starbucks; the prices of products certainly are not what are drawing people in. Customers buy Starbucks because they

enjoy the product (Schultz, 2011). Is not it every business's goal, large or small, to attract a customer basis?

Conclusion

What makes a business successful? Is it good leadership, a sound business model, or a strong customer basis? Starbucks embodies all three of these aspects. Under the leadership of Howard Schultz and his ideals to make drinking coffee an experience rather than a task, Starbucks has made its way from the small shop on Pike Place Market to 18,000 stores strong worldwide. Although Starbucks has had its difficulties ranging from macroeconomic recessions and internal management problems, standing by Schultz's vision for the company has pulled it through.

One of the most important attributes to Starbucks' success is its attention to customers. The heart and soul of the company and its sole reason for existence, Starbucks has devoted attention to making every customer's experience personal and genuine. Starbucks makes every customer feel important and promotes an egalitarian attitude among its patrons. Furthermore, the Starbucks aesthetic is a social symbol. In all corners of the globe, middle class citizens view Starbucks as a small, affordable luxury. I would be lying if I did not admit that receiving my Starbucks Gold Card made me feel important and like I was going somewhere in life. Overall, Starbucks focuses on its aura and gives the customer a cup of enjoyable environment along with a cup of coffee. It is this care and concern for the customer that makes Starbucks a fantastic business model and a great place to enjoy a cup of coffee. This concern has influenced the larger coffee market and has set the café culture precedent in the United States and around the globe.

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