

## **Starbucks**

(script)

Starbucks started in 1971 as a single store in Seattle. Before Starbucks, coffee sales in the US were on the decline. Their reasoning was that the coffee generally served in the US at the time was weak and horrible. Starbucks aimed to change American coffee culture by introducing the concept of the coffeehouse as a social gathering place. They wanted to provide gourmet European style coffee and a great “Starbucks experience” from the moment a customer entered the door to the time they left. They provide a relaxing environment, play good music, and have free wireless internet. It’s a bit of a yuppie hangout for young urban professionals and students a like. Starbucks has been able to maintain their upscale brand image by providing excellent coffee, service, and environment. This isn’t an easy feat for a chain of this magnitude. They’ve been able to do this by keeping high standards for each and every shop. Starbucks is remarkably similar anywhere in the world and is even non-smoking in countries like China and Japan. They’ve been able to think outside the box and go against conventional wisdom in several areas. One example is that they cluster their stores near each other. It was previously thought that this practice would reduce sales in nearby stores, but instead it helped Starbucks gain market dominance as well as made the delivery of supplies cheaper. Starbucks also spends only about 1% of revenue on marketing, compared with the 10% that many other companies of its size spend. They instead rely mostly on word of mouth and brand image. It wasn’t an overnight success but with patience, hard work, and a good business plan, Starbucks has become one of the great American business success stories of the 21st century.