
The Business Model of Starbucks

Starbucks is a giant coffee chain, which targets customers who are willing to spend extra in search for high quality service and product. The company has been developed on a significant understanding on the different levels of customers who form the primary target for the company. The company products are very specific to the different segmented market groups, which are easier to engage considering the difference in preferences. Being successful as business organization requires significant and critical focus on the ability of the organization to position itself effectively so that it can be able to achieve the varying demands of the target market(Dangelico & Vocalelli, 2017).

Starbucks has highly positioned itself as a highly reputable organization that focuses on quality over quantity. This s important consideration has played a key role in improving the market rating considering the high level of trust between the customers and the company. Starbuck offers products, which are very much different from its competitors thus making it unique and effective within the target environment. The unique nature of the company's engagement in the market has created a very significant environment where it has been able to gain competitive advantage in the market(Harrington, Ottenbacher, & Fauser, 2017).

Customer and employee satisfaction has played a significant role in shaping Starbucks as undisputed coffee chain store. Positive engagement leads to a significant environment where it is very easy to have a better understanding on what needs to be considered within organizational environment. Customer satisfaction is directly influenced by employee satisfaction, which must be taken into consideration in developing a clear operational environment.

Marketing mix

The marketing mix is an important strategy that focuses on how well a business venture can obtain the best possible target market. Thus, it includes the famous 4Ps, which include product, price, promotion and place. Being in a position to develop well focused marketing mix creates a better environment where an organization canbe able to achieve significant success.

Product

The product in this case highlights the goods and services that the company is able to provide to the market. In effectively engaging its target market, Starbucks has used its company brand, quality and key focus on service delivery to build its high-level market engagement. The company began its operation with specific focus on coffee but it has integrated other products such as non-fat milk and cold blended beverages to diversify its operations and significantly engage its broader target market. In expanding its product line, the company has significantly focused on market demand and customers preferences, which has significantly informed the decisions made by the company regarding the products to include on its menu(Meera Singh, 2012).

Price

This is the most important aspect in product development since it has a direct influence on how the company is able to engage its target market. The pricing has to be right in order to attract customers considering the competitive nature of the industry. The price of the products must be very much proportional to the quality being delivered. Starbucks products are of slightly higher prices than other coffee shops but the quality was very high whereby the customers of the company are able to gladly spend extra coin to get high quality product. To Starbucks the prices of its products has not been an issue since it has already developed its brand around quality and thus it is associated with high quality products and top class service delivery. The prices of the company products will therefore vary based on the quality although there is a standard quality, which is employed to create a large focus on important elements within organizational pricing strategy (Brooks & Simkin, 2011).

Place

A company is highly rated based on the ability to deliver goods ordered on time. Delivery in this case is influenced by the distribution channel that has been put in place. The distribution channel must be able to create an effective environment where it is very much easy to develop a better environment where it would be very much possible to have a better understanding on what needs to be done within company environment. Starbucks has put in place a flexible distribution strategy, which is aimed at creating a better focus and engagement in the market. An external company with close supervision to ensure that orders are delivered on time without significant delay will handle the distribution (Harrington et al., 2017).

The distribution process in this case will include delivery to specific locations based on the orders made. A flexible distribution strategy will ensure that many orders are delivered on a single move. The company has also developed critical mechanisms where it is able to create an understanding on specific times when orders are many to ensure that everyone receives their orders based on the average time promised. Customer satisfaction is significantly influenced by the ability of an organization to make deliveries based on its own estimates, which are within the customer suggested time (Zhenjia, 2012).

Promotion

Considering the high-level engagement of the company and the target market considered, it would be very important to ensure that organization puts in place strategic measures, which will ensure that it is able to promote its products and service to its large target audience. The overall engagement in this case creates a detailed environment where it would be possible for the organization to improve its overall engagement in the market. Promotion in this case is done through media and online platforms. The target population for the company includes young people who are highly engaged in social media and thus significant focus on this consideration will create a clear environment where the company will be highly engaged.

Marketing research

The key marketing research type that will be considered in this case will be five step marketing research. This type of research focuses specifically on a gap within the market which the company can devise a mechanism on how to exploit the gap through proper consideration of market opinion. Analyzing customer suggestions plays a key role in ensuring that an

organization is only developed based on crucial understanding on what needs to be considered within organizational environment(Lefebvre, 2013).

Exploiting the gaps in the market must be well informed by effective market analysis, which puts into consideration important factors, which can be effectively engaged to provide a clear operational environment. Understanding the market is a key aspect to any organization. Starbucks has effectively focused on customer challenges in the market to ensure that it develops a close-knit target market where it can be able to satisfy fully through delivery of a wide range of products within the industry. Expanding service delivery should be based on effective market research technique which plays a key role in seeking to solve a given issues in the market.

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