State University of Trade and Economics
Hotel and Restaurant Business Department

QUALIFYING PAPER

on the topic:

«MARKETING STRATEGY OF THE RESTAURANT CHAIN ON THE INTERNATIONAL MARKET OF SERVICES»

Student of the 2nd year, group 12am,
educational degree «Master»
specialty 241« Hotel and Restaurant Business »
educational programme
«International Hotel and Restaurant Business »

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Kyiv 2024

State University of Trade and Economics
Faculty of Business Technologies
Specialization 241 «International Hotel and Restaurant Business»

Approved by

Head of the Department_____
(Margarita H. Boyko)
on _____, ____, 2023

Task
for the qualifying paper
Olshevska Maria
(last name, initials)

Topic of the qualifying paper: «Marketing strategy of the «Starbucks» cafe chain in the international market of services» .

Approved by the Rector's order from 31.10.2023 № 3875

2. **Term of submitting by a student her terminated paper:** 15.11.2024

3. **Purpose of research** is to analyze the theoretical foundations, evaluate the practical application, and develop recommendations for enhancing the marketing strategies of the Starbucks coffeehouse.

The object of research is the process of forming a marketing strategy by a coffeehouse chain.

The subject of research is theoretical, methodological and practical foundations for the implementation of a marketing strategy by a coffeehouse chain.

4. Contents of a final qualifying paper (list of all the sections and subsections).

INTRODUCTION

5. Time schedule of the paper:

№	Stages of the qualifying paper	Terms of the final qualifying paper	
		de jure	de facto
1	Choosing and approval of the qualifying paper topic	15.09.2023 - 31.10.2023	15.09.2023 - 31.10.2023
2	Preparation and approval of task for the qualifying paper	01.11.2023 - 31.12.2023	01.11.2023 - 31.12.2023
3	Writing of the 1st part of the qualifying paper	02.01.2024 - 11.05.2024	02.01.2024 - 11.05.2024
4	Defense of the 1st part of the qualifying paper in scientific adviser	13.05.2024 - 16.05.2024	13.05.2024 - 16.05.2024
5	Writing and preparation for publication of a scientific article	Till 18.05.2024	Till 18.05.2024
6	Writing and defense of the 2nd part of the qualifying paper in scientific adviser	18.05.2024 - 07.09.2024	18.05.2024 - 07.09.2024
7	Defense of the 2nd part of the qualifying paper in scientific adviser	08.09.2024 - 10.09.2024	08.09.2024 - 10.09.2024
8	Writing and defense of the 3rd part of the qualifying paper in scientific adviser	11.09.2024 - 28.10.2024	11.09.2024 - 28.10.2024
9	Registration of the qualifying work and abstract for preliminary protection in commissions	29.10.2024 - 31.10.2024	29.10.2024 - 31.10.2024
10	Presentation of qualifying paper and abstract on the department	15.11.2024	15.11.2024
11	Presentation of the qualification work to the Dean's Office for receiving a referral for an external review	17.11.2024 - 18.11.2024	17.11.2024 - 18.11.2024
12	Preparation of the qualifying paper to defense in the Examination Board	19.11.2024 - 01.12.2024	19.11.2024 - 01.12.2024
13	Defending of the qualifying paper in the Examination Board	According to the schedule	According to the schedule

6. Date of receiving the task: 10.01.2023

7. Scientific adviser of the qualifying paper _____ Margarita H. Boyko

8. Head of educational and professional program _____ Margarita H. Boyko

9. The task received by the student _____ Maria Olshevska

10. Resume of a scientific adviser of the qualifying paper:

Student Olshevska Maria has performed the qualifying paper in a timely manner, adhering to the established schedule. The work demonstrates a high level of organization and thoughtful design, meeting all required academic and formatting standards.

The chosen topic is relevant and reflects current trends and challenges in the field of international restaurant marketing.

In the first chapter, the theoretical foundation for marketing strategies was well-established through a comprehensive literature review. The student analyzed the primary objectives and tools necessary for developing marketing strategies for restaurant chains, demonstrating a strong grasp of theoretical frameworks.

In the second chapter, practical aspects of forming and applying marketing strategies were analyzed, using Starbucks as the primary case study. The company's organizational and economic structure was thoroughly examined, and its current marketing strategies were critically evaluated. Additionally, the work explored the economic and social impact of Starbucks' marketing practices, providing meaningful insights into the efficiency of these strategies in the international coffeehouse sector.

The third chapter focuses on recommendations for further development of international marketing strategies targeting Starbucks' consumer segments. The student provided a detailed exploration of modern tools, globalization, a digitalization processes, along with actionable recommendations to enha performance. The evaluation of performance indicators further reinforces the practical relevance of the proposed strategies.

The purpose of the qualifying paper was successfully achieved, and all scientific tasks set at the outset were completed effectively. The work is recommended for defense before the examination committee.

Scientific adviser of the qualifying paper_____ Margarita H. Boyko

11. Resume about a final qualifying paper research:

A final qualifying paper of the student

(Maria Olshevska)

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can be admitted to defense in the Examination Board.

Head of educational and professional program _____ Margarita H. Boyko

Head of the Department _____ Margarita H. Boyko

_____, _____, 2024

CONTENT

INTRODUCTION

Relevance of research. The modern business environment highlights the critical importance of effective marketing strategies, particularly in highly competitive sectors such as the coffeehouse industry. Companies like Starbucks operate within a dynamic market that demands continuous adaptation to global trends, changing consumer preferences, and technological advancements. Marketing strategies serve as a cornerstone for maintaining competitiveness, fostering brand loyalty, and driving sustainable growth.

Despite its global success, Starbucks faces challenges related to market saturation, fluctuating economic conditions, and the complexities of catering to diverse consumer segments worldwide. This underscores the need for robust, innovative, and adaptive marketing strategies that address these challenges while leveraging the opportunities presented by globalization and digitalization.

The scientific and practical interest in marketing strategies is evident in the extensive body of literature addressing their development and application. Scholars and practitioners such as P. Kotler, M. Porter, J. Trout, and others have explored the theoretical foundations, practical implementations, and measurable impacts of marketing strategies across industries.

Purpose of the research. The purpose of this qualification work is to comprehensively explore the theoretical, methodological, and practical aspects of marketing strategies in the coffeehouse industry, with a focus on Starbucks as a representative case study. The work aims to examine the relevance, application, and potential for enhancement of marketing strategies tailored to international consumer segments.

Objectives of the study:

To achieve this purpose, the following objectives have been established:

- Conduct a literature review to assess the relevance and evolution of marketing strategies within the restaurant and coffeehouse industries.

- Investigate the objectives and tools involved in designing effective marketing strategies for restaurant chains, emphasizing consumer engagement and brand positioning.
- Analyze Starbucks' organizational and economic structure to understand the framework supporting its marketing strategies.
- Evaluate the current marketing strategies employed by Starbucks, including product offerings, pricing policies, promotional activities, and digital tools.
- Assess the economic and social implications of Starbucks' marketing strategies, both for its business performance and the communities it serves.
- Develop recommendations for enhancing Starbucks' international marketing strategies, incorporating modern tools, globalization trends, digitalization, and innovative practices.

The object of research: is the marketing strategies employed by Starbucks Corporation within the international coffeehouse industry.

The subject of research: is the theoretical and practical components of marketing strategies, including their design, implementation, and impact on business performance and consumer engagement, with specific reference to Starbucks' global operations.

Information base of research. The research draws on a variety of sources, including regulatory and legislative documents, academic publications, monographs, and case studies on marketing strategies. Reports, press releases, and other data from Starbucks Corporation serve as primary empirical resources.

Structure and scope of work. The qualification work is structured into an introduction, three sections, conclusions, and a list of references. The general content spans 50 pages, with tables, figures, and appendices enhancing the analysis.

PART 1. THEORETICAL BASIS OF FORMATION OF A MARKETING STRATEGY IN THE RESTAURANT BUSINESS

1.1. Literature review

In today's globalized world, the success of a business is largely determined by its ability to adapt and implement effective marketing strategies. This is especially true for companies operating in the highly competitive international market, where diverse consumer behaviors and market dynamics demand customized approaches. For the restaurant industry, which hinges on both brand reputation and consumer experience, marketing strategies play a crucial role in establishing and maintaining a competitive advantage.

Marketing strategy, by definition, refers to the comprehensive plan designed by a company to promote its products or services and differentiate itself from competitors. Kotler and Keller (2016) [1] define marketing strategies as key tools that help businesses define customer needs, develop products, and position them effectively in the market. These strategies are not static; they must continuously evolve to address shifting market trends, consumer preferences, and technological advancements. For restaurant chains, these strategies are vital for expanding globally, establishing brand loyalty, and increasing market share.

On a global scale, international chains such as Starbucks have become emblematic of successful marketing strategy implementation. Starbucks' ability to cater to a wide range of cultural preferences, while maintaining a consistent global brand identity, is a testimony to the effectiveness of its marketing strategies. As described by Cavusgil and Knight (2015) [4], international businesses must balance standardization with adaptation. For example, Starbucks' core branding, which emphasizes premium quality coffee and a cozy customer experience, remains consistent across countries. Yet, the company also adapts its product offerings and marketing campaigns to local preferences, a strategy referred to as

"glocalization." This approach allows the company to penetrate diverse markets while maintaining its brand values.

The importance of implementing a marketing strategy lies not only in market penetration but also in the ability to create brand equity and customer loyalty. According to Aaker (2011), [23] brand equity refers to the value a brand gains through consumer perceptions, preferences, and loyalty. Starbucks' success in building a global brand demonstrates the effective use of strategic marketing. The company's ability to generate customer loyalty through programs such as the Starbucks Rewards loyalty program further emphasizes the significance of well-thought-out strategies in achieving long-term business success.

The role of marketing strategies in service sector success:

The role of marketing strategies in the service sector, and particularly in the food and beverage industry, has been well-documented in academic literature. Several scholars have underscored the importance of marketing strategies tailored to the restaurant industry. According to Zeithaml et al. (2018), [30] services are characterized by intangibility, variability, and perishability, making marketing in this sector uniquely challenging. The emphasis on creating an appealing brand experience is crucial for service-based businesses, where customer satisfaction is directly tied to perceived quality.

Studies show that consumer loyalty in the restaurant sector is highly influenced by the emotional connection consumers develop with a brand (Han & Hyun, 2013).[28] For Starbucks, creating a "third place" between home and work has been pivotal in establishing such connections. The brand's marketing strategy has focused on fostering community spaces where customers feel a sense of belonging. This approach aligns with the principles of experiential marketing, where businesses focus on creating memorable experiences for their consumers, rather than just promoting products (Pine & Gilmore, 2011). [31]

Furthermore, digital transformation has reshaped the way companies like Starbucks engage with their customers. Kotler et al. (2017) [2] emphasize the

growing importance of digital marketing strategies in the global market. Starbucks has leveraged social media platforms, mobile applications, and digital loyalty programs to enhance customer engagement and streamline the consumer journey. These digital innovations have not only helped the company maintain customer retention but have also allowed it to collect valuable customer data, enabling more personalized marketing efforts.

In today's globalized economy, the role of marketing strategies in the service sector extends beyond traditional customer engagement, playing a crucial part in shaping brand identity and sustaining competitive advantage. Service-driven businesses like Starbucks leverage a mix of both traditional and digital marketing approaches to establish a distinctive market presence and appeal to a broader customer base.

According to Kumar and Reinartz (2018), [15] service firms benefit from relationship marketing, which emphasizes building long-term interactions with customers. This strategy is particularly effective in the restaurant sector, where the quality of interpersonal interactions and personalized services significantly impact customer satisfaction and retention. Starbucks, for instance, has crafted a marketing strategy that revolves around relationship building, emphasizing brand reliability, customer appreciation, and community involvement. By doing so, the company has positioned itself as a trusted brand with a loyal customer following, fostering relationships that extend beyond individual transactions.

The role of cultural adaptation in global marketing:

As Starbucks expands globally, adapting marketing strategies to fit different cultural contexts becomes essential. The brand has demonstrated adaptability by tailoring its menu and atmosphere to reflect local tastes and preferences, which has proven crucial to its international success. For example, in East Asian markets, where tea consumption is deeply embedded in culture, Starbucks introduced tea-based beverages to cater to local tastes (Lee & Carter, 2019). [5] This cultural

sensitivity helps Starbucks resonate with diverse customer bases, strengthening its brand's emotional connection with consumers worldwide.

Moreover, the brand's promotional campaigns are often designed to highlight inclusivity and cultural celebration, reinforcing the sense of a welcoming community across borders. This global marketing approach aligns with the principle of glocalization, where companies maintain a consistent global brand while adapting to local demands, thus balancing brand consistency with cultural relevance (Levitt, 2017).[3] Such strategies enable service brands like Starbucks to enter new markets successfully, achieving growth without alienating local consumers.

Technology-driven personalization and customer engagement:

Technology continues to play an instrumental role in refining marketing strategies within the service sector. Starbucks has embraced data-driven personalization, using artificial intelligence and analytics to better understand consumer preferences and predict purchasing patterns. Through its mobile app, for instance, Starbucks collects data on customer orders, which it uses to tailor marketing messages, recommend products, and offer personalized rewards. This type of customer engagement fosters loyalty and enhances customer satisfaction, as individuals feel recognized and valued (Chaffey & Ellis-Chadwick, 2019). [29]

The use of mobile applications in the service industry has also proven effective for streamlining operations, especially as customers increasingly prefer digital engagement. Starbucks' mobile ordering feature, which allows customers to place orders ahead of time, has transformed the customer journey by reducing wait times and improving overall service efficiency. This technological integration demonstrates Starbucks' commitment to providing a seamless customer experience, which is a cornerstone of successful marketing in the service sector.

Sustainability and ethical marketing as differentiators:

As sustainability becomes a central consumer concern, the role of ethical marketing in the service sector has grown substantially. Many companies,

including Starbucks, have integrated sustainability-focused strategies into their marketing to appeal to socially conscious customers. By promoting its efforts to source ethically produced coffee beans, reduce waste, and support environmental initiatives, Starbucks enhances its brand image while aligning with consumer values on sustainability (Green & Peloza, 2011). [31] This ethical approach not only helps Starbucks differentiate itself in a crowded marketplace but also builds a positive brand reputation that can increase customer loyalty.

Furthermore, Starbucks' focus on ethical practices aligns with the concept of corporate social responsibility (CSR), which has gained importance in the service industry as consumers increasingly seek brands that share their values. Research suggests that CSR initiatives in marketing positively affect consumer trust and willingness to engage with brands, particularly in service-based industries where direct customer interactions are frequent (Kang & Hustvedt, 2014). [27] By incorporating sustainability into its marketing, Starbucks positions itself as a forward-thinking and socially responsible brand, thereby strengthening its appeal among eco-conscious consumers.

Community-centric marketing and brand loyalty:

Starbucks' "third place" concept underscores the importance of community-focused marketing in the service industry, where fostering a sense of belonging can lead to greater customer loyalty. This community-centric approach reflects the company's commitment to building spaces where customers can socialize, work, or relax. Through various programs, including local sponsorships and in-store events, Starbucks reinforces its position as a community hub, which helps cultivate loyal customers who view the brand as more than just a coffee provider.

Here is the diagram titled "Starbucks' Third Place Concept". It visually demonstrates how Starbucks integrates socializing, working, and relaxing to foster brand loyalty:

Figure 1.1 Starbucks' Third Place Concept

Community-focused marketing is especially effective in differentiating Starbucks from competitors, as it establishes a brand identity deeply rooted in customer experience. In addition, creating a physical and emotional “third place” strengthens brand loyalty by creating a memorable, positive association with Starbucks that goes beyond the product itself. This aligns with findings from customer experience studies, which indicate that brands focusing on community-building often see increased brand loyalty and customer satisfaction (Lemon & Verhoef, 2016). [11]

Here is the pie chart titled "Impact of Community-Centric Marketing on Brand Loyalty." It highlights the importance of community engagement, which plays a significant role in fostering brand loyalty. The chart visually breaks down how different aspects of community-focused marketing contribute to strengthening the connection between consumers and the Starbucks brand. This includes factors such as local involvement, social responsibility initiatives, and personalized customer experiences.

By demonstrating the impact of these strategies, the chart emphasizes how community-centric marketing can enhance customer retention and cultivate long-term loyalty, making it a crucial element in Starbucks' overall marketing strategy.

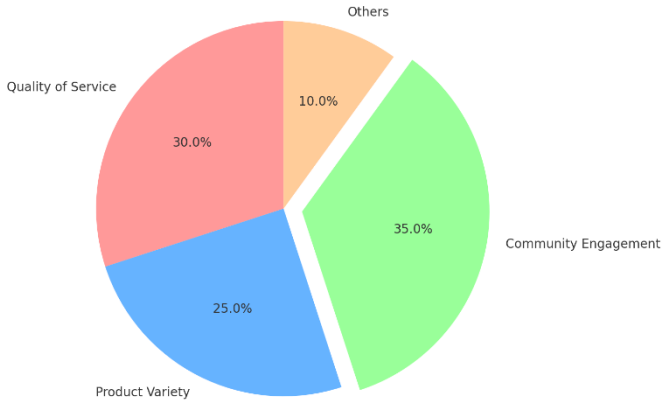

Figure 1.2. Impact of Community-Centric Marketing on Brand Loyalty

The international success of Starbucks is deeply intertwined with its ability to apply a multi-faceted marketing strategy. The company's expansion into international markets has been strategically driven by its focus on both standardization and adaptation, ensuring that it meets local market needs while preserving its core brand essence. In markets such as China, for instance, Starbucks has introduced products that cater to local tastes, such as teas and localized desserts, while simultaneously promoting the Western coffee culture experience. This ability to navigate different cultural contexts while maintaining brand consistency demonstrates the relevance and importance of a robust marketing strategy.

The relevance of marketing strategies in today's competitive global service market cannot be overstated. With the restaurant industry, particularly for international chains like Starbucks, the need to balance global and local marketing efforts is essential for sustaining growth and customer loyalty. As Porter (1980) suggests, the formulation of a competitive strategy — one that allows companies to outperform their competitors — is critical to success. Starbucks' continued expansion and dominance in the global market exemplifies the successful implementation of such strategies, underlining the critical importance of marketing in the international service sector.

1.2. Methodical tools of marketing strategy.

The formulation of an effective marketing strategy is essential for the success of any business, particularly in the restaurant industry, where competition is fierce and consumer preferences are constantly evolving. A well-crafted marketing strategy not only ensures a brand's visibility in the market but also drives customer engagement, loyalty, and long-term profitability. The main objective of creating a marketing strategy for a restaurant chain is to establish a strong, differentiated brand that resonates with target audiences and to foster a connection that converts them into loyal customers.

The objective: building brand awareness and customer loyalty:

The primary objective of a marketing strategy is to create and sustain brand awareness, ultimately leading to customer acquisition and retention. For a restaurant chain operating in multiple markets, the strategy must be comprehensive and adaptable, allowing the brand to establish a recognizable presence while addressing the unique needs of diverse customer bases.

In his work on competitive strategy, Michael Porter (1980) argues that businesses must differentiate themselves from their competitors by offering unique value to customers. For restaurant chains, this means focusing not only on the quality of food but also on the overall dining experience, ambiance, customer service, and brand image. The objective is to communicate this value proposition clearly and consistently across all marketing channels to create a lasting impression on customers. Starbucks, for example, has successfully positioned itself as a premium coffee brand that offers more than just beverages; it offers an experience that fosters community, comfort, and quality.

Furthermore, customer loyalty is a critical component of the marketing strategy objective. In the restaurant industry, where repeat business is a key driver of success, building a loyal customer base through targeted marketing efforts is essential. According to Kotler et al. (2017), customer loyalty is often achieved by

creating emotional connections with the brand, engaging customers through personalized marketing, and offering loyalty programs that reward repeat visits.

Tools for creating effective marketing strategies:

To achieve the main objectives, restaurant chains must utilize a variety of tools that enable them to create, implement, and refine their marketing strategies. These tools encompass both traditional and digital marketing approaches, data analytics, customer relationship management systems, and brand positioning techniques. Below are the key tools commonly employed in the development of marketing strategies for restaurant chains:

1. Market segmentation and targeting:

Market segmentation is a fundamental tool in the development of a marketing strategy. By dividing the market into smaller segments based on demographic, geographic, psychographic, and behavioral factors, restaurant chains can tailor their marketing efforts to specific customer groups. As noted by Kotler and Keller (2016), [1] effective market segmentation enables companies to identify their most valuable customers and develop marketing campaigns that speak directly to their needs and preferences.

For example, Starbucks has segmented its market based on age, lifestyle, and location. Its marketing campaigns are customized to resonate with millennials and working professionals in urban areas, where coffee culture is prevalent. By targeting specific segments, Starbucks can allocate its resources more efficiently and focus on the customer groups most likely to drive revenue.

2. Positioning and branding:

The way a restaurant chain positions itself in the market is critical to its success. Positioning refers to how a company wants its customers to perceive its brand relative to competitors. Strong positioning is achieved through effective branding, which involves creating a unique brand identity and communicating it consistently across all marketing channels.

Aaker (2011) [23] emphasizes the importance of brand identity in shaping consumer perceptions. For restaurant chains, branding extends beyond logos and slogans; it encompasses the entire customer experience, from menu design to interior ambiance. Starbucks, for instance, has positioned itself as a premium coffeehouse that offers a unique "third place" experience—somewhere between home and work—where customers can relax and socialize. This positioning has been reinforced through consistent branding efforts, making Starbucks a globally recognized and trusted brand.

3. Customer relationship management (CRM) systems:

Customer relationship management (CRM) systems are essential tools for maintaining customer loyalty and optimizing marketing efforts. CRM software enables restaurant chains to collect and analyze customer data, allowing them to personalize marketing campaigns, track customer preferences, and improve service quality. By leveraging data-driven insights, companies can refine their strategies to better meet customer needs. Starbucks has been at the forefront of using CRM tools to enhance customer relationships. Through its mobile app and loyalty program, the company collects valuable data on customer preferences and behaviors. This data is used to send personalized offers, recommend products, and improve the overall customer experience.

As a result, Starbucks has been able to foster stronger connections with its customers, leading to increased customer retention and lifetime value. In addition to the app and loyalty program, Starbucks integrates CRM tools to improve its in-store and online customer interactions. The company gathers detailed feedback through surveys and real-time ratings on its app, which provide insights into customer satisfaction and potential areas for improvement. This data enables Starbucks to adapt its service approach to meet the unique expectations of customers in different regions, offering a level of personalization that enhances customer loyalty.

Furthermore, Starbucks utilizes CRM data to optimize inventory management and operational efficiency. By analyzing trends in purchasing patterns, Starbucks can forecast demand for specific products, ensuring popular items remain stocked. This proactive approach reduces waste and maximizes profitability, as inventory aligns closely with customer preferences.

A crucial aspect of Starbucks' CRM strategy is its integration of artificial intelligence (AI) and machine learning (ML). The Starbucks app, powered by AI-driven algorithms, tailors recommendations to individual users based on their historical orders and predicted preferences. For example, during seasonal promotions, Starbucks can present personalized drink options that align with a customer's tastes, enhancing the relevance of each marketing touchpoint. AI tools also enable Starbucks to refine pricing strategies and develop targeted discounts for customers who may be price-sensitive, thus increasing conversion rates while maintaining profitability.

Additionally, Starbucks leverages social CRM practices by actively engaging with customers across social media platforms. By monitoring feedback and engaging in direct interactions on channels like Twitter, Instagram, and Facebook, Starbucks builds a dynamic relationship with its customers. The brand's response to customer feedback, whether in response to complaints or praise, demonstrates its commitment to customer satisfaction and helps build a positive public image. This engagement reinforces customer loyalty by allowing patrons to feel heard and valued.

Starbucks' CRM strategy also incorporates data protection and compliance with privacy standards, which are essential in today's digital landscape. Given the sensitivity surrounding customer data, Starbucks invests in secure CRM infrastructures that comply with data protection regulations, such as the General Data Protection Regulation (GDPR). By prioritizing customer data privacy, Starbucks reinforces trust with its clientele, ensuring that personal information is handled with integrity and transparency.

Overall, Starbucks' innovative use of CRM systems showcases the potential of digital tools to not only strengthen customer relationships but also to drive sustained growth through enhanced personalization, operational efficiency, and adaptive strategies. In an industry as competitive as the café sector, Starbucks' approach to CRM sets a high standard, underscoring the importance of customer-centered technology for achieving long-term success.

4. Digital marketing and social media:

In today's digital age, the use of online marketing tools is indispensable for restaurant chains looking to expand their reach and engage with customers. Digital marketing includes various strategies such as search engine optimization (SEO), social media marketing, content marketing, email marketing, and paid advertising.

Social media platforms like Instagram, Facebook, and Twitter are powerful tools for restaurant chains to engage with customers in real time. Starbucks has successfully leveraged social media to enhance brand engagement by sharing visually appealing content, promoting new products, and encouraging user-generated content through hashtags and social campaigns. This approach not only strengthens brand visibility but also creates a sense of community among its followers.

5. Data analytics and performance measurement:

Data analytics is a vital tool for refining marketing strategies and measuring their effectiveness. By analyzing data from sales, customer feedback, social media interactions, and website traffic, restaurant chains can gain valuable insights into the performance of their marketing efforts. This allows them to adjust their strategies in real time to better align with customer needs and market trends.

Starbucks, for example, continuously analyzes data from its mobile app, loyalty program, and in-store sales to identify trends and optimize its marketing campaigns. By tracking key performance indicators (KPIs) such as customer acquisition cost (CAC), customer lifetime value (CLV), and return on marketing

investment (ROMI), Starbucks can refine its strategies to maximize efficiency and impact.

6. Experiential marketing:

Experiential marketing is an approach that focuses on creating memorable experiences for customers, making them active participants in the brand's story. This tool is particularly effective in the restaurant industry, where the customer experience extends beyond the product to include the atmosphere, service, and emotional connection to the brand.

Starbucks has excelled in experiential marketing by transforming its stores into more than just places to purchase coffee. Each store is meticulously designed to serve as an inviting space where customers can relax, work, or socialize, catering to diverse consumer needs and lifestyles. Comfortable seating, soothing music, free Wi-Fi, and thoughtful interior design create an atmosphere that fosters a sense of community and belonging. This approach goes beyond the product itself, positioning Starbucks as a hub for meaningful experiences rather than a mere transaction.

The company's focus on cultivating a unique and welcoming environment has been a key factor in building strong brand loyalty and encouraging repeat visits, effectively differentiating it from competitors. By providing a consistent and high-quality experience across its global locations, Starbucks has established itself as a leader in creating emotional connections with its customers.

This strategic emphasis aligns closely with Pine and Gilmore's (2011) [17] concept of the "experience economy," which argues that businesses offering memorable and engaging experiences hold a competitive advantage. In this framework, success is driven by the ability to blend products and services into immersive customer experiences that resonate on a personal level. Starbucks exemplifies this principle, leveraging experiential marketing to strengthen its brand identity and achieve long-term growth.

Table 1.1

Summarized chart about tools for creating effective marketing strategies, particularly within the restaurant chain industry

Tool	Description	Example (Starbucks)
1. Market Segmentation & Targeting	Dividing the market into segments (demographic, geographic, psychographic, behavioral) to focus efforts on specific customer groups.	Starbucks targets millennials and urban professionals, customizing campaigns for coffee culture enthusiasts in city areas.
2. Positioning & Branding	Creating a unique brand identity and positioning relative to competitors. Extends to the entire customer experience, from menu to ambiance.	Positioned as a premium coffeehouse offering a "third place" between home and work, with consistent branding.
3. CRM Systems	Tools for collecting and analyzing customer data to personalize campaigns, track preferences, and enhance service quality. CRM includes AI, loyalty programs, and feedback systems.	Starbucks uses its app and loyalty program to personalize offers, recommend products, optimize inventory, and enhance customer engagement. AI tailors user recommendations, and social CRM ensures active customer interaction across platforms.
4. Digital Marketing & Social Media	Online tools like SEO, social media marketing, content marketing, and email marketing to expand reach and engage	Engages on Instagram and Facebook with visual content, user-generated hashtags, and promotions, fostering community and

	in real-time.	enhancing visibility.
5. Data Analytics & Performance Measurement	Analyzing sales, feedback, and KPIs (e.g., CAC, CLV, ROMI) to refine strategies and measure their effectiveness.	Starbucks evaluates data from its app, loyalty program, and in-store sales to optimize campaigns and track marketing ROI.
6. Experiential Marketing	Focuses on creating memorable experiences, turning customers into active participants in the brand story. Includes atmosphere and emotional connections.	Starbucks designs inviting stores for relaxation and socialization, aligning with the "experience economy" concept to foster loyalty.

Source: compiled by the author [19]

This table provides a concise overview of tools and strategies tailored for developing effective marketing initiatives within the restaurant chain industry. Using Starbucks as a reference, it highlights approaches such as leveraging data analytics for customer insights, employing social media for brand engagement, and implementing loyalty programs to foster customer retention. These tools not only enhance brand visibility but also strengthen connections with the target audience, driving long-term success in a competitive market.

PART 2 PRACTICAL ASPECTS OF FORMING AND APPLYING MARKETING STRATEGIES AT «STARBUCKS»

2.1. Evaluation of the economic activity of «Starbucks»

The success of Starbucks as an international brand is deeply rooted in its robust organizational and economic structure, which has enabled the company to maintain a consistent presence across global markets while adapting to regional demands. Understanding the organizational structure of Starbucks is key to comprehending how the company has scaled its operations and maintained profitability. This chapter explores the hierarchical, functional, and economic elements of Starbucks' organizational model and how these structures contribute to its success.

Overview of Starbucks' organizational structure:

Starbucks operates under a matrix organizational structure that combines elements of functional and divisional models. This hybrid structure allows for flexibility, collaboration, and efficiency in managing a large and geographically dispersed workforce. The matrix structure is designed to enable the company to respond to local market demands while adhering to its global brand standards.

a) Functional structure:

At the core of Starbucks' organizational model is the functional structure, which divides the company into different departments based on areas of expertise. These functions include:

- **Marketing and Sales**
- **Supply Chain Management**
- **Human Resources**
- **Finance**
- **Research and Development**

Each department is responsible for specialized tasks that contribute to the company’s overall strategic goals. For instance, the marketing and sales

department is in charge of brand promotion, customer engagement, and pricing strategies, while the supply chain department oversees the procurement of raw materials and the logistics of product delivery. The functional structure ensures that Starbucks operates efficiently by leveraging the expertise of its specialized teams.

b) Divisional structure:

In addition to its functional departments, Starbucks operates with a divisional structure that categorizes its operations based on geographic regions and product lines. The company is divided into three main geographic divisions:

- **North America**
- **China/Asia-Pacific (CAP)**
- **Europe, Middle East, and Africa (EMEA)**

These geographic divisions are responsible for managing Starbucks' operations within their respective regions. Each division has its own management team, which is tasked with overseeing store operations, marketing initiatives, and regional strategies. This divisional approach allows Starbucks to customize its offerings to cater to the tastes and preferences of customers in different regions. For example, Starbucks in China offers a variety of tea-based drinks that are specifically designed for the local market, while stores in the United States emphasize coffee-centric products.

The combination of functional and divisional structures creates a matrix that allows for both centralized control and localized decision-making. This hybrid model enables Starbucks to benefit from economies of scale while remaining agile enough to adapt to market-specific trends. By integrating global oversight with regional autonomy, Starbucks ensures consistent brand standards while effectively addressing the unique preferences and challenges of diverse consumer markets.

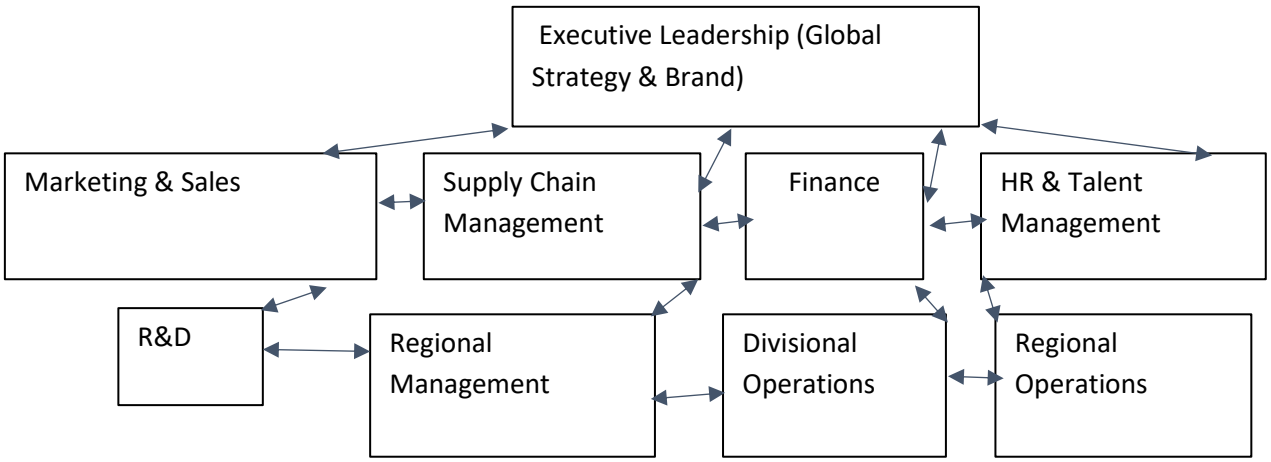

Figure 2.1 The combination of functional and divisional structures of Starbucks

Figure breakdown:

1. Top Level:

- At the top, there will be a central **Executive Leadership** that oversees the entire Starbucks organization, ensuring alignment with the global strategy and brand standards.

2. Functional Structure: these are departments or teams, each with specialized expertise. Each functional department is responsible for core business functions and contributes to the overall strategic goals.

- **Marketing & Sales**: manages brand promotion, customer engagement, and pricing strategies.
- **Supply chain management**: oversees procurement and product delivery logistics.
- **Human resources**: responsible for talent management, employee engagement, and organizational culture.
- **Finance**: manages financial planning, reporting, and budgeting.

3. Divisional Aspect (Geographical Regions/Divisions): since Starbucks is a global company with diverse markets, it would also have geographical divisions or regions (North America, Europe, Asia Pacific, etc.) that report to the central leadership team. Each region is likely to have regional leaders who manage

operations, sales, and market-specific needs while still adhering to Starbucks' global standards.

Organizational hierarchy at Starbucks:

Starbucks employs a relatively flat organizational hierarchy, which promotes communication and collaboration across different levels of the company. The company's leadership structure consists of the following key positions:

- **Chief Executive Officer (CEO)**: the CEO is responsible for the overall management and strategic direction of the company. Howard Schultz, who played a pivotal role in transforming Starbucks into a global brand, has served as both CEO and chairman of the board. As of 2022, Laxman Narasimhan took over the role of CEO, continuing to steer the company's growth.
- **Chief Financial Officer (CFO)**: the CFO oversees Starbucks' financial strategies, including budgeting, forecasting, and investment planning. This role is critical to ensuring that the company maintains its profitability while expanding its global footprint.
- **Chief Operating Officer (COO)**: the COO is in charge of day-to-day operations, including store management, supply chain logistics, and human resources. This position ensures that Starbucks' global operations run smoothly and efficiently.
- **Regional Vice Presidents**: these executives manage the company's operations within their assigned geographic regions. They are responsible for implementing corporate strategies, managing store performance, and ensuring that regional operations align with Starbucks' global goals. Their role involves implementing corporate strategies that are aligned with the company's overall objectives while tailoring these strategies to meet the unique needs of their specific regions. They are accountable for managing store performance, ensuring that each location meets operational standards, drives revenue growth, and maintains customer satisfaction. Additionally, Regional Vice Presidents work closely with local teams to monitor market trends, understand regional consumer preferences,

and adapt marketing initiatives accordingly. They also play a crucial role in ensuring that regional operations are consistent with Starbucks' global brand values, sustainability efforts, and corporate social responsibility goals.

This hierarchical structure is designed to support the company's matrix organizational model, ensuring that decisions made at the top level are effectively communicated and implemented throughout the organization.

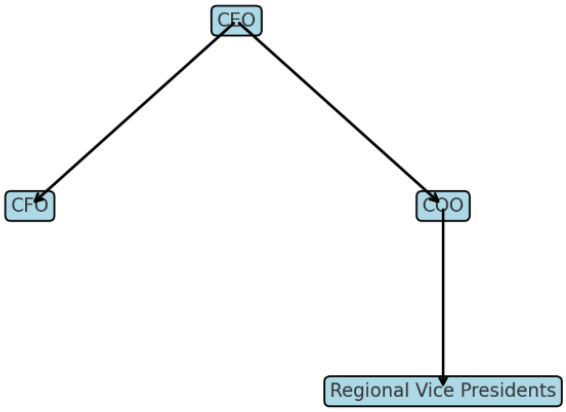

Figure 2.2 hierarchical structure of Starbucks

Starbucks' economic structure:

The economic structure of Starbucks is built on a combination of revenue streams, including the sale of premium coffee, food items, merchandise, and licensed products. The company's ability to generate revenue from multiple sources contributes to its financial stability and allows it to weather economic fluctuations in individual markets.

a) Revenue breakdown:

Starbucks' primary revenue source is the sale of beverages, which accounts for approximately 60% of its total revenue. This includes both coffee and non-coffee beverages, such as teas and refreshers. In addition to beverage sales, the company generates revenue from:

- **Food sales**: Starbucks offers a wide variety of food items, including pastries, sandwiches, and salads. These products complement the company's beverages and contribute to increased customer spending.
- **Merchandise sales**: Starbucks sells branded merchandise such as mugs, tumblers, and coffee beans, which serve as an additional revenue stream. The sale of packaged coffee and tea products in grocery stores further extends the company's reach beyond its cafes.
- **Licensing and royalties**: In some markets, Starbucks licenses its brand to third-party operators, allowing for expansion without the need for direct investment in new stores. The company earns royalties from these licensing agreements, adding to its revenue.

This diverse economic structure enables Starbucks to sustain growth in both its core business of selling coffee and its ancillary revenue streams, ensuring financial resilience.

b) Cost structure and profitability:

Starbucks' cost structure is largely driven by its supply chain, which involves sourcing premium coffee beans from around the world. The company has established direct relationships with coffee growers in regions such as Latin America, Africa, and Asia, ensuring a steady supply of high-quality beans. Starbucks also invests in sustainable farming practices, which not only align with the company's corporate social responsibility goals but also help manage costs over the long term.

Other key cost drivers include:

- **Labor costs**: As a labor-intensive business, Starbucks incurs significant expenses related to employee wages, benefits, and training. The company is known for its commitment to offering competitive wages and comprehensive benefits packages, including healthcare and stock options for full-time employees.

- **Operational costs**: These include rent, utilities, and maintenance for Starbucks' stores. The company strategically selects store locations to maximize foot traffic and ensure profitability.
- **Marketing and advertising**: Starbucks invests heavily in marketing campaigns that reinforce its brand identity and promote new products. The company's marketing budget is focused on digital platforms, including social media and mobile apps, allowing for targeted and cost-effective campaigns.

Despite its high operating costs, Starbucks maintains strong profitability due to its premium pricing strategy and its ability to drive high sales volumes. The company's focus on creating a unique customer experience, coupled with its diversified revenue streams, has allowed it to achieve consistent financial success.

Global expansion and franchising model:

Starbucks' organizational and economic structure is also shaped by its approach to global expansion. Unlike many other restaurant chains, Starbucks primarily operates company-owned stores rather than franchised locations. This approach allows the company to maintain control over its brand and ensure consistency in the customer experience across different markets.

However, in certain regions, especially in Europe and Asia, Starbucks has strategically adopted a franchising model to accelerate its expansion and tap into new markets more effectively. In these areas, Starbucks partners with local operators who take on the responsibility of managing the day-to-day operations of the stores, including staffing, inventory, and customer service. This approach allows Starbucks to leverage the local knowledge and expertise of its franchise partners, who have a better understanding of regional market dynamics, consumer preferences, and cultural nuances. To maintain consistency with its global brand, Starbucks provides these franchisees with comprehensive training and ongoing support. This includes guidance on store design, employee training, product offerings, and customer service standards, ensuring that each location upholds the company's high-quality standards. In return, franchisees benefit from Starbucks'

established brand recognition, marketing resources, and supply chain infrastructure, making it a mutually beneficial arrangement for both parties.

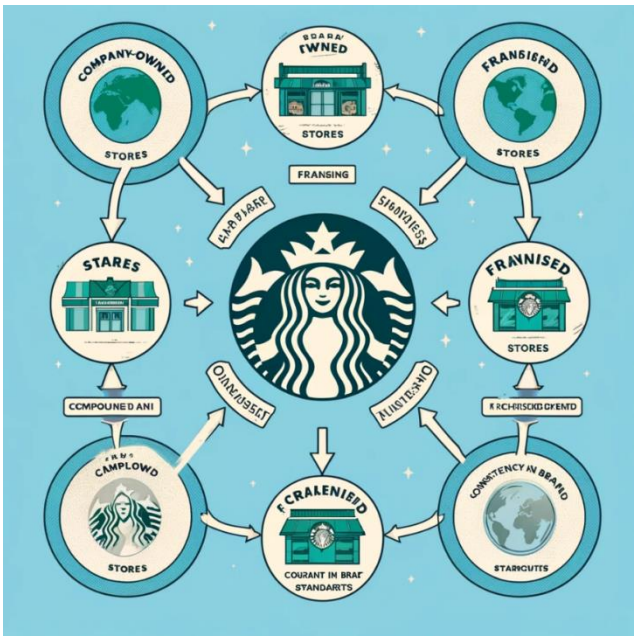

Figure 2.3 Starbucks' global expansion and franchising model

The franchising model allows Starbucks to expand rapidly in new markets without incurring the high costs associated with opening company-owned stores. It also provides the company with a steady stream of revenue through licensing fees and royalties. As a result, Starbucks has been able to achieve global scale while maintaining financial flexibility.

2.2. Factors affecting marketing strategy of «Starbucks»

As a global leader in the coffee industry, Starbucks has built a robust and dynamic marketing strategy that enables it to maintain brand loyalty while expanding its market presence across different regions. The company employs a blend of digital innovation, personalized customer engagement, and socially responsible branding to stay competitive and relevant in an evolving marketplace. This section delves into the key marketing strategies that Starbucks currently employs to enhance its brand, grow its customer base, and sustain its market leadership.

Brand differentiation and premium positioning:

Starbucks' marketing strategy revolves around the concept of brand differentiation. The company positions itself as a premium brand that offers not just coffee but a lifestyle and experience. This strategy is reflected in Starbucks' high-quality product offerings, the design of its stores, and its focus on customer service.

a) High-quality products:

One of Starbucks' core strategies is its commitment to offering premium products. The company sources only the highest quality Arabica coffee beans, and its rigorous attention to sustainability and ethical sourcing further enhances its brand value. Starbucks promotes its coffee as an artisanal product, often introducing specialty blends and limited-time offerings to create excitement and exclusivity around its beverages. By emphasizing quality, Starbucks is able to command premium prices, differentiating itself from competitors in a crowded market.

b) The Starbucks experience:

Another key element of Starbucks' brand differentiation strategy is the in-store experience it offers. Starbucks positions its stores as "third places"—spaces between home and work where customers can relax, meet with friends, or conduct business. The company's store design, which typically features cozy seating, soft lighting, and Wi-Fi access, contributes to the overall ambiance. Starbucks has successfully marketed its cafés as inviting and comfortable, encouraging customers to spend time in the stores, which increases brand loyalty and customer engagement.

By focusing on both product quality and the customer experience, Starbucks has built a brand that appeals to a wide audience, particularly urban professionals and millennials, who are willing to pay a premium for convenience, quality, and comfort.

Digital marketing and personalization:

Starbucks has embraced digital marketing as a core part of its strategy, leveraging technology to enhance the customer experience and build deeper relationships with consumers. Two key elements of this approach are the Starbucks mobile app and personalized marketing campaigns.

a) Starbucks Mobile App:

The Starbucks mobile app has been a critical tool for driving customer engagement and boosting sales. The app allows users to place orders, pay, and collect rewards points, all from their smartphones. This convenient feature has proven particularly effective in attracting tech-savvy customers who value speed and efficiency. In addition to making the ordering process seamless, the app collects data on customer preferences, which Starbucks uses to personalize marketing messages and product recommendations.

b) Loyalty program:

The Starbucks Rewards loyalty program, integrated into the mobile app, is another key driver of customer retention. Through this program, customers earn points, or "Stars," with every purchase, which they can redeem for free drinks or food items. The loyalty program not only encourages repeat business but also allows Starbucks to gather valuable customer data, which the company uses to tailor marketing campaigns. For example, through targeted push notifications, Starbucks can offer personalized promotions based on a customer's purchasing history, thereby increasing engagement and sales.

c) Social media and Content Marketing:

Starbucks is highly active on social media platforms such as Instagram, Twitter, and Facebook, where it regularly engages with its audience. The company uses these platforms to share content related to new products, promotions, and corporate social responsibility (CSR) initiatives. Starbucks' social media strategy focuses on storytelling, highlighting the brand's community involvement, sustainability efforts, and customer experiences. The use of visually appealing posts and

interactive campaigns has helped Starbucks maintain a strong digital presence and foster a loyal online community.

Emphasis on sustainability and social responsibility:

In recent years, Starbucks has increasingly focused on marketing itself as a socially responsible brand. This strategy aligns with the growing consumer demand for ethical and sustainable business practices. Starbucks integrates its CSR initiatives into its marketing campaigns to build a positive brand image and strengthen customer loyalty.

a) Ethical sourcing and sustainability:

Starbucks has long been committed to ethical sourcing, particularly in its coffee supply chain. The company's Coffee and Farmer Equity (C.A.F.E.) Practices are designed to ensure that Starbucks sources coffee beans in a socially and environmentally responsible way. Starbucks promotes its commitment to sustainability by showcasing these initiatives in its marketing efforts, helping the company attract eco-conscious consumers. In 2020, Starbucks pledged to become resource-positive by reducing its carbon, water, and waste footprints. By incorporating sustainability into its brand message, Starbucks appeals to consumers who prioritize environmental stewardship.

b) Community engagement:

Starbucks also emphasizes its role as a positive force in the communities where it operates. The company regularly engages in charitable activities, such as supporting local non-profits and donating to causes like education and disaster relief. Starbucks' community-focused initiatives are often highlighted in marketing campaigns, further enhancing the company's reputation as a socially responsible brand.

For instance, Starbucks' "Year of Good" campaign encouraged customers to perform acts of kindness and share their stories on social media, with the company pledging to donate to charitable causes on behalf of its customers. Such campaigns

not only drive positive brand sentiment but also help Starbucks connect with customers on a more personal and emotional level.

Globalization and localized marketing:

Starbucks has a presence in over 80 countries, making global expansion a key component of its marketing strategy. However, the company recognizes that what works in one market may not necessarily work in another. As a result, Starbucks tailors its marketing strategies to fit local preferences while maintaining its global brand identity.

a) Adaptation to local markets:

In each new market, Starbucks carefully studies local consumer behavior and adjusts its product offerings and marketing messages accordingly. For example, in Japan and China, tea-based drinks are more popular, so Starbucks introduced beverages that cater to local tastes. Similarly, the company has modified its menu in Middle Eastern markets to offer more local flavors and even adjusted the design of its stores to align with cultural preferences. By blending global standards with local tastes, Starbucks is able to resonate with diverse customer bases while staying true to its core brand.

b) Strategic partnerships and alliances:

Starbucks also relies on strategic partnerships to enter and thrive in new markets. For instance, in China, Starbucks partnered with Alibaba to enhance its digital presence and delivery services. By collaborating with local tech giants, Starbucks was able to scale quickly and effectively in the Chinese market. The company also engages in local co-branding initiatives, often collaborating with other companies or local artists to appeal to regional audiences.

Product innovation and seasonal promotions:

Product innovation is a cornerstone of Starbucks' marketing strategy. The company consistently introduces new beverages and food items, keeping its offerings fresh and appealing. Limited-time seasonal promotions, such as the

popular Pumpkin Spice Latte, create excitement and urgency among customers, encouraging them to visit stores more frequently.

a) Seasonal beverages and food items:

One of the most successful marketing strategies employed by Starbucks is its use of seasonal promotions. Limited-time offerings, such as the Pumpkin Spice Latte in fall or the holiday-themed drinks in winter, generate excitement and anticipation among customers. These seasonal beverages often become social media sensations, driving engagement and increasing foot traffic to Starbucks stores.

b) Customization:

Starbucks is also known for its emphasis on product customization. The company markets its drinks as fully customizable, allowing customers to personalize their beverages to suit their tastes. This level of customization appeals to a broad range of customers and enhances the customer experience, as consumers feel that they are receiving a product tailored specifically to their preferences.

Economic and social impact

The marketing strategies of Starbucks have far-reaching effects, not only on the company's financial success but also on the economies and societies in which it operates. As a globally recognized brand, Starbucks influences local economies by creating jobs, supporting local businesses through sourcing and partnerships, and contributing to community development. Simultaneously, the company’s focus on social responsibility, sustainability, and ethical business practices has shaped social dynamics, promoting values like environmental stewardship, fair trade, and corporate citizenship.

Economic impact on local and global markets:

Starbucks' rapid expansion across international markets has a significant economic impact on both local and global scales. As a major player in the global coffee industry, Starbucks not only contributes to economic activity in its operating markets but also plays a role in shaping market dynamics through its strategies.

a) Job creation and economic stimulation:

One of the most direct economic contributions of Starbucks is job creation. The company employs hundreds of thousands of people worldwide, from baristas and store managers to corporate employees. In addition to directly employing workers, Starbucks stimulates local economies through the construction of new stores, which generates employment in construction, real estate, and ancillary services. The company's vast network of suppliers, including coffee bean producers and transportation companies, also benefits from Starbucks' expansion.

In many regions, Starbucks' presence boosts the local economy by increasing foot traffic in commercial areas, often revitalizing neighborhoods. Starbucks stores are frequently located in shopping malls, business districts, and urban centers, attracting customers and creating additional business for nearby retailers and restaurants. Furthermore, the brand's premium pricing strategy reflects a value proposition that resonates with middle- and upper-class consumers, which can have a positive economic ripple effect in certain markets.

b) Contribution to local suppliers and partnerships:

Starbucks supports local economies by partnering with regional suppliers, sourcing everything from baked goods and dairy products to coffee beans and packaging materials. By forming partnerships with local businesses, Starbucks provides opportunities for small- and medium-sized enterprises (SMEs) to grow. For example, in regions where Starbucks operates, local bakeries often supply fresh goods to the cafés, contributing to the livelihoods of local entrepreneurs.

Moreover, Starbucks' commitment to ethical sourcing practices, especially through its Coffee and Farmer Equity (C.A.F.E.) Practices, has a significant economic impact on coffee-growing regions in Latin America, Africa, and Asia. By ensuring that farmers are paid fairly and that environmentally sustainable practices are followed, Starbucks helps to uplift local agricultural economies. The company's investments in community programs, such as providing education and healthcare to farmers, also foster long-term economic growth in these regions.

Social impact and corporate social responsibility (CSR):

In addition to its economic impact, Starbucks' marketing strategies have a profound influence on society, particularly through its commitment to corporate social responsibility (CSR). Starbucks has embedded social impact into its brand identity, aligning its business goals with ethical practices and community involvement. This approach not only enhances the company's reputation but also sets an example for other corporations operating in the global service industry.

a) Ethical sourcing and fair trade:

Starbucks has positioned itself as a leader in ethical sourcing, particularly in the global coffee market. Through its C.A.F.E. Practices, Starbucks ensures that its coffee is sourced from farms that meet specific standards of social and environmental responsibility. These practices aim to improve the livelihoods of coffee farmers, promote sustainable agriculture, and ensure that workers are treated fairly. Starbucks' commitment to fair trade has a positive social impact by helping to reduce poverty and improve living standards in coffee-growing communities.

The company's influence extends beyond its direct suppliers, as it advocates for broader adoption of fair trade and sustainable practices within the global coffee industry. By promoting ethical sourcing through its marketing campaigns, Starbucks raises consumer awareness about the importance of sustainability and responsible consumption. This has contributed to a shift in consumer preferences, with more customers seeking out ethically sourced products and demanding transparency from companies.

b) Community engagement and social initiatives:

Starbucks is also deeply committed to engaging with the communities it serves. One of the company's core values is to be a "force for good," and this is reflected in its various social initiatives. Starbucks frequently participates in community service projects, supporting local causes such as education, hunger relief, and disaster recovery. The company encourages its employees to volunteer in their communities, offering paid time off for participation in charitable activities.

In addition to volunteer work, Starbucks engages in social impact initiatives that address global challenges. For example, the company has taken a strong stance on environmental issues, aiming to reduce its carbon footprint, minimize waste, and conserve water. Starbucks' "Greener Stores" initiative, which focuses on building environmentally sustainable stores, exemplifies its commitment to eco-friendly practices. The company also promotes recycling and reusable cups as part of its broader goal to reduce single-use plastics and waste.

c) Promoting diversity and inclusion:

Starbucks has made diversity and inclusion a key element of its social responsibility efforts. The company actively works to create an inclusive workplace by promoting equal opportunities, supporting underrepresented groups, and fostering a culture of respect and openness. This commitment extends to the communities Starbucks serves, as the company supports initiatives aimed at reducing racial and economic inequalities.

In its marketing campaigns, Starbucks frequently highlights its commitment to diversity. For example, the company has run campaigns celebrating LGBTQ+ rights, gender equality, and racial justice, often aligning its brand with social movements that resonate with its customer base. By integrating these values into its marketing strategy, Starbucks appeals to socially conscious consumers while contributing to positive social change.

Impact on consumer behavior:

Starbucks' marketing strategies, particularly those centered around sustainability and social responsibility, have had a profound effect on consumer behavior. By emphasizing its ethical business practices and commitment to social issues, Starbucks has successfully positioned itself as a brand that consumers can trust and feel good about supporting.

a) Rise of ethical consumerism:

One of the most notable trends influenced by Starbucks' marketing strategy is the rise of ethical consumerism. Consumers today are increasingly concerned with the

social and environmental impact of their purchasing decisions, and Starbucks has capitalized on this shift by aligning its brand with values like sustainability, fair trade, and community engagement. By doing so, Starbucks appeals to customers who are willing to pay a premium for products that align with their personal values.

The company’s transparency in its sourcing and production processes also fosters a sense of trust among consumers. Starbucks’ marketing campaigns often highlight the journey of its coffee beans from farm to cup, emphasizing the company's ethical practices and commitment to quality. This level of transparency encourages consumer loyalty and promotes long-term brand engagement.

b) Influence on competitors and the industry:

Starbucks' success in marketing itself as a socially responsible brand has also influenced competitors in the coffee industry and beyond. Many companies have adopted similar practices, integrating sustainability, ethical sourcing, and social responsibility into their business models. Starbucks has set a high standard for corporate citizenship, and its influence can be seen in the way other brands have adapted to meet changing consumer expectations.

For example, many fast-food chains and coffee companies have followed Starbucks’ lead by offering fair trade products, promoting environmental sustainability, and engaging in community service. This ripple effect demonstrates the broader social impact of Starbucks’ marketing strategies, as the company continues to shape industry standards and consumer expectations.

Starbucks operates in a dynamic environment where external factors, especially environmental and social issues, can significantly influence its business. Environmental concerns such as regulatory compliance, natural disasters in coffee-growing areas, and global warming pose challenges to its supply chain and sourcing strategies. Despite these challenges, the beverage industry’s relative stability has allowed Starbucks to adapt effectively.

Furthermore, employee motivation is central to Starbucks' success. By fostering a positive work atmosphere, Starbucks not only boosts employee satisfaction but also enhances customer experience. Staff enjoy benefits like competitive salaries, comprehensive training, and supportive management practices that emphasize respect and collaboration. For example, Starbucks' adoption of Herzberg's motivational theories highlights its commitment to addressing both 'motivators' like career development and 'hygiene' factors like work conditions.

Starbucks also faces challenges such as stress management, both at work and in employees' personal lives. Employees encounter work-related stressors, including role ambiguity and overload, particularly in busy settings. Outside of work, nonwork-related stressors like work-family conflicts and financial uncertainties further impact their morale. By recognizing these stressors, Starbucks has implemented strategies to support its staff through robust team-building, mental health awareness, and employee welfare programs.

Organizational commitment:

Organizational commitment is the desire of an employee to remain part of a company. Research findings from Starbucks highlight strong commitment among employees, particularly in three types of commitment. Affective commitment reflects employees' desire to stay because they enjoy the positive work atmosphere and friendly management. Many Starbucks employees report satisfaction with their supportive managers and pleasant work environment, making them less likely to consider leaving.

Starbucks also encourages continuance commitment, where employees remain due to an understanding of the benefits and stability that the company provides. Employees appreciate competitive salaries and benefits, even though entry-level pay may not be high. Lastly, normative commitment—a sense of loyalty due to training and professional growth—encourages employees to stay with Starbucks. Training programs not only enhance coffee-making skills but also instill a sense of gratitude toward the company.

Despite strong commitment, Starbucks employees occasionally exhibit withdrawal behaviors, such as absenteeism and cyber loafing. Addressing these behaviors can improve focus and reduce turnover. For example, meeting absentee employees individually to discuss challenges and encouraging department rotations can alleviate boredom. Limiting mobile phone usage and providing designated storage for devices during work hours may help control distractions like cyber loafing.

Enhancing task performance:

Task performance at Starbucks is supported by its strong organizational culture, training, and salary adjustments. The company offers six-level apprenticeship programs across roles like IT, finance, and barista training, which create clear paths for professional growth. Starbucks has also increased pay to boost employee morale, supporting the development of a positive work culture and reducing turnover. Their emphasis on human rights, non-discrimination, and healthcare further solidifies their commitment to employee welfare.

To continue growing in a competitive market, Starbucks could expand its value proposition. Establishing a subsidiary for budget-conscious coffee drinkers, along with drive-through and grab-and-go options, would appeal to a broader demographic. Additionally, diversifying their offerings into new areas like tea and decaffeinated coffee could capture emerging trends. Starbucks can also deepen its digital presence to enhance customer relations, considering innovations like drone-based delivery to elevate the coffee experience.

Starbucks needs to adapt to the digital age by integrating technology across its operations to stay relevant with tech-savvy employees and customers. The brand’s reputation for quality service keeps it attractive, but adding meal or dessert options could help diversify offerings and appeal to a wider audience. Expanding its international reach will support stable growth and provide Starbucks with a more resilient economic foundation.

PART 3. THE DIRECTIONS OF IMPROVEMENT MARKETING STRATEGY COFFEEHOUSE CHAIN «STARBUCKS»

3.1. Digitalization of marketing processes

In today's rapidly evolving global marketplace, the success of any multinational corporation depends on its ability to adapt to changes in consumer behavior, technological advances, and competitive pressures. Starbucks, as one of the most recognizable coffeehouse chains in the world, has continuously evolved its marketing strategies to remain competitive, particularly in the face of globalization and digitalization.

This chapter will examine the modern tools Starbucks has implemented to enhance its marketing strategies, focusing on globalization and digitalization processes. It will also provide recommendations for how the company can further refine and optimize its international marketing strategies to better target the consumer segment. As Starbucks operates in diverse markets across the globe, the company must tailor its strategies to resonate with the unique cultural, economic, and technological dynamics of each region. In doing so, it can enhance brand loyalty and sustain its position as a market leader in the coffee industry.

Globalization and its impact on Starbucks' marketing strategies:

a) Adapting to global markets:

Globalization has played a key role in Starbucks' growth, allowing the company to expand its operations beyond the U.S. into markets worldwide. To successfully penetrate these markets, Starbucks has adopted a flexible marketing approach that allows it to retain its core brand identity while also catering to local preferences.

In countries such as China, for instance, Starbucks has tailored its menu to include flavors and products that appeal to local tastes, such as green tea-flavored beverages and regionally inspired snacks. This localization strategy has enabled Starbucks to build a strong customer base in international markets while

maintaining its global appeal. As part of its globalization efforts, Starbucks also focuses on creating culturally relevant store designs and incorporating local art and design elements to reflect the communities it serves.

b) Global supply chain and ethical sourcing:

Globalization has also influenced Starbucks' supply chain operations. As a global company, Starbucks must ensure a reliable supply of coffee beans from various regions, including Latin America, Africa, and Asia. The company's ethical sourcing initiatives, such as the Coffee and Farmer Equity (C.A.F.E.) Practices, ensure that Starbucks sources its coffee beans responsibly, benefiting farmers and reducing the environmental impact of coffee production.

Ethical sourcing is central to Starbucks' brand image and marketing strategies, particularly in regions where sustainability and fair trade practices resonate with consumers. By promoting its ethical sourcing programs through marketing campaigns, Starbucks differentiates itself from competitors and reinforces its commitment to corporate social responsibility (CSR).

Digitalization and its influence on marketing strategies:

a) Leveraging digital platforms for consumer engagement:

Digitalization has transformed the way Starbucks engages with its customers. The company has fully embraced digital platforms, particularly social media, to enhance brand awareness and customer loyalty. Starbucks actively uses platforms like Instagram, Twitter, and Facebook to interact with customers, promote new products, and gather feedback. This digital presence allows Starbucks to create a direct and personalized connection with its customers, fostering a sense of community around the brand.

In addition to social media, Starbucks' mobile app has been a game-changer in terms of customer convenience and engagement. The app allows customers to place orders ahead of time, customize their drinks, and earn rewards through the Starbucks Rewards loyalty program. This level of digital integration not only enhances the customer experience but also provides Starbucks with valuable data

on customer preferences and behaviors, enabling the company to refine its marketing strategies.

b) Data Analytics and personalization:

Data-driven marketing has become a critical component of Starbucks' digital strategy. By analyzing data from its mobile app and customer interactions, Starbucks can create personalized marketing campaigns that target specific customer segments. For example, the company uses data analytics to send tailored offers to customers based on their previous purchases, location, and preferences. This level of personalization helps Starbucks build stronger relationships with its customers and increases the likelihood of repeat business.

Furthermore, Starbucks uses predictive analytics to anticipate market trends and customer needs. By leveraging big data, the company can identify emerging consumer behaviors and adjust its marketing strategies accordingly. This proactive approach allows Starbucks to stay ahead of the competition and continuously evolve its offerings to meet changing market demands.

E-commerce and omnichannel strategies:

a) Expanding the E-commerce experience:

In response to the growing trend of online shopping, Starbucks has expanded its e-commerce capabilities, allowing customers to purchase coffee, merchandise, and gift cards through its website and mobile app. This e-commerce expansion is particularly important in markets where consumers prefer the convenience of online shopping. By integrating e-commerce into its overall marketing strategy, Starbucks can reach a broader audience and increase sales outside of its physical stores.

Starbucks' e-commerce platform also offers opportunities for cross-promotion, allowing customers to discover new products and promotions that they may not encounter in-store. This seamless integration of online and offline experiences is crucial for maintaining customer engagement in an increasingly digital world.

b) Omnichannel approach:

Starbucks has successfully adopted an omnichannel marketing strategy, providing a consistent brand experience across all touchpoints, whether in-store, online, or through its mobile app. This approach ensures that customers can interact with Starbucks in a way that suits their preferences, whether they choose to order ahead through the app, visit a physical store, or make a purchase online.

By providing a unified and seamless experience across all channels, Starbucks enhances customer satisfaction and loyalty. The company's ability to integrate digital and physical experiences is a testament to its forward-thinking marketing strategies, which are crucial in today's competitive landscape.

Table 3.1

E-commerce and omnichannel strategies at Starbucks

Strategy	Key features	Benefits
Expanding E-commerce	- Online shopping for coffee, merchandise, and gift cards via website and mobile app	- Broadens audience reach - Increases sales beyond physical stores
	- Cross-promotion of new products and promotions	- Enhances customer discovery and engagement
	- Seamless integration of online and offline experiences	- Improves customer engagement in the digital world
Omnichannel Approach	- Consistent brand experience across all platforms: in-store, online, and mobile app	- Meets diverse customer preferences - Strengthens brand identity

3.2. Improvement of marketing and sales instruments

a) Enhancing sustainability and CSR initiatives:

As consumer awareness of environmental and social issues continues to grow, Starbucks should further emphasize its sustainability efforts in its marketing campaigns. While Starbucks has made significant strides in ethical sourcing and reducing its environmental footprint, there is still room for improvement in terms of waste reduction and energy efficiency.

One recommendation is for Starbucks to increase the visibility of its sustainability initiatives by launching targeted marketing campaigns that educate consumers on the company's efforts to reduce plastic waste, conserve water, and promote recycling. By aligning its brand with environmental sustainability, Starbucks can strengthen its appeal to environmentally conscious consumers, particularly in regions where sustainability is a key concern.

b) Expanding digital loyalty programs:

Starbucks' Rewards loyalty program has been a major success, but there is potential to expand its reach by offering more personalized rewards and experiences. For example, Starbucks could introduce a tiered rewards system that offers exclusive benefits to its most loyal customers, such as early access to new products, personalized drink recommendations, and VIP events.

Additionally, Starbucks could leverage artificial intelligence (AI) to enhance the personalization of its loyalty program. By using AI to analyze customer data, Starbucks can create hyper-targeted offers that are tailored to individual preferences and behaviors. This level of personalization will not only increase customer satisfaction but also drive long-term brand loyalty.

c) Leveraging emerging technologies:

As digital technologies continue to evolve, Starbucks should explore the potential of emerging technologies such as augmented reality (AR) and virtual reality (VR) to enhance the customer experience. For example, Starbucks could develop AR-powered marketing campaigns that allow customers to interact with its products in

new and innovative ways, such as virtually trying out new beverages or experiencing the coffee-making process from bean to cup.

Similarly, Starbucks could use VR to create immersive brand experiences, such as virtual tours of coffee farms or behind-the-scenes looks at the company's sustainability initiatives. These innovative approaches would not only engage customers but also differentiate Starbucks from its competitors in the increasingly crowded coffee market.

Globalization and cultural sensitivity in marketing:

a) Adapting to cultural differences:

As Starbucks continues to expand into new markets, it must remain sensitive to cultural differences that may influence consumer behavior. One recommendation is for Starbucks to conduct in-depth market research before entering new markets to ensure that its marketing strategies align with local cultural norms and preferences. By tailoring its products, promotions, and messaging to the unique needs of each market, Starbucks can build stronger connections with local consumers and avoid potential cultural missteps.

For example, Starbucks could develop region-specific marketing campaigns that celebrate local traditions and holidays, further embedding the brand in the cultural fabric of each market. This approach would not only enhance brand loyalty but also position Starbucks as a culturally relevant and socially responsible company.

b) Strengthening local partnerships:

In addition to adapting its marketing strategies to local cultures, Starbucks should also strengthen its partnerships with local businesses and organizations. By collaborating with local suppliers, artists, and community leaders, Starbucks can demonstrate its commitment to supporting local economies and fostering meaningful connections with the communities it serves.

These partnerships can be highlighted in Starbucks' marketing campaigns, reinforcing the company's reputation as a socially responsible and community-focused brand. In regions where localism is highly valued, such as Europe and

parts of Asia, these efforts can significantly enhance Starbucks' brand image and customer loyalty.

Figure 3.1 Globalization and cultural sensitivity in marketing

The analysis of Starbucks' structure provided insight into how the company's internal organization supports its global marketing efforts. Starbucks' decentralized approach allows for flexibility in local markets, while its centralized decision-making ensures that the brand maintains consistency across all regions. The company's economic structure, focused on growth and profitability, is bolstered by its strong supply chain, ethical sourcing practices, and sustainable initiatives.

The practical aspects of forming and applying marketing strategies at Starbucks are closely tied to its operational efficiency and economic resilience. Starbucks' strong organizational framework enables the company to respond quickly to market changes and consumer trends, ensuring that its marketing strategies are

both timely and relevant. Additionally, Starbucks' commitment to sustainability and social responsibility plays a crucial role in shaping its marketing campaigns and brand identity, further reinforcing the company's appeal to socially conscious consumers.

3.3. Evaluation of performance indicators marketing strategy

Starbucks' performance indicators highlight the success of its marketing strategies in driving growth, customer engagement, and brand equity. By continuously refining its approach and embracing innovation, Starbucks ensures its marketing efforts remain effective in an increasingly competitive and dynamic global market. The company's focus on sustainability, digitalization, and cultural adaptation positions it as a leader in the restaurant chain industry, setting a benchmark for effective marketing strategies.

To comprehensively assess the effectiveness of Starbucks' marketing strategies, it is essential to analyze key performance indicators (KPIs) that reflect the company's market positioning, financial success, and customer engagement. By evaluating these metrics, Starbucks can determine the impact of its strategic initiatives and identify areas for improvement.

A) Revenue growth and market share:

Starbucks' consistent revenue growth serves as a primary indicator of its marketing effectiveness. The company's ability to expand its market share across diverse regions, including both mature and emerging markets, underscores the success of its global and localized strategies. Revenue growth is influenced by several factors, including the introduction of new products, seasonal campaigns, and the expansion of loyalty programs. In particular, the Starbucks Rewards program has significantly boosted customer retention and repeat purchases, contributing to steady revenue streams.

The company’s market share in the specialty coffee sector further highlights its dominance. By leveraging data analytics and tailoring offerings to suit regional preferences, Starbucks maintains its competitive edge against global and local competitors.

B) Customer engagement and loyalty:

Customer engagement is a critical performance indicator for evaluating marketing strategies. Starbucks’ omnichannel approach—encompassing its physical stores, mobile app, and social media platforms—ensures consistent interaction with its customer base. Metrics such as mobile app downloads, active Rewards program members, and social media engagement rates (likes, shares, and comments) provide valuable insights into the effectiveness of Starbucks' campaigns.

The Starbucks Rewards program, which incentivizes loyalty through points, personalized offers, and exclusive perks, is a notable example of how the company fosters long-term relationships with its customers. By continuously refining the program through digital innovation and customer feedback, Starbucks sustains high levels of customer satisfaction and brand loyalty.

C) Brand equity and global presence:

Starbucks' brand equity, measured through consumer perception, brand awareness, and overall reputation, is a testament to its marketing success. The company consistently ranks among the top global brands, with its logo and name being synonymous with premium coffee experiences. Starbucks' focus on corporate social responsibility (CSR), ethical sourcing, and sustainability strengthens its brand image, particularly among socially conscious consumers.

Additionally, Starbucks’ ability to maintain a strong presence in international markets demonstrates the effectiveness of its localization strategies. The incorporation of regional flavors, culturally relevant promotions, and partnerships with local businesses contributes to the company’s positive reception in diverse markets.

D) Sustainability and corporate responsibility metrics:

The growing consumer focus on environmental and social issues has made sustainability a key indicator of marketing performance. Starbucks' commitment to ethical sourcing, waste reduction, and community support resonates with its target audience. Metrics such as the percentage of ethically sourced coffee, reductions in single-use plastic waste, and investments in community programs highlight the company's progress in achieving its sustainability goals.

Marketing campaigns that emphasize Starbucks' CSR initiatives not only enhance its reputation but also attract eco-conscious consumers. By integrating sustainability into its core messaging, Starbucks aligns its marketing strategy with evolving consumer values.

E) Digital metrics and technological adaptation:

In the digital age, performance indicators such as website traffic, app usage, and online sales provide critical insights into Starbucks' marketing success. The company's investment in digital tools, including its mobile app and e-commerce platform, has significantly enhanced customer convenience and engagement.

Key digital metrics include:

- **Mobile app usage rates:** indicators of customer reliance on digital ordering and payment systems.
- **E-commerce sales growth:** reflecting the effectiveness of Starbucks' online offerings.
- **Social media analytics:** measuring the reach and impact of promotional campaigns.

The use of predictive analytics and artificial intelligence (AI) also plays a role in Starbucks' ability to anticipate customer needs and deliver personalized experiences, further boosting digital performance indicators.

Starbucks uses key digital metrics to evaluate the effectiveness of its marketing strategies and customer engagement initiatives. These metrics provide valuable insights into customer behavior, preferences, and the success of various digital platforms.

Table 3.2

Starbucks key digital metrics

Key Digital Metrics	Description	Purpose
Mobile App usage rates	Measures customer reliance on digital ordering and payment systems.	Indicates the effectiveness of the mobile app in enhancing convenience and user engagement.
E-Commerce sales growth	Tracks growth in online sales through the Starbucks website and mobile app.	Reflects the effectiveness of online offerings and the digital sales strategy.
Social media analytics	Measures the reach and impact of promotional campaigns (e.g., likes, shares, and engagement rates).	Assesses customer interaction and the success of marketing campaigns on social platforms.

Commentary:

1. Mobile App usage rates serve as a benchmark for the app's functionality and customer adoption, highlighting the role of digital platforms in streamlining transactions and fostering loyalty through features like rewards.
2. E-Commerce Sales Growth demonstrates Starbucks' ability to adapt to shifting consumer preferences for online shopping, showcasing its capacity to deliver a seamless digital purchasing experience.
3. Social Media Analytics provide Starbucks with a real-time understanding of audience engagement and the effectiveness of its promotional efforts, ensuring marketing campaigns resonate with target demographics.

Recommendations for enhancing marketing performance indicators:

To further optimize its marketing strategy and improve performance indicators, Starbucks should consider the following recommendations:

- Enhancing data-driven personalization: expanding the usage of AI and machine learning to deliver more targeted and personalized marketing campaigns.
- Strengthening global-local balance: deepening localization efforts while maintaining global brand consistency to resonate more effectively with diverse audiences.
- Expanding sustainability initiatives: increasing transparency around sustainability goals and achievements to build stronger connections with environmentally conscious consumers.
- Investing in emerging technologies: leveraging augmented reality (AR) and virtual reality (VR) for innovative marketing campaigns that engage customers in new and interactive ways.
- Broadening digital outreach: enhancing the integration of digital channels to create seamless customer experiences and capture a larger online audience.

CONCLUSIONS

The comprehensive analysis of Starbucks' marketing strategies has demonstrated the critical importance of adopting and evolving global marketing approaches for international success. Throughout this qualification work, several significant insights were drawn from both theoretical and practical perspectives, highlighting the dynamic relationship between globalization, digitalization, and strategic marketing in the restaurant industry, particularly for international brands like Starbucks.

Importance and relevance of marketing strategies in the restaurant chain industry:

In the initial chapter, the relevance of marketing strategies was established, particularly in the context of a globalized market. As competition intensifies on the international stage, companies like Starbucks must develop marketing strategies that cater to diverse cultural preferences while maintaining a consistent global brand image. Literature reviews have emphasized that marketing strategies are integral to building brand loyalty, gaining market share, and maintaining competitive advantage. The study explored how Starbucks has adapted its strategies over time, adjusting to technological innovations, shifting consumer behavior, and emerging trends in sustainability.

By linking traditional marketing principles with the latest digital tools and trends, it becomes evident that companies can no longer rely solely on product quality; instead, they must leverage advanced marketing strategies that integrate consumer preferences, cultural sensitivity, and ethical considerations. Starbucks' long-standing commitment to adapting to global markets has proven that flexible and forward-thinking marketing approaches are essential for achieving long-term success in the international service market. Such strategies not only enhance brand equity but also enable businesses to remain resilient and competitive in an ever-changing global environment.

Key objectives and tools for creating effective marketing strategies:

In the second chapter, the primary objectives and tools necessary for creating successful marketing strategies in the restaurant chain industry were analyzed. For Starbucks, the key objectives of its marketing strategy include enhancing brand recognition, building customer loyalty, and expanding its market presence globally. The tools used to achieve these objectives range from digital platforms, such as social media and mobile applications, to traditional marketing efforts focused on localized promotions and partnerships with local communities.

In particular, Starbucks' innovative use of data analytics, mobile technology, and digital loyalty programs highlights the importance of integrating modern tools to create personalized and targeted marketing campaigns. The company’s ability to blend digitalization with customer engagement has positioned it as a leader in using technology to enhance the customer experience. These tools not only strengthen Starbucks' market position but also serve as key elements for other companies seeking to develop effective marketing strategies in the restaurant chain industry.

Future development and recommendations for international marketing strategies:

Finally, the last chapter outlined the future development and recommendations for Starbucks’ international marketing strategies. As the global marketplace continues to evolve, Starbucks must remain agile in adopting new tools and processes to sustain its competitive edge. The integration of modern digital tools, such as artificial intelligence, augmented reality, and personalized marketing, will be crucial for Starbucks as it continues to expand its global presence.

Moreover, Starbucks should balance global and local strategies, maintaining cultural sensitivity and strengthening local partnerships. Emphasizing sustainability and corporate social responsibility will resonate with environmentally conscious consumers and reinforce its market position.

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Appendix A

State University of Trade and Economics

Department of Hotel and Restaurant Business Management

MANAGEMENT & ADMINISTRATION GLOBAL CHALLENGES FOR THE DEVELOPMENT OF THE HOTEL AND RESTAURANT BUSINESS

Articles of master programs students

241 «Hotel and Restaurant Business»

Educational Program «International Hotel and Restaurant business»

073 «Management» Educational Program «Management and business administration in the hospitality industry»

Kyiv 2024

Continuation of Appendix A

CONTENT

Continuation of Appendix A

RESTAURANT CHAIN MARKETING STRATEGIES

student OLSHEVSKA M. Y., 2 course, 12am group, FTB SUTE,
speciality 241 «Hotel and Restaurant Business»,
educational program «International Hotel and Restaurant Business»

У цій науковій статті досліджуються ключові компоненти та стратегії, необхідні для створення ефективних маркетингових планів, орієнтованих на мережі ресторанів. Розглядаючи як традиційні, так і сучасны підходи, стаття надає уявлення про те, як такі бізнеси можуть адаптуватися до змін у поведінці споживачів і залишатися конкурентоспроможними на ринку, що постійно змінюється.

Ключові слова: *Маркетинг мережі ресторанів, Маркетингова стратегія, Поведінка споживачів, Традиційний маркетинг, Цифровий маркетинг, Конкурентна перевага, Маркетингові інструменти, Залучення клієнтів, Брендове позиціонування, Аналіз ринку.*

In this scientific article, we explore the critical components and strategies necessary for creating effective marketing plans tailored to restaurant chains. By examining both traditional and digital approaches, the article provides insights into how businesses can adapt to changing consumer behaviors and stay competitive in the evolving marketplace.

Key words: *Restaurant chain marketing, Marketing strategy, consumer behavior, Traditional marketing, Digital marketing, Competitive advantage, Marketing tools, Customer engagement, Brand positioning, Market analysis*

Actuality of the topic: in today's highly competitive restaurant industry, effective marketing strategies are crucial for building brand loyalty and expanding market reach. Leveraging digital tools, social media, and innovative customer engagement methods are essential for restaurant chains to thrive and maintain a strong presence in an ever-evolving market landscape.

The purpose of this article is to explore the key objectives and essential tools necessary for crafting successful marketing strategies within the restaurant industry. It aims to provide insights into how restaurant chains can effectively attract and retain customers through targeted marketing efforts. The article also seeks to highlight the importance of adapting to current market trends and leveraging digital platforms to enhance brand visibility and customer

engagement. Ultimately, it serves as a guide for restaurant owners and marketers looking to optimize their marketing strategies for sustained growth and competitive advantage.

The research results of this article indicate that successful marketing strategies for restaurant chains are heavily reliant on a combination of traditional and digital tools. The findings show that restaurants that implement a well-defined marketing mix, including social media engagement, personalized customer experiences, and data-driven decision-making, achieve higher customer retention and brand loyalty. Additionally, the study reveals that adapting to evolving consumer preferences and leveraging innovative technologies, such as mobile ordering and online reviews, significantly enhance a restaurant's competitive positioning. These results underscore the importance of a holistic approach to marketing that integrates both established practices and modern digital trends.

Successful marketing strategies for a restaurant chain focus on building a loyal customer base, expanding market reach, and enhancing brand identity. To achieve these objectives, a combination of traditional and digital marketing tools is essential.

Establishing a Strong Brand Identity: A compelling brand identity is the foundation of any successful restaurant chain. Starbucks serves as a prime example, where the brand goes beyond selling coffee to creating a “third place” for customers—a comfortable environment between home and work. This concept, enriched by unique store designs, a curated ambiance, and consistent quality, allows the brand to stand out in a crowded market. Establishing such a distinctive brand identity requires careful consideration of every touchpoint, from the logo and store layout to the

customer service experience. Restaurant chains that invest in creating a memorable brand are more likely to foster customer loyalty and enjoy sustained success.

Utilizing Social Media Platforms: Social media is a powerful tool for reaching and engaging with a broad audience. Platforms like Facebook, Instagram, and Twitter allow restaurants to share visually appealing content, interact with customers, and build a community around the brand. Starbucks excels in this area by leveraging social media to foster brand loyalty, promote seasonal products, and engage with customers through interactive content. By identifying and collaborating with online influencers, Starbucks amplifies its marketing efforts, ensuring a strong online presence.

Continuation of Appendix A

Additionally, social media platforms offer analytics tools that help restaurant chains track engagement, measure the success of campaigns, and refine their strategies for better results. This data-driven approach allows businesses to stay attuned to consumer trends and preferences, adapting their marketing tactics accordingly.

Engaging Customers through Loyalty Programs: Loyalty programs are a proven method for retaining customers. Starbucks' Rewards Program offers incentives for frequent purchases, encouraging repeat visits and increasing customer retention. Additionally, time-bound promotions create a sense of urgency, driving sales and enhancing customer loyalty. These programs also provide valuable data on customer preferences and purchasing behavior, enabling restaurant chains to tailor their offerings and marketing messages more effectively. The success of loyalty programs lies in their ability to create an emotional connection with customers, making them feel valued and appreciated. By consistently rewarding loyalty, restaurant chains can turn satisfied customers into brand advocates who actively promote the business to others.

Innovating with Seasonal Products and Limited-Time Offers: Introducing seasonal products and limited-time offers keeps the menu fresh and exciting. For example, Starbucks' seasonal beverages, like the Pumpkin Spice Latte, generate anticipation and drive traffic during specific times of the year. This strategy not only boosts sales but also strengthens the brand's connection with its customers. Seasonal offerings allow restaurant chains to experiment with new flavors and concepts, catering to changing consumer tastes and preferences. Moreover, the exclusivity of limited-time products creates a sense of urgency, encouraging customers to make repeat visits to experience the unique offerings. This approach can also be extended to themed events and promotions that align with holidays or cultural celebrations, further enhancing customer engagement.

Diversifying the Menu: Diversifying the menu to include items beyond the core offerings can attract new customers and increase revenue. Starbucks has successfully expanded its focus from coffee to include pastries, breakfast sandwiches, and lunch options. This approach positions the restaurant as a versatile dining destination, catering to a broader audience.

Offering a variety of food and beverage options not only meets the diverse tastes of customers but also increases the average transaction value. Additionally, menu diversification can help restaurant chains tap into new market segments, such as health-conscious consumer or

those with dietary restrictions. By continuously evolving their menu, restaurant chains can stay relevant and competitive in a dynamic market.

Leveraging Online Marketing Tools: In today's digital age, a robust online presence is also crucial. Starbucks utilizes online influencers to create engaging content that resonates with target consumers. These influencers, who have a deep understanding of their followers' preferences, help Starbucks reach new audiences and enhance brand visibility. Moreover, the brand's active engagement on social media platforms further solidifies its connection with customers.

Online marketing tools, such as search engine optimization (SEO), email marketing, and pay-per-click advertising, also play a vital role in driving traffic to a restaurant's website and increasing online orders. By integrating online and offline marketing efforts, restaurant chains can create a seamless customer experience that strengthens brand loyalty.

Optimizing Food-Ordering Apps and Online Reviews: Getting listed on major food-ordering apps and websites is vital for any restaurant chain. This increases visibility, makes it easier for customers to find the restaurant, and provides a platform for reviews and ratings, which can

significantly influence customer decisions. Positive reviews can boost a restaurant’s reputation and attract new customers, while negative reviews offer opportunities for improvement. Restaurant chains can encourage satisfied customers to leave reviews by offering incentives, such as discounts or loyalty points. Additionally, responding to reviews, whether positive or negative, demonstrates a commitment to customer satisfaction and helps build trust with potential customers.

Addressing Challenges in the Coffee Shop Industry: Coffee shop owners face significant challenges in staying in business due to intense competition and fluctuating customer preferences. Statistics show that only 54% of small businesses, including coffee shops, in the U.S. survived beyond five years. This highlights a critical issue: many coffee shop owners lack effective marketing strategies crucial for sustaining operations in the early years. To overcome these challenges, coffee shop owners must focus on differentiating their offerings, creating a unique value proposition, and leveraging targeted marketing efforts. By understanding their

target audience and staying adaptable to changing market conditions, coffee shop owners can increase their chances of long-term success.

Understanding Customer Preferences and Engagement: Customer preferences, influenced by personal tastes and extrinsic factors like branding and packaging, play a vital role in creating value and achieving competitive advantage. Unique products that stand out in the market can enhance a company's profits. Moreover, customer engagement in product development stages can bolster a company's reputation with existing customers, although it may not always attract new ones.

A study of 459 coffee consumers in Brazil identified key factors in the buying decision process, including product features, taste, coffee type, and roasting point. Packaging also plays a crucial role, acting as a "silent salesman" that conveys quality and sustainability. Effective branding and packaging strategies can create a strong emotional connection with customers, influencing their purchasing decisions and fostering brand loyalty.

Strategic Pricing and Profitability: Pricing is another critical factor in customer choice and business profitability. Effective pricing strategies, such as hybrid bundle pricing, dynamic pricing, and consumer-driven pricing, are essential. The Pay-What-You-Want (PWYW) strategy, combined with charitable giving and suggested pricing, has been shown to yield substantial revenues. The optimal pricing strategy often requires understanding customer delay sensitivity and willingness to pay, leading to competitive advantage through value-based pricing. By offering different pricing tiers and bundling options, restaurant chains can cater to a wide range of customer preferences and maximize revenue. Additionally, transparent pricing and clear communication about the value offered can enhance customer trust and loyalty.

Creating a Compelling Ambiance: Creating a compelling ambiance, or "third place," is essential for coffee shops. The third place concept emphasizes a community-centric environment where customers engage outside of work and home. Successful coffee shops like Starbucks have embraced this by training staff to create a welcoming atmosphere. In today's digital age, the expectation for a home-like environment with amenities such as free Wi-Fi has become standard.

Coffee shop owners can further enhance the customer experience by incorporating elements of local culture and community into their store designs, creating a unique and inviting atmosphere that resonates with customers.

Optimizing Physical Spaces and Enhancing Customer Experience: To attract more customers, local coffee shops should optimize physical spaces by increasing seating, providing

better internet access, and enhancing interior design. Offering a variety of non-coffee beverages and improving food quality can cater to a broader audience and increase repeat visits.

Promotional strategies such as special discounts, package deals, and targeted communication via platforms like WhatsApp can drive customer engagement. Additionally, offering diverse payment options, such as mobile wallets and contactless payments, can enhance convenience and streamline the customer experience. Operational Excellence and Location Strategy: Maintaining high service quality, offering diverse payment options, and providing adequate parking are essential operational aspects. Location selection should consider future expansion potential, ensuring sufficient space for indoor and outdoor seating, as well as parking. Restaurant chains that prioritize operational excellence and strategic location choices are better positioned to meet customer needs and achieve long-term success.

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Conclusion: A successful marketing strategy for a restaurant chain involves creating a strong brand identity, effectively utilizing social media, engaging customers through loyalty programs, and continuously innovating with seasonal products. By expanding product offerings and leveraging online marketing tools, restaurants can build a loyal customer base and thrive in a competitive market. Additionally, by focusing on operational excellence, pricing strategies, and creating a compelling customer experience, restaurant chains can ensure sustained growth and profitability in an ever-evolving industry.

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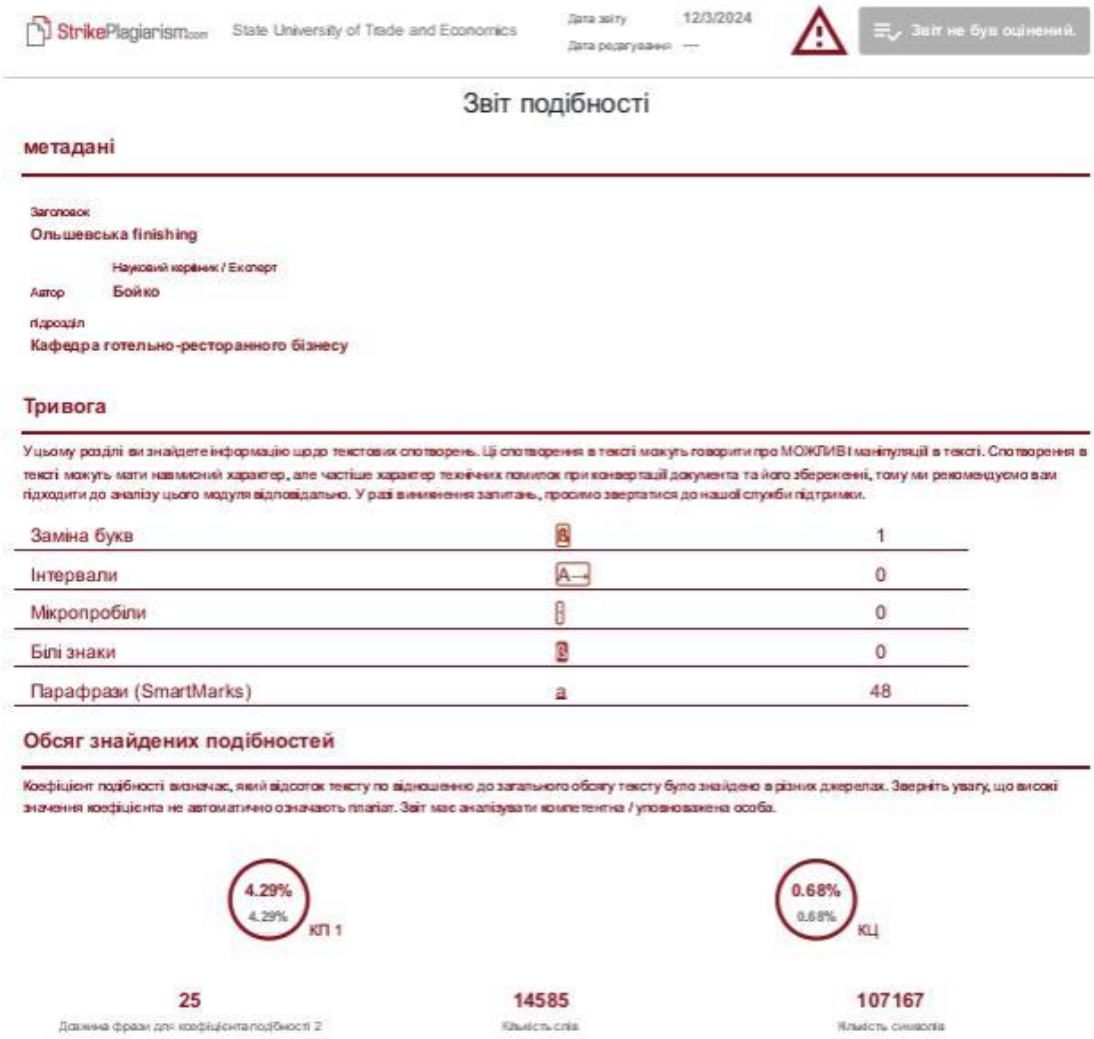
Scientific advisor: Scientific advisor: Doctor of Science (Economics), Professor BOIKO M. G.

Appendix B



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Звіт не був оцінений.

Звіт подібності

метадані

Заголовок
Ольшевська finishing

Науковий керівник / Експерт
Автор **Бойко**

підрозділ
Кафедра готельно-ресторанного бізнесу

Тривога

У цьому розділі ви знайдете інформацію щодо текстових спотворень. Ці спотворення в тексті можуть говорити про МОЖЛИВІ маніпуляції в тексті. Спотворення в тексті можуть мати навмисний характер, але частіше характер технічних помилок при конвертації документа та його збереженні, тому ми рекомендуємо вам підходити до аналізу цього модуля відповідально. У разі виникнення запитань, просимо звертатися до нашої служби підтримки.

Заміна букв	a	1
Інтервали	A	0
Мікропробіли		0
Білі знаки		0
Парафрази (SmartMarks)	a	48

Обсяг знайдених подібностей

Коефіцієнт подібності визначає, який відсоток тексту по відношенню до загального обсягу тексту було знайдено в різних джерелах. Зверніть увагу, що високі значення коефіцієнта не автоматично означають плагіат. Звіт має аналізувати компетентна / уповноважена особа.

4.29%
4.29%
КП 1

0.68%
0.68%
КЦ

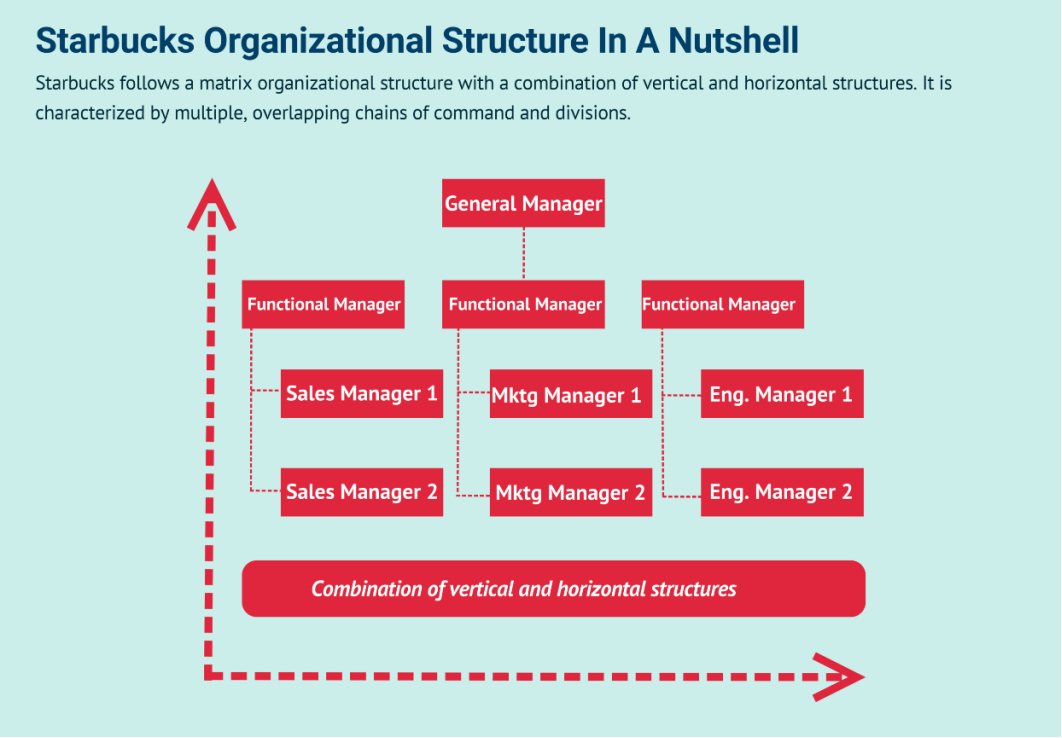
25
Довжина фрази для коефіцієнта подібності 2

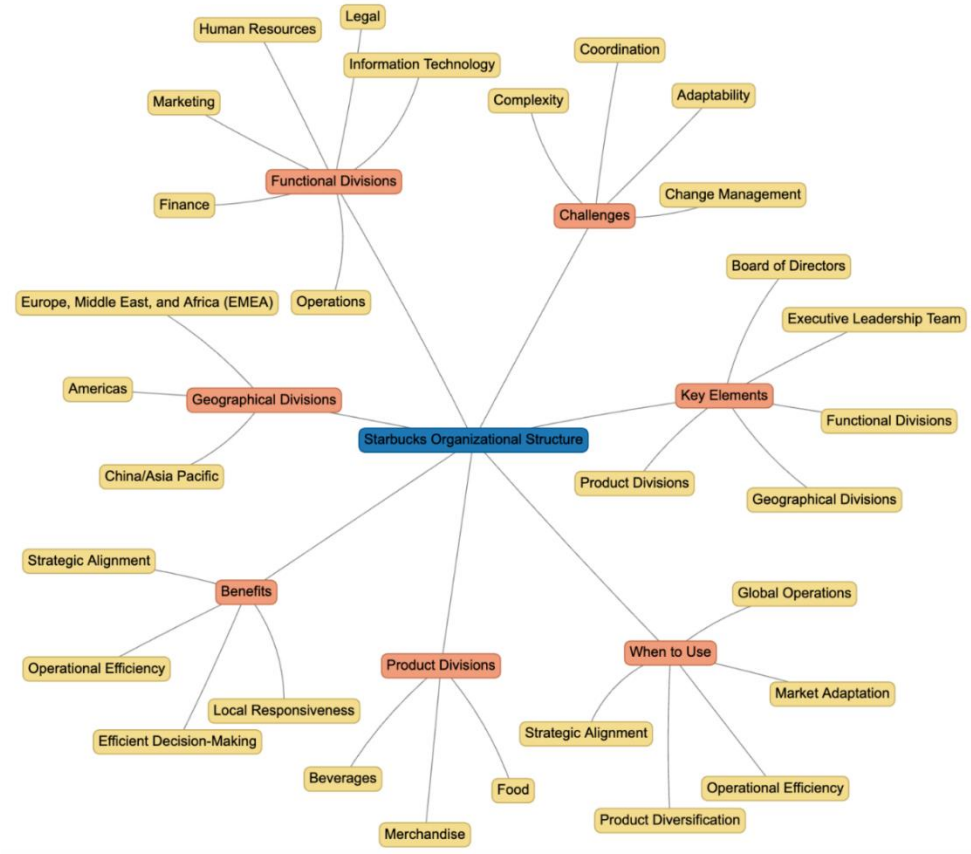
14585
Кількість слів

107167
Кількість символів

Appendix C

1) Organizational structure Tables:





Appendix D

2) SWOT Analysis:

This diagram showcasing Starbucks' strengths, weaknesses, opportunities, and threats.

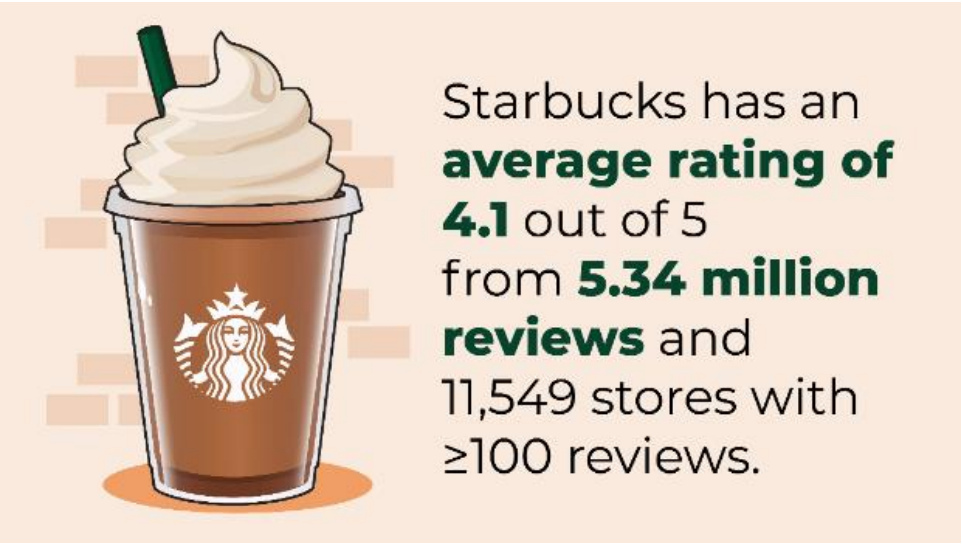
Appendix E

3) PESTEL analysis:

4) Customer Loyalty Programs:

(a visual representation of key statistics related to Starbucks' loyalty program)

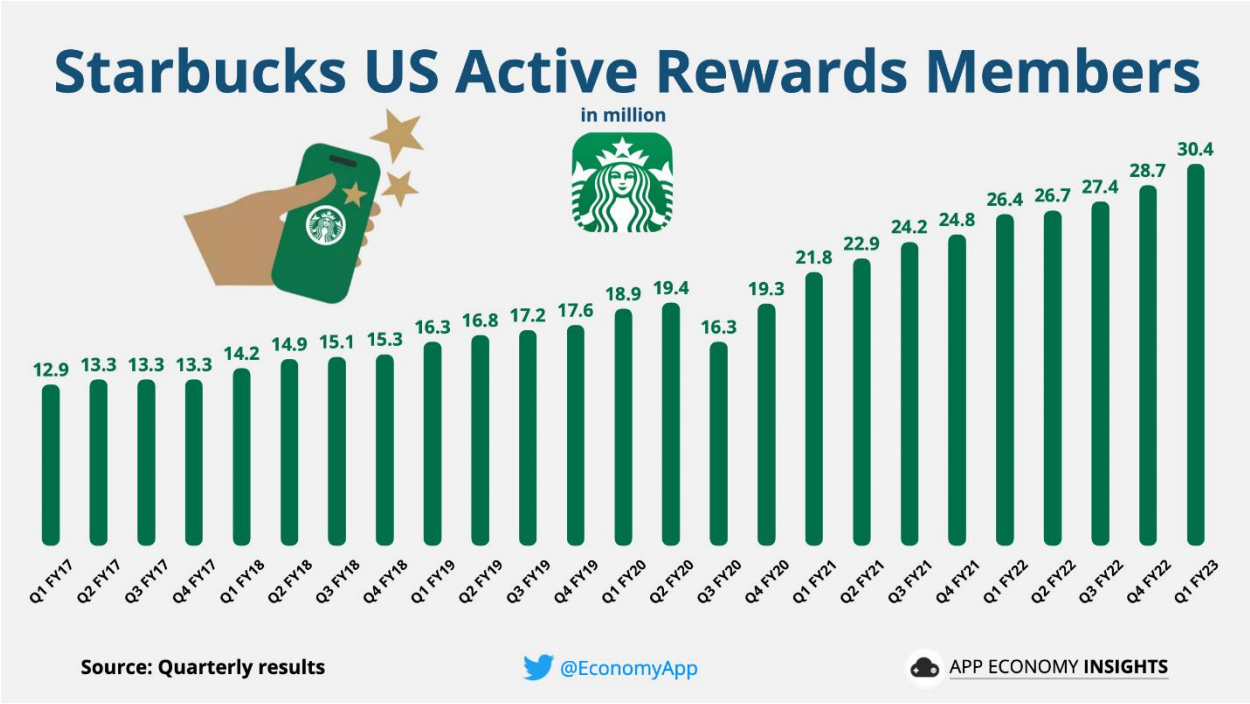
- Starbucks boasts an impressive average rating of 4.1 out of 5, based on an extensive dataset of 5.3 million reviews from 11,549 locations, each with over 100 reviews. This highlights the brand's ability to maintain a steady level of customer satisfaction and deliver reliable service and product quality.

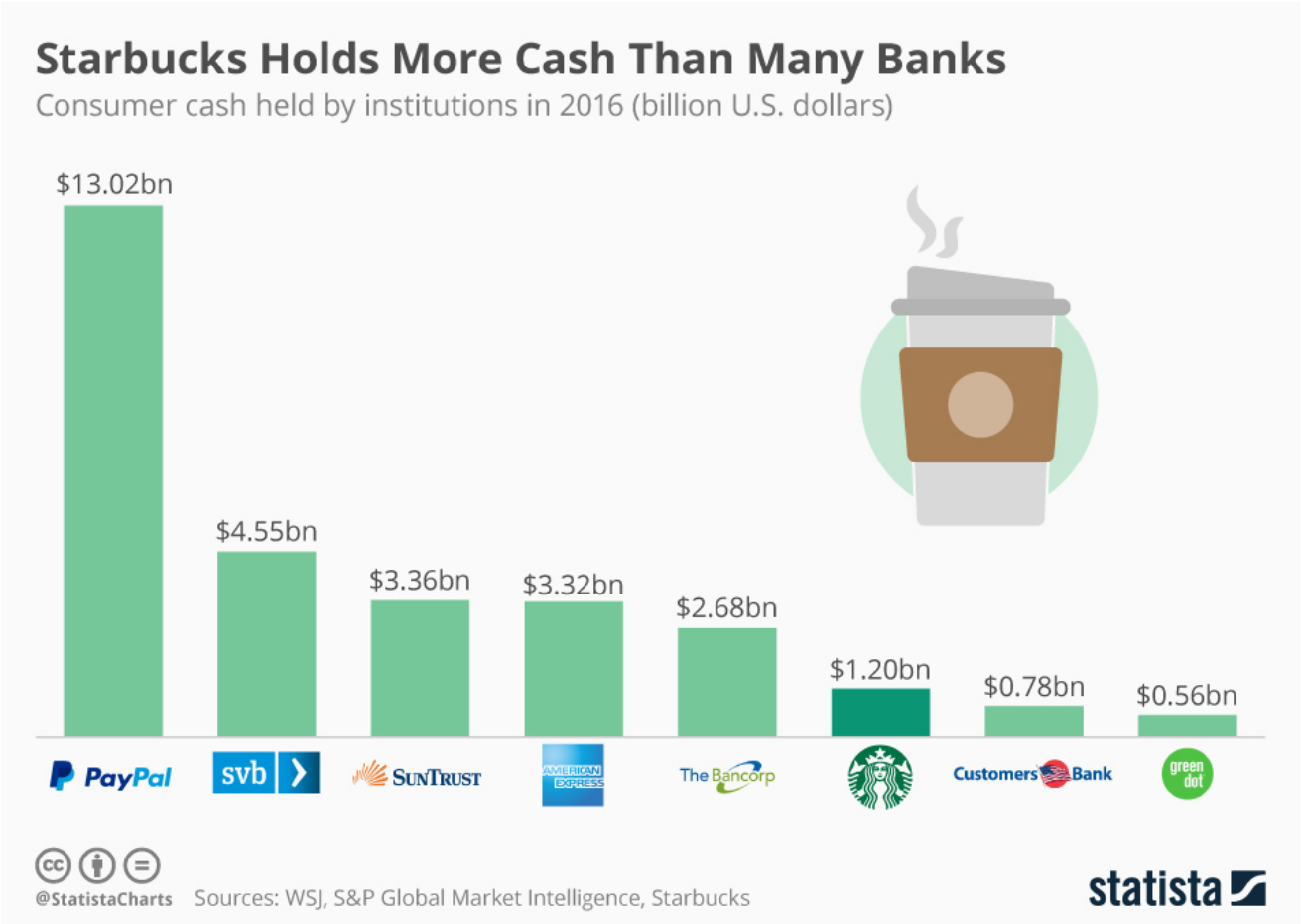


Continuation of Appendix E

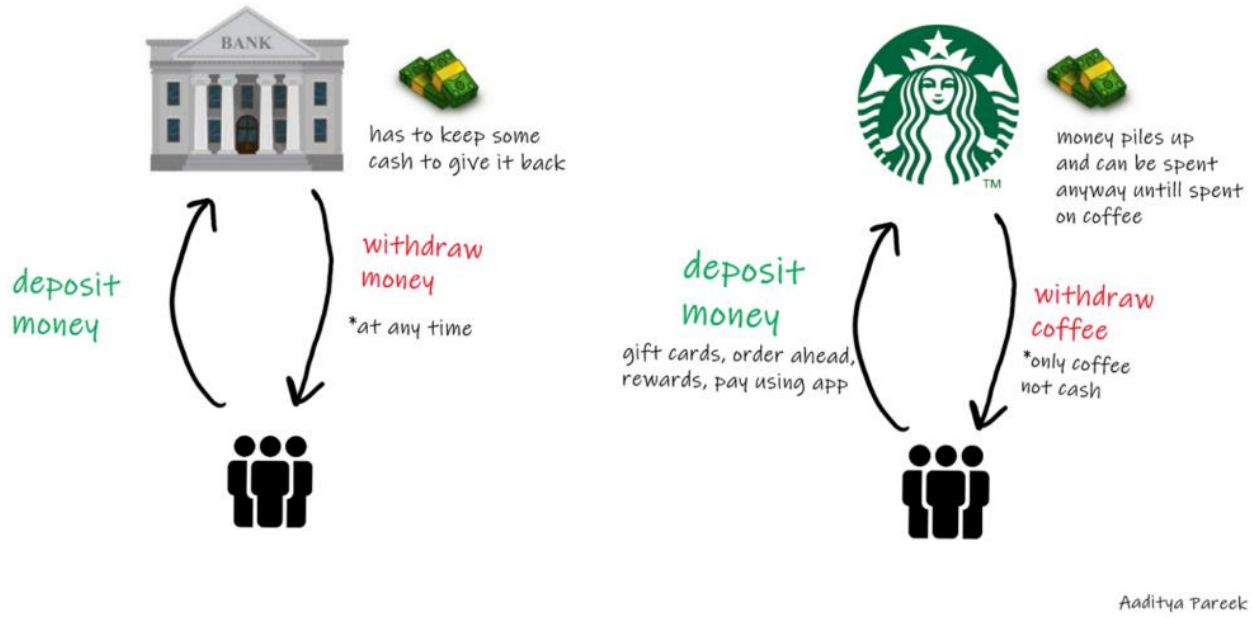
- Over 83% of customer feedback (approximately 4.4 million reviews) praises Starbucks, awarding it high satisfaction ratings ranging from 4 to 4.9 stars.
- Only a small fraction, 1.3% (around 71,473 reviews), express dissatisfaction, giving the brand low ratings between 1.8 and 3.4 stars.
- Overall, Starbucks has about 62 times more satisfied customers than dissatisfied ones.
- Neutral reviews, with ratings between 3.5 and 3.9 stars, account for 15.6% of the feedback, representing approximately 833,620 reviews.

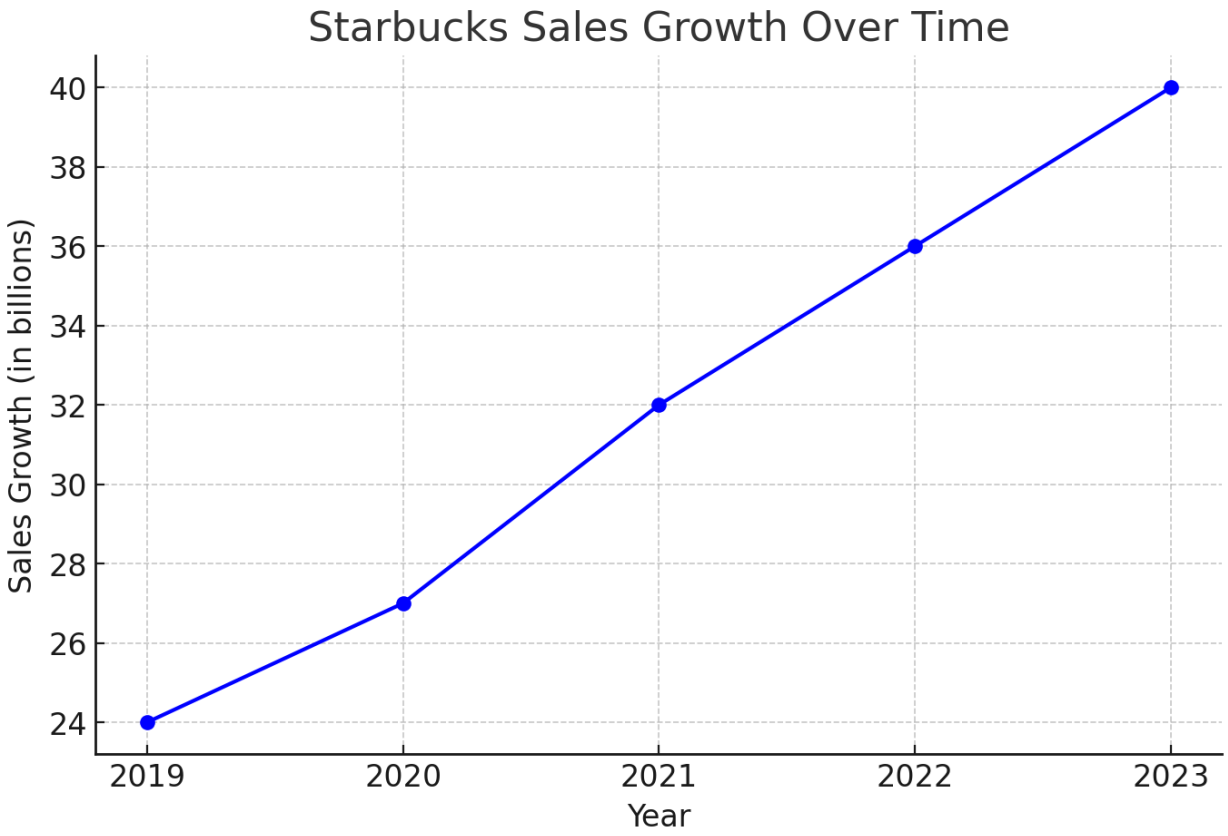
Appendix F


Starbucks US Active Rewards Members
in million
12.9
13.3
13.3
13.3
14.2
14.9
15.1
15.3
16.3
16.8
17.2
17.6
18.9
19.4
16.3
19.3
21.8
22.9
24.2
24.8
26.4
26.7
27.4
28.7
30.4
Q1 FY17
Q2 FY17
Q3 FY17
Q4 FY17
Q1 FY18
Q2 FY18
Q3 FY18
Q4 FY18
Q1 FY19
Q2 FY19
Q3 FY19
Q4 FY19
Q1 FY20
Q2 FY20
Q3 FY20
Q4 FY20
Q1 FY21
Q2 FY21
Q3 FY21
Q4 FY21
Q1 FY22
Q2 FY22
Q3 FY22
Q4 FY22
Q1 FY23
Source: Quarterly results
@EconomyApp
APP ECONOMY INSIGHTS

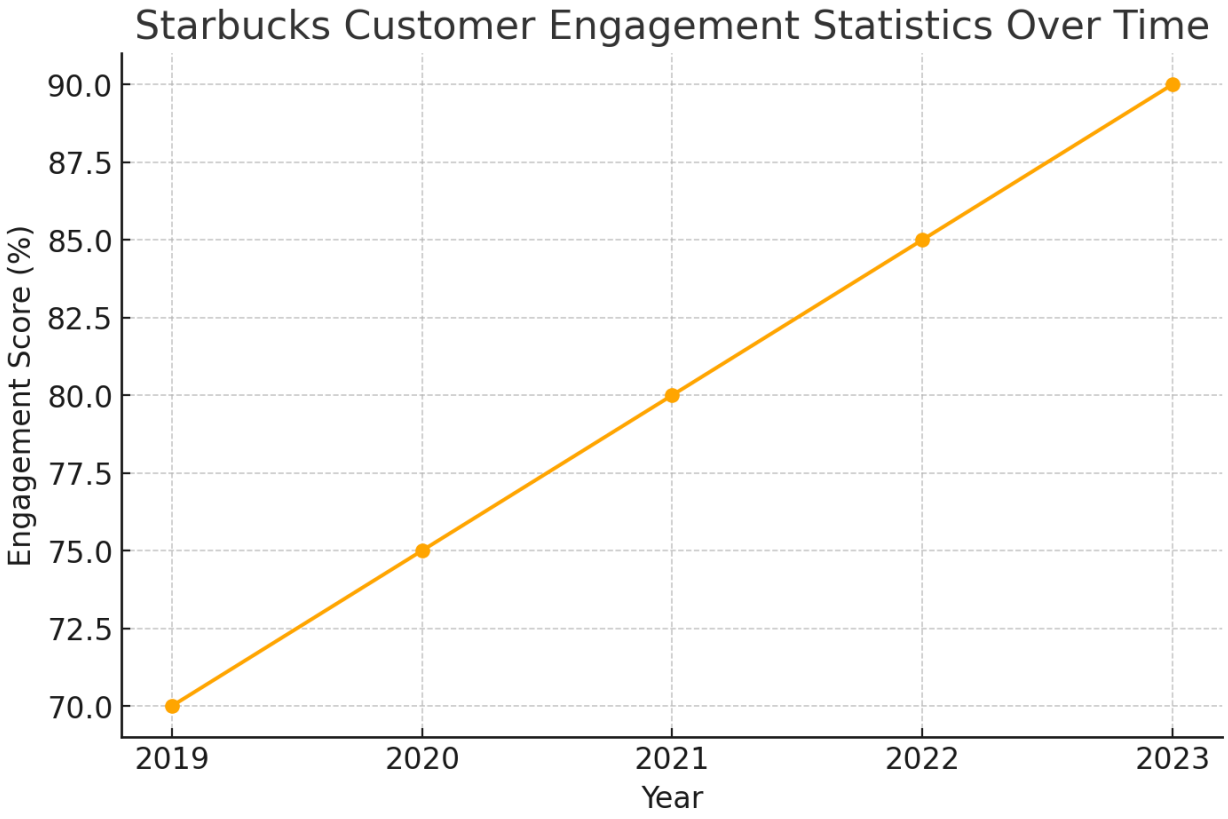

Starbucks Holds More Cash Than Many Banks
Consumer cash held by institutions in 2016 (billion U.S. dollars)
$13.02bn
$4.55bn
$3.36bn
$3.32bn
$2.68bn
$1.20bn
$0.78bn
$0.56bn
PayPal
SVB
SunTrust
American Express
The Bancorp
Customers Bank
green dot
@StatistaCharts
Sources: WSJ, S&P Global Market Intelligence, Starbucks
statista

Appendix G


BANK
has to keep some cash to give it back
deposit money
withdraw money
*at any time
money piles up and can be spent anyway untill spent on coffee
deposit money
gift cards, order ahead, rewards, pay using app
withdraw coffee
*only coffee not cash
Aaditya Pareek


Starbucks Sales Growth Over Time
Sales Growth (in billions)
40
38
36
34
32
30
28
26
24
2019
2020
2021
2022
2023
Year

Appendix F


Starbucks Customer Engagement Statistics Over Time
Engagement Score (%)
90.0
87.5
85.0
82.5
80.0
77.5
75.0
72.5
70.0
2019
2020
2021
2022
2023
Year