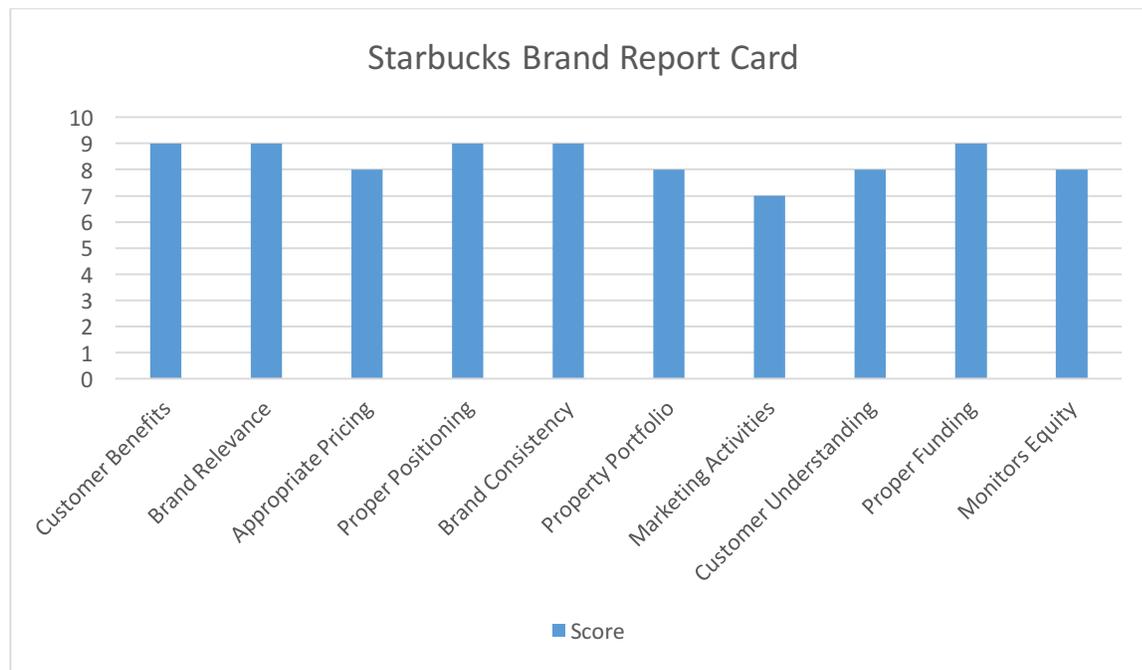


Module 13: Final Brand Audit

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As I have mentioned previously in this course, Starbucks is my favorite brand – I grab coffee from their drive-thru on my commute to work, meet friends in-store to chat over a pastry, or take advantage of the free Wi-Fi when I need to complete work or schoolwork in an alternative setting to my office or apartment. Currently, I am sipping a Skinny Vanilla Latte in one of their Fairfax, Virginia locations. What better way to evaluate a brand than to experience and observe it first-hand, right? I will be evaluating Starbucks or innovating in conjunction with their brand on the following components: brand report card, positioning statement, measurement plan, loyalty program assessment, brand assets/identity, and creative campaign. While I have had both positive and negative experiences with this brand, they still remain at the top of my list and I believe that is due to their strong brand and commitment to fulfill their mission.

Brand Report Card



9 The brand excels at delivering the benefits customers truly desire.

Starbucks doesn't just sell their customers coffee and espresso beverages; they are an intricate part of lifestyle and even a home away from home. They evaluate their customers' needs and offer products, services, and locations, that fulfill them. In addition to this, their loyalty program keeps customers engaged and returning to stores for their caffeine fix. Starbucks innovates their brand and products by offering new beverages and a top-notch experience to clientele.

9 The brand stays relevant.

Starbucks has kept a relevant consistent brand and message – staying true to their story and offering more than just coffee, but instead the “full coffeehouse experience” (Starbucks

Company Information). They continue to innovate by offering new products in addition to their loved, known favorites. They want to be part of their customers' routines, social and work lives, and communities, and are constantly innovating to stay at the forefront of the coffee experience. They keep their look consistent and are well recognized across the world. People are always going to want coffee – and Starbucks ensures they will always want their coffee.

8 The pricing strategy is based on consumers' perceptions of value.

While many consider Starbucks' pricing to be high, they still purchase their products because they trust the brand, quality, and consistency. Many competitors, like Dunkin' Donuts, offer lower prices, but Starbucks still dominates the market due to product quality and essentially being a status symbol. Customers are aware of their pricing, but they continue to come back for the experience, the product, and the status symbol.

9 The brand is properly positioned.

Starbucks is positioned well against competitors. Aspects that make them stand out are: their countless locations, their perception of being a status symbol, and their brand and product consistency. They offer exceptional customer service and loyalty. Competitors may have lower prices, but Starbucks still prevails.

9 The brand is consistent.

The Starbucks' brand has been consistent in messaging, branding, and in their product. Customers know that regardless of what location they visit, they will have a good experience and a tasty beverage. There aren't surprises with the Starbucks brand. Customers will notice signs throughout the store (and on their classic white cup) that say: *"Love your beverage or let us know. We'll always make it right."*

8 The brand portfolio and hierarchy make sense.

Starbucks markets their various beverages and retail items, of various price points, appropriately. They know that not everyone can afford a 5-dollar latte or wants one daily – some just want a basic cup of coffee, tea, or shot of espresso. Starbucks understands that some of their customers prefer to make their beverages at home, but need the equipment and supplies to do so. Their message is consistent across the various products they market, and they do a good job of realizing who their target audience is for each.

7 The brand makes use of and coordinates a full repertoire of marketing activities to build equity.

Starbucks markets in television, print, social media, and other platforms. However, their products do not require them to market excessively, as they can build off of their brand loyalty and recognition. They primarily rely on word-of-mouth advertising and customer loyalty.

8 The brand's managers understand what the brand means to consumers.

The brand managers understand that Starbucks isn't just a place to get coffee. It is a meeting spot or a place to get work done while enjoying an exceptional product. They capitalize on their

product being part of a lifestyle. Customers feel very strongly about the brand and this helps the brand managers better serve them.

9 The brand is given proper support, and that support is sustained over the long run.

Starbucks is given the support and equity needed to be successful and maintain their prestigious place in the market. While I haven't found concrete evidence of this, it is clear based on their prominence.

8 The company monitors sources of brand equity.

Starbucks is constantly monitoring brand equity. They value being a great brand and want to best serve their customer. They monitor their presence against other companies and continue to innovate.

Positioning Statement

Starbucks has the following mission statement, as published on their website: *"To inspire and nurture the human spirit – one person, one cup and one neighborhood at a time."*

Taking this mission into account in conjunction with additional evaluation of their brand, I created the following positioning statement for Starbucks: For coffee and tea lovers, who value community, customization, and consistency, Starbucks is your home away from home, where you can relax, gather, or grab and go, the finest coffee in many beverage forms to revive your spirit and consume responsibly. Starbucks is your coffee destination that can be found virtually anywhere, but still gives you a friendly neighborhood vibe whether you are a regular or just passing through.

I believe this positioning statement captures the company and brand's vision – to not just be a place to grab a coffee, but instead, a community gathering place that strives to improve the world and the individuals that consume it.

Measurement Plan

I believe that Starbucks's measurement plan should include the following: brand awareness (quantitative), brand recognition (quantitative), social listening (qualitative), focus groups (qualitative), surveys (quantitative), and analysis of overall business measures like sales and environmental footprint. These aspects are important in making sure they are fulfilling the customer and community's expectations for the brand – while still meeting their sales and business goals.

By surveying their customers, which is something they already do, they can hone in on different locations and their opportunities for improvement. These surveys can ensure that all Starbucks locations are being held to the same standards and fulfilling them accordingly.

Archetype

Starbucks is typically defined as possessing the Explorer archetype. Their brand's roots and name are based strongly on this archetype – the desire to find yourself through exploration,

experiencing new things, and having a fulfilling life. While the brand fulfills these categories, I find it interesting that the greatest fear of this archetype is conforming. Starbucks can be viewed as basic, mainstream, etc. by the general public. However, I still believe this is the best archetype fit for the brand. I also see bits of the “Every Person” archetype in the Starbucks brand – as they encourage community, connections with others, etc.

On their website, Starbucks states that the brand wishes to accomplish 2 things: “share great coffee with their friends and make the world a little better.” The first Starbucks opened in 1971 in Seattle, Washington. The solo coffee shop prided themselves on offering fresh-roasted, whole bean coffees. The Starbucks name was inspired by Moby Dick, and looked to capture the essence of the seafaring ways of coffee traders. The CEO of Starbucks, Howard Schultz, loved the roots of the company and the taste of their coffee, but after a trip to Italy and visiting their coffee shops – wanted to bring that feeling of community back to the United States. The basis of a great product with the idea of forming a central gathering location where customers felt at home turned into a coffee monster.

Loyalty Program Assessment

Starbucks revamped their rewards program in 2016 – a controversial transition to say the least. The company has gone from calculating rewards from number of items purchased to number of dollars spent using their Starbucks app, which houses and manages their rewards program. For every \$1 spent using the Starbucks app, members receive 2 stars. Once a member earns 125 stars, they are able to redeem those stars for a free food or drink item of their choice. This equates to \$62.50 spent before receiving a reward. The ultimate goal of the Starbucks app, is to reach “gold status,” which is achieved by earning 300 stars in a period of 12-months. At this level, members receive a personalized gold card and additional membership perks like a free item on their birthday, free basic coffee and tea refills, and more.

Starbucks customers love the ease and experience that accompany their visits. The rewards program only adds to that – they can easily pay, reload payment, and track their progress toward rewards all in one application. There is no guesswork – they know where they stand and above all else: it makes their life easier by saving them time and gives back to them for their frequent, often daily, visits to get their caffeine fix.

The rewards program allows for customer engagement – within the app where the loyalty program is housed is also an area to locate the nearest stores, send a gift, order ahead, and listen to music. Starbucks can also send customers messages through the app to let them know when they can earn extra rewards – by purchasing a specific item based on the day or week’s promotions or for coming in-store at a certain day/time. They also have fun games, like Starbucks bingo, where users can earn additional rewards.

While having a Smartphone is almost a given these days, not everyone has one – the rewards program is virtually impossible to manage without one. While members could use a computer and a gift card to avoid this, it takes away from one of the app’s greatest benefits – convenience. The rewards program allows a visit to be more efficient – scanning payment is

much faster than using a credit card or paying with cash, keeping everyone happy. When a reward is ready to be redeemed, it is a big treat for Starbucks's clientele. They can get whatever they want! It feels like a special day getting a larger drink or an extra shot of espresso for free.

Dunkin Donuts, one of Starbucks leading competitors, has a similar loyalty program called DD Perks. Their program is also housed on a phone app and allows members to get a free beverage for every 200 points earned, which ends up being about \$40 worth of purchases. I believe this is a similar program, given the cost differential between the two stores and their products. Starbucks, unlike Dunkin Donuts, allows points to be redeemed on food items like breakfast sandwiches or pastries. Pete's Coffee is slowly rolling out a rewards program, but is not available everywhere yet.

As a regular user of the Starbucks rewards program, I think I would change rewards expiring – this is a big complaint by customers. If you have earned a reward, you've earned it. It should not get taken away because you haven't used it in a timely manner.

Brand Assets/Identity

Starbucks has strong brand assets and identity. While they don't have an official slogan, they have used the following throughout their existence: the best coffee for the best you; it's bigger than coffee, and uniquely Starbucks. Their logo represents their archetype well and relies heavily on their roots – you will find the logo on their packaging, in-store products (napkins, cups), and on their advertising. It is easily recognizable without any text and serves the brand well. Their packaging gives an earthy feel, which ties back into their mission of being environmentally responsible. Overall, I believe these items together, create a strong brand identity for Starbucks that measures well in relation to the course's evaluation criteria for brand assets and identity.

Recent Creative Campaign

Starbucks does not rely heavily on advertising – they are mostly known for word-of-mouth advertising. The most recent creative campaign from Starbucks is their unicorn Frappuccino, a limited-time product with corresponding creative content like in-store signs, social media posts, e-mail messaging, and subsequently a lot of external press and social media action – both good and bad. This item sparked a social media revolution – through a fairly simple campaign, letting customers know on the Starbucks app, through the press, and through creative in-store signage with corresponding colorful pictures. It is the perfect example of how Starbucks relies on word-of-mouth advertising to maintain their position as a strong brand.

This campaign targeted millennial-aged women, not their customer audience as a whole. They intended for this product to spike social media chatter and customer engagement. What they didn't know, was all the press they would receive – talking about the sugar content in comparison to other beverages, etc. While the unicorn Frappuccino certainly isn't for everyone, I believe it was appropriate for the brand and fit well within their archetype – encouraging people to step outside of the box, be adventurous, and live life to the fullest. They bring a unique twist to their popular frozen beverage and encourage their customers to mix it up.

Additionally, with all of the social media and word-of-mouth associated with the beverage, Starbucks continues to encourage community and interaction amongst their clientele.

While the Unicorn Frappuccino wasn't well perceived by customers from a taste perspective, it got them talking, continued to encourage community, and was a social media sensation. Starbucks' stock rose during the campaign, as well. I believe this is a prime example of how a campaign can go rockier than expected, but a brand can still remain prominent based on their strong rankings in their brand report card.

Conclusion

Starbucks is a successful, stable brand – I anticipate them staying at the forefront of the coffee industry for many years to come. They value their customers, create a welcoming atmosphere, and work to fulfill their promise to minimizing their environmental footprint. With the environment being such a priority to their company and their brand – I think they should integrate this into their brand experience more and make customers more aware of this goal, as it is a key part of their mission statement.

I believe that they have the opportunity to improve their brand in locations that aren't solely run by Starbucks, such as those on university campuses or within Target stores. These are important part of their brands and perceived by customers as such. With an experience being inconsistent at one of these locations, Starbucks could see frustrated customers and an impact on their brand perception. I would encourage them to evaluate if these locations are using the same staff training mechanisms, company best practices, and more.

After the Unicorn Frappuccino, I believe it is important for Starbucks to go back to their roots over the next 5-6 months. They should continue to provide quality beverages by relying on their brand staples, and ensuring their customer experience is exceeding expectations. From there, they can go back to the drawing board and continue to innovate in ways that stay true to their brand and their audience. I don't anticipate the coffee industry changing much over the next few years, so Starbucks should be safe as a strong brand as long as they continue to fulfill their brand promise and mission statement. People will always want coffee, as part of their daily routine and as a way to socialize, so Starbucks should continue to cultivate this desire over the years to come.

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