



Program: Bachelor of International Management

Specialization: Digital Marketing

## Case Study

As a part of your Geneva Business School application, we require you to submit a 500-word written response to this case study assignment. Please kindly read the text below and answer the questions that you'll find at the bottom of this document. Please know that you will be asked to discuss your responses during the interview session.

### Starbucks: A Dive into Its Digital Marketing and Social Media Mastery

Starbucks Corporation, an American multinational chain of coffeehouses and roastery reserves, operates over 30,000 locations in 70 countries worldwide. As the world's largest coffee-house chain, Starbucks is seen as a significant representation of the coffee culture. The company's offerings include a variety of hot and cold drinks, whole-bean coffee, instant coffee known as VIA, espresso, caffe lattes, full and loose-leaf teas, juices, pastries, snacks, and seasonal or specific offerings to the locality of the store.

In the 2010s, Starbucks sought to expand into the Indian market, capitalizing on the rise of coffee culture by targeting the niche upper-class segment. After initially withdrawing in 2007, Starbucks made a successful entry into the market in 2011 in a 50-50 joint venture with Asia's largest coffee grower, Tata Consumer Products Limited.

Starbucks' target market primarily includes people from the upper economic segment or the upper-middle class and upper class. The brand targets people who want a peaceful space to drink coffee and relieve stress, typically higher wage-earning professionals, business owners, or other higher-end customers in the 22-50 age group. The brand appeals to both male and female customers, mainly in the 25-45 age group, who have a fast-paced lifestyle and desire good quality coffee and a place to relax.



## The Digital Marketing Strategy of Starbucks

Initially, Starbucks' marketing mix in India segmented consumer markets on a socio-economic basis, focusing on working professionals and their need for a soothing workspace. The brand also segmented its market on a geographic and demographic basis, setting up stores where it could find its target audience. After achieving initial success, Starbucks expanded its market to include teenagers and young adults by developing its product range and social media marketing presence.

One of Starbucks' key priorities is expanding its digital customer interactions. The brand has implemented various methods to attract digitally registered customers beyond its rewards program, such as offering mobile order services and leveraging Wi-Fi sign-ins at its brick-and-mortar stores. Starbucks is well-known for its active presence on social media. The company's many social media accounts are recognized for their distinctive branding, interactive posts, and visually appealing content. The diverse range of content includes recipes, photography, articles, and features. Starbucks' social media strategy can be broken down into a series of campaigns to create a greater sense of brand awareness and community.

In addition to its social media campaigns, Starbucks also focuses on promoting unique and fan-favorite beverages. The brand has even created social accounts for customers' favorite products, such as the Pumpkin Spiced Latte and Frappuccino, where they share relevant and relatable memes with their audience. This strategy also incorporates user-generated content (UGC), with consumer images of the more Instagrammable products often selected.

Implementing its digital marketing strategy required Starbucks to integrate technology and marketing in novel ways. The brand made use of mobile order services, rewarding customers with points for every purchase, which could later be redeemed for free beverages or food items. This strategy not only incentivized repeat purchases but also facilitated data collection

about customers' buying habits, enabling Starbucks to personalize offers and strengthen customer relationships.

Starbucks also leveraged its in-store Wi-Fi service to attract digitally registered customers. By requiring customers to sign in to access the internet, Starbucks was able to collect valuable data, communicate offers, and enhance customer engagement. Moreover, the brand used its brick-and-mortar stores as a platform for digital interactions, promoting its online presence and campaigns to in-store customers.

On social media, Starbucks conducted various campaigns to foster community and increase brand awareness. Notably, Starbucks created separate social media accounts for popular products like Pumpkin Spiced Latte and Frappuccino, using these platforms to share memes and engage with their audience.

The results of Starbucks' digital marketing strategy have been significant. The brand has seen an increase in digitally registered customers and a stronger online community, evidenced by high levels of engagement on social media. The use of mobile order services has streamlined the buying process, improving customer experience and promoting repeat purchases. By using digital marketing strategies to enhance the in-store experience, Starbucks has managed to create a unique market position, offering an overall differentiated experience that extends beyond the products themselves.



#### Conclusion:

Starbucks' digital marketing strategy offers several valuable lessons. First, the importance of understanding your target audience cannot be overstated. Starbucks' success in different markets can be attributed to its careful segmentation and targeting, offering products and experiences tailored to the needs and preferences of its customers. Second, the integration of digital and physical experiences can create a unique value proposition for customers. Starbucks leveraged its physical stores to promote its digital campaigns and used digital tools to enhance the in-store experience, creating a seamless customer journey. Third, social media can be a powerful tool for building a brand community and increasing brand awareness. Starbucks' engaging content and interactive campaigns fostered a sense of community among customers and kept the brand at the forefront of their minds.

#### QUESTIONS:

Please answer the following questions:

1. Describe Starbucks' digital expansion strategy. How did they attract digitally registered customers beyond their rewards program?
2. How does Starbucks use social media to increase brand awareness and foster a sense of community?
3. What role did Starbucks' physical stores play in its digital marketing strategy?
4. Based on the case study, how does Starbucks balance its global brand image with the need to cater to local tastes and preferences?
5. How does Starbucks use data collected from its digital platforms to improve the customer experience and strengthen customer relationships?
6. What are some key lessons that other businesses can learn from Starbucks' digital marketing strategy?