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Introduction

Internationalization of companies has always been one of the key focuses for most major companies around the world so that more growth can be achieved and greater presence can be established. Again, coffee has always been a cultural drink for many countries while for many, it has a source of energy. In this regard, Starbucks Corporation is one of the largest and most recognizable coffeehouse chains in the world which has revolutionized the global coffee culture and while doing so, it has established itself as a premium lifestyle brand. Now, in this report, a thorough examination will be conducted on Starbucks' international operations where the specific focus will remain on two very important markets for the company which are quite contrasting to each other. These markets are the United Kingdom and the Kingdom of Saudi Arabia. To conduct the analysis, firstly, the macro environment of the company in both of the markets will be analysed. In order to do so, the PESTLE framework will be used with an added cultural dimension. After that, the segmentation, targeting and positioning or STP strategies will be analysed that Starbucks uses in both of the countries and how they differ from each other. In addition to that, the 7Ps framework will be applied in the thorough analysis so that the marketing strategies that the company uses in two very distinct markets can be distinguished and the impacts of the differences in the marketing strategies can be better understood. Furthermore, Starbucks' market entry methods will be discussed to evaluate how the company decided to penetrate both of the markets. Lastly, the effectiveness of the strategies that the company has used in both of the countries will be evaluated against their sales performance, social media presence, customer reviews alongside an exploration of ethical issues that may have emerged in either of the countries. Lastly, strategic recommendations will be made to the company so that it can sustain its concurrent growth in both of the markets in question.

Background Information About Starbucks

The foundation of Starbucks Corporation was laid in 1971 in Seattle, Washington in the hands of Jerry Baldwin, Zev Siegl and Gordon Bowker. The name Starbucks was inspired from Herman Melville's novel popularized as Moby-Dick. At its humble beginning, the company operated as a retailer of high-quality coffee beans which gradually transformed into today's Starbucks Corporation. So, it was not always the glorified coffeehouse concept that is widely recognised today. Now, the pivot moment in the history of the company came in 1982 when Howard Schultz joined the company as a director of retail operations and marketing in which position he took inspiration from the Italian Espresso Bar Culture and visioned Starbucks to be

the third place for people to come to in between of home and work. Now, before implementing the vision, Schultz actually acquired the company in 1987 by strategically changing the business model as well as strategic direction of Starbucks from being a coffee bean seller to a coffeeshop that sold coffees with stories.



Figure: Logo of Starbucks (Fantozzi, 2025)

Mission Statement

Starbucks' mission statement is as follows.

“To be the premier purveyor of the finest coffee in the world, inspiring and nurturing the human spirit – one person, one cup and one neighbourhood at a time” (Starbucks, 2025). This mission statement is the reflection of the company's commitment to creating connections that are not just for futile time spending and rather are meaningful which are created while the company serves coffee to its customers.

Vision Statement

Now, Starbucks' vision statement is as follows.

“To establish Starbucks as the premium purveyor of the finest coffee in the world while maintaining our uncompromising principles while we grow” (Starbucks, 2025). It is a bold vision statement by the company which underpins two crucial aspects. In the first place, the company has been strategically positioned to achieve market leadership by delivering the

highest quality of coffee to the customers across the globe. Secondly, by maintaining ethical integrity and sustainability practices, Starbucks wants to remain a clean image to its audiences without compromising any of its

International Entry Strategy

When it comes to the company's international expansion, the company started expanding in 1996 when it opened its first every overseas store in Tokyo, Japan. The company achieved this feat through a partnership with Sazaby League which is a well-known and well-regarded Japanese retailer. Now, the opening of Starbucks' first store in Tokyo, Japan was met with incredible success as hundreds of people lined up before the store in a queue to taste the coffee despite Tokyo already having established coffee culture (Japan Today, 2025). From thereon, the company never stopped expanding its operations and still is continuing to do so. Now, in terms of the two countries being discussed for this report, the UK and the KSA, Starbucks entered into the UK market in 1998 through a strategic acquisition of 65 Seattle Coffee Company stores at a cost of 83 million USD (Los Angeles Times, 1998). This not only enabled Starbucks to set its foot on the UK soil but also opened doors to the European market. As for the KSA, the company opened its first store in the country in 2000 which marked the company's entry into one of the finest coffee cultures of the world (World Coffee Portal, 2025).



Figure: Starbucks in Saudi Arabia (Hawksworth, 2025)

PESTEL Analysis

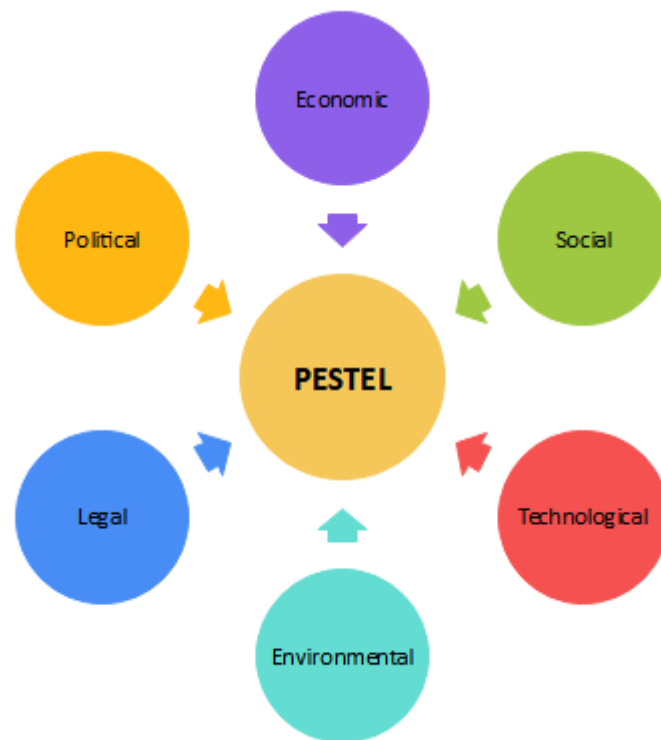


Figure: PESTEL Analysis (Panmore Institute, 2025)

The macro-environmental landscape forms the foundation that can help understand the strategic operations of Starbucks in both Saudi Arabia and the UK. To understand the macroeconomic landscape better, the PESTEL analysis for Starbucks of both the UK and the KSA is provided below.

Political Factors: The political environment of the UK is that of a stable democratic governance as well as transparent regulatory frameworks. Moreover, the UK used to engage in extensive international trade prior to BREXIT which made it easier for MNCs to operate in the country with more certainty and a predictable business context. Despite the BREXIT, the country remains to be politically stable which enables Starbucks to carry out its long-term plans more effectively. On the other hand, Saudi Arabia is a constitutional monarchy where all of the political decisions come directly from the Royal Family which reflects Islamic principles. As a result, Starbucks must navigate the doctrines of the KSA effectively so as to maintain its foreign ownership in the country. Moreover, it needs strategic partnerships as well as franchise arrangements by navigating the geopolitical dimensions in the middle east to maintain the best possibility stability of the country. This includes assessing and utilising the opportunities while

overcoming the challenges all the while assessing the risks (1xMarketing, 2024). So, these factors are favourable for Starbucks.

Economic Factors: The UK is a matured economy with a high-income nature of its population with established patterns of consumption spending as well as disposable income which are of much importance for a company as Starbucks. However, with recent economic fluctuations as well as recovery coming in the post period of COVID-19, the spending behaviour patterns have changed drastically in the UK. As for the Saudi Arabian economy, the country is majorly dependent on its oil revenues, however, currently the country is implementing its Vision 2030 initiatives (Panmore Institute, 2025). As the country is facing increasing disposable incomes in its urban areas, Starbucks, being a lifestyle brand, is becoming more and more relevant in the economic context of the country. Again, as currency stability and exchange rates are crucial for MNCs, Starbucks leverage the petrodollar advantage the KSA has currently. As for the size of the economies, the UK has an economy size of 3.59 trillion USD in terms of GDP as well as a GNP of 3.61 trillion USD whereas the KSA has a GDP of 1.24 trillion USD and a GNP of 1.11 trillion USD. As a result, Starbucks has proper advantage in both the UK and the KSA (1xMarketing, 2024). So, economic factors are also in favour of the company.

Social Factors: The British society bears a societal aspect exhibiting a multicultural aspect which enables the society to have a diverse consumer preference alongside increasing consciousness about the changing world climate. Moreover, the social environment of the country is more in alignment with egalitarianism and is very receptive of international brands (Panmore Institute, 2025). Now, the coffee culture of the UK society is already quite dominated by specific brands due to their quality, brand image and sustenance. In the UK, the consumer sentiment is mostly driven by convenience, quality as well as social responsibilities, all of which are quite dominated by Starbucks. As for Saudi Arabia, the country's societal values align more in line with collectivists values where families, tribal networks as well as Islamic principles take precedence (The Marketing Tutor, 2019). Here, coffee consumption is deeply integrated into the culture of the country where social activities occur in gender-segregated contexts. Moreover, the country is booming with a young population which, combined with traditional values, create the necessity of a nuanced positioning (Realbusiness, 2025). Again, the social factors are ardently in favour of the company.

Cultural Factors: The six cultural dimensions of Hofstede is one of the most important frameworks to analyse the cultural factors and aspects of a country. In order to derive a deep-

rooted cultural difference between two countries such as the UK and the KSA, it is important to undertake one such analysis which is provided below using four of the most important factors.



Figure: The Hofstede Cultural Model (The Culture Factor, 2020)

- Power Distance Index:

- **Favourable:** The UK scores 35 on the Power Distance dimension of the Hofstede framework which indicates towards an egalitarian society. Moreover, employees expect more participation in organisational decisions.
- **Unfavourable:** Saudi Arabia scores 95 on the Power Distance, one of the highest scores that illustrates the astronomically higher inequality alongside authoritarian leadership followed by the country (SimplyPsychology, 2025).

- Individualism vs Collectivism:

- **Favourable:** Saudi Arabia only scores 25 on individualism, making it one of the strongest collectivist cultures in the world. Such collectivism is characterised by the country's following of group harmony, family ties etc. are prioritised the most (SimplyPsychology, 2025).

- **Unfavourable:** On the other hand, The UK scores 89 on individualism which makes the UK one of the most individualistic societies in the world which is in line with other such nations such as Australia and the USA.
- **Masculinity vs Femininity:**
 - **Favourable:** The UK scores 66 on this index, making the country a moderate one in terms of emphasizing on achievement, competition as well as performance-oriented values. As a result, the British culture is more catered towards accepting competitive messages from companies but also requires to remain socially responsible. Again, Saudi Arabia scores 60 on masculinity which is somewhat similar to that of the UK's culture (SimplyPsychology, 2025).
- **Uncertainty Avoidance Index:**
 - **Favourable:** The UK scores only 35, indicating the culture is comfortable enough to work with ambiguity and a clear drive for innovation. The implications in this regard are that Starbucks can be very innovative with its marketing strategies in the UK.
 - **Unfavourable:** On the other hand, Saudi Arabia scores a massive 90, indicating that the culture of the country is more oriented towards structured environments and very less amount of uncertainty. In Saudi Arabia, it must be able to resonate with the conservative approaches in the KSA (SimplyPsychology, 2025).
- **Advantages and Disadvantages of the Framework**
 - **Advantages:** The framework provides with clear and measurable framework by comparing countries based on various sorts of scores. Moreover, it remains to be one of the most practical frameworks in international business.
 - **Disadvantages:** The major disadvantage of the framework and its main criticism come in its oversimplification and stereotyping of various cultures and identities that may reside within a country. Moreover, the methodology used to create the framework remains questioned with validity being challenged.

Technological Factors: Both the UK and the KSA deeply align with digital advancements where digital transformation has taken place at a rapid speed. But both of the countries differ in terms of the pace they are evolving at and adopting so. The UK is a more advanced digital infrastructural place which has already adopted mobile payment systems quite fast. Moreover, systems such as mobile app ordering, supply chain technology etc. are dominant in the country.

As a result, Starbucks gets to leverage the digital channels available thoroughly. On the same note, Saudia Arabia demonstrates rapid technological advancements with one of the highest smartphone penetrations in the world alongside a penetration and increasing e-commerce adoption by the young population of the country. In this regard, Starbucks has the greater opportunity and leverage to use the technology available to overcome its distribution challenges through the localized digital payments systems available in the country (Sholihah et al., 2016). Except for Saudi Arabia, the UK remains to be in favour of the company.

Environmental Factors: Environmental consciousness is in one of the highest numbers in the UK which has been driving companies to adopt sustainable practices, ethical sourcing as well as waste reduction in massive strides. Now, Starbuck's sustainability initiatives taken mainly resonates with environmentally aware consumers more than not. From carbon footprint reduction to managing supply chain responsibly through non-negotiable expectations, Starbucks is doing everything possible it can to make a name in the market. As for the KSA, the scarcity of water presents major challenges for the company to operate effectively due to the nature of climate of the country. As a result, it is both a challenge and an opportunity for Starbucks as it can make strides to be more efficient and implement energy renewable solutions so that the company can operate within the transparent environmental compliance as well as remain committed to its CSRs effectively for achieving the most out of its operations in the KSA. In this aspect, the environmental factors are largely unfavourable to the company.

Legal Factors: The UK regulations comprise strict food safety standards alongside rigid employment laws as well as advertising regulations. In this regard, the company's intellectual property protection is very robust for which any company operating in the country needs to adhere to these obligations. Because of the HR obligations mandated, the labour costs associated remain to be affected highly. Again, in the KSA, the legal framework is very much influenced by the Sharia laws which impact product formulation, labelling and advertising content as well as operational practices. As per the Sharia law, there are also alcohol prohibition and a requirement of halal certification for which Starbucks needs to ensure of necessary menu adaptation for the KSA audience. Again, as the current employment of women is evolving in the KSA, so needs to be Starbucks in managing its hiring practices so that it does not face any litigious challenges in the process. As a result, the legal factors are largely unfavourable to the company.

STP Analysis

STP Marketing



Figure: STP Analysis (Kelvin, 2023)

Segmentation Strategy

As an international brand, Starbucks uses a very sophisticated segmentation strategy for all of its markets where it employs different tactics to overcome the market challenges. Now the segmentation strategy of Starbucks entails four different categories including demography, psychography, geography and behaviour.

In the UK, the target market of Starbucks ranges from 25 to 40 years old who are the primary targets of the company with the secondary focus being students aged 18 to 24 as well as professionals aged between 40 and 60. The income level targets also vary from middle to upper-income consumers which range from 40,000 to 100,000 Pounds. As for psychography, the UK customers are more lifestyle-oriented and value convenience alongside quality even if it costs a premium (Al Shehri, 2024). More importantly, the regular coffee drinkers appreciate Starbucks' coffee preparation, ethical sourcing as well as premium positioning. From a geographic standpoint, Starbucks focuses majorly on urban and suburban areas where high foot traffic is high. Lastly, from a behavioural standpoint, the UK segment includes high-frequency visits, higher spending per transaction, loyal audiences etc.

For Saudi Arabia, the target market slightly differs from that of the UK where the target audiences' age ranges between 15 and 45 with the company focusing more on professionals and university students. For income class, the company focuses on middle-to-high income consumers. As for psychography, the Saudi market consists audiences who consider Starbucks to be a symbol of modernity as well as premium lifestyle. Despite that, in the KSA, Starbucks' market positioning needs to co-exist with Islamic traditions and family values followed by the greatest extent of the company's targeted audience, too (Yu and Fang, 2009). Geographically, Starbucks mainly targets areas such as Riyadh, Jeddah, Dammam, and Medina. Lastly, the behavioural factors are group-oriented purchasing patterns of the Saudi Arabians. More importantly, they prefer to reflect coffeehouse social functions rather than making quick transactions in their idle times (1xMarketing, 2024).

Differences: The UK market is dominated by lifestyle oriented, value convenient and seekers for premium quality audiences. Moreover, they are also more dispersed around the urban and the suburban areas, city centres, malls, airports etc. The targeted professionals are aged 40-60, students are 18-24 and the majority is 25-40. On the other hand, in Saudi Arabia, the targeted audiences are modern and seeking for premium lifestyle while maintaining Islamic traditions rooted. The age differences are massive however, with majority dispersed between the age of 15 and 45 which include students, professionals and middle-to-high income families.

Now, a succinct table is provided below.

Segment	Demographic	Psychological	Geographic
UK	Age 25-40 (Major), Students 18-24, Professionals Aged 40-60	Lifestyle Orientation, Value Convenience, Premium Quality, Focus on Ethical Sourcing	Urban and Suburban Areas, City Centres, Malls, Airports
Saudi Arabia	Age 15-45, Students, Professionals and Middle-to-High Income	Modernity, Premium Lifestyle, Deeply Rooted in Islamic Traditions	Major Cities (Jeddah, Riyadh), Urban Customers, Affluent Locale

Targeting Strategy

Regardless of the country, Starbucks targets the same, premium market segment in both the UK and the KSA. This helps the company, in turn, to maintain consistency as a brand in the market where it gives off high-quality and aspirational coffeehouse experience to the intended audiences.

Now, in the UK, Starbucks mainly targets affluent urban dwellers who are professional and aged between 25 and 40 as mentioned in the segmentation strategy of the company. Moreover, it emanates college education and life-style oriented values for which it targets students secondarily who seek study environments as well as social spaces for hangouts with friends. In targeting the customers in the UK, the company rather focuses on positioning itself as a destination than a source of caffeine. This ultimately emphasizes upon experience, ambience as well as social connectivity (Start.io, 2023).

In the KSA, the company maintains similar type of targeting strategy where Starbucks targets young, educated professionals and entrepreneurs who want to experience international brand and commemorate modern social values. Moreover, the company targets families seeking gender-appropriate as secondary target. In targeting both classes of audiences, Starbucks maintains its position in both the markets similarly. However, in the KSA, the company makes sure that it navigates the cultural sensitivities found in the market with respect and carefulness as there are many Islamic values that the company must tread with utmost considerations (Start.io, 2023).

Overall, the company does not make much changes to its targeting strategy in either of the countries, the UK and the KSA. However, in the latter, the company keeps higher consideration for the religious values more than it does in the UK where it focuses more on brand image and brand building.

Positioning Strategy

Positioning strategy is one of the most important aspects of a company's overall strategic planning as it helps to set the roadmap that a company must follow to achieve its missions and vision. Now, the positioning strategy of Starbucks for both the UK and Saudi Arabia is provided below.

In all of the countries that Starbucks operates in, it positions itself as a premium coffeehouse which offers the finest coffee in the world. More importantly, it emphasizes on quality,

sustainability and community involvement more. However, in the UK, the tendency and efforts to do so are lot higher. Starbucks presents itself as a third place to its targeted audience which is neither home nor work, helping the professionals and students find refuge and solace alike. Moreover, its positioning in the UK market involves promoting the company's efforts put into providing customized products and services that directly involve personal expression and individual autonomy for the consumer to feel better about oneself. One of the most important pillars of success of Starbucks is that it focuses on sustainability and ethical sourcing a lot which differentiates the company from others greatly (Research Methodology, 2022).

In Saudi Arabia, Starbucks has positioned itself as a gateway to the global culture for the vast majority of the country's population. Moreover, with a promise to capture the modern lifestyle while respecting the traditional social norms, Starbucks has already balanced its need between global prestige and cultural authenticity (Research Methodology, 2022). Again, with the company's menus, it has maintained the consistency in quality, international standards and careful local flavours with which it can cater to the vast majority of the audiences. Furthermore, Starbucks positions itself as a vehicle for female empowerment in the KSA, creating opportunities for employment of a vast number of the population and making inclusive social spaces in the process (Campbell and Helleloid, 2016).

Now, the differentiating strategies in both the markets are evident where both the markets see global brand equity while Starbucks ensures of local relevance and respect to each of the market's own cultures. As a result, if the entire analysis to be summarised, it can be stated that the company fosters the variation in cultural differences of the two countries while resonating fundamentally to the individual cultural traits to maintain its dominance in the competitive market.

Now, the perceptual map for Starbucks and its competitors is provided below.



Figure: Perceptual Map (Source: Created by Own)

Marketing Mix Analysis



Figure: 7Ps of Marketing Mix (LinkedIn, 2025)

Product Analysis

In the UK, Starbucks offers a comprehensive product portfolio where it includes espresso-based beverages, filter coffee, cold brew options, premium tea and many more. As for food offerings, the company provides the options to choose from span pastries, sandwiches, salads, British-specific items and as such. Because of the positioning in the market in the UK, all of the menus resemble European culinary traditions. Similarly, the product adoption in Saudi Arabia is not small either. The company only excludes alcohol-based beverages completely and only presents foods that are halal certified, an important adaptation by the company to cater

to the changed cultural preferences. As a result, the traditional Arabian coffee styles alongside Arabian food items are introduced only. Again, as established before, the company also offers group-oriented servings more often than not.



Figure: Product of Starbucks (Ikami, 2025)

Price Analysis

In the UK, Starbucks generally opts for a range which reflects the company's positioning in the market as a premium company offering quality products. As a result, the filter coffees cost between 2.45 to 5.00 Pounds. There are special beverages, too, which cost well-over 5.00 Pounds. Again, psychological pricing strategies such as 4.95 Pounds being the sticker price rather than 5.00 Pounds flat. But the company does not dissuade the competitive pricing from its competitors. Starbucks also offers seasonal promotions as well as limited-edition beverages which command premium prices (Taylor Wells, 2022).

In the KSA, the company follows a similar premium pricing which reflects the company's positioning as a global brand which works as a gateway to the modern lifestyle trends for the audiences in the market. Again, the company uses a premium pricing plan in order to strike as a luxury brand to the audiences (Taylor Wells, 2022).

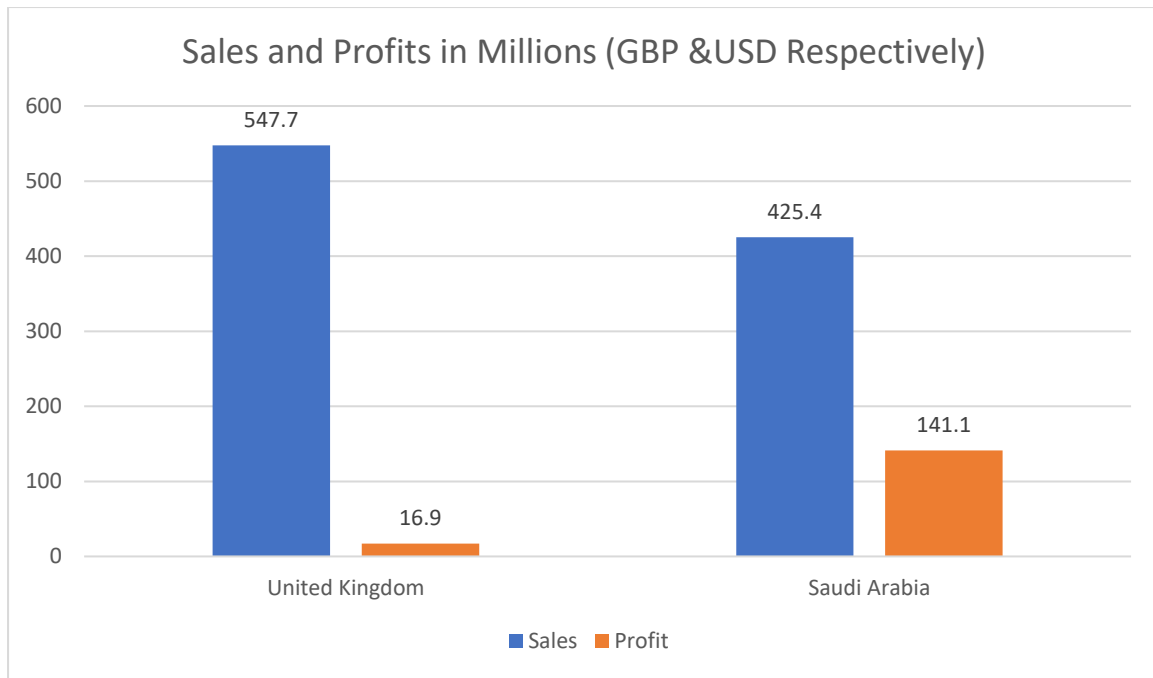


Figure: Sales and Profits of Starbucks in the UK and the KSA (Starbucks, 2024)

Place Analysis

In the UK, Starbucks has over 1,200 shops which are the major distribution centres of its products and services to the mass. Of these shops, many are also franchised to keep the costs down. Now, while selecting specific areas to establish newer shops, the company emphasizes upon city centres, train stations, airports, shopping malls etc. However, they are not the end of the distributing channels as the company uses supermarket packaged goods as well as online grocery items through the retailers (Mangold, 2010).



Figure: Distribution Channel Used in the UK by Starbucks (Source: Own)

In the KSA, the company focuses greatly on franchising as well as partnership as there are many restrictions to maintain foreign ownership in the market. Currently, the partnership with Alshaya Group has been facilitating the rapid expansion of the company throughout the market effectively and efficiently (Mangold, 2010).



Figure: Distribution Channel Used in Saudi Arabia by Starbucks (Source: Own)

Market Entry Method for the UK: Starbucks has used differentiated market entry strategies by reflecting contextual factors. In the UK, the company pursued the direct acquisition strategy in which it acquired Seattle Coffee Company in 1998 which helped the company to gain leverage and rapid penetration into the UK market.

Advantages: One such entry method characterises low entry barriers, cultural and linguistic similarity and the company's confidence of taking operational control of another brand and sustain activities (Glowik, 2017).

Disadvantages: However, such an entry method also comes at a cost of having to take greater financial risks as the capital required for undertaking such activities is too big.

Market Entry Method for Saudi Arabia: In Saudi Arabia, however, the company has pursued partnership and franchising option more dominantly because of local market complexity and foreign ownership restrictions of the country.

Advantage: By collaborating with Alshaya Group, the company entered into the Arabian market which also helps the company to manage risks more efficiently for over 400 stores that now currently are functional in the market (Chuang, 2019).

Disadvantage: This also reduces the control that Starbucks has on its operations in the country due to the shared partnership of its title in the foreign country.

Now, when it comes to organisationally maintaining global brand image, Starbucks incorporates global brand standards across all the markets and the UK and the KSA are no different. With regional HQs to come up with necessary strategies to cater to the specific market-oriented operations, Starbucks ensures of brand consistency and local relevance at the same time (Campbell and Helleloid, 2016).

Promotion Analysis

In the UK, the company extensively uses digital engagement to make its mark on the audiences effectively where it dominantly uses social media such as Facebook, TikTok, Instagram etc. as well as email marketing. More importantly, the Starbucks Reward Program gives the repeat customers with benefits for future purchases which also helps the company to collect data to

hyper-personalize the suggesting process. Again, the company utilises various emotional appeals, too, to cater towards its intended audience with its adverts.

In Saudia Arabia, promotional strategies by Starbucks mainly revolves around culturally sensitive messages to the audiences in order to avoid any controversies by any means which also includes not promoting any explicit contents. The company endorses celebrities to create connections with the targeted audiences more directly and create the necessary impact (1xMarketing, 2024).

People Analysis

Starbucks emphasizes on maintaining one such workforce that can render professional customer services with specialized barista training as well as employee engagement. In all of the stores of Starbucks, staffs are to wear the official dress of the company, creating a formal and symbolized workplace. Now, the training of the employees mainly resounds with the company's product knowledge, customer engagement and sustainability awareness to derive the most out of the workforce.

In Saudi Arabia, the situation is a bit different with a different local employment dynamic where the number of female participants is increasing gradually. More importantly, Starbucks focuses on hiring staffs who are bilingual and are proficient in both Arabic and English with cultural sensitivity to render the best possible services. In terms of training, the company renders Islamic cultural awareness, hospitality traditions and as such.

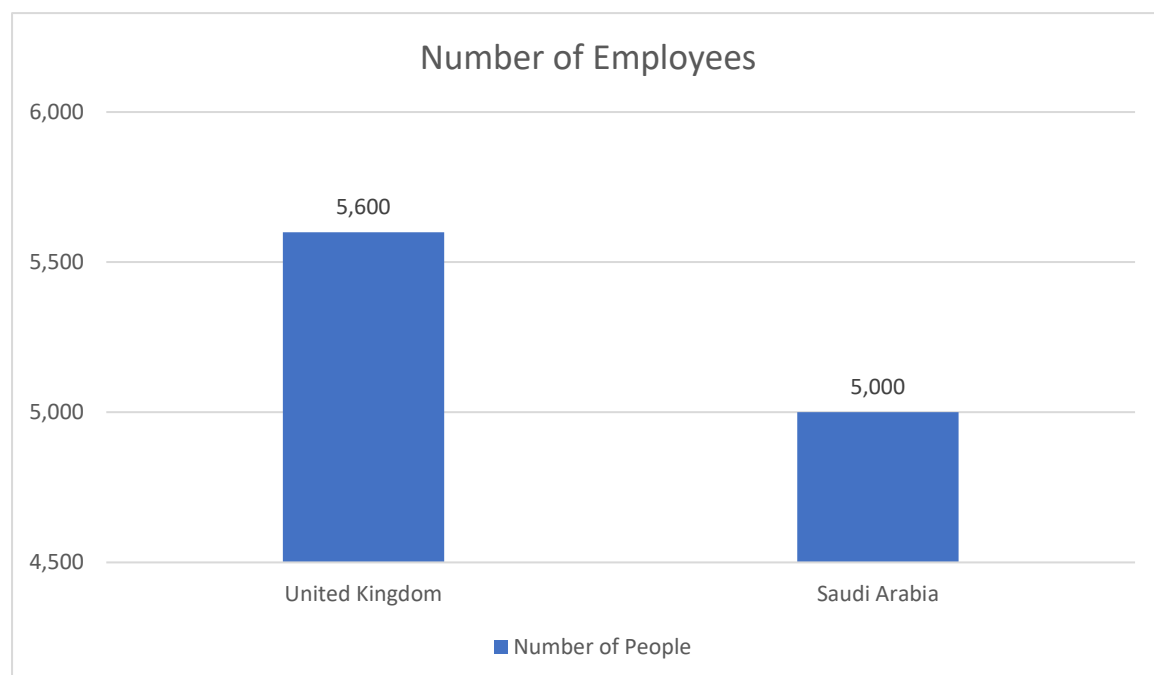


Figure: Number of Employees Working in both the UK and the KSA (Starbucks SA, 2025)

Process Analysis

In the UK, the ordering process starts with mobile app functionality from where the company moves towards advanced ordering and payment system. Moreover, there are in-store processes of streamlined point-of-sales systems which are coupled with rapid delivery of the beverages. Moreover, through the loyalty program, the entire customer journey is made more engaging and interactive.

In Saudi Arabia, the processes revolve around privacy a lot more where the company maintains gender-segregated seating to maintain cultural appropriateness. More importantly, halal certification is embedded in every step of the way to remain relevant to the local audience. As for transactions, the company uses both cash and digital media. Lastly, the customer service processes focus majorly on hospitality traditions (Realbusiness, 2025).

Physical Evidence Analysis

The store designs in the UK focus more on contemporary aesthetics alongside warm lighting, accompanied by comfortable seating and Wi-Fi connectivity. As for the design elements at the stores, there majority include local art, sustainable materials as well as integration of modern technology. Moreover, in-store signage helps emanating knowledge among the customers regarding the brewing methods, sustainability credentials and product origins.

In Saudi, the process remains closely the same for consistency and brand image, however, with inclusion of traditional Arab architectural elements to make the experience more local for the audiences while giving exposure to international brands. Halal certifications are one of the major signages found in the stores, as well (World Coffee Portal, 2025).



Figure: Outlet of Starbucks (Sprintzeal, 2025)

Strategy Effectiveness Evaluation

When considered the market presence of the company in the UK, Starbucks appears to be largely successful and effective. The company currently operates through over 1200 stores which represents the largest European market outside Italy. As for sales, the company had posted an incredible year-on-year growth of 22% in 2023 which showcases that the company has been effective with its premium pricing model. With expanding market share of the company and continued store opening in the UK, the company showcases all signs of strategic success.

In Saudi Arabia, Starbucks has maintained incredible market penetration with over 400 stores across major urban centres. Moreover, in the premium coffee segment, the company maintains its leadership position quite dominantly. More importantly, the brand awareness among targeted demographics has remained effectively penetrative. High store traffic alongside transaction volumes indicate the popularity of the brand in the market alongside consumer demand for its products and services.

Ethical Considerations & Cultural Sensitivity

Ethical Practices in the UK: Ethical issues in the UK mainly include the company focusing on fair-trade sourcing, environmental sustainability and employment practices too much. The company uses a very famous CAFÉ Practices Program to ensure of ethical sourcing yet concerns remain on whether the company is adequate environmentally or not.

Ethical Practices in Saudi Arabia: In Saudi Arabia, ethical practices incorporate the company emphasizing on cultural sensitivity and Islamic compliance as well as remaining engaged in community development. Now, the company's commitment to maintain an inclusive workplace with an ethical intensity to ensure of inclusive development. Again, the company partners up with many local communities for employment creation and youth development programs which includes the Starbucks Opportunity Café.



Figure: Cultural Sensitivity across Different Parts of the World (Singh, 2016)

Strategic Recommendations

One of the first recommendations to the company is to enhance its digital integration by accelerating its digital ordering, payment and loyalty program integration for getting the most out of its already well-established system. Now, this can be applied in both the markets, but it should be focused more on Saudi Arabia.

Another major recommendation for the company is to relay its sustainability messages to the UK and Saudia Arabian market more effectively to achieve high level of market penetration.

Again, the company must remain focused on creating innovative menu and keep adding to the list of items by remaining relevant to the local context for maximum traction. More importantly, while doing so, Starbucks must remain wary of the regulations and cultural aspects of Saudi Arabia.

Lastly, the company should keep moving with its acquisition of franchises in the UK in order to reduce competition while increasing its market consolidation. It will significantly improve the company's operational control in the market and provide further scope for improvement.

Conclusion

Starbucks' international strategies used in the UK and Saudi Arabia showcases the extent of sophistication the company utilises to curate its marketing campaigns as well as pricing strategy to effectively capture the markets in the most efficient and effective way. In this regard, the company has to maintain adaptability for changing macro-environmental challenges. Again, the STP strategies of the company for both the markets show how effectively it navigates the complexities. However, in order to maintain continued sustenance of the company's operations in both the countries the company must remain committed to cultural sensitivity as well as ethical practices for maintaining digital innovation.

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