

Problem Solving and Innovation (BMSW4014)

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A Swot analysis of Starbucks in the UK

Slide 1: Title slide

- Define what SWOT stands for Strengths, Weaknesses, Opportunities, and Threats.
- Pros and Cons.

Speaker notes

- SWOT analysis is a strategic planning approach used by firms to evaluate external opportunities and threats, as well as internal strengths and weaknesses (Gürel & Tat, 2017).
- Talk about the advantages: make strengths and weaknesses clear, highlight places for improvement, and helps you get ready for changes in the market.
- Mention disadvantages that may reduce its efficacy, such as subjective analysis and clarity (Helms & Nixon, 2010).

Slide 2: Starbucks Facts

- Background: Founded in 1971 in Seattle.
- Current Events: In July 2024, a 3% drop in global sales was announced, in August 2024, Brian Niccol was selected as the new CEO of the company (BBC News, 2024).
- Global reach: with more than 32,000 stores worldwide.

Speaker notes

- Explain Starbucks' growth from a single coffee shop to a global chain known for its high-quality coffee.
- Highlight the fact that Brian Niccol who was named CEO in August 2024, has a proven record of accomplishment of revitalizing businesses, making him well-suited to guide Starbucks through this moment of transition (BBC News, 2024).

Slide 3: Strengths

- Brand Recognition: A world-renowned brand with a loyal following.
- Personalise the choice of the whole range of drinks and foods.
- Sustainability Initiatives: Focus on sustainable practices, including less plastic usage (Starbucks, 2023)

Speaker Notes:

- Highlight Starbucks branding, which plays in favour of its highly competitive position in the UK.
- The company offers a wide range of menu options to appeal to a diverse customer base and various tastes.
- Reference Starbucks sustainability efforts: these will appeal to some consumers in the UK market who feel this issue is important (Mintel, 2024)

Slide 4: Weakness

- Expensive: considered as a high-end coffee choice it is frequently more expensive than nearby cafés.
- Urban: Centric Sites- Not common in rural regions.
- Perceived Lack of Authenticity: According to Cheng and Wong (2022), some patrons prefer the experience of independent coffee shops.

Speaker Notes

- Talk about how Starbucks' high prices can turn off budget-conscious consumers, particularly during lean economic times.
- In the UK, where customers prefer independent cafés, there is a view that Starbucks lacks the authenticity of neighbourhood coffee shops (Cheng & Wong, 2022).

Slide 5: Recommendations for Starbucks

- Sustainable Products: Growing demand for environmentally friendly and sustainable products.
- Improved Menu Selections: Possibility of increasing the selection of health-conscious options (Mintel, 2024).

Speaker notes

- Bring up the possibility of attracting health-conscious consumers by providing more wholesome and low-sugar products (Mintel, 2024).

Slide 6: Opportunities

- Expand delivery services

Slide 7: Threats

- Economic Uncertainty: The rise in living costs and inflation is influencing consumer spending habits.
- Increasing Competition
- Consumer preferences are increasingly leaning towards tea and other homemade beverage alternatives (BBC News, 2024).

Speaker notes

- - Discuss how economic factors, including inflation, impact consumer expenditure on premium products such as those offered by Starbucks.
- - Outline the competitive landscape, highlighting the significant competition from both local cafés and other chains.
- - Emphasize the growing trend of preparing coffee and other drinks at home, which could result in decreased spending at coffee shops (Mintel, 2024).

References

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- Gürel, E. and Tat, M. (2017) 'SWOT analysis: a theoretical review', *Journal of International Social Research*, 10(51), pp. 994–1006.
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