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Abstract

This report explores the history and operations of one of the renowned American multinational chain of coffeehouses and roastery reserves, named Starbucks. With an aim to offer fresh-roasted coffee beans, tea and spices from around the world, Starbucks has developed into a worldwide coffeehouse trademark under the management of Brady Brewer and Howard Schultz. This study then proceeds with a detailed comparison of the socio-cultural environments and finally contrast its STP as well as 7P marketing strategies in the selected markets. However, through the evaluation, the analysis will be able to measure the performance of the company based on market data, along with its ethical practices in the international platform to provide valuable recommendations. It has been analysed that marketing is still able to develop desire and even willingness for payment of premium prices, yet the sustaining of growth needs the integration with operations, menu rationalization, and potential pricing alignment.

Table of Contents

1. Introduction	5
2. Brand overview	5
2.1 Overview of Starbucks.....	5
2.2 Operation of Starbucks in the USA and India	6
3. Comparison of the socio-cultural context of Country A and Country B	7
4. Comparison of Brand's STP strategies in Country A and Country B	11
4.1 Starbucks in (United States) USA.....	11
4.2 Starbucks in India	13
4.3 Comparison and contrast	15
5. Comparison of Marketing Mix Strategies in Country A and Country B.....	16
5.1 7Ps of the US	16
5.2 7Ps of India.....	19
6. Evaluation of the performance of marketing strategies.....	22
6.1 United States	22
6.2 India	23
7. Evaluation of marketing ethics practice.....	24
8. Recommendations	25
Conclusion	26
References.....	27

1. Introduction

Understanding how multinational corporations differentiate their marketing strategies in response to various cultures and economic situations is crucial in the globalised era as well as in the rapidly evolving international market. Regarding this aspect, the primary focus of this context is to examine Starbucks' international marketing approach in two distinct markets: the USA and India. The company's primary operations involve buying and roasting premium coffees, which it then sells through company-oriented shopfronts along with artisan drinks and snack products (GlobalData, 2025).

2. Brand overview

2.1 Overview of Starbucks

Starbucks Corporation is an American multinational coffeehouse chain that was established in the year 1971 at the Pike place market in Seattle (GlobalData, 2025). The effective governance culture of the company has placed it as a high-end, experience-oriented specialty-coffee trader across the world. The name 'Starbucks' is inspired by the classic tale, 'Moby-Dick,' which evokes the seafaring tradition of the early coffee traders. As one of the global organisations, primary operations of Starbucks involve buying and roasting premium coffees. It then sells these through company-run shopfronts along with handcrafted beverages and snack products. Furthermore, by following the core mission statement of the company which is '*to inspire and cultivate the human spirit one person, one cup, and one neighbourhood at a time*', the global business strategy of the company has focused towards the combination of quality products, along with the store environment and its extensive menu to satisfy the regional consumers of the company (Starbucks Coffee Company, 2025).

In addition to coffee and tea, Starbucks sells food items, such as sandwiches, wraps, bagels, cookies, croissants, chocolates, and candies in the global market under diverse names, such as **Teavana**, **Starbucks Reserve**, **Ethos**, and **Tata Starbucks Coffee**. Regarding the mixed operating model of Starbucks, it has undertaken brand extensions like Starbucks Reserve roasteries, consumer packaged goods as well as loyalty/digital

ecosystem which influence the brand to develop its revenues and engage with global consumers. Through its Global Coffee Alliances, Starbucks also licenses its trademarks through additional channels, including grocery shops, food service, and licensed outlets. This helped the brand to record highest revenue in 2024 that peaked at over \$36 billion (Statista, 2025). It not only registered the highest revenue at that year, but also ranked second in brand values of any restaurant chain worldwide with a valuation of nearly \$39 billion in 2025 (Statista, 2025). As shown in figure 1, starting with a total of 1,000 stores in 1996 to 10,000 stores in 2005 and 35,711 in 2025, Starbucks passed numerous milestones, adding more and more countries to its licensing business (Statista, 2021)

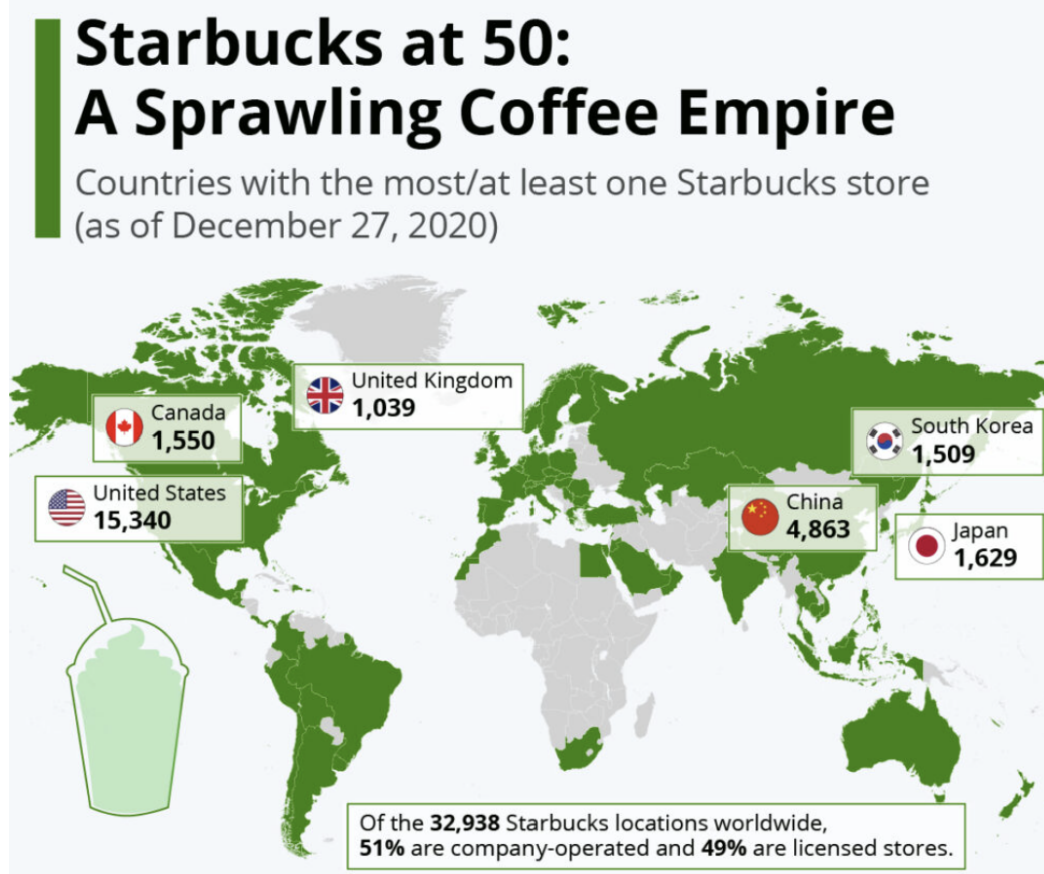


Figure 1: Countries with most of the stores of Starbucks

(Source: Statista, 2021)

2.2 Operation of Starbucks in the USA and India

USA: United States of America is stated as the largest and most mature home market of Starbucks in which the company has started its operation since 1971. The country-based operation of the company consists of company-managed cafes and licensed venues in urban, suburban and travel channels which helps it to expand approx. 17,286 Starbucks stores in the United States as of September 22, 2025 (ScrapeHero, 2025). Thus, the U.S. contributed Starbucks a big proportion of total worldwide stores and earnings. To cope up with the advanced market of the USA, Starbucks experiments with new formats and spends significant resources on digital loyalty, mobile ordering, and scale supply chain.

India: Since 2012, Starbucks has been operating a 50:50 joint venture with Tata Consumer Products (Tata Starbucks Private Limited), which helps the brand to start its business in India. The effective strategy of the company has modified the Starbucks global playbook to local Indian tastes and channels: high-end urban cafes in the metros and airports, growing presence in the tier-2/3 cities, localised menus along with the Indian sourced offerings like Tata Nullore Estates Reserve coffees (Tata Consumer Products, 2019). However, in order to manage unit economics in a price-sensitive market of India, Starbucks has been pursuing a vigorous growth trajectory with announced ambitions to expand 1,000 stores by 2028 (Starbucks Coffee Company, 2024). This is in line with the long-term Triple Shot Reinvention Strategy of the company.

3. Comparison of the socio-cultural context of Country A and Country B

Comparing the business environment through social aspects is known as a socio-cultural PESTLE analysis. Comparative PESTLE analysis of Starbucks' macroenvironment in Country A (USA) and Country B (India) will be able to provide a strong focus on sociocultural elements and their interactions with political, economic, technological, legal, and environmental circumstances of the USA and India.

Political: The main political factors in the macro-environment of Starbucks are about the sourcing the raw materials and strong alignment with the global as well as regional laws in its international operation. In this regard, the US offers a strong political system

that is fairly democratic and business rules are predictable at both federal and state levels (Lian and Lindmark, 2021). Despite the stable political climate, political polarisation influences the evolving nature of the business policies that are not only correlated with the regional policy differences but also significant for the national chains operating among states. In this situation, Starbucks has to deal with various health, employment and zoning regulations in large metropolitan and suburban regions which is recognised in its regional restructuring and net store changes aspects.

On the other hand, despite the stable political nature with one great central government, the business policy in the Indian market has also been influenced by federal-state relations (state governments influence the retail policies and licensing) along with a protectionist tendency in certain areas which defines the higher value of joint-venture patterns for the foreign entrants (Aggarwal and Aggarwal, 2024).

Economic: The US is a high-income country and the largest economy in the world in terms of nominal GDP with a developed coffee consumption and high average per capita spending on the beverages of out-of-home drinks (Joe David, 2024). Thus, the country's coffee market is expected to grow from USD 23.96 billion in 2025 to USD 28.94 billion by 2030, at a CAGR of 3.85% which demonstrates resilience through premium product offerings (Intelligence, 2025). This aspect defines the USA as a high-value core market to Starbucks in which the company's Global action strategy needs to be considered which reflects its focus towards operational efficiency.

On the other hand, India is a less-developed but higher-growth market (0.7% of the global coffee market in 2024) in which coffee retail is growing quickly off a small foundation due to the increasing incomes of urban populations and young population (Grand View Research, 2025). That distinction is influencing the strategy adopted by Starbucks where optimisation, format innovation and margin focus in the U.S., and aggressive store rollout and market penetration in India through Tata Starbucks are followed.

Social: This is the decisive point of distinction where the diverse cultures of the consumers diverge in an effective manner. In the U.S., coffee drinking is so habitual and widespread among demographics that specialty coffee is standard and convenience is the priority. In addition, consumers demand stable quality of products, speedy delivery

and high digital benefits on loyalty where the third-place quality of cafes is already developed, yet it is in competition with high-quality home brewing. To comply with this situation, Starbucks reacted with a significant investment in digital platforms, loyalty, and the format variety based on convenience and frequency of use.

In contrast, the coffee culture in India is mainly based-on younger, urbanised and hopeful, where the urban millennials and young professionals use cafes as a social and status place (Aggarwal and Aggarwal, 2024). Therefore, the high-quality foreign brands are frequently diffused with aspiration. Furthermore, the degree of price sensitivity is greater in India, as compared to that of the U.S. Therefore, menu localisation, value level products, and specialised promotions are playing an important role through Tata tie-in credibility in these socio-cultural realities.

Technological: In the globalised age, the two markets seem to be digitally advanced, but with different trends. The U.S. has the characteristics of developed mobile ordering, one of the most integrated loyalty programs and a high level of use of contactless payments; Starbucks digital ecosystem is a competitive advantage in the U.S. market.

Although more price-sensitive, India has already surpassed numerous of its payment technologies (high-usability UPI), high smartphone ownership, and allows app-based ordering and delivery in major cities, but app and loyalty features will need to be modified in accordance with local prices and payment behaviours of the consumers. In this regard, Tata Starbucks uses the supply chain and the digital cooperation to align with the expectations of Indian consumers.

Legal: This factor is defined as another key operational aspect in the U.S. (unionisation pressures, wage battles, store-level labour issues), which have shaped Starbucks focus on in-store performance and employee interaction in its recovery, is labour and employment law.

On the other hand, the state-level discrepancy of India regarding shop-licensing, food-safety conventions and property laws makes local JV partners more valuable, Tata Starbucks UAV model facilitates the state compliance and real-estate agreements. However, within the evolving nature regulations and pressure of sustainability, regulatory changes or local political sensitivities is able to create financial burden on the

brand which has shown by the expansion-related losses of Tata Starbucks in India (65% in FY25) (Economic Times, 2025).

Environment: Both markets are highly sustainable with consumers expecting that companies should operate with ethical sourcing, waste management, and climate-resilient supply chains. More of its sustainability commitments in the U.S. has been demonstrated by the brand in packaging and energy actions on a large scale (Joe David, 2024).

While in India, Starbucks addresses environmental concerns such as water stress and agricultural resilience (coffee farming) via traceability and farmer support. Despite the local sourcing, Starbucks also emphasizes waste reduction, greener store and community programmes as part of its current position in India through initiatives like the CHAI Project and encouraging girls' education (Starbucks Coffee Company, 2025). However, as part of its corporate strategy, Starbucks also released its sustainability and social-impact goal (as shown in figure 2). This is defined as one of the community investments approaches of the company to comply with the global regulatory act in the international market and enhance profitability (Starbucks Corporation, 2025).



Figure 2: Sustainability initiatives of Starbucks in India

(Source: Tata Consumer Products, 2019)

4. Comparison of Brand's STP strategies in Country A and Country B

4.1 Starbucks in (United States) USA

In the US, the chosen company, Starbucks, has positioned it as a premium coffeehouse experience which is further showcased through its STP framework.

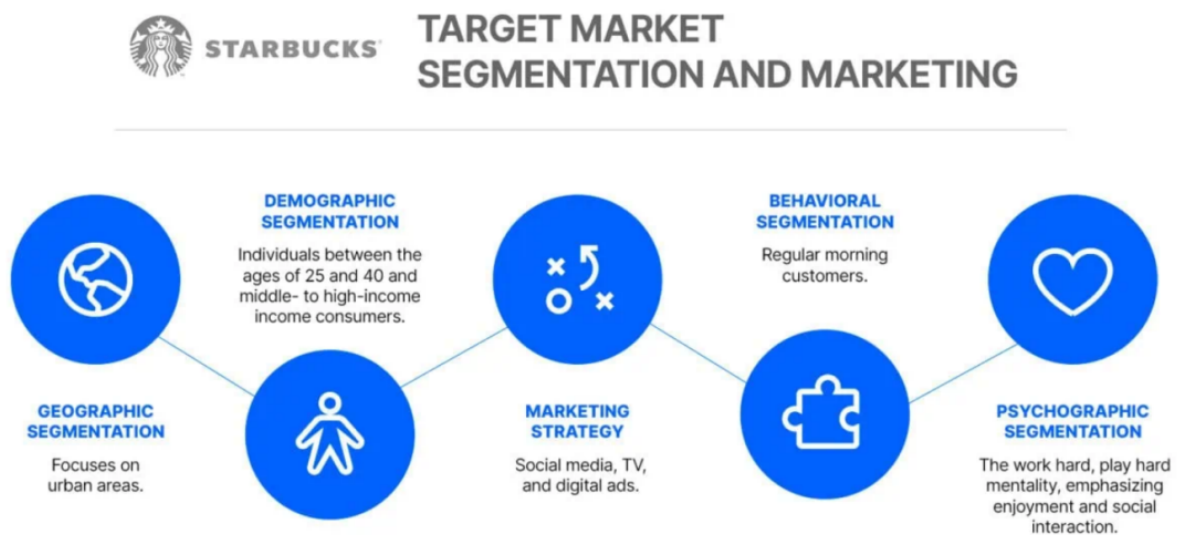


Figure 3: Target market segmentation and marketing overview of Starbucks

(Source: Pereira, 2024)

Segmentation

In the context of Segmentation, the company is focused on various bases in the US market. In terms of demographics, the brand is more focused on the 25 to 40 age group in various regions, with a particular focus on the US, which is a leading region of the company with over 15,000 stores (Pereira, 2024). On the other hand, in terms of psychological context, it is more focused on the “young professionals” group from an urban, socially aware, and environmentally conscious group (Pereira, 2024). In terms of behavioural context, Starbucks utilizes its rewards systems as loyalty programs, which

ensures better engagement among frequent shoppers, convenience-seekers, and others (Farooq, 2025). While, as identified previously, the company, in its geographic context, potentially focuses on the urban areas and affluent suburbs in the US.

Targeting

From these segmentations, the company aims to target higher aspects of the coffee market through focusing on consumers who are willing to pay a premium. Various company factors like high-quality drinks, store ambience, consistent experiences, brand name, and others are crucial influencing factors (Chang, 2020). The main targeting often includes professionals, families, and students, with a focus on affluent, Millennials and Gen Z (Bhatt, 2025). In this context, the loyalty program in the US also plays a major role, with the company announcing the count of 75 million Starbucks Rewards members globally with a keen focus on digital engagement (Tan, 2023).

Positioning

Starbucks positions them as the “Third Place” in regions like the US while offering a premium coffeehouse brand with higher product quality, consistent experiences, and effective store ambience (Liu *et al.*, 2021). The Ethical positioning of the brand is further supporting their US presence, like their maintenance of 100% gender pay equity in the US, \$8 million investments in the US Dairy net Zero initiative, supporting youth grants, community stores, and others in FY24 (Starbucks, 2024). Their positioning is focused on premium segmenting as a cafe for meeting, work, and or relaxation, further differentiating from other chains in the US market.

Sustainable Dairy	FY24	FY23
\$ invested in U.S. Dairy Net Zero Initiative (during FY) (\$ millions) <i>Starbucks is committed to invest \$10 million in the U.S. Dairy Net Zero Initiative.</i>	2	2
\$ invested in U.S. Dairy Net Zero Initiative (cumulative as of FYE) (\$ millions)	8	6
Animal Welfare		
100% cage-free eggs and egg products in company-operated stores.		
% cage-free eggs (U.S. and Canada company-operated stores, inclusive of branded products supplied to licensee business partners)	100%	100%
% cage-free eggs (EMEA and U.K. company-operated stores) <i>In Asia markets where Starbucks operates, such as China and Japan, cage-free egg production is limited and supply is not yet widely available.</i>	100%	99.9%
% poultry raised without routine-use of medically important antibiotics (U.S. company-operated stores)	100%	99.9%
We have met our stated goal of 100% group-housed pork by 2024 for Starbucks branded products in the U.S. and Canada.		
% pork defined as “group-housed” (U.S. and Canada company-operated stores, inclusive of branded products supplied to licensee business partners) <i>While our aspiration of phasing out the excessive use of gestation stalls for the sows in our supply chain by 2030 has presented challenges, we remain committed to making progress in service of our animal welfare-friendly practices and will continue to re-evaluate our 2030 sow housing commitment.</i>	100%	76%

Figure 4: Sustainable and ethical support of Starbucks in the US

(source: Starbucks, 2024)

4.2 Starbucks in India

In the context of India, Starbucks has adapted its STP in relation to the emerging market context, like the joint venture with TATA Starbucks Limited, and also managing its premium global brand names (Batra and Dhir, 2024).

WHO IS STARBUCKS TARGET AUDIENCE?



Figure 5: Common target audiences

(Source: Pereira, 2024)

Segmentation

In terms of the Indian context, Starbucks also utilizes a potentially similar type of segmentation with demographics focused on urban middle and upper middle-class consumers (Jakhar, 2022). The psychographics context is the one with higher disposable income and values the Western cafe culture and socialization. In terms of behaviour, the company is focused on consumers who seek premium experiences and young urban consumers who can consider Starbucks as a place for relaxation, meetings, and social status. According to research, Starbucks' focus on major cities like Mumbai, and Delhi will still require them to adapt their products based on Indian tastes (Siddhartha, 2024).

Targeting

Starbucks in India potentially targets the urban affluent or even aspirational-based urban consumers who are willing to pay a premium for Western brand cafe experiences. The further Joint venture with TATA has allowed them to potentially showcase them as a premium cafe, in contrast to just any mass-market cafe (Quadir *et al.*, 2023). The

company further targets working professionals, young millennials, and also families or groups who are aiming for the experience of an international cafe feeling.

Positioning

In India, the company is more positioned as a premium global coffeehouse that is benefiting from its global brand name and even local adaptations. This particular positioning is potentially shedding light on their quality, global brand image, and a third-place aspect for meeting and socializing. In the Indian market, there is also a potential social status approach for going to Starbucks to showcase it as an aspirational choice. One of the most crucial positioning approaches for them is local adaptability. For example, Masala chai, Elaichi Chai, new food menus, South Indian Filter Coffee, and others (Starbucks, 2023).

4.3 Comparison and contrast

The STP approaches of Starbucks in both markets have various similarities and even differences. For example, in the US, it can be identified that a keen focus is on the affluent and urban-focused adult consumers from the 25 to 40 age groups, with a particular focus on behavioural loyalty through reward systems. While in India, segmentation is much narrower with targeting urban and higher-income segments in major tier-1 cities (Jakhar, 2022). It also potentially focuses on consumers who seek the company as a premium choice and not as everyday coffee. The habitual use and common adaptation of the brand in the US is contrasting with the social value and selective premium experiences of the Indian market. The analysis further showcases how Starbucks in the US is positioned as being an everyday or frequent premium coffee chain with a particular focus on the third-place environment. While in India, it is positioned as a more premium cafe brand from the US, offering global experiences in a local manner with a focus on aligning with local tastes. The analysis also showcased some similarities, like in both countries, the company is segmented in demographics, psychographic, and behavioural bases while utilizing loyalty programs and high-quality coffee experiences.

5. Comparison of Marketing Mix Strategies in Country A and Country B

The 7 Ps of Services Marketing



Figure 6: 7Ps of Marketing Mix

(Source: Z, 2019)

5.1 7Ps of the US

Product: The product strategy of the company in the US is based on various layers that are focused on their roast coffees, espressos, and even bakery items, with a focus on various limited-time innovations (Aminuddin *et al.*, 2021). Their menu is often characterized through a choice of customization like sizes, add-ons, and others to further enhance potential social media interactions and awareness. Furthermore, their Starbucks Reserve allows them to further offer the most premium and unique offerings to the interested individuals outside of their cafe experiences (starbucksreserve, 2025). Furthermore, their keen focus on sustainable and ethical sourcing is also adding another layer of attractiveness to their product ranges (Starbucks, 2025).

Price: The pricing in the US is more focused on being premium, which allows them to differentiate from mainstream quick-service coffees and further shed light on their quality, ambiance, and conveniences. The company is further maintaining its price resistance through aspects like personalization and even loyalty approaches (Ullagaddi, 2024). These are crucial in terms of enhancing the potential for repeat spending and increased consumer engagement. Prices further vary majorly like compared to normal stores. Starbucks Reserve in Chicago has comparatively higher prices, due to their exclusive offerings (starbucksreserve, 2025).

Coffee Creations		Coffee	Other Beverages	Sweets	Breakfast	Savory Bites & Plates
SEASONAL BEVERAGES						
ICED CARAMEL BRULÉE EGGNOG LATTE						
Starbucks Reserve® Christmas 2025 Espresso, eggnog, caramel brulée sauce, cold foam, finished with a hand-torched caramelized sugar crust.						
12 FL OZ 440 CAL \$9.5						
HOT COCOA DUO FLIGHT						
A tasting flight of two hot cocoas, made with 70% cacao dark chocolate: Caramel Miso Hot Cocoa finished with dark caramel miso cold foam and edible gold flakes, Peppermint Hot Cocoa finished with peppermint candy and dark chocolate curls.						
9 OZ 370 CAL \$9.5						
STARBUCKS RESERVE® PEPPERMINT MOCHA						
Made with 70% cacao dark chocolate, Starbucks Reserve® Christmas 2025 Espresso, steamed milk, peppermint syrup, finished with whipped cream, peppermint candy, dark chocolate curls.						
8-16 FL OZ 280-580 CAL \$8-9						
CARAMEL MISO HOT COCOA						
Made with 70% cacao dark chocolate, steamed milk, dark caramel miso sauce, finished with dark caramel miso cold foam and edible gold flakes.						
8-16 FL OZ 320-650 CAL \$7.5-8.5						
+ Make it a Mocha						
0.50						

Figure 7: Starbucks Reserve Chicago pricing
(source: starbucksreserve, 2025)

Place: The place strategy in the US by Starbucks is mainly focused on density and diversity. The company is currently operating in a vast number of US-based stores and licensed locations in urban centres, airports, drive-thru types, and others. Based on the company's annual reports for 2024, they were operating 10,158 company-operated stores across the US (Starbucks, 2025). Their focus on being the third place for everyone is another major approach to their place strategy.

Promotion: In the context of the US, the promotional approaches are a collaboration of brand-focused narratives like sustainability and ethical commitment and even major digital involvements. In this context the Rewards program can be considered as their main promotional aspect as based on their financial year 2024's report, the US 90-day rewards membership program reported revenue of 33.8 million, further highlighting their key support (Starbucks, 2024). Digital engagement further enhances this reach through showcasing their unique offerings and targeted marketing to gain more attention and reach.

People: The frontline-based partners are also a crucial aspect in terms of the US-based operations. The company aims to invest in partner benefits, leadership developments, and even barista training (George, 2023). These approaches further potentially contribute to their US operational enhancements and the support of labour practices and improving their third-place context. This is further related to the labour activism and unionization approaches that can not only ensure their operational but also reputational image is effective, ensuring staff and partner retention.

Process: Service processes in the American context are often focused on customization, speed, and seamlessness of digital purchasing. In this, mobile pre-ordering, efficient in-store workflows, contactless payments, and others are crucial to consider. The company has thus focused on this context through considering in-depth analytical and AI approaches like DeepBrew, which supports hyper-personalization of the consumer experiences (Bean, 2025). Approaches like these further contribute to enhancing labour development, effective forecasting, and process redesigning.

Physical evidence: US-based stores are often based on communicating the brand promise for a comfortable place with sophisticated interiors, packaging, store design,

and products to showcase premium aspects. Their complete visual aspects, like reserve displays, branded services, and others, aim to develop a support pillar for their premium pricings and also allow for sharing exclusive experiences with everyone (starbucksreserve, 2025).



Figure 8: New York Roastery Starbucks

(Source: starbucksreserve, 2025)

5.2 7Ps of India

Product: TATA Starbucks aims to maintain a proper balance of its global reputation and brand image, while also focusing on local adaptations. This approach is further showcased in their menu adaptation, like including signature drinks like Masala chai and filter coffee inspired drinks, which are further match the relevant regional tastes (Malviya, 2022). The Tata-branded retail coffee with a focus on Starbucks in the Indian region is supporting its major presence in the region.

Price: In the context of pricing, the Indian context is positioned at a premium point with a focus on aspirational consumers. The customized beverages are further priced based on their international quality while considering their local alignments to increase

purchasing frequencies and intentions. For example, Tata Starbucks utilized targeted bundles and even limited-time offers like their festival promotional packs, like the Diwali blend, which ensures to keep their premium image consistent while being accessible in Indian market entry points through wider adaptation of culture (Starbucks, 2020).



Figure 9: Tata Starbucks Diwali blend

(Source: Starbucks, 2020)

Place: The place strategy in India is more based on selective and potentially experience-focused/. According to reports, the company became the largest organized cafe operator in India after their addition of 19 new outlets in five new cities for the second quarter of 2025's financial year. This allowed them to reach 457 stores across 70 cities in the region, with a particular focus on new tier 2 and 3 cities (EconomicTimes, 2024).

Promotion: Promotional activity in India is based on the global brand image and messaging, with a particular keen focus on the local alignments and influencer engagements. The company aims to run various localized digital creative approaches and even focuses on application-based offerings adapted to further Indian payment systems with further integration to the reward systems (Starbucks, 2020). The promotion in India is also potentially focused on awareness and aspirational storytelling to attract more new consumers with a focus on localized value aspects.

People: Tata Starbucks has integrated the global service aspects with Tata's local HR management practices, potentially ensuring culturally aligned service delivery. The partner training and development programs of Starbucks have always been a crucial approach for their effective services, meeting hospitality needs, and enhancing employee understanding of consumers (Starbucks, 2025). This approach has also been crucial in the Indian market to not only adapt to the local tastes and needs but also enhance employee well-being and skills in relation to the market.

Process: In terms of operational context, Tata Starbucks follows the global beverage preparation and safety standards while further focusing on its supply chain and kitchen processes. In this context, the brand ensures to meet *all* the safety requirements. The digital ordering, efficient payment systems, and delivery partnership are also integrated into their process strategy (Starbucks, 2020). These are crucial process adaptations for Starbucks to utilize the supply networks of Tata to scale in a more effective manner.

Physical evidence: Indian stores of Starbucks are a major collaboration of international designs with local touches (Starbucks, 2022). The curated interior designs, social-sharable spaces, and visible Tata alliance all contribute to a showcasing of hybrid identity. This not only develops a sense of local belonging but also allows showcasing their premium positioning, which eventually supports their premium price points.



Figure 10: Tata Starbucks retail chain

(Source: Starbucks, 2022)

6. Evaluation of the performance of marketing strategies

6.1 United States

The marketing strategy in the US of Starbucks can be considered as a commercial level success due to the ability of the company to shift its premium positioning to a scaled and loyalty-driven company. During the FY 2024, the company opened a total of 513 company-operated stores, with the total number reaching 10,158 (retail-insight-network, 2024). Their focus on inclusivity was also showcased through the US workforce

reaching 70.9% female and 28.4% male (retail-insight-network, 2024). The rewards program has also been highly crucial for their success with reporting of approximately 33.8 million active US rewards members in 2024 (Starbucks, 2024). These showcase how the consumer frequency has increased in the region. The company's social media channels are further supporting their product launch impacts, as they can impact a large number of consumers. The company's net revenue in FY24 was approximately \$36.2 billion, which showcases their loyalty and increased footprint benefits (Starbucks, 2024). Complete success cannot be showcased by not considering the challenges.

For example, the reports by the company, although they showcase their revenue growth at a global scale, are not able to showcase the regional issues. For example, North America and the US comparable store sales declined 6% with a focus on a 10% decline in terms of their comparable transactions (Starbucks, 2024). These mixed overviews of the company showcase the diverse impact of their marketing. The annual report of Starbucks has revealed how loyalty can drive its disproportionate shares of revenue, yet the failed approaches for transaction counts can potentially lead to the fact that marketing in the region may need further enhancements (Starbucks, 2025).

U.S. Supplemental Data

(\$ in millions)	Quarter Ended		Change (%)
	Sep 29, 2024	Oct 1, 2023	
Revenues	\$6,245.1	\$6,425.0	(3)%
Change in Comparable Store Sales ⁽¹⁾	(6)%	8%	
Change in Transactions	(10)%	2%	
Change in Ticket	4%	6%	
Store Count	16,941	16,352	4%

⁽¹⁾ Includes only Starbucks® company-operated stores open 13 months or longer. Comparable store sales exclude Siren Retail stores. Stores that are temporarily closed or operating at reduced hours remain in comparable store sales while stores identified for permanent closure have been removed.

Figure 10: US sales overview of Starbucks (2023 & 2024)

(source: Starbucks, 2024)

6.2 India

In terms of Tata Starbucks showcases clear marketing achievements, especially considering the emerging market context of India. The company has been able to effectively operate in the market with 457 stores across 70 cities with a reported

revenue from operations of Rs. 4,212 crores in 2024, which is over their Rs 3,734 crore posted by them in the corresponding quarter of the previous financial year (Economic Times, 2024). The complete Tata partnership is also supporting the company's supply chain credibility enhancement with a focus on improving its distribution approaches. Their marketing efforts have also gained a touch of localized approaches like Masala chai, filter coffee-inspired beverages, and even festival packs related to local cultures (Starbucks, 2020). These approaches are further supportive in terms of making the Tata Starbucks the largest organized cafe operator in India.

With a keen focus on their success, the management has also made various ambitious goals for the future scaling of the company in the Indian market, with approximately 1,000 cafes by the financial year 2027-28 (Economic Times, 2024). This showcases how their marketing capability is allowing them to shift their awareness to conversion and retention at a rapid rate. Yet, it is crucial to consider that these beneficial and aspiring growth through their marketing is not without any barriers or challenges. For example, recent reports showcase that due to their major focus on expansion in the Indian region, the company faces major losses of approximately Rs 135.7 crore in FY25 (Goel, 2025). However, the revenue also showcased to be rose by 5% only, which potentially indicates their very weak unit economics position. Thus, it can be said that, in terms of practice, the marketing has developed a potential willingness among Indian consumers to pay a premium, yet the premium model still can face issues with the wider available middle-class segment in the long term, due to their fragile nature. This made the long-term success majorly dependent on the aspirational and high-end consumer of India. So, marketing in India has developed a brand and is able to create further scale, yet the management needs to consider their unit economics issues to further enhance its marketing investment capabilities to provide sustainable profits.

7. Evaluation of marketing ethics practice

Despite the strategic approach of Starbucks based on a premium positioning which makes it very complimentary to the global coffee market, it has also received significant ethical criticism especially in the USA regarding its sourcing and labour aspects.

Although Starbucks' Committed to 100% ethical coffee sourcing statement, which is written on all of its coffee bean packaging, is alleged by the complaint filed by the National Consumers League (NCL) in a Washington, D.C. court (National Consumers League, 2024). Furthermore, the lawsuit also specified that Starbucks purchases coffee from Indonesian and Guatemalan farms where there have been numerous reports of child labour, forced labour, and hazardous working conditions. Apart from these, cases of wage abnormalities or working overtime in farms with C.A.F.E. certification have been reported, which casts doubt on the disjuncture between Starbucks sustainability messaging and its execution at the ground level. On the other hand, the research of Lieberwitz, (2023) reported that the NLRB (National Labor Relations Board) has alleged several cases of anti-union practices by Starbucks, including the purported closing of stores and disciplinary measures against organising activities. Despite the denial of fault by Starbucks, these controversies question the ethics of the company.

8. Recommendations

For the US, Starbucks' 2024 filings are showcasing a 10% decline in transactions in the US. To address the issues, the company can,

- The company should focus on showcasing a clear value tier for their offerings, like simple beverages or bundle deals at lower pricing, to further increase visits without hindering their premium brand image (Gupta *et al.*, 2025).
- They can focus on enhancing the speed of equipment deployment and workflow redesign to reduce their in-store product times and potentially improve consumer wait times, allowing them to meet their claims for convenience.
- They should focus on shifting their complete focus to the DeepBrew to a better promotion of food and beverage combos or even add-ons through shedding light on their loyalty programs for better satisfaction (Vatsa *et al.*, 2023).

For India, the joint Venture of Tata Starbucks reported a loss of Rs 135.7 crore regardless of 5% revenue growth in FY25 (Goel, 2025). The company in this market can,

- Maintain their aspirational premium key beverages although focus also on mid-price segments of the menu to attract the massive middle-class segment of India. This is further due to the context that a large segment of Indian consumers still considers the pricing of the company as extremely expensive (Pandey *et al.*, 2021).
- Utilize the Supply chain capabilities of Tata to enhance local procurement approaches, which will eventually support reducing or controlling inflation-related pressures and enhance margin resiliencies.
- With a keen focus on the profitability pressures, the company should slow its rollout in Tier 2 or even 3 cities and focus on smaller and low-cost store formats (Singh, 2025). This will not only support their rapid expansion approach in India but also help reduce potential losses due to massive investments in major cities.

Conclusion

From the above study, it has been concluded that Starbucks is able to tailor its brand positioning, STP strategies and marketing mix to the opposite socio-cultural and economic environment in the USA and India. Although it is still performing well in both markets, there are still some struggles on the pricing fairness, labour practices, and compliance of ethical sourcing claims. Increasing transparency, improving local responsiveness and focusing on ethical alignment will not only increase the global brand integrity of Starbucks but also promote sustainable, culture-based expansion in the different international markets.

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