

Certificate of Higher Education in Employability Skills

Module: Problem solving and innovation

Module Code: BMSW4014

Assignment title: A SWOT analysis of Starbucks-
Complete a SWOT analysis of Starbucks in the UK

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Table of Contents

Introduction.....	3
Strengths.....	4
Weakness.....	4
Opportunities.....	5
Threats.....	5
Conclusion.....	6
References.....	7

Introduction

Starbucks, a multinational coffee bean roaster and retail coffee shops chain with locations across the globe, is the subject of this SWOT study. By branching out into new markets and experimenting with goods that enhance its coffee product emphasis, this American business has been working harder to increase the range of goods and services it offers. The Starbucks SWOT analysis examines the company's prospects, threats, strengths, and weaknesses to help formulate recommendations for strategic adjustments. (Starbucks Coffee Company, 2024)

STRENGTHS

- **Strong brand reputation** is a powerful advantage for Starbucks. The company enjoys a powerful reputation for its quality and customer service, making it one of the most famous and distinguished coffee brands in the world. (Martin Roll, 2024)
- **Wide international existence:** With over 35,700 stores in over 30 countries, Starbucks has a vast global footprint. This extensive reach allows the company to develop on international market opportunities and achieve economies of scale.
- **Strong customer loyalty:** Starbucks enjoys strong customer loyalty because of the exceptional quality of its goods and services. The business is renowned for its dedication to employing premium, ethically source ingredients and brewing methods that produce dependably delicious coffee. To cater to many customers, Starbucks offers a wide variety of menu items, such as food, drinks, and baked goods. Additionally, Starbucks is widely available, which makes it easy for people to get its goods and services. (Renaissance, 2024)

WEAKNESSES

- **High prices:** Given that there are alternative coffee shops that provide significantly lower prices for a product of similar quality, Starbucks' high prices are frequently questioned.
- **Limited menu options:** it is perceived as an American company that does not provide enough diversity in its stores across the accommodate local cultural preferences.
- **Competition is fierce:** StarBak's is up against both independent coffee shops and international chains like Costa Coffee, Mc Coffee. Competition on prices, higher marketing expenses and a continual need for product for product innovation to set on self apart are all outcomes of this competition. (Edraw Max, 2024)

OPPORTUNITIES

- **Growth in developing markets:** By expanding into developing regions like Africa, Latin America, and India, Starbucks can keep growing. Because of their sizable population, expanding middle classes, those areas have enormous growth potential.
- **Expansion of drive-thru and delivery:** Starbucks can increase the number of drive-thru locations and delivery services it offers to satisfy the growing demand from customers who are favoring convenience and contactless experience. (Penmy Paper ,2024)

THREAT

- **Employee Satisfaction and labor concerns:** Starbucks depends on its staff to provide superior customer service for which it is renowned. Nonetheless, the business has come under fire for its labor policies, which include problems with pay, benefits and working conditions. These issues may have a detrimental effect on brand reputation, employee retention and satisfaction.
- **Consumer tastes and preferences** are always changing, which could have an impact on Starbucks product demand. To preserve its place in the market, the business must remain aware of these developments and modify its product, as necessary. (Business Strategy,2024)

CONCLUSION:

Starbucks is a well-known and prosperous business with a strong brand and devoted patrons. It operates in a competitive and changing market quickly, with many opportunities and challenges. It needs to consider the various elements influencing its operations and develop strategies that align with its objectives if it hopes to continue to prosper. In addition to addressing problems like fierce competition and fluctuating commodity prices, this could entail expanding its loyalty program, introducing new products, or breaking into new markets. Starbucks can position itself for continued success in the by exploring and resolving these issues.

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