Starbucks Quality Analysis 1

Mayola Smith

 Doctor Muhammad Obediat

 Quality Management

 BUS 4101

 April 22, 2014

Starbucks Quality Analysis 1

**Introduction**

Starbucks’ operation began in 1971 as a roaster and retailer of ground and whole bean coffee, spices and tea. The journey began with a single store in Seattle’s Pike Place Market and currently operates more than 19000 stores worldwide. The company’s focus is on providing the best possible coffee, grown using the highest quality standards, sources and ethical practices. The company offers a range of products viz. coffee (more than 30 blends and premium coffees of single origin), handcrafted beverages (Frappuccino® coffee, smoothies, Fresh‐brewed coffee, non‐coffee blended beverages, hot and iced espresso beverages and teas), Merchandise (Coffee‐ and tea‐brewing equipment, packaged goods, mugs and accessories, books, music and gifts), Fresh Food (sandwiches, Baked pastries, salads, yogurt parfaits, oatmeal and fruit cups), Consumer products (ready to drink beverages, ice-creams and other coffee and tea products). Starbucks’ brand portfolio includes Starbucks coffee, Teavana, Seattle’s Best Coffee, Tazo, La Boulange, Evolution Fresh and Torrefazione Italia Coffee (Starbucks, 2014).

In Starbucks’ case, it’s not just the coffee; it’s the whole experience that really matters. The company has its focus on delivering the best quality coffee to the customers. But at the same time, it makes sure that they create a third place for the customers apart from their homes and offices. To achieve this, the best quality coffee is served in the restaurants, which is matched according to the tastes of the customers after carefully assessing what each customer wants. One advertisement says, “If your coffee isn’t perfect, we’ll make it over, if it’s still not perfect, make sure you’re in a Starbucks” (Starbucks, 2014). This advertisement confirms the company’s confidence that the coffee they serve will please each customer’s taste. The outlets are set in a cozy fashion with some utilities for the customers like free Wi-Fi. The baristas communicates with the customers to make them feel comfortable. This helps the company build long-term relationship with its customers (Starbucks, 2014). The company’s objectives are the same as obtaining the best quality coffee and preparing the products based on the tastes of the customers. The company has to focus on the quality of the experience of the customers ensuring they are highly satisfied and is willing to return.

**SWOT Analysis**

**Method For Focusing the Organization’s Attention on Quality**

The Total Quality Management (TQM) principle suits the Starbucks’ situation best. TQM means directing and managing the whole production process to ensure there is an excellent product or service. TQM is primarily applied to manufacturing concerns in improving their production process. But it can be applied in service industries as well. Starbucks can use this concept by examining each element in the service delivery process and identifying the loopholes where improvements can be made.

**Lacking Elements of Quality Culture**

Starbucks is a very famous, world-renowned brand known for both the coffee, which pleases every customer’s taste as well as the service customers enjoy. Theoretically, the company doesn’t lack in any area. It gives the customers whatever they want. But practically, there is always room for improvement. The company is entering into new markets. In many markets, there are some who say the baristas are not as friendly, as the company claims to be. They do not explain the company’s policy with respect to the taste of coffee matching the individual tastes of the customers. Many new customers are not aware of this fact and they drink the coffee as served. The baristas do not bother to give the customer the opportunity to choose. There should also be additional focus in the international markets as well, especially since Starbucks stores are in third world countries. The standards that are maintained in the U.S. should be maintained internationally too (Starbucks, 2014).

**Customers of The Organization**

Starbucks’ primary customers are age 25 to 40. The décor and promotional strategies are primarily targeted to this segment. The next target group is young adults, between the age of 18 and 24. The general characteristics of all the target groups that Starbucks caters to are high-income customers. The company also offers a child’s menu targeting kids and teenagers between the age of 13 and 17 years old. However, kids account for only 2% of the sales of the company (Starbucks, 2014).

**Implementing The Changes Required**

The area where Starbucks is lacking is the level of service provided in international markets. The company must start rigorous training programs for employees all over the world. This training will teach the employees how communicate and provide exceptional customer service. Motivational programs should also be in place, and additionally employees in international markets should be offered the same salaries, incentives and benefits as their U.S. counterparts (Starbucks, n.d.).

**Potential Strategic Alliances**

To ensure the best quality coffee at the best prices, the company should have even more control on its supply chain. For this, it can acquire coffee farms and enter into joint ventures with coffee growers, exporters and processors. For example, when the company entered into India, it entered through a joint venture with Tata Global Beverages Ltd. This agreement helped Starbucks maintain better control of the quality of its coffee and the same strategic alliance would be just as helpful in other countries (Starbucks, n.d.).

 References

Starbucks. (2014). Starbucks Company profile, retrieved from

 http://globalassets.starbucks.com/assets/e12a69d0d51e45d58567ea9fc433ca1f.pdf

Starbucks. (n.d.). About Us. Retrieved from http://www.starbucks.com/about-us