

# Analyzing the Future Development Prospect of “Starbucks”

Jing Ye

Leeds University Business School, Leeds, UK  
Email: Yej6590@163.com

**How to cite this paper:** Ye, J. (2022). Analyzing the Future Development Prospect of “Starbucks”. *iBusiness*, 14, 150-163.  
<https://doi.org/10.4236/ib.2022.143012>

**Received:** June 26, 2022

**Accepted:** September 17, 2022

**Published:** September 20, 2022

Copyright © 2022 by author(s) and Scientific Research Publishing Inc. This work is licensed under the Creative Commons Attribution International License (CC BY 4.0).  
<http://creativecommons.org/licenses/by/4.0/>



Open Access

---

## Abstract

This report focuses on the analysis of the impact of Shanghai Starbucks Reserve Roastery opening. It can help Starbucks understand clearly the impact and shortcomings of this event on the future development of the company, and help Starbucks develop better in the future. The Starbucks coffee company, founded in 1971, is the world’s leading retailer of special coffee, bakery and Starbucks brand owners. Its retail products include 30 kinds of the world’s top coffee beans, hand make espresso coffee, a variety of coffee hot and cold drinks, fresh and delicious pastry foods, and a variety of coffee machines, coffee cups and other commodities. This report includes a questionnaire survey of primary information and some data from other websites of secondary information. There are six parts in this report. First is introduction; there will summary of the contents of the report. Then is analysis of customer satisfaction, newly developed products, competitiveness of Shanghai Starbucks Reserve Roastery and future development prospects. The third part is the evaluation of all objectives. The fourth one is the conclusion objectives and gives some recommendation of company. Then, there are the references, and finally the appendices.

## Keywords

Customer Suggestions, Data Analysis, Company Development, New Product Effect

---

## 1. Introduction

The report aims to analyze the impact of the Shanghai Starbucks Reserve Roastery opening on Starbucks.

The Starbucks coffee company, founded in 1971, is the world’s leading retailer of specialty coffee, bakery and Starbucks brand owners. Its retail products in-

clude 30 kinds of the world's top coffee beans; hand make espresso coffee, a variety of hot and cold drinks, fresh and delicious pastry foods, and a variety of coffee machines, coffee cups and other commodities. For a long time, the company has been committed to providing customers with the best quality coffee and services, creating a unique "Starbucks experience" so that Starbucks stores around the world become a comfortable and comfortable "third living space" besides people's workplace and living place (Starbucks, 2019a).

This report is divided into four parts which are the introduction, the impact of Shanghai Starbucks Reserve Roastery opening and data analysis, the effect of evaluation, and the conclusion about the report and recommendation of Starbucks.

## **2. Effects of the Issue to the Company and Data Analysis**

### **2.1. Investigate Consumers' Attitudes and Opinions towards Starbucks Reserve Roastery**

Customers' attitudes toward Shanghai Starbucks Reserve Roastery are surveyed from two aspects: products and services. According to the questionnaire data, customers' evaluation and satisfaction of products are higher, while their satisfaction with customer care in services is relatively poor.

The questionnaire title is Satisfaction Survey in Shanghai Starbucks Reserve Roastery; the aim is to investigate consumers' attitudes and opinions toward Starbucks Reserve Roastery. The sample size is 100 to study consumers' views, perspectives and feedback on Starbucks Reserve Roastery. In this survey, 100 customers were randomly selected in Starbucks without deliberately selecting a specific period or group to make the sample random. The survey results are the most objective and can better reflect customers' general attitudes and views towards Starbucks. The daily passenger flow is about 500 people, so 100 people are enough to get relevant survey results. The group is people consumed at Shanghai Starbucks Reserve Roastery, and the structure is their views, attitudes, willingness to destroy and opinions on this matter. Please see Appendix to the questionnaire and relevant data. The author designed the questionnaire. The questionnaire first asked about the types of drinks that customers liked and studied whether the Starbucks menu was reasonable and how satisfied customers were with the glasses in the store. Then, the satisfaction of customers with service is investigated to understand the extent to which service attitude can affect customers' consumption choices. Finally, customer satisfaction with Starbucks was judged based on the questionnaire survey results.

In the q, customer satisfaction with Starbucks in various aspects was judged based on the questionnaire survey results questionnaire about products, 56.58% of customers chose coffee as their favorite product in Shanghai Starbucks Reserve Roastery, and 50% chose Teavana as their favorite product. And 52.63% and 52.32% of customers thought that Shanghai Starbucks Reserve Roastery drinks were varied and the quality of drinks was relatively stable. Regarding

product price, 56.68% of customers believed that Shanghai Starbucks Reserve Roastery products were more expensive, and 55.26% of customers chose not to consume Shanghai Starbucks Reserve Roastery's products because of their high price. These data show that Shanghai Starbucks Reserve Roastery coffee and Teavana products are more popular with customers and have stable quality and customer evaluation. Still, more than half of the customers think that the price of Shanghai Starbucks Reserve Roastery's products is unreasonable and relatively expensive.

In the questionnaire about service, 36.84% of customers choose to consume at Shanghai Starbucks Reserve Roastery because of their excellent service attitude. Regarding whether they are satisfied with Shanghai Starbucks Reserve Roastery's hospitality, 86.85% of the customers choose to be happy or above, and 10.53% think it is normal. This shows that Shanghai Starbucks Reserve Roastery's customer services in the hospitality aspect are doing well-received customer recognition. In the Shanghai Starbucks Reserve Roastery customer care element, 77.63% of customers chose satisfaction and above, and 18.42% chose general. This means that Shanghai Starbucks Reserve Roastery has not done an excellent job in customer care, and customer satisfaction has declined compared with the more hospitable aspect.

## **2.2. Research Starbucks New Product**

Shanghai Starbucks Reserve Roastery's add two new products, Teavana bar and CLOVER. This is the first time Starbucks has designed a bar with its tea collection Teavana. CLOVER is the new way to brew coffee and can only be seen in the Shanghai Starbucks Reserve Roastery. These two new products have received high praise and customer love.

Teavana is a high-end tea brand under Starbucks, mainly tea drinks. Shanghai Starbucks Reserve Roastery sells not only the ice-shake tea series in ordinary stores in China but also various kinds of white tea, scented tea and fruit tea, as well as different nitrogen tea drinks similar to Cold Brew tea. "Steampunk" and "Cold Brew" tea drinking are the two originalities of Teavana's many new tea drinks. And one of the most challenging techniques to discover in the Teavana area is that the base of the bar is printed in 3-D from the environmental protection material, which is simple in shape but modern in technology. Teavana has always been very popular in China, especially in Shanghai Starbucks Reserve Roastery. Because of more than 20 different kinds of tea drinks specially developed for the Chinese market, many customers have given a good appraisal and become one of the highest sales bars in the store and one of the biggest attractions for customers of Shanghai Starbucks Reserve Roastery (Starbucks, 2019b).

Shanghai Starbucks Reserve Roastery's unique brewing coffee CLOVER is like a device that grafts a French Press and a Syphon together. This is specially designed for making Starbucks coffee. And all the CLOVER machine was acquired by Starbucks, so it can only taste this CLOVER brew coffee in Shanghai Star-

bucks Reserve Roastery. And compared with other coffee brewing methods, it retains more oil in coffee and forms a richer flavor. Because this is the first time CLOVER has appeared in the Chinese market, customers have great expectations. The sales volume of CLOVER in the first three months of Shanghai Starbucks Reserve Roastery is always higher than that of other coffee brewing methods. Still, because 30% of customers feel that the unique brewing method taste is not very good, the sales volume of CLOVER in Shanghai Starbucks Reserve Roastery has been reduced.

### **2.3. Research Shanghai Starbucks Reserve Roastery's Competitiveness**

The central competitiveness of Shanghai Starbucks Reserve Roastery is that suppliers cannot effectively affect its profitability and product competitiveness, and buyers have no bargaining power. This is conducive to the sustainable development of Shanghai Starbucks Reserve Roastery and its high business capacity.

Shanghai Starbucks Reserve Roastery's most significant purchasing demand is coffee beans. Starbucks coffee beans are purchased through Fair Trade Certified, one of the largest purchasers of coffee. And Starbucks China Coffee Growers Support Center was also established in Puer, Yunnan, China. They are establishing mutually beneficial and cooperative relationships through cooperation with small-scale growers' organizations, investing in farms and communities, and providing planting base and professional technical support to reduce the bargaining power of suppliers. Starbucks has become the biggest buyer because of the small-scale organization of suppliers, reducing suppliers' impact on the enterprise.

All the buyers of Shanghai Starbucks Reserve Roastery are ordinary consumers; that is, the number of buyers is significant, but the number of purchases per buyer is small. And all of its products are uniformly priced and have products that can only be purchased in Shanghai Starbucks Reserve Roastery. So buyers can not affect the profitability of Shanghai Starbucks Reserve Roastery by reducing prices and requesting higher quality products or services.

### **2.4. Research Starbucks Future Development**

Shanghai Starbucks Reserve Roastery opening is an attempt to determine its future development. Starbucks will continue to explore high-end markets, maintain and consolidate its existing market share, and open the same stores in more cities in the future.

Since Shanghai Starbucks Reserve Roastery opened, it has received an average of 8000 people daily. It has received more than millions of people annually, with an average daily turnover of 42,000 RMB. Therefore, the great success of Shanghai Starbucks Reserve Roastery also determines the future development model of its stores. Start by opening a massive store in a major metropolitan city - creating a topical place, offering new products that consumers haven't tried, and constantly attracting consumers to explore the brand to consolidate its market share

and increase consumer loyalty.

Starbucks has been relying on rapid expansion to gain market share after entering the Chinese market, achieving great success in the early stage. But with the gradual decline of the total market, Starbucks has also adjusted its future development plan. Shanghai Starbucks Reserve Roastery opening is a new attempt for the company's future store development. Starbucks hopes to continue to occupy a large share of the coffee market through Starbucks Reserve Roastery. So all things in Shanghai Starbucks Reserve Roastery are for the coffee company to explore the future. Starbucks has also proposed to open stores like Shanghai Starbucks Reserve Roastery in New York, Tokyo, Milan and Chicago (Starbucks, 2019c).

### **3. Assessment of the Implications of the Above Effects**

#### **3.1. How Far the Effects Enable Starbucks to Meet Its Objectives**

Starbucks aims to provide customers with consistent quality Starbucks experience while improving product quality and service. Provide customers with a Starbucks experience beyond expectations. Let every customer who enters the Starbucks entrance door enjoy a first-class experience (Starbucks 2019d).

Starbucks emphasizes that innovation and individualization of products can constantly bring pleasure and surprise to customers and requires a unified standard of beverage quality. Shanghai Starbucks Reserve Roastery is entirely in line with the company's objectives in terms of products. Customers are delighted with the diversification of products and the uniform standard of beverage quality. This has fulfilled Starbucks' corporate objectives, deepened consumers' impression of the diversity and high standards of Starbucks products, and helped Starbucks expand its product impact on the market and improve its brand image.

Starbucks has been committed to achieving hospitality and effective customer care in terms of service. But Shanghai Starbucks Reserve Roastery does not fully meet the enterprise's customer service objectives, especially in customer care. Most customers are satisfied with the warm and hospitable service attitude of Shanghai Starbucks Reserve Roastery. However, customers are generally happy with the customer care in the service of Shanghai Starbucks Reserve Roastery, which is not conducive to consumers' evaluation of the benefit of Starbucks and the establishment of an excellent corporate image.

#### **3.2. The Extent of the Consistent with the Predictions of Product Mix**

The product mix is the total sum of an organization's products and variants. There are four primary dimensions of an organization's product mix: length, width, depth and consistency. As mentioned above, the size of the product mix refers to the total number of products sold by a company. Longer product lines may fulfill the satisfaction of customers; that said, overly dense product lines

may result in competition within the same line and lead to loss of revenue and customers. If product lines are too short, consumer options are limited, forcing them to switch to competitors with a broader range of products. The depth refers to the number of products in each line (number of different versions) (SQA, 2013).

Shanghai Starbucks Reserve Roastery has developed more than 20 tea drinks in the Teavana bar, especially for the Chinese market, which has increased the depth of Starbucks' product line. The unique CLOVER brew coffee has grown the company's product line length. All these meet the requirements of the product line theory. Starbucks increased the size of its product line by exploring the unmet needs in the Chinese market. Because of the absence of competitors, Starbucks took the lead in capturing the market. More than 20 kinds of tea drinks and the Teavana bar specially provided for the Chinese market have increased the depth of the company's product line, increasing the ability of market extension and providing consumers with enough choices to meet their needs.

Shanghai Starbucks Reserve Roastery's new CLOVER brew coffee increases the length of the company's product line, which provides a diversified market and consumer choice to meet customer satisfaction and loyalty to the company. Teavana bar and more than 20 kinds of tea drinks providing more options for customers also increases the extension ability in the Chinese tea market, meets the needs of more customers and improves the company's image. This is consistent with the predicted results of the theory of increasing product line length and depth.

### **3.3. The Extent of the Consistent with the Predictions of Michael Porter Five Forces Model**

Michael Porter's five forces model is a tool for analyzing the competition of a business and can effectively analyze the customer's competitive environment. Five forces are the bargaining power of suppliers, the bargaining power of buyers, the threat of new entrants, the threat of substitutes, and competitors' current competitiveness in the industry. The different combinations of the five forces ultimately affect the change in the industry's profit potential. About the bargaining power of suppliers, if the supplier's bargaining power is strong, it will affect the profitability and product competitiveness of the enterprise. About the bargaining power of buyers, it can reduce the profitability of enterprises mainly through their ability to lower prices and demand to provide higher quality products or services (SQA, 2013).

As for the bargaining power of Shanghai Starbucks Reserve Roastery in the face of suppliers, Starbucks and coffee suppliers to establish a mutually beneficial co-development model to reduce the impact of suppliers is in line with the academic requirements. Regarding the effect of buyers on Starbucks, Shanghai Starbucks is a retail store, so buyers do not have the bargaining power to influence the business ability of Starbucks. Starbucks' practices are consistent with the theoretical requirements.

Starbucks reduces supplier's and buyer's bargaining power, which is conducive to the sustainable development of the enterprise and the increase of the company's business capacity, which is consistent with the results predicted by Porter's Five Forces theory.

### **3.4. Extent to Which Effects Will Help Starbucks to Address a Specified Problem**

Starbucks has always relied on rapid expansion to occupy market share. Still, with the addition of Starbucks, its total market will gradually shrink, unable to maintain the novelty of consumers in the market. Starbucks is facing the significant challenge of being unable to sustain performance growth, and its market share is eroded unprecedentedly. Therefore, the opening of the Shanghai Starbucks Reserve Roastery has solved the bottleneck problem of Starbucks' development very well.

Starbucks plans to open 20 to 30 larger and more sophisticated selection Reserve Roastery shops around the world. To attract consumers to explore the brand and become loyal customers, the new products and more high-end positioning markets are provided by consumers in the new store environment.

Starbucks announced that in the next 10 years, Starbucks' innovation strategy would focus on developing high-end line Reserve Roastery as the center of innovation, bringing customers an extraordinary retail experience in the form of breakthrough innovation. Shanghai Starbucks Reserve Roastery is a brand-new attempt to determine how to adjust Starbucks's future development.

## **4. Conclusion and Recommendations**

### **4.1. Conclusion**

Customers are satisfied with Shanghai Starbucks Reserve Roastery's various products and uniform standard beverage quality, but they also think the price of products is relatively high. In terms of service, consumers are pretty satisfied with Shanghai Starbucks Reserve Roastery's hospitality. However, consumers' evaluation of customer care is not high, and their satisfaction is relatively low.

Shanghai Starbucks Reserve Roastery added two new products, Teavana and CLOVER, to the Chinese Market; it increased the length and depth of Starbucks product line, expanded Starbucks' diversified market, increased consumer choice space and deepened brand loyalty. And consumers have a high evaluation and satisfaction of the two new products.

The competitiveness of Shanghai Starbucks Reserve Roastery is mainly reflected in the cooperation and mutual benefit with small coffee planting organizations, which reduces suppliers' bargaining power and impacts the company's profitability. And because Shanghai Starbucks Reserve Roastery is a retail industry, it is not affected by buyers' bargaining power and demand for high-quality products and services.

The future development of Starbucks is based on and replicates the tremend-

ous success of the Shanghai Starbucks Reserve Roastery opening, attracting consumers with new attempts and more high-end positioning and increasing consumers' loyalty to the brand to solve the problem that the rapid expansion faced by Starbucks has made it impossible to maintain consumers' novelty to the market.

## 4.2. Recommendation

Although Shanghai Starbucks Reserve Roastery is positioned as a high-end market, the price of its products is very high. But from consumers' feedback, we can see consumers think that Shanghai Starbucks Reserve Roastery products are overpriced. They do not choose to consume because of the high price of products, which will lead to the loss of some consumers because of the cost of products in Shanghai Starbucks Reserve Roastery. Therefore, Shanghai Starbucks Reserve Roastery can adjust the price of its products appropriately to recover the lost consumers. Starbucks can launch new products in each season according to the season's characteristics and do some discount activities, such as 20% off two items, or lower the price of specified products to attract customers.

In addition, Starbucks has been committed to providing customers with services beyond expectations and a new Starbucks experience. But Shanghai Starbucks Reserve Roastery is not doing very well in customer care. Consumers are not satisfied with it and think there needs to improve. Shanghai Starbucks Reserve Roastery should pay more attention to this aspect and strengthen the training of employees on customer care to enhance consumer satisfaction, provide customers with services beyond their expectations and bring them a hospitable service attitude and meticulous customer care.

## Acknowledgements

First, I would like to thank my mentor, Miss Li, for her help. She read my report carefully, gave me a lot of opinions and writing directions, helped me solve many professional problems, and has always encouraged and trusted me. I couldn't finish this report without her help, so I would like to thank my mentor, Miss Li.

Then, I want to thank my classmates and friends, who accompanied me to write this report and gave me a lot of help and advice, encouragement and helped me overcome many difficulties. All these things they did help me to finish the piece.

Finally, I want to thank the people who answered my questionnaire (**Appendix**). If they hadn't taken the time to help me fill out the questionnaire, I would not have been able to get relevant feedback and complete the report. So thank them for their willingness to help me fill out the survey.

## Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.



## References

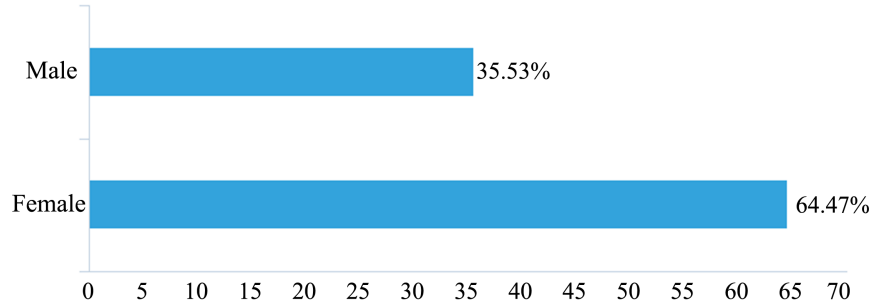
- Starbucks (2019a). Available at <https://www.starbucks.com.cn> (Accessed 18 January 2019)
- Starbucks (2019b). Available at <https://www.starbucks.com.cn> (Accessed 28 January 2019)
- Starbucks (2019c). Available at <https://www.starbucks.com.cn> (Accessed 31 January 2019)
- Starbucks (2019d). Available at <https://www.starbucks.com.cn> (Accessed 18 February 2019)
- Scottish Qualifications Authority, SQA (2013). Marketing: An Introduction by Beijing China Modern Economics Publishing House.

## Appendix

### Questionnaire

1. What's your gender?

A. Male B. Female



2. Have you ever been to Shanghai Starbucks Reserve Roastery?

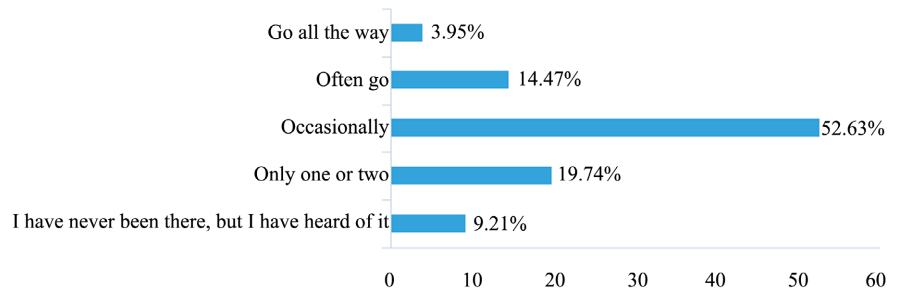
A. Go all the way

B. Often go

C. Occasionally

D. Only one or two times

E. I have never been there, but I have heard of it



3. What way did you know about Shanghai Starbucks Reserve Roastery?

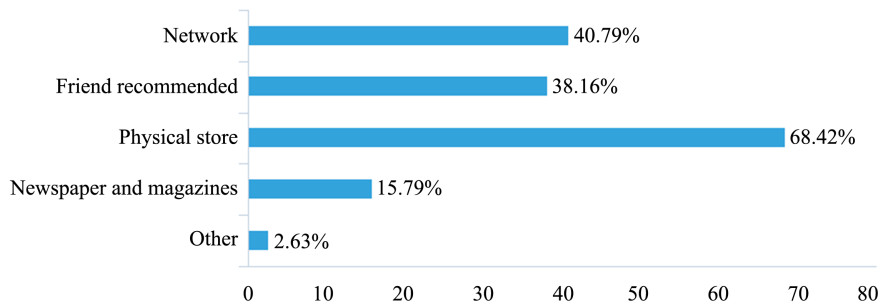
A. Network

B. Friend recommended

C. Physical store

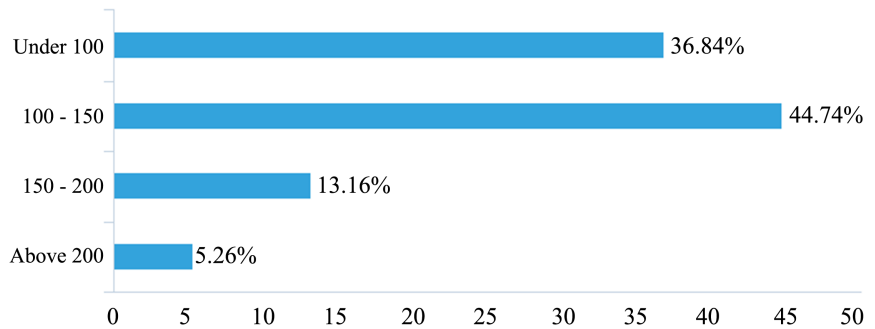
D. Newspapers and magazines

E. Other



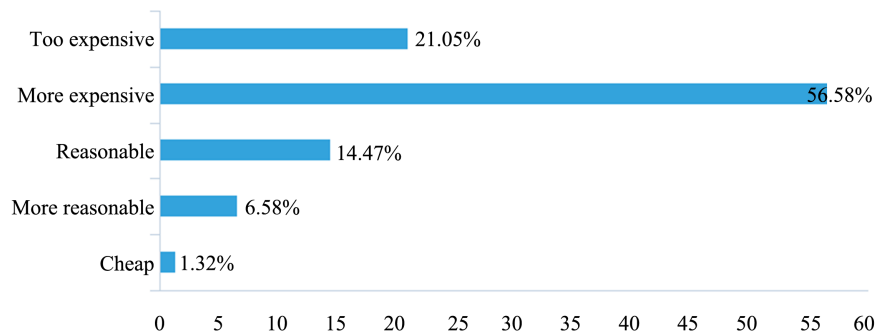
4. How much do you usually spend on a trip to Shanghai Starbucks Reserve Roastery?

- A. Under 100
- B. 100 - 150
- C. 151 - 200
- D. Above 200



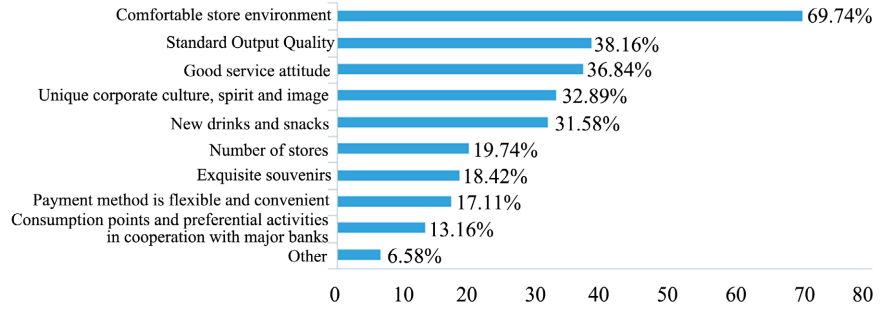
5. Do you think the price of Shanghai Starbucks Reserve Roastery is reasonable?

- A. Too expensive
- B. More expensive
- C. Reasonable
- D. More reasonable
- E. Cheap



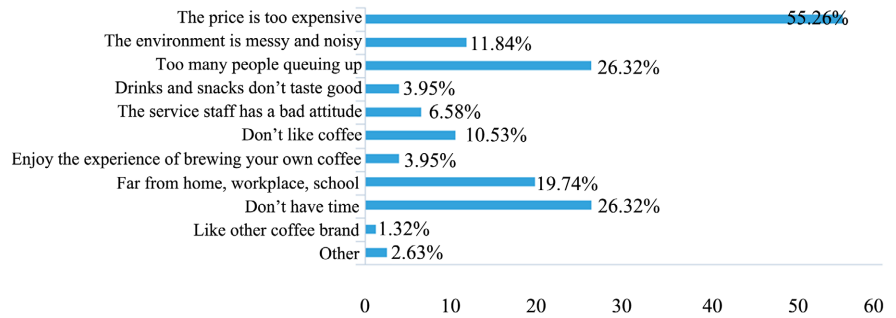
6. The reason why you choose to spend at Shanghai Starbucks Reserve Roastery is

- A. Comfortable store environment
- B. Standard Output Quality
- C. Good service attitude
- D. Unique corporate culture, spirit and image
- E. New drinks and snacks introduced Quarterly
- F. Number of stores
- G. Exquisite souvenirs
- H. Payment method is flexible and convenient
- I. Consumption points and preferential activities in cooperation with major banks
- J. Other



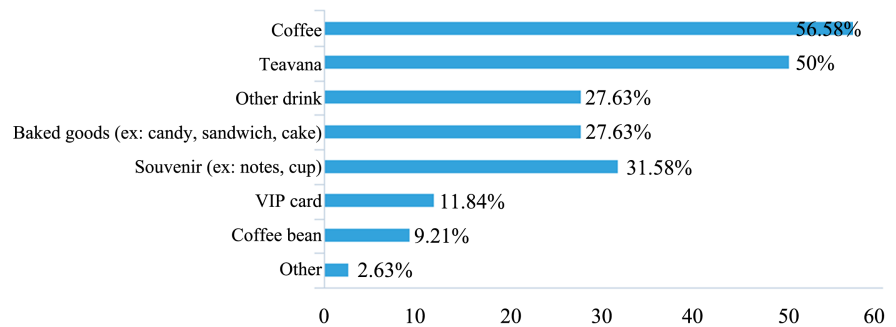
7. Reasons for not going to Shanghai Starbucks Reserve Roastery

- A. The price is too expensive.
- B. The environment is messy and noisy.
- C. Too many people queuing up
- D. Drinks and snacks don't taste good
- E. The service staff has a bad attitude.
- F. I don't like coffee.
- G. Enjoy the experience of brewing your own coffee
- H. Far from home, workplace, school
- I. Don't have time
- J. Like other coffee chains
- K. Other



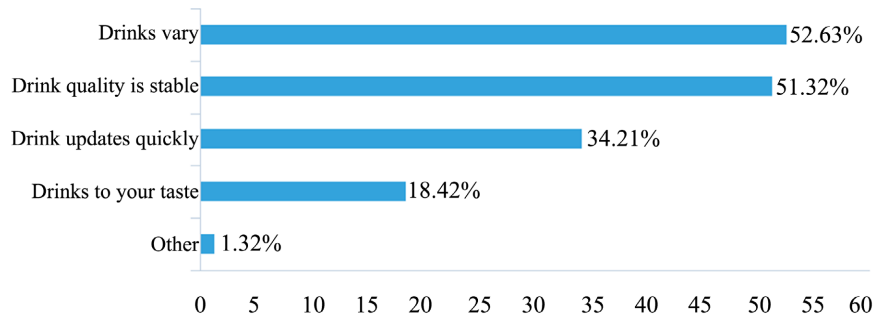
8. What do you like products about Shanghai Starbucks Reserve Roastery?

- A. Coffee B. Teavana C. Other drink
- D. Baked goods (ex: candy, sandwich, cake)
- E. Souvenir (ex: notes, cup) F. VIP card G. Coffee bean H. Other



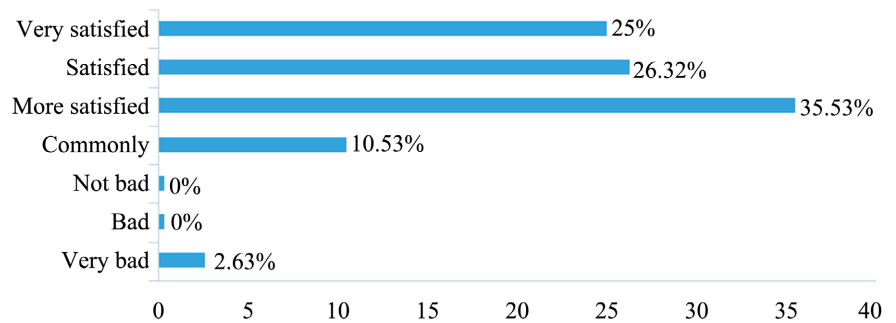
9. What do you think of Shanghai Starbucks Reserve Roastery drinks?

- A. Variety of drinks
- B. The quality of drinks is stable.
- C. Fast updating speed of drinks
- D. New drinks suit your taste
- E. Other



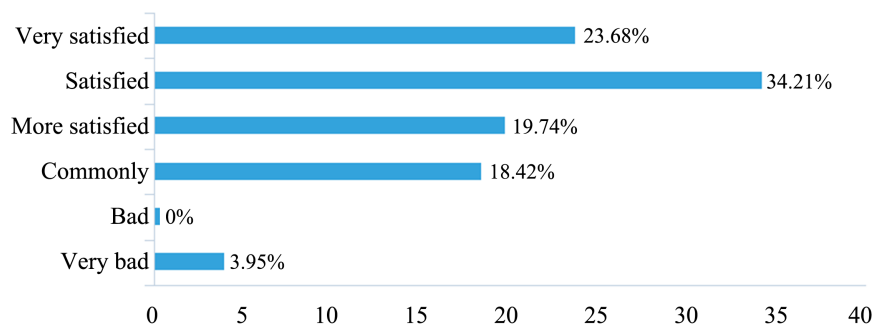
10. Your evaluation of Shanghai Starbucks Reserve Roastery service quality is warm and hospitable.

- A. Very satisfied
- B. Satisfied
- C. More satisfied
- D. Commonly
- E. Bad



11. Your evaluation of Shanghai Starbucks Reserve Roastery quality of service - considerate care is

- A. Very satisfied
- B. Satisfied
- C. More satisfied
- D. Commonly
- E. Bad



12. Are you satisfied with the quality of Shanghai Starbucks Reserve Roastery products?

A. Very satisfied B. Satisfied C. More satisfied D. Commonly E. Bad

