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ІННОВАЦІЙНІ І МАРКЕТИНГОВІ СТРАТЕГІЇ КОМПАНІЇ STARBUCKS НА СЕРЕДНЬОМУ СХОДІ ПІД ЧАС НЕВИЗНАЧЕНОСТІ

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INNOVATIVE AND MARKETING STRATEGIES OF THE STARBUCKS COMPANY IN THE MIDDLE EASTERN REGION DURING UNCERTAINTY

Our societies are becoming not only more complex and interconnected, but also increasingly vulnerable and exposed, as new or different threats may emerge and spread more quickly through spill-over or amplifier effects. A traditional crisis can become trans-boundary and even develop into a global shock at a later stage, through non-linear processes. The heightened mobility within our global world facilitates the spread of risk carriers or vectors, such as viruses or terrorists. Globalisation has also led to an increased interdependence of production and delivery systems and their infrastructure as well as to the centralisation and concentration of critical systems. Supply chains and networks of vital services are more and more global and thus exposed to many hazards and threats. Then there are risks that are unknowable due to uncertainty. These usually have an impact on an organizations' survival objectives. Such risks may lead to the physical cessation of business. Risks in this category include solvency-related risk events that occur when decisions taken inside or outside of the organization have a domino effect and impact on a firm's ability to trade. In contrast to risk management, which involves assessing potential threats and finding the best ways to avoid those threats, crisis management involves dealing with threats before, during, and after they have occurred.

The case study was conducted on an American multinational Starbucks coffee chain found in Seattle, Washington in 1971. Starbucks coffee chain corporation has been evolving since Howard Schultz has become the (CEO) of the chain network and implemented the concept of experience as a service. Starbucks today is operating in regional divisions from America to China, Asia-Pacific, Europe, Middle East and North Africa. The investigation on Starbucks chain operations in the Middle Eastern region was done with the data findings collected through unstructured interviews and research to find out and analyze the strategies and approaches behind the achievement and growth of Starbucks amongst several competitors that are potentially established in the Middle East.

Starbucks primary product delivery is an "experience" service while a secondary product is its premium coffee. Starbucks popularity and success emerges from the total product approach (goods, services and customer benefit) they implemented all over their network. The company greatly relies on digital marketing customized on each region language. Starbucks has always aimed at targeting proximal spots and capturing strong locations to set up. An investigation from numerous secondary data on adaptation and innovation dynamics has shown the Starbucks coffee brand combines the concept of market research, adaptation to culture, online platform customer engagement. Starbucks middle east is operated by M.H. Alshaya Co. group company which since 1999 running nearly 600 branches over the Middle East. M.H. Alshaya Co. is one of the luxurious and most powerful retailing franchisees. This partnership attributed Starbucks coffee to deliver the product and services while respecting the local customers and culture of each region. For instance, in Saudi Arabia, the Starbucks cafes besides raising opportunities for local hiring and optimal operating system divide its seating area to family and men sections according to local customs and religion. To concentrate the secondary data findings of the innovative strategies implemented by Starbucks interviews of focus groups

were implemented in the Middle East region. It was expressed that Starbucks is always a place of choice when it comes to an outing with friends on casual days or even unplanned meets, adding that it naturally mostly happens not thinking of some other places rather than Starbucks. The customers find there a calm and peaceful atmosphere ideal for any time. It was found that Starbucks is easily accessible with too many stores around their neighborhood. This indicates the innovative strategy of Howard Shultz on the concept of “experience” aiming at making people consider Starbucks as their third place after home and office when it comes to outings attained by saturation of branches with drive-thru service.

Assessing the value behind the atmosphere attraction expressed by this group the design and development approaches that emphasize on architecture design were investigated. Participants of the interviews expressed that grabbing Starbucks coffee is part of their daily and morning ritual. This was in fact due to their caffeine dependence and also their preference of sweet and flavored coffee. They also offer a variety of milk choices like dairy milk option and non-dairy option like nut milks and sugar free syrups to fit all taste and health preferences. The menu is tailored to culture foods and taste preferences as well. To draw a conclusion of our findings related to investigation, we offer to integrate the concept of giving customers ability enjoy their coffee by “sit and sip” approach more than “grab and go” adding to favoring Starbucks for its comfortable and pleasant atmosphere that always tends to bring them back. This corresponds to Starbucks business set up as a “repeat business” that builds customer loyalty through its entire experience service.

The Starbucks have always marketed itself as a “third place” in people’s life, gathering and connecting the community together. Unfortunately, the business has been affected, considerably by the COVID-19 pandemic crisis. The pandemic crisis chiefly resulted in Economic shockwaves into many regions with no exception to the Middle East.

The social gathering restrictions and general anxiety have affected the Starbucks consumers and therefore its sales. This is due to the rules of the lockdown of stores during the quarantine period. Starbucks company major objective is focused on the “experience” service that contributes greatly to its success and revenue. Taking into account the pandemic crisis, Starbucks should shift to mobile applications order-pay method of product delivery through partnering with different online platforms that make its a product available and easy to order. They should be extensively focused on digital marketing to promote its product and service adding advertisements on their new releases and adding reminders on their hygiene and cleaning safety used during order preparation. Since most of their branches in the Middle East provide a drive-thru service, they shall ensure its accessibility during the quarantine period as per law regulations.

The Starbucks employees have been affected by the catastrophe because of many stores were lockdown. Starbucks must provide health insurance to full time and part-time employees to assure the safety and wellbeing of the staff. It is crucial to carry out the protocols necessary that include inspection of cleaning and sanitizing measures at every process. Starbucks company should always ensure its employees a “catastrophe pay” for staff exposed or diagnosed to COVID-19 virus similarly under prevention and control measures they should carry out temperature checks for their staff on every shift by thermometers, provide the standard protecting wears like masks, gloves etc. This would vastly help ensure its workers health and also avoiding any chances of employees affecting consumers in terms of contagion.

Management should focus respectively on the prompt but short lived "first aid" type of response and the longer-term recovery and restoration phases. Crisis is also a facet of risk management, although it is probably untrue to say that crisis management represents a failure of risk management, since it will never be possible to totally mitigate the chances of catastrophes' occurring.