

# [Starbucks] Social Media Strategy

[How to use social media in a successful way]

Nation Wide Store

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## [Marketing Strategy]

#### Description of Starbucks

Starbucks is a top-class American global coffee company and the largest coffeehouse company in the world. "We're not just passionate purveyors of coffee, but everything else that goes with a full and rewarding coffeehouse experience" (Starbucks homepage). By using successful marketing strategies applied to media tools, Starbucks today maintain the brand awareness and also keep their customer coming back.

#### **Brand Prism**

Starbucks is an American global coffee company based and started at Pike Place market in Seattle, Washington. The chairperson and president is Howard Schultz. Starbucks is well known for selling coffee but also for various hot and cold beverages, pastries, sandwiches and other snake. The idea of the company is to create a comfortable environment to coffee lovers. They target working classes, students and coffee lovers. Starbucks sometimes offer 24 business hours for people who needs beverages, food and coffee. The idea of company is against the traditional coffee houses and express coffee shops.

#### **Overall Strategy**



Starbucks is the #1 most engaged brand online in Altimeter Report 2009. Their social media team started up with only six people, but now receives the highest engagement score. What is the magic of Starbucks?

Since Starbucks is an ironic brand with history, they have strict control over the quality of each coffee bean and each cup of coffee. Different with other coffee houses, the original idea of Starbucks is to provide a comfortable environment for the coffee lovers and local neighbors. One of the most successful marketing strategies they apply is focusing on customer satisfaction and creating a community. By fulfilling the customer needs for uniqueness (such as unique signature on coffee cups) and providing customers a website (My Starbucks ideas) to express their idea of improving the brand and store. Starbucks had triumph in using a strategy of word of mouth to receive higher brand awareness and recognition for the most effective media campaign. In addition, Starbucks focus their brand marketing on increasing loyalty of existing customers and building customer relationship rather than focusing only on sales growth.

With this propose, Starbuck becomes one of the earliest companies adopted the use of social media. Their social media strategy is built around their company website and 6 additional social platforms including Twitter, Facebook, Pinterest, Google+, YouTube and My Starbucks ideas (Schoultz).

## [Social Media Tool]

#### My Starbucks ideas & Frappuccino.com

My Starbucks Ideas is recently celebrating for its five-year anniversary. This online community site published by Starbucks had launched more than 150,000 ideas from customers, leading to the implementation of 277 new innovations for Starbucks. This site allows people to share, vote, discuss and put into action of ideas on how to enhance the Starbucks experience (Starbucks). By publishing an online community website to customers, Starbucks uses the word of mouth strategy and make customers talk about their store and brand. This site also innovates new idea of company and what customers want. In addition, My Starbucks Ideas helps to increase customer involvement, motivation and address the acquired needs. By connecting with marketing strategy concept, customers feel they are involved in the policy, product and the environment design of the store. Moreover, this online community website addresses social need of customers to belong in the Starbucks community. Changes made

by customer idea promote customers to feel Starbucks is designed for them and address their acquired need. As a result, Starbucks achieved huge success after publishing this site and their customer engagement increased dramatically which led to the #1 most engaged brand. According to Starbucks annual report 2008, which is the same year they introduced the online community website, their net revenue growth is 10% even during the recession period (See P1).

Starbucks social marketing not only addresses the need of change from customers but also the need of uniqueness. In order to discuss these needs, Starbucks launched another brilliant social media website called Frappuccino.com. This website gives many Frappuccino lovers a lot of joy. First, customers are able to create their own drink and name them. This drink might become an actual sales product in the store which represents the customer involvement. Second, customers can upload and share their picture of sipping the Starbucks Frappuccino, which encourages the word of mouth effect, that people may start spreading words about this amazing website and their pictures. Even more, customers can customize the current selling product to become their unique drinks. These tools on the website lead the positive motivation of customers to design and drink their customized Frappuccino, which result in driving their sales and engagement at the same time. In addition, this website will deliver emotional motives to customers based on the fact that drink is designed by them.

#### Facebook-Cares about customer more than selling

According to Socialbackers.com, Starbucks has total 35,345,288 fans and has 137,741 people talking about it. The followers of Starbucks Facebook page is larger than the population of many countries. Starbucks is on the top #2 in 10 Facebook brands by number of local fans in January 2013, #6 in August and September 2013. The fans grow 61,007 by month and 6 by day. The strategy is different with other company since Starbucks does not publish many posts a day, instead once in few days. However, the focus is not solely on the coffee. Starbucks pay more attention to interaction between their fans and different ideas from them. You will see a post from their fan drawing and designing their cups and they will share the post on official Facebook page. This method please customers to feel that Starbucks does pay attention to their fan posts. Another great thing about their Facebook management is they respond to customers quickly which mean they closely follow up what people talk about them and are grateful about all the opinions. Some customers even post comments that the reason why she loves Starbucks is not just about the coffee, is about their desire to continue to work with the customers, care and be part of the community. This is a successful message which represents more than just the cup of coffee they provide, in fact they provide greater service and willing to communicate with customers. Starbucks also post coupons and promotions they have in the store. The recent competition they successfully managed was that they let their Facebook followers to decide which city in U.S. and Canada will get to enjoy the holiday-themed beverage for a week prior to the national launch. This huge advantage made people go crazy about voting to be the first city. This is the word of mouth strategy they used to make people gladly spread the message. They used this competition to make their customer more involved with brand by offering a chance to contribute to the company decision which ultimately implanted sense of engagement and belonging. Their success formula is also about overall design of the pages. Starbuck has various tabs providing information and benefit to customers rather than talk more about Starbucks. None of the tabs and posts are related to sales of the coffee. It is all about customer satisfaction. Most of the posts on their page are from Starbucks fans sharing new ideas and experience with the company. Nothing is relevant to the sales of their products, but all people can see is more about customer relationship and commitment.

#### Twitter-Listen to your customer's wants and needs

Starbuck is a giant in social media. The brand boasts 2.1 million followers on Twitter which is extremely popular and impressive. Their building strategies have made it the eighth most recognized company on the microblogging site (How Twitter helps Starbucks, 2012). One of

the excellent strategies of Starbucks is using tweeter to listen to customer needs and solve their problem and unsatisfaction instantly. For instance, one follower tweeted her disappointment with the coffee shop after not receiving the traditional e-coupon on her birthday. Starbucks immediately replied to her and gave her a contact number. In addition, Starbucks promised the customer to help her celebrate birthday (How twitter helps Starbucks, 2012). Every company does not want any negative review or disgruntled customer voice. But Starbucks used twitter to resolve this unsatisfied issue immediately which gives customers higher satisfaction and builds more profound relationship with them. Furthermore, this strategy also stimulate the public to believe Starbucks cares about people who purchase their product and service. More than just business related services, Starbucks also cares about their customer community which is nothing related to their business. For example, when Washington D.C government shut down, Starbucks took an event of #come together (See P2). People twitted about it every day and came to Starbucks to provide their signature. Starbucks also posted a picture of a person who dressed Starbucks work shirt and commented that delivering signatures to our leader in Washington D.C. It is the time. This is very clear and inspiring message that Starbucks delivered to their customers that they are taking an action and care about the community, more than just selling the coffee. Rather than always posting things about themselves, Starbucks seems to apply a blue ocean strategy on twitter by limiting amount of posts relevant to product, coffee or new store. Starbucks create different #event and topic that matter the most to people during certain period such as holiday and improving the society day. One good example is #payitforward. That is an amazing idea about being kind to others. Starbucks help promoting this event. People post that the lady who line behind her helps her to pay for the coffee. As a result, people consider positive things about Starbucks and what they have improved for our society and community. Starbucks is highly committed to the social issues and willing to care about their customers. They are more than happy to listen, respond quickly, solving the problem and improve every day. Who will not like Starbucks?

### [Lessons to other firm of Social media Usage]

#### Tips for other Firms – How to improve your Social Media Strategy?



Listen to your customer – The most successful strategy from Starbucks is knowing how to listen to their customer needs and wants and make changes raipidy. All companies seem to understand this point, but only limited numbers establish a webiste like my starbucks's idea or use social media to interact with their customers. Starbuck make changes regarding their customer's idea effeciently. This involves consumers and also become the brand personality.

More than business, care about the community- Most of the firms see social media as a way to reach larger market, promote and sell their products. Starbucks give other firms a lesson that firms need to care about the community more than sales of the business. Business is more about building relationship with customers and assisting to impove community. When a firm is sccuessful in establishing strong relationship and loyality with their customers, growth of the business will follow automatically.



**Build a positive brand Personality and encourage sharing**- Unlike other beverage brands, Starbucks does not post things solely on promoting theirs sales or new product. Most of the posts on their Facebook come from fans (See P3-P4). People participate various design on their coffee cup. Starbuck feel grateful on these amazing artworks and post and share on the official pages. Even on the My Starbucks idea and Frappccino.com, their purpose is to encourage customers to get involved in their business and share ideas with the brand. Such characteristics carry the unique atmosphere of Starbucks that no one can replace. They are built from idea and opinion of the customers instead of one idea from one chairman.

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(P2- Starbucks create an event on twitter call #Come together)



(P3-P4, People all around the U.S doing artwork on statbucks cups)

