



Starbucks Coffee Company is one of the leading retailers, roasters and brands of speciality coffee in the world. It is committed to offering customers the highest quality coffee and the finest coffee experience, while operating in ways that produce social, environmental and economic benefits for the communities in which it does business. Starbucks entered the UK market in 1998 and now employs more than 11,000 partners in more than 700 coffeehouses.



Market

The branded coffee chain market has demonstrated remarkable buoyancy during the recent economic downturn, comfortably out-performing the wider retail sector. It is estimated that there are more than 4,600 outlets in the UK with an estimated £1.9 billion turnover. Starbucks remains the most recognised coffee brand and has reported sales growth throughout 2011 (Source: Allegra Strategies).

Product

Starbucks coffeehouses offer high quality whole bean coffees; fresh, rich-brewed, Italian-style espresso drinks; a variety of pastries and confections; and coffee-related accessories. In addition, Starbucks retails whole bean and ground coffees, chilled coffees and bottled Frappuccino through selected UK supermarkets, and has an established business in the UK foodservice sector. Starbucks also sells its instant coffee, Starbucks VIA™ Ready Brew, across the UK in supermarkets, on trains and through a number of airlines.

Did You Know?

The name 'Starbucks' comes from the first mate's name in the classic novel, *Moby Dick*.

The Starbucks logo, with its twin-tailed mermaid, is based on a 16th century Norse woodcut.

Starbucks offers more than 87,000 possible drink combinations.

Achievements

Since the company opened its first store, Starbucks has been committed to doing business responsibly. In the UK and Europe, all Starbucks espresso – which is used in every latte, cappuccino, and so on – is 100 per cent Fairtrade certified. In addition to its Fairtrade commitment, Starbucks provides agronomy experts, based in Rwanda and Costa Rica, to share technical and environmental expertise with farmers. This investment enables farmers to increase their yields and income, building sustainability into production. Starbucks also provides funding to organisations that make loans to coffee growers, which help them to sell their crops at the best time to get the right price and to make capital improvements. Over the years, Starbucks has committed more than US\$15 million to a variety of farmer loan funds.

Starbucks also continues its longstanding relationships with humanitarian and development organisations including Conservation International (CI). In a five-year partnership, Starbucks is working with CI to



address climate change, contributing to the search for global climate solutions.

Additionally, Starbucks invests in young people; nationally through partnerships with The Prince's Trust and the National Literacy Trust, and locally through the work its partners (employees) do from stores around the country. The company is also backing young people through Starbucks Youth Action; the partnership with a leading youth charity, UK Youth, aims to empower young people to bring community projects to life in their local areas. The programme includes skills training, seed funding and service hours from Starbucks partners. In 2011 Starbucks Youth Action supported more than 50 local community projects across the UK and Ireland.

The 2011 launch of Starbucks University, meanwhile, now gives partners the chance to gain externally recognised qualifications to help them to progress in their career.

Recent Developments

Starbucks continually strives to innovate and offer customers an even better experience. In March 2011, Starbucks marked its 40th anniversary by unveiling a new look and logo at its refurbished flagship store on Knightsbridge's Brompton Road, London. Additional customer perks are available across



its stores, such as free easy-access WiFi and free iTunes downloads, while the introduction of mobile payment technology – introduced in January 2012 – brings added convenience for customers.

March also saw the launch of a collection of premium coffees called Starbucks Reserve™. Baristas have been specially trained to prepare the coffee by hand using the 'pour over' method.

In May, the company launched its Starbucks Frappuccino However-You-Want-It range. With more than 35,000 combinations now available, customers are able to tailor their Frappuccino by choosing between different types of milk, adding extra coffee shots, opting for decaf coffee, and selecting from an array of syrups and flavours.

Additional product development in 2011 included the launch of new breakfast and lunch options including Bistro Boxes. Developed with popular eating trends in mind, each serving contains fewer than 500 calories.

Promotion

Storytelling is key to the Starbucks culture. The success of the company's communication strategy is rooted in its partners' passion for and involvement in its innovative product and experience.

The Starbucks UK Facebook site is well established with a fan base of more than 450,000. Globally, Starbucks has over 30 million Facebook fans, making it one of the most successful brands in social media.

The company has established the popularity of seasonal favourite drinks in the UK and Ireland, offers beverage customisation and has been at the forefront of innovating the coffeehouse experience in the UK for more than 10 years. Starbucks coined the phrase,



the 'third place' – a restful environment between home and work in which to relax, take time for yourself and enjoy a freshly made cup of high quality coffee. Partnerships with BT OpenZone and The Guardian newspaper further enhance the Starbucks experience.

Brand Values

The Starbucks mission is to 'inspire and nurture the human spirit – one person, one cup, and one neighbourhood at a time', which is supported by a passionately held set of principles that guide how partners in the company live every day.

► www.starbucks.co.uk



Brand History

- **1971:** Starbucks is founded in Seattle by three friends who met at the University of San Francisco in the 1960s.
- **1982:** The first store is a success and catches the attention of Howard Schultz, who joins the company. With the backing of local investors he purchases Starbucks in 1987.
- **1991:** Bean Stock is introduced – a stock option scheme for all employees to make them 'partners'.
- **1998:** Starbucks enters the UK market through the acquisition of 60 stores from Seattle Coffee Company.
- **2000:** The Starbucks Christmas Bookdrive is first launched with the National Literacy Trust. In the same year, Starbucks begins to sell Fairtrade certified coffees in-store.
- **2003:** The Starbucks Coffee Master Programme is launched.
- **2007:** Starbucks is named one of the Great Place to Work® Institute's top 10 Best Workplaces in the UK.
- **2008:** Starbucks Shared Planet™ launches, detailing the company's global goals in the areas of ethical sourcing, environmental stewardship and community involvement.
- **2009:** Starbucks Card Rewards and Starbucks VIA™ Ready Brew are introduced. Starbucks is ranked as one of the 100 Best Companies to Work For by Fortune.
- **2010:** Starbucks celebrates a year of offering 100 per cent Fairtrade espresso by taking baristas to Tanzania to meet farmers and learn more about coffee.
- **2011:** Starbucks celebrates its 40th anniversary with a redesign of its famous logo, and is named Most Ethical Company in the coffee industry in Europe for a third year.