

***No abstract because we are focused exclusively on what the CEO would implement**

Audience Analysis

Reader's Name: Dr. Devet

Reader's Job Title: Senior Vice President, North America Chief Marketing Officer of Starbucks

Kind of Reader: Primary

Education: B.A. in Marketing Management from Central Washington University

Professional Experience: 7 years of experience working for Starbucks: began as Vice President of Loyalty, Partnerships & Digital Customer Engagement Marketing, then Senior Vice President of Marketing

Job Responsibilities: Oversees all marketing operations for the Starbucks brand, organizes partnerships and customer loyalty programs, creates strategies to improve the brand image

Personal Characteristics: N/A

Personal Preferences: Prefers organized, cohesive documents, front matter is apparent and understandable, looks for credible evidence and sources

Cultural Characteristics: English speaker

Attitude Towards Writer: No negative bias, oversees the company and employees so must carefully consider proposals

Attitude Towards Subject: Aspires for the Starbucks brand to have ethical sourcing and high quality products

Expectation About the Subject: Expects for the brand to improve advertising in order to show audiences ethical production processes

Expectations About the Document: Straightforward, organized layout, specific details about the project and a clear purpose is stated

Reasons for Reading the Document: Wants to improve the brands' image in light of negative media attention because of rising production costs and ethical questioning

Way of Reading the Document: Read thoroughly to consider for a marketing campaign

Reading Skill: Excellent, college level achieved

Reader's Physical Environment: Most likely read in an office space or professional environment

Date: Oct 22, 2024

To: Dr. Devet

Senior Vice President, North America Chief Marketing Officer
Starbucks

From: Alyssa Driggers

Subject: Starbucks marketing campaign for sustainable processes

Description of Problem

Because of marketwide inflation, the cost of Starbucks products is progressively increasing. Although most coffee and fast food companies are facing rising costs, Starbucks menu items have increased from around 50 cents to a dollar, without improving quality. The cost of a Starbucks grande coffee has dramatically risen around 49% since 2020. Industry wide coffee prices began to rise in 2021 after the global pandemic because of production challenges and expensive import costs. Since Starbucks previously had more expensive, high quality products than other large coffee brands, their price increase has become more noticeable to customers.

Instead of lowering the cost of their products like other coffee businesses, the brand is committed to high quality coffee beans that are ethically sourced. However, many Starbucks customers are unaware of this, and only see the price tag when considering their products. This has caused the attention of many customers to shift to other coffee brands and in general bring negative media to the Starbucks brand.

Statement of Purpose

Starbucks must create a marketing campaign that shows audiences how their use of sustainable sources and processes maintains high quality products, ensuring customer loyalty.

Tentative Outline

- I. Advertisements on retail items can educate customers on the brand's ethical product sourcing.
 - A. Coffee cups can advertise Starbucks' commitment to ethical sourcing to customers who already have purchased their coffee products.
 - B. Infographics on coffee bean packaging inform customers of the products' sourcing and credibility.
 - C. In-store posters capture customers' attention and encourage product consumption in the retail space.
- II. Personal stories from coffee bean farmers create emotional connections with customers and improve the brand's credibility.
- III. Social media advertising is an efficient way to market to large audiences.
 - A. Collaborating with influencers will attract popularity from a wider audience.
 - B. Videos of ethical coffee bean farming can provide visual representation of the company's processes.

Date: November 26, 2024

To: Dr. Devet
Senior Vice President, North America Chief Marketing Officer of Starbucks

From: Alyssa Driggers **A.D.**
Member of Starbucks Senior Leadership Team

Subject: Recommendation Report on Implementing Starbucks' Sustainability Marketing Initiatives

Attached is a report entitled “How Starbucks Can Promote A Sustainability and Ethics Image”, which addresses advertising methods that can improve Starbucks’ brand image. Because of rising product costs, Starbucks has to further communicate their contribution to global sustainability to maintain a growing customer base. Recommendations for marketing techniques include adding mission statements on coffee cups, infographics on coffee bean bags, interactive display screens, and enhancing in-store posters. While these approaches target ethically aware audiences, they will attract new customers by establishing the eco-friendly nature of our sourcing process, building the brand’s credibility.

I look forward to expanding on this report’s findings and recommendations in wider detail. The Senior Leadership Team appreciates the trust you have placed in us for building this marketing campaign. Please feel free to let me know a convenient time to meet and discuss the next steps for implementing these strategies.

Sincerely,

Alyssa Driggers

Member of Starbucks Senior Leadership Team

HOW STARBUCKS CAN PROMOTE ITS SUSTAINABILITY AND ETHICS IMAGE

Alyssa Driggers, Member of Starbucks Senior Leadership Team



How Starbucks Can Promote Its Sustainability and Ethics Image:

A Recommendation Report

Prepared for: Dr. Devet, Senior Vice President, North America Chief Marketing Officer of Starbucks

Prepared by: Alyssa Driggers, Member of Starbucks Senior Leadership Team

Nov 26, 2024



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Executive Summary

As environmental issues and controversial labor practices gain more attention, many customers have begun prioritizing companies that are committed to sustainability and ethical sourcing. Starbucks has the opportunity to improve their brand image by employing a marketing campaign that further educates customers on their sourcing practices.

Starbucks has previously established a credible brand through the Coffee and Farmer Equity (C.A.F.E.) Practices, which ensure fair wages for farmers, eco-friendly sourcing, and local community support. As industry wide prices continue to rise, Starbucks must communicate how our ethical sourcing maintains high quality products while supporting coffee bean farmers and contributing to sustainability, ensuring a consistent customer base.

This report proposes three marketing strategies to reinforce Starbucks' sustainability image.

Recommendations:

I. Mission Statements on Coffee Cups

- Placing short, impactful sustainability statements on coffee cups to increase visibility of marketing.
- Adding QR codes on sleeves that link to websites containing information about ethical coffee sourcing processes.

II. Updated Coffee Bean Packaging

- Incorporating personal farmer stories, local artwork, and the journey from farm to cup to provide details on Starbucks' sourcing.

III. In-Store Posters and Interactive Displays

- Using eye-catching posters and digital displays in retail spaces to showcase Starbucks' ethical sourcing practices and farmers' personal stories.
- Including interactive displays to engage customers and increase their knowledge of Starbucks' sustainability efforts.

A previous study examines how young audiences, particularly those aged 18-35, are willing to pay higher costs for products that are labeled as sustainable. Starbucks can target these demographics to establish an environmentally friendly brand, justifying higher prices to consumers. Increasing the amount of advertising on coffee bean production and sustainability factors will increase credibility and consumer engagement.

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Introduction

Because of growing awareness of environmental concerns, sustainability and ethical sourcing have a large influence on customer purchasing decisions. Many customers have begun to prioritize companies that are ethical and eco-friendly to fight issues such as unfair labor practices, deforestation, and climate change.

Starbucks has previously established a brand image that reflects sustainable practices and high quality products from ethical and local coffee bean farming. A solid supply chain has been developed by sourcing coffee beans from local communities in Latin America. Our Coffee and Farmer Equity (C.A.F.E.) Practices ensure equal wages for farmers, eco-friendly sourcing practices, and local community support.

Since Starbucks previously had more expensive, high quality products than other large coffee brands, their price increase has become more noticeable to customers. In order to maintain a loyal customer base and attract new customers, Starbucks must create a marketing campaign that shows audiences how our ethical production processes maintain high quality products and commit to global sustainability efforts. This report examines several advertising techniques Starbucks can utilize to spread awareness on sustainable coffee products.

Background: How Sustainable and Ethical Sourcing Influence Purchasing Decisions

Within recent years, many audiences have begun to value businesses that use sustainable sourcing practices in order to protect the environment. Global concerns such as climate change and deforestation have gained attention in the media, leaving customers to look for eco-friendly alternatives. Local businesses have also grown in popularity since they tend to use sustainable practices, as well as keeping profits within the community or donating to a good cause. Since coffee farming requires intense labor, it's important for coffee companies to provide fair wages to farmers and proper working conditions. Because of the competitiveness of the coffee industry, coffee bean production from small farms ensures a higher quality coffee.

An online survey was conducted in January 2023 in Spain to determine the willingness of audiences to pay for sustainable coffee. Hypothetical questions on purchasing decisions of two different coffee brands with sustainability labels, Fairtrade and UTZ, were presented to a group of 547 respondents. Results showed that consumers are willing to pay extra for coffee products that have labels that support sustainability. When these labels were present, the price of products increased by over a dollar, which respondents selected yes to purchasing. Additionally, 56.2% of respondents were between the ages of 18-35, emphasizing the impact young customers have on sustainable companies (Merbah, Benito-Hernández 2024).

In order to support local farms in smaller countries, Starbucks sources a majority of coffee beans from various countries in Latin America. One of our biggest contributions to the ethics conversation in the coffee industry is their Coffee and Farmer Equity (C.A.F.E.) Practices. The standards that this program sets supports farmers and their local communities with funding and resources so that coffee can continue to be grown sustainably. It provides educational opportunities, better living conditions, and sustainable farming practices for small communities around the world that produce coffee beans for the company. Starbucks ensures an income of high quality coffee beans because of strict standards set by the C.A.F.E. program to maintain the overall sustainable image (Starbucks 2024).

It's important for Starbucks to promote a solid sustainability and ethics image to encourage customer loyalty to the brand. If wider audiences are aware of the company's environmentally friendly processes and support for local coffee farms, they are more likely to trust the brand. By showing how Starbucks coffee beans are sourced through various advertising techniques, the company will directly support their claim of high quality coffee and ethical sourcing.

How Starbucks Can Promote A Sustainability and Ethics Image

These 3 major suggestions describe advertising tactics that will improve Starbucks' brand image.

Suggestion 1: Mission Statements on coffee cups can advertise Starbucks' commitment to ethical sourcing.

One of the most accessible ways for Starbucks to promote their sustainable processes is by placing mission statements on coffee cups. The company has used the simple white cup design with the logo on front for years. Including a sustainability statement on these cups would advertise to the general customer base because of the high visibility factor. As customers carry their cups around other audiences will see the advertising.



Figure 1.
<https://www.iamrenew.com/green-energy/starbucks-ties-with-re-company-cyprus-creek-to-power-360-texan-outlets/>

These sustainability statements should be shorter in length so they are clear to the reader and quick to read. If these statements rhyme or sound like a catch phrase they will be more memorable to customers. Additionally, Starbucks can use coffee sleeves to further encourage

customers to learn about our coffee bean sourcing. QR codes can be included that will take users to a website that describes in detail the production processes of Starbucks coffee beans.

This method is effective because sustainability statements will simplify a larger idea into a short sentence that will catch customers attention. Since coffee cups are common, everyday items, Starbucks can market a sustainable image to the general public. If customers want more information about the sustainability statement, they can easily find it through the QR code provided.

Suggestion 2: Infographics on coffee bean packaging inform customers of the products' ethical sourcing and the brand's credibility.

The only mention of coffee bean sourcing that has been included on Starbucks packaging is the country that the beans originated from on the front, as well as a small QR code on the back. This code leads the user to a website that allows you to “trace your coffee”, exploring the entire process of coffee bean farming. While this approach can be educational, many consumers might not see the small size of the QR code, or take the time to follow the link and read a long article.

Rather than the small, vague sustainability advertisements that are currently on Starbucks' coffee bean packaging, there are several other important factors that can be advertised. Personal stories from farmers, local artwork, and the journey of coffee beans from farm to cup will provide more detailed information on the company's sustainable processes. As shown in Figure 1, data collected by the National Coffee Association shows that the majority of coffee drinkers buy coffee in pre-packaged bags out of any other container type, emphasizing the importance of proper advertising.

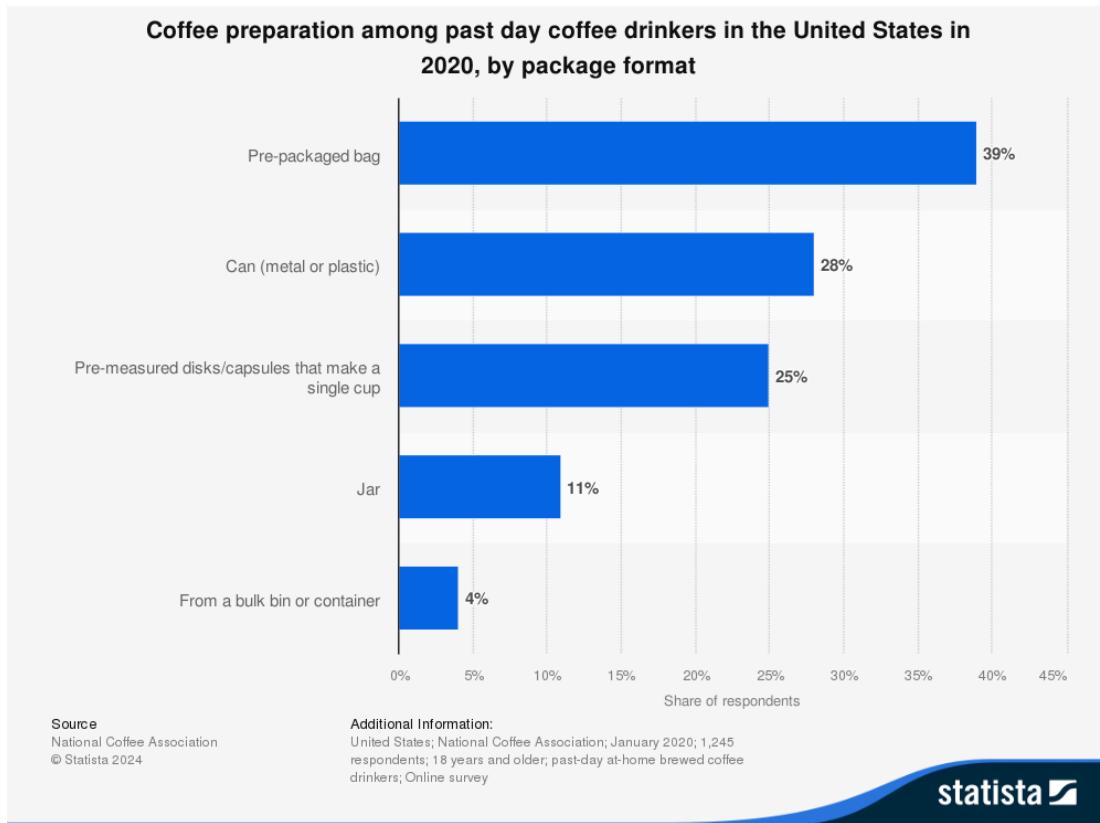


Figure 2. <https://www.statista.com/statistics/457472/coffee-preparation-among-us-past-day-coffee-drinkers-by-package-format/>

What could we add to coffee bean packaging?

Personal Stories From Farmers

On the back of coffee bean packaging, Starbucks can include a personal story from a local coffee bean farmer in one of the countries that the company sources from. This not only educates the consumer on the benefits of working for a Starbucks supported farm, but also creates an emotional connection to the audience.

Local Artwork

Including local artwork on coffee bean packing will be an eye catcher for customers in store when browsing products. By a closer look the customer will learn where the coffee beans are sourced from and the culture that is present in that particular community. This will help the brand to stand out among other larger coffee bean brands and encourage customers to support small communities by purchasing the product.

Journey From Farm To Cup

The inclusion of an infographic that explains the full journey of the coffee bean from harvesting to packaging will directly show the consumer Starbucks' ethical sourcing. Many audiences might not be educated on what our production process looks like, so a visual demonstration could persuade them on the importance of sustainable processes.

Suggestion 3: In-store posters and Interactive displays will capture customers' attention and encourage product consumption in the retail space.

Many Starbucks stores have flashy posters and signs in and outside of our retail spaces to advertise new products and seasonal items. These advertisements grab the attention of customers as they enter the store to order or simply pass by, encouraging them to try new items. To educate audiences on Starbucks ethical coffee bean sourcing, we can place large posters that go into detail about farms and production processes. As customers wait in line or the drive-thru, they can read personal stories on farmers that produce the coffee beans and the countries that they are sourced from.

Pictured in Figure 3 are two sustainability posters completed by Andrew J. Vagner, the Lead Art Director at Starbucks. His two proposed posters are visually appealing and educational on the coffee farmers and communities that Starbucks sources our coffee beans from. Rather than just

simple statements on posters, a brief description of our processes is provided, as well as a link to a website with more information. Posters like these can be placed in retail spaces and drive thru lines to educate consumers on our brand's values.



Figure 3. <https://www.andrewjvagner.com/work/sustainable-coffee-posters>

Another eye-catching way of advertising is interactive screen displays in Starbucks retail locations. The customer could tap through different screens, discovering the farmer's processes when harvesting coffee beans. The displays could provide access to video, graphics, and images that show personal stories from farmers that reflect the impact of Starbucks' C.A.F.E. practices in their communities. As shown in Figure 3, this advertising option engages the user and provides immense detail compared to smaller advertisements on products and in stores.



Figure 4. <https://meyers.com/meyers-blog/benefits-of-interactive-retail-displays/>

Conclusion

As consumers increasingly prioritize sustainability and ethical sourcing, Starbucks has the opportunity to stand out from other brands by highlighting their ethical sourcing processes. To strengthen the company's overall sustainability image, Starbucks can implement three marketing strategies: adding mission statements on coffee cups, infographics on coffee bean bags, interactive display screens, and enhancing in-store posters. These methods will educate consumers about Starbucks' dedication to high-quality coffee production and sustainability while also building stronger emotional connections with audiences.

Recommendations

My team recommends implementing all three marketing strategies in order to improve the brand's overall sustainability image. Adding mission statements on coffee cups, infographics on coffee bean bags, interactive display screens in retail spaces, and enhancing in-store posters will increase visibility factors of Starbucks' marketing and engage customers as they purchase products. It's important to provide further details on our sourcing practices on advertisements so customers can understand the value of Starbucks' products. We request proper funding so that our Senior Leadership Team can carry out these strategies.

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