Starbuckling Down

By Anna Wells, Editor, IMPO

Perhaps it’s because it’s one of the most visible brands out there, but Starbucks has been all up in my face in this recession.

I remember vividly when I knew this whole economic collapse was real… and it was literally the day last summer I read in the paper that Starbucks — one of the most ubiquitous and iconic brands of my generation — was going to close the doors on several hundred stores.

Soon after this massive shuttering, I walked into my neighborhood “bucks” for a quick cup to go. Upon ordering my usual Venti Iced Americano — extra ice, easy water — the barista gave me my change and asked me for my name. Even though there were only a handful of people in the store, she wrote it on the cup, then called it when my drink was ready.

Within weeks, the morning ladies knew me by name and I realized that Starbucks had gotten strategic. Instead of being known by its yuppy, corporate logo-centric image, Starbucks was trying to become my friend — the neighborhood coffee house where they knew my name.

More changes have elapsed over the past year. One more publicized venture has been Starbucks’ launching of several “European-style” coffee houses under a different brand name: 15th Avenue E Coffee & Tea. These self-proclaimed ‘stealth’ stores are disassociated with the Starbuck’s brand, but serve the corporation’s coffee and teas. The environment in the first (Seattle) location is said to be a rustic and modern mix, vastly different than the coffee giant’s existing spots.

This morning, I came across another new endeavor. Starbucks was launching its own brand of instant coffee.
Instant? This was kind of a record scratch moment for me.

For a company that positioned itself as a high end coffee chain, has Starbucks taken it too far? I’ve been corrected numerous times by the register attendant when I brashly attempted to circumvent using a language I don’t speak. What could be a bigger display of arrogance than forcing your patrons to speak Italian? Now Starbucks is providing instant coffee — the coffee snob’s most degraded form of caffeine next to Mountain Dew.

My concept of the Starbucks brand is starting to get fuzzy, and I’m not sure if this is a good or a bad thing. There’s a danger in trying to be all things to all people,

especially when you sell yourselves on being a premium brand. Is now the time to stick to these guns, assuming your customer base — to use a tired phrase of defeat — is what it is? Perhaps it's most imperative now that you not lose focus in a desperate attempt to diversify.

But at the same time, maybe Starbucks has it right. The company took a hit last summer: its aggressive attempt to open thousands of new stores in a short period of time backfired with the economy. So what now? They get aggressive again, but this time it's in the form of marketing strategies, and penetrating markets it perhaps never would have touched before the downturn.

My speculation here is simply food (or caffeine?) for thought. Do you think Starbucks will see success in this aggressive diversification? Or do they have their coffee in too many pots? Do you have a story to tell about your own brand diversification? Email me your thoughts at anna.wells@advantagemedia.com [1].

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