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1. Introduction

1.1. History

Starbucks is a coffee house chain, first opening its door at Pike Place Market in Seattle, in 1971 (Starbucks, 2019). Expanding very fast, Starbucks nowadays has over 30 000 coffeeshops in over 80 countries all over the world, and remains just as famous as it was in its beginnings (Starbucks, 2019). Their coffee beans come from the most famous coffee making countries in the world, such as Brazil, Guatemala, Costa Rica in South America, and Kenya, Ethiopia and the Côte d’Ivoire in Africa. With all these different types of beans, Starbucks is able to offer its customers a wide range of variations and tastes, fit to everyone (Starbucks, 2019). Because of this, they were able to expand their coffee range, creating coffee capsules fitted to the famous Nespresso machines, offer actual coffee beans and grounded coffee to take home with you, to recreate the iconic Starbucks beverages.

As stated in their mission statement, their goal is to inspire and enrich the mind through new acquaintances, coffee, in each of their locations (Starbucks, 2019). This concept spread worldwide, and Starbucks became a place to meet up with friends, work, have important rendezvous, and also, drink delicious coffee.

1.2. Market Environment

The current market environment shows a demand for healthier food options and taking care of one’s body by fueling it with nutritious foods and produce (Calucchia, 2019). As fitness and health are both trends which go hand in hand, making sure to keep a healthy body does not only mean going to the gym three to four times a week, but mostly making sure that it is also being fed with the right foods and nutritional values (Loewe, 2018).

Not only is it important to feed one’s body with high nutritional valued foods, but also to make sure that the produce is local and organic. For the last 10 years, organic foods have been offered more and more to consumers, in order to avoid buying fresh vegetables who are actually produced with lots of pesticides and hormones (Locke, 2019). Organic foods are currently found in over 20 000 food stores, allowing everyone to make sure that their dishes are fresher and healthier (Locke, 2019).

Furthermore, there is a high demand for sugar substitutes. Most know that sugar is nowadays found in almost every prepped dish, in every sauce, in every condiment. Avoiding sugar is a very difficult goal and demands a lot of effort. This is why the market environment is changing, looking for either produce without sugar, or healthier sugar substitutes (Locke, 2019). This is a very difficult challenge, but an important one, nevertheless. There are natural sweeteners in different vegetables, fruits which could represent a good alternative to classical sugar, also being a lot healthier than what we use today (Locke, 2019).

All of these current and future trends show the high demand for healthier and more nutritious foods and alternatives. Add to this that currently the fitness trend is rising, there is no wonder that both have a huge impact on the food industry.

Whilst not everyone likes to get up and go to the actual gym or fitness center, the trends show that there still is a high demand to work out and take care of one’s body, whether it is through classes, gym sessions or even virtual “at home” workouts (Connor, 2019). And even though not everyone might have the time or the finances to subscribe to a fitness center or classes, people still want to look athletic and fit. This is part of the society nowadays, the way one looks and presents himself; it has a lot to do with outer appearances but still, it remains that doing a regular exercise is recommended, and also a trend that keeps on growing and evolving (Connor, 2019).

2. Product Idea

Starbucks has always kept its brand image by selling coffee and snacks over the years, innovating with its drink formulas, adding new limited editions for the different seasons of the year, creating new variations and options (Starbucks, 2019).

Because of this, and the above-mentioned market environment, our brand extension idea is called “Starbucks Sports”., a new product line one will find at Starbucks stores and fitness events which introduces a new line of beverages and snacks based on health and fitness.

A new range of products such as protein smoothies, freshly made juices and healthier coffee options will be brought out, next to healthy snack options such as protein bars and cookies, sandwiches with high nutritional value, energizing lunches with salads, bowls and warm foods. All these new options will be made with natural and organic ingredients, coming from the country’s region. Just as well will the supplements and protein powders be organic and natural, without any added sugars.

This new range of products will be dedicated mostly to fitness-oriented people, the ones who wish to enjoy a Starbucks meal and drink but do not want to pass out on their health goals and objectives. The main goal for this new extension is to offer a new range which will be just as tasty as the other Starbucks products, but a lot healthier than what they currently have on offer in their coffee shops. This will allow for a new and larger target group, introducing a new image of Starbucks as we know it.

3. SWOT Analysis & Strategy

3.1. SWOT

To make sure that our new product idea would work for Starbucks, and also in the current market, a SWOT analysis helps to define what is on the positive side, and what negatives we could expect with this new product range.

Strengths:

· Starbucks is a very well-known business, famous all over the world with more than 30 000 stores in more than 80 different markets.

· Starbucks treats the customer in a very loyal and genuine way, and they offer the customer many deals, including free Wi-Fi, created a mobile app to stay in tune with the current technology trends, and also to allow an easy way to order a drink online, and making the customer be able to choose between coming into the store, or staying at home.

· The existing equipment Starbucks has is already of high quality and allows for new usage.

· Starbucks is a very powerful brand and makes a product with unique high quality compared to other offers on the market. What we wish to offer is new to this current market and will profit from the existing reputation of Starbucks.

Weaknesses:

· Starbucks focuses only on a high-quality product, meaning that the already used produce is expensive. Since our idea is based on organic and healthier foods, the produce needed will be just as expensive, if not even more.

· Starbucks only serves coffee and quick snacks. Creating this new product line is a high risk as the company does not know the industry and has never entered that market.

· Starbucks Sports is a healthy product line, but people believe that energy drinks and protein shakes can have a lot of side effects and not truly be as healthy as made to believe, and these assumptions could affect the product launch and harm the brand image we are trying to renew.

Opportunities:

· Star bucks are only for coffee making, but now break the image and turn the image into energy drinks

· Star Bucks Sports targets clients with fitness and health trendy personalities, and also new and exciting customer.

· The Star Bucks brand is one of the best powerful brands around the world, so this product is easily accessible to everyone

Threats:

· Starbucks already has some of the toughest competitors in the business, for example, McDonald's and Costa Coffee, Beet's Coffee, so the company is introducing a similar product as an energy drink, which is the biggest threat for Starbucks.

· changing the customer lifestyle, for example, because customers tend to prefer the same organic product, which may be a trend that could be ending.

· This product is new to enter the market and consumers cannot afford the taste of the energy drink, which is one of the main threats to Starbucks.

3.2. Strategic objectives

To make sure that our idea is on the right track and that we do not forget what we aim to achieve, we have defined 3 strategic objectives which will be important to determine the strategy we will be using for our product launch:

· Starbucks improves and transforms the image for existing and new customers.

· Expand the target group and integrate people with fitness and health commitment.

· Increase profitability through the new premium product range.

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