Thesis: The Starbucks business enterprise has taken America by storm, but it has been met with both successes and failures along the way. This annotated bibliography will explore this history as well as the current status of this coffee conglomerate.

Core Concepts/Keywords: Starbucks business enterprise; coffee industry; successes; failures

Primary Source:


Annotation: This piece of music is an artistic and metaphorical way of the artist revealing his feelings about the war in Iraq. Starbucks is a metaphor for American imperialism, as its dominance can be seen all over America. It focuses on branding and superficial status and power, and Starbucks ultimately becomes the institution that is “busted up” in combating these American ideas. The song is great to listen to, and studying the lyrics can give one an alternative version of what “Starbucks” represents, which is much more than coffee.

Print Reference Source:

Citation: “Coffee.” Encyclopedia of Science and Technology. 9th ed. 2002.

Annotation: The encyclopedia article offers a wealth of information about coffee. Coffee is made from the seeds (coffee beans) of the evergreen bush/tree that is native of Northeast Africa and Southwest Asia. Annual commerce is 75 million bags, with the United States and Europe consuming about 85% of all of coffee bean exports. The history of commercial coffee cultivation began in the late 1600s, and the article outlines the timeline of green coffee cultivation (beans that are cultivated, harvested, and ready for commercial use). It explains diseases that can affect the crops, and if not controlled, the diseases could threaten the end of coffee bean cultivation. The process through which the coffee bean is extracted is described, as well as the roasting, grinding, and decaffeinating processes. The article is very useful in providing basic information about the coffee industry.

Electronic Reference Source:


Annotation: This article outlines the use of caffeinated products and beverages, alcohol, and tobacco from a historical perspective. While it describes the use of tea, chocolate, and colas, under the caffeine subheading, the section on coffee is the most important in giving a historical view on the roots of Starbucks specifically and the role of coffee in modern society in general. Ethiopians were the first to cultivate the coffee plant in the sixth century and chew its berries for stimulating effects, but five hundred years later the Arabians brewed coffee beans to produce the drink that we are most familiar with today. By the mid 1800s and continuing into the twenty first century, the United States was the largest consumer of coffee in the world, with most of the product being imported from Brazil. The article is helpful in understanding coffee’s role globally as
well as the changes that have occurred during its development in modern society.

Web Sites:

Citation:

Annotation:
This website presents an interview with Starbucks’ Chairman Howard Schultz about those who live without health insurance, and how Starbucks is doing its part to provide health care benefits to its employees. Schultz explained that in an attempt to bring value to the company, Starbucks formed a business model which linked the company’s success with a strong relationship between company and employee. Schultz recommends that other companies embrace this business model because it would increase success and value. Thus, Starbucks became the first retail store in America to provide complete health insurance to full and part time employees. However, as the cost of health care is constantly increasing, Schultz suggests that government, company, and consumers come together to improve this situation so Starbucks can continue to provide these benefits to consumers. This interview gives great insight into the philosophy behind Starbucks’ policies.

Citation:

Annotation:
This website is great in offering a variety of information about the Starbucks brand and the company. That is, you can find information on the history and the development of the company, headlines and links to Starbucks stories in the news, investor relations, mission statements, its policies on social and environmental responsibility, information and descriptions of products that Starbucks offers, as well as the option to purchase these products online. There is information about Starbucks cards, how to refill them as well as how to check the balance on a current card, and nutrition information can be found here. It is a very helpful site in accumulating knowledge about the company, and also is customer friendly, offering a customer service link.

Books:

Citation:

Annotation:
This book is written by Howard Schultz, Chairman of Starbucks, and he offers an understanding of his vision, work, and goals through this work. He explains how growing up in a family that endured continuous financial stress influenced him to have a company that could “lead with its heart and still make money.” He realized the potential of taking a small local business and extending it to be a successful global icon because of one unique offering: it would bring back an old, popular commodity through sincere quality with the European influence in its products. With this idea, Schultz brought a coveted experience to a cup of coffee, and offered consumers the warmth and comfort of being a part of a community when stepping into a Starbucks location. The company constantly “pours its heart” into pleasing its consumers, ensuring that it will always live up to the reputation it worked to hard to earn. This source offers a wealth of information on the development of the company, but Schultz also offers encouragement to entrepreneurs to “pour their heart” into their own venture to make their dreams reality.

Citation:

Annotation:
The author of this book is a financial journalist who wrote her piece after investigating the mysterious
stock market. She attempts to demystify the workings of Wall Street by following the well known stock of Starbucks and by keeping track of its status over one year. She chose Starbucks stock to investigate because at the time it was written, 2005, the stock began to fall even though it was still increasing exponentially in 2001, a time in the company’s life cycle during which decline would have been expected. In a month by month analysis, secrets of stocks are discovered while determining the influence of actions taken by Starbucks, such as new products and location expansion, on the fate of its stock. This book is helpful in understanding the stock market, but it also unveils some of the influences on Starbucks’ stock prices which could be useful in applying the concepts to other businesses if studied and well understood.

Citation:

Annotation:
Nancy Koehn, author, explores the past and the present in discovering how entrepreneurs have earned the trust of the public to bring value to a brand and find success. She examines the unique way in which each entrepreneur branded their vision along with how the historical influences worked together to make their ventures a success. The work of six entrepreneurs is discussed, and chapter six is devoted to the work of Howard Schultz, Chairman of Starbucks, and the Starbucks Coffee Company itself. Included in this chapter is an explanation of how Schultz capitalized on an understanding of how changing socioeconomic conditions lead the public to have different wants and needs. People were looking for quality products, comfortable places to spend their leisure time, and a high level of service. Schultz understood what the market was demanding, and he created a brand that would satisfy the need. This book is an excellent, well written source, and provides an understanding of Schultz’s work as well as how the Starbucks’ brand earned its meaning.

Peer-Reviewed Journal Articles:

Citation:

Annotation:
The author of this article explores the current condition of Starbucks stores all over the country from the expert eye of a “Starbucks junkie.” While he says that he loves the customized indulgences that he orders, the lack of performance on the part of Starbucks as a whole is making it more and more difficult for him to pay the premium price for coffee that Starbucks charges. The fact that Starbucks opened more outlets in 2007 than it had operating in 1997 speaks to the fact that expansion triggered by success had become the Achilles heel for the company. This is attributed to the company losing sight of its original mission, to provide an experience, not just a beverage. Increasing stock values dominated Starbucks’ focus, and now the coffee shop lost its chic experience and now is operating as a regular fast food chain, just slightly dressed up. The article gives a helpful perspective from a loyal Starbucks consumer who is disappointed that bottom line profit obsession ruined the true Starbucks experience that once was.

Citation:

Annotation:
The author of this article explores the key to Starbucks’ success— its principle— and explores the components of the principle that make Starbucks so appealing to the public. Starbucks gives its customers a “community” by having a convenient, regular place to stop with friendly people and a comfortable place to relax. The most important part is that the customer is accommodated and important to the overall scheme of the business. This principle can be applied to other business ventures, including the Photographic Society of America (PSA), whose journal this article is in. That is, by offering a community to
those in photography, accommodating the needs of those welcomed into the community, and making the community accessible through the internet. Thus, following the Starbucks Principle, other business enterprises can benefit, as seen by the projection of the PSA implementing the Starbucks Principle.

Newspaper Article:

Citation:

Annotation:
This news article explains the reasons why Starbucks has been experiencing a decline in sales, and share prices have decreased by 40%. While facing a recession, consumers are currently more conservative with their spending, but the business experts that contribute to the article explain that Starbucks’ troubles are more complex. One major problem is that there are so many outlets that the company is experiencing cannibalization and is no longer as special as it used to be with the extreme expansion. Another problem is that the vast number of outlets has brought a decline in image so consumers are looking elsewhere for quality coffee and a lower price. This article is very helpful for understanding the current situation Starbucks is in, and it is also helpful as a learning tool for examining the strengths and weaknesses of businesses.

Additional Sources:

Citation:

Annotation:
The author of this article explains how a brand that is the king of expensive coffees is now bringing its label to music, movies, and books. George Ritzer, a sociology professor interviewed for the article, sums up Starbucks actions by saying it is the “Starbuckization of society.” Starbucks feels that it has been so popular that its customers are looking for the brand in other aspects of culture to get the same satisfying experience that they get from their espresso. Not only is Starbucks influencing our culture, it is changing its own image, becoming not just a coffee expert, but an expert on how to enjoy life, and the extent of its brand is rivaling the fast food conglomerate McDonalds. Soon to leave its mark on the entertainment industry, it has already changed America’s perceptions about what is acceptable to pay for coffee and what an appealing coffee house should feel like. This article is very well written and gives useful information in tracing how Starbucks made a powerful impact through its coffee brand, and how it plans to extend its influence.

Citation:

Annotation:
This article discusses the role of marketing and advertising in Starbucks' business scheme. While the coffee chain once said that it would not succumb to mainstream marketing and thus dilute its image, it launched its first television campaign in 2007. The advertising extends from television to online marketing as well as to print ads, and the main message of the campaign is to portray Starbucks as a place where ideas and culture can be spread. Some critics say that Starbucks has been under-spending on advertising and needs to actively compete against Dunkin Donuts and McDonalds that are trying to steal Starbucks customers, while others speculate that Starbucks is betraying its original, unique image. This article is helpful in presenting both sides of the issue, the benefits and the risks of extending the brand through
advertising, while the outcome of the strategy is yet to be seen.

_Citation:_
<http://ublib.buffalo.edu/libraries/e-resources/aph.html>.

_Annotation:_
This article explores the way that Starbucks is now suffering in the business category that it helped to create. The buzz in the business world lately had been focusing on how Starbucks would be able to recreate its brand so that it wouldn’t lose its position in the United States coffee market. In the article, business experts comment on the fact that Starbucks is facing a fate that so many industry creators and leaders face—Starbucks created the coffee industry and through this pioneering, it paved the way for competitors such as Caribou Coffee and Peet’s Coffee & Tea to become successful and now is losing market share. The current debate centers around the question of whether or not it is too late for Starbucks to rebrand itself. The article is helpful in understanding the life cycle of businesses, particularly brands that create an industry, and seeing how competition develops with the success of the industry.

_Citation:_
<http://ublib.buffalo.edu/libraries/e-resources/aph.html>.

_Annotation:_
This article places the opinions of two experts on the state of affairs for Starbucks side by side, and they discuss the different ways in which Starbucks can rally after its stock prices have fallen by 45% between January and March 2008. Marc Greenberg, a beverage and tobacco analyst, points to declines in Starbucks’ profits because of rising costs due to the economy. In order to offset this, Greeberg suggests that Starbucks closes after 4 pm to cut costs and increase profits. Because growth with new locations has been so expansive, the company needs to reframe its operations so that it can continue to make profits. On the other hand, Jeffrey Bernsein, a restaurant analyst, looks at the issue as seeing potential in the fact that Starbucks is slowing its rate of growth significantly in 2009, and by increasing efforts internally to decrease cannibalization, it has great potential to return to its great performance in the near future. Both of these opinions shed light on how Starbucks can improve its situation and leads to a creative understanding of managing an expanding international brand.