

STARBUCKS



The story of three coffee lovers

In 1971, English teacher Jerry Baldwin, history teacher Zev Sigl and writer Gordon Bowker formed 1350 dollars each, borrowed another 5000 and opened a coffee beans shop in Seattle, WA. When choosing a name for the store, the name of the whaling ship from the novel by Herman Melville “Moby Dick” - “Pecode” was first considered, but in the end it was rejected, and the name of the first assistant Ahab - Starbuck was chosen. The logo has become a stylized image of a siren.



- ▶ Partners learned the right selection of varieties and roasting coffee beans from Alfred Peet, the owner of Peet's Coffee. Starbucks bought beans at Peet's Coffee during the first 9 months of operation, and then the partners installed their own roaster and opened a second store.
- ▶ By 1981, there were 5 stores, a small factory for roasting coffee and a sales department that supplied coffee beans to bars, cafes and restaurants.
- ▶ In 1979, Starbucks owners bought Peet's Coffee.
- ▶ The opening of the store had a difficult period: at the end of the 60s, Americans were completely disappointed in instant coffee, and most of them simply did not know that there is still some kind of coffee other than instant coffee. Therefore, buyers, indeed, was not much.

Romantic Howard Schulz

- ▶ Howard Schulz became one of Starbucks sincere supporters. Having tasted Starbucks coffee, he immediately fell in love with it, because this coffee had nothing to do with what he had tried before.
- ▶ Leaving the post of general director of the New York division of Perstorp AB, which produced the dishes, Howard Schulz joined Starbucks.
- ▶ He directed all his strength to the development of the new company, but the business did not go as well as he wanted. In total, Starbucks had only a few thousand loyal customers.
- ▶ 1984 was a turning point in the history of the company. Once in Italy, Schulz discovered a completely new culture of coffee consumption. Unlike Americans, Italians drank coffee not at home, but in cozy coffee houses.

- ▶ He invited Starbucks owners to open a coffee shop, but the proposal did not find support. The management was of the opinion that real coffee should be made at home.
- ▶ But Schultz could not stop anything, and in 1985 he founded his own coffee shop II Gionale. Things went so well that after 2 years he bought Starbucks from its founders for \$ 4 million.
- ▶ The largest chain of coffee shops Starbucks is considered to be one of the symbols of America. Today, every fifth cup of coffee is drunk at Starbucks in the United States, but Howard Schultz, the owner and inspirer of the company, had to work hard in order to instill in Americans a love for this exquisite drink.



Meeting point

- ▶ The popularity of Starbucks inspired not only consumers, but also competitors. Everywhere began to open similar coffee houses, but with lower prices. Even in fast food restaurants and gas stations, an Espresso ad appeared to lure customers.
- ▶ Starbucks was important to maintain its uniqueness. The company made a bid for positioning and announced its principles: romance, luxury for all, peace and informal atmosphere.
- ▶ In America, Starbucks has become the epitome of affordable coffee houses for a new generation of visitors — educated and with good taste.



Uncompromising quality

- ▶ The popularity of Starbucks continued to grow, but the company increasingly difficult to combine a wide range and high quality products.
- ▶ The fact is that in Starbucks the grains were delivered in special packaging - two-kilogram packages. While this bag was closed, the coffee retained its original freshness, while the open bag had to be used for 7 days. For rare and expensive coffees, this was unacceptable.
- ▶ In the 90s, America was already overwhelmed by real coffee addiction and the obsession with Starbucks. The company grew at a frantic pace - up to 5 new coffee houses opened daily. By the end of the 1990s, Starbucks already has more than 2,000 establishments and is gaining recognition in Japan and Europe.



- ▶ At first, Starbucks resisted the trend of fashion, fearing that skimmed milk would not keep the old taste of coffee.
- ▶ Dietary coffee was not introduced into the sale until the company began to lose customers. So the menu appeared drinks, devoid of the taste of this coffee, but satisfying the tastes of consumers who care about their health.
- ▶ Starbucks business worked like a clock, and in 2000, Howard Schulz decided to move away from direct management of the company to take up new business projects.
- ▶ By 2005, Starbucks has grown into a global network of more than 8,300 coffee shops. In 2007, 15,700 Starbucks coffee shops were opened in 43 countries around the world. Revenues for 2007 amounted to \$ 9.4 billion.



A scenic sunset over a beach. The sun is low on the horizon, casting a warm glow over the sky, which is filled with soft, colorful clouds. The ocean waves are gently washing onto the sandy beach. In the background, there are dark, silhouetted mountains or hills. The overall mood is peaceful and serene.

**Thank you for
your attention!**