

CASE STUDY

1. Describe Starbucks' digital expansion strategy. How did they attract digitally registered customers beyond their rewards program?

Answer – To attract young teenagers and young adults, Starbucks broadened its market reach through a digital expansion strategy focused on enhancing its social media presence and diversifying its product range. They introduced mobile order services and Wi-Fi sign-ins at physical stores to draw in digitally registered customers beyond the rewards program. Starbucks used distinctive branding, engaging posts, and visually appealing content like recipes, photography, articles, and features. By offering rewards points for mobile orders, which could be redeemed for free items, Starbucks successfully attracted digitally registered customers beyond their rewards program.

2. How does Starbucks use social media to increase brand awareness and foster a sense of community?

Answer- In order to increase brand awareness and foster a sense of community through social media Starbucks created social media accounts for some of their popular products like the Pumpkin Spice Latte and Frappuccino where they shared memes and content that are relatable to their customers.

3. What role did Starbucks' physical stores play in its digital marketing strategy?

Answer- Starbucks' physical stores also have played a imperative role in the digital marketing strategy. By opening stores in locations more convenient to the customers and offering free Wi-Fi, these stores helped in attracting more customers . Along with this, in these physical stores company introduced mobile order services where customers can place orders through their mobile phones from the comfort of their own seats. This strategy has made buying process more efficient for customers , improved customer experience, encouraged repeat visits.

4. Based on the case study, how does Starbucks balance its global brand image with the need to cater to local tastes and preferences?

Answer- With the help of social media Starbucks held many campaigns which helped them in analyzing fan-favorite beverages. Along with this by using data from its digital platforms the company was able to cater to local tastes and preferences.

5. How does Starbucks use data collected from its digital platforms to improve the customer experience and strengthen customer relationships?

Answer- By collecting data from its digital platforms Starbucks utilized it in very efficient way. Through mobile order services and in-store Wi-Fi, the company gathered information about customers' buying habits, which they then used to personalize offers and strengthen customer relationships. Additionally, after analyzing this data, Starbucks created social media accounts for popular products and shared relatable posts and memes, incorporating user-generated content to boost interest in their products. This method enabled Starbucks to effectively divide and focus on specific customer groups, providing them with customized products and experiences that align with their preferences and requirements.

6. What are some key lessons that other businesses can learn from Starbucks' digital marketing strategy?

Answer- There are various strategies to be learned from Starbucks' digital marketing approach. Initially, for enhancing business performance, a company must analyze its target audience, similar to how Starbucks' successful market expansion was attributed to its audience analysis across different markets. Moreover, by blending digital and physical experiences, a company can enhance customer satisfaction, thereby fostering repeat purchases. Additionally, to broaden audience reach and product visibility, a company can utilize social media platforms, similar to Starbucks' creation of social media accounts, which facilitated the formation of a brand community.