

Starbucks: Adapting in the Indian Market

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Abstract

Starbucks is a coffee retail chain based in the United States of America and is expanding its global footprint by increasing its presence in the Indian market. The Indian market is quite different as the coffee consumption in India is very low - with consumption of only 82 grams per capita as compared to 4 kilograms per capita in the USA. Research in India has indicated that most people go to a café to socialize and form stronger personal and business relationships, and not merely for drinking coffee. Realizing this trend, Starbucks has customized its store ambience along with customization of its product offerings. To penetrate the price sensitive Indian market, the products are also priced lower as compared to the prices in the USA, but the prices have been kept relatively high as compared to major competitors like Café Coffee Day and Barista Lavazza. The case analyzed the evolution of Starbucks and its global vision and strategy, the challenges faced by it in India, and why and how Starbucks is adapting to the local tastes and preferences, is expanding its footprint aggressively to combat the competition and is also maintaining its premium imagery as the low price strategy may dilute its global brand appeal. The real challenge for the company in India is penetrating the coffee retail market and developing superior offerings through adaptation.

Keywords: coffee, retail, adaptation, global, strategy, tea, localization, customization

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India has been considered as a tea drinking nation, with daily tea consumption being a habit of the Indians. Justifying this fact, Bidyananda Barkakoty, Chairman of The North Eastern Tea Association of India stated that domestic consumption of tea is three times more than the consumption of coffee in India, and tea consumption is more domestic, whereas coffee consumption is more commercial in India (Ghosh, 2013). According to the United States Department of Agriculture, coffee consumption in India was estimated to recover 1.2 million bags, which was around 72,000 tonnes in 2013-14 as compared to 1.1 million bags, which accounted for 66,000 tonnes in 2012-13 (Kulkarni, 2013). As the brand consultant Harish Bijoor pointed out, coffee is a lifestyle drink, whereas tea is a beverage ("Emerging prototypes of Indian coffee drinkers," 2013).

Coffee consumption is preferred in India in cafes rather than being consumed at home. This presents a huge potential ahead for café chains in India. The café market in India is dominated by Café Coffee Day, whose acronym CCD is treated as a brand name. Starbucks identified the trend and rolled out its first café chain in India in 2012 to cater to this outgoing segment of the market after the government allowed 100% foreign direct investment in single brand retail.

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Starbucks : The Company

Starbucks was founded by English Teacher Jerry Baldwin, history teacher Zev Siegel, and writer Gordon Bowker, who had developed a passion for knowing about different types of coffee beans, and this zeal motivated them to start their own business of trading coffee beans (Shah, Thompson, & Hawk, 2007). The result was the opening of the retail store named Starbucks in the Western Avenue in Seattle in United States of America in 1971 from where it was relocated to Pike Places Market in 1977 (Shah et al., 2007). The brand name was first considered as Pequod after the whaling ship from the famous novel *Moby Dick*, but since it did not pronounce well for a coffee trading company, the brand was renamed after the Chief Mate of the whaling ship in the novel named 'Starbuck' (Madison, 2011). This enthusiasm of the founders was inspired by Alfred Peet, an entrepreneur who owned Peet Tea and Coffee, a company later acquired by Starbucks (Shah et al., 2007).

The passion to know about different varieties of coffee beans and their aromas led to the evolution of this retail chain to trade coffee beans and was called Starbucks. Initially started as a trader of coffee beans, the company started brewing coffee beans and started serving coffee to the consumers as a result of Howard Schultz's vision, who joined the company and took charge of Marketing and Retail Store Development after repeated requests to the founders. Howard Schultz was earlier working with a company selling coffee vending machines, which also supplied the machines to Starbucks. As Howard Schultz visited Seattle where the sole store of the coffee bean retailer was located, he was impressed by the knowledge of the founders of the coffee retail store and insisted on joining Starbucks. After joining Starbucks, Howard Schultz once visited Milan in Italy to attend a conference. At Milan, he visited a cafe and was impressed by the way the baristas (people who serve coffee) served coffee with smiling and happy faces at the cafes in Italy and also by the variety of the product mix, including mochas, lattes, and espresso with a friendly atmosphere and light Italian music in the background (Shah et al., 2007).

The store provided Schultz a unique experience. Identifying such retail store formats of cafes in Italy and the importance of services in serving the coffee, Schultz kept the proposal of opening such cafes for Starbucks, which was met with strong initial resistance from the founders (Shah et al., 2007). The ideologies of the founders and Schultz did not match, due to which the latter took a decision to leave Starbucks and start his own company. The proposal was well supported by the founders who also helped him stay with the company until Schultz developed his own business. Later on, Schultz started his own stores naming them 'Il Giornale' (Shah et al., 2007). The founders of Starbucks later on decided to exit the coffee business, and identifying this as an opportunity to leverage, Howard Schultz bought Starbucks. Starbucks is now following his mission of "inspiring and nurturing the human spirit of one person, one cup, and one neighborhood at a time" (Starbucks, n.d. a). Starbucks is one of the largest coffee retailers in the world and the largest coffee retailer in United States of America. The product portfolio of Starbucks comprises of beverages, food, packaged and single serve coffee, coffee making equipment, and other merchandise (Statista, n.d.). The major source of sales revenue for Starbucks comes from beverages in which coffee is its leading beverage, as is evident from the Table 1 (Statista, n.d.).

The company has a business model that is based on development of retail stores providing an excellent customer service experience to the customers, with a variety of readymade coffee options being served to customers along with other food items.

Starbucks : Global Strategy

Starbucks has been expanding aggressively across the globe. The company has realized that focus upon increasing the retail store network is the key to success in the café market and combating competition. The company has been able to increase its retail stores to more than 18,000 worldwide in 62 countries, out of which 13,000 retail stores are located in North America and 255 in New York City alone (Loeb, 2013). The company had planned to open 1,300 retail stores worldwide in 2013, out of which the company planned to open nearly 600 stores in China (Loeb, 2013). The company is expanding geographically, with expansion into new countries. Therefore, Starbucks is using both product development and market development. Starbucks has also expanded its product mix with

Table 1. Division of Sales Revenues of Starbucks in USA

S.No.	Products offered by Starbucks	% of sales
1	Beverages	75
2	Food	19
3	Packaged and Single serve coffee	4
4	Coffee Making Equipment & Other Merchandise	2

Source : Statista (n.d.)

acquisition of companies like Tazo Tea (to focus on the tea drinking markets) and LaBoulange bakery (Loeb, 2013). The product portfolio is also being customized across the globe to cater to the local needs of the consumers. The company has been looking at adaptation rather than standardization across the globe.

In Europe, consumers' perception towards brands is poor and ,therefore, Starbucks started customizing its products for the region (Alderman, 2012). Since British people like latte but consider Starbucks lattes too watery, the company baristas are adding an extra shot of espresso to make it thicker (Alderman, 2012). Similarly, 60% of the French people prefer espresso, but they believe that Starbucks's espresso is not up to the standards of French espresso and ,therefore, the company launched a lighter blonde espresso taste (Alderman, 2012). The company also planned to have drive through cafés in Britain because British people prefer take-aways (Alderman, 2012).

In China too, products were customized and the company did not focus on standard American products, but modified them according to local tastes by introducing new products such as green-tea flavored coffee, which was not present in its global portfolio (Rein, 2012). This is also the reason for the success of Starbucks in China, where American brands such as Burger King, Dunkin' Donuts, and Krispy Kreme could not have much impact (Alderman, 2012). The company has used a premium pricing strategy in global markets, and despite the premium price and product customization according to this premium market segment, Starbucks is a very successful high-margin earning brand, especially in Asian markets such as China (Rein, 2012).

According to Panos Mourdoukoutas, Professor and Chair, Department of Economics at Long Island University, LIU Post, Starbucks has used a four-fold global strategy, which has been extremely successful and which includes the following strategies (Mourdoukoutas, 2013) :

- (1) Selection of the Right Market Segment :** The company has chosen the upper class coffee market segment across the globe and has not compromised on this position.
- (2) Execution of Service :** Starbucks has focused on providing a great ambience and experience to consumers visiting the retail stores with good quality coffee, quality service, and a very fine environment.
- (3) Excellence in Leadership :** Howard Schultz has exhibited strong leadership in promoting innovation across the organization for launching breakthrough products and for expansive growth in the retail store network.
- (4) Aggressive Geographical Expansion for International Markets like China :** The company has continuously focused on exploring new markets and tapping countries with potential such as China where the company increased 500 stores to reach a store count of 1500 stores.

Starbucks is growing both organically and inorganically in global markets through joint ventures, acquisitions, and strategic alliances. The company announced a strategic alliance for product development with the French dairy giant Danone to develop yoghurt based products (Minchom, 2013). The company is expanding in Columbia through joint ventures with its two Latin American partners - Alsea and Group Nutressa and both these groups have worked as licensed partners for Starbucks for 10 years across Mexico, Argentina, Peru, and Chile and cover around 500 Starbucks outlets in these nations (Minchom, 2013).

The company has expanded its business in India through a joint venture with Tata Global Beverages (Minchom,

2013). Starbucks acquired LaBoulange Bakery in June 2012 for \$100 million in order to expand its product mix to include bakery products in its portfolio and acquired Tavana tea in November 2012 for \$620 million in cash for further expansion of its product mix (Minchom, 2013).

Entry of Starbucks in India

Starbucks has had a strong interest in India since the year 1999 when the company acquired Tazo Tea for \$8.1 million, although this interest was limited to sourcing teas from India. The company had tied up with McLeod Russel, Apeejay Tea, Warren Tea, and Chamong Tea Exports in India (Ghosal, 2010). In 2010, the company initiated talks with Tea Board of India to get a license for importing and selling Darjeeling Tea (Ghosal, 2010). The interest of the company in India to enter through opening retail stores became more prominent when Starbucks initiated talks with Tea Board of India to open its Tazo tea outlets in 2006 (Ghosal, 2006). Tazo tea of Starbucks started a social responsibility initiative in 2002 in collaboration with Mercy Corps and other Indian tea sellers in Assam and Darjeeling such as Apeejay Tea, Warren Tea, and so forth and was named 'Community Health and Advancement Initiative (CHAI)' which aimed at supporting the tea growing communities, which live in poor conditions in Assam, with the health services and opportunities for economic development. This initiative of Starbucks provides employment opportunities to these tea growers to upgrade their skills to learn something new and become more employable (Yeoman, 2012).

Such initiatives have led to a higher level of involvement with the Indian community. The Indian government announced 100% FDI in retail in 2012 with the restriction that the foreign retailer should source 30% of raw materials from Indian small industries or villages and cottage industries (Press Information Bureau, Govt. of India, 2012). Howard Schultz emphasized that the company's major challenge was to find a right partner to tackle the complexity of the Indian market, and it would have been difficult for the company to enter India without a suitable partner (Bahree, 2012). Starbucks realized the importance of real estate in the business of retail store development, and Tata was the right partner with experience in retailing and large real estate owned by the group across India.

After all these problems, challenges, and realizing its social responsibility initiatives, Starbucks finally capitalized on the huge opportunity of tapping the Indian market with the launch of its first Starbucks store in India at one of the historic buildings of Tata Group at Horniman Circle that is an upscale part of Mumbai city on Friday, October 19, 2012 (Bahree, 2012). As compared to a typical Starbucks store which is 1500 sq. ft of space on an average, this Mumbai retail store is three times larger with a space of 4500 sq. ft (Bahree, 2012). The company opened its first store in Delhi on February 7, 2013 ("Starbucks launches flagship store in New Delhi," 2013). The retail stores in India have been customized according to local tastes and flavors, and the ambience and product offerings have been adapted to the Indian market with local brewing and roasting of coffee rather than importing ("Starbucks launches flagship store in New Delhi," 2013).

India has a huge potential as identified by Starbucks - the coffee consumption in India was 1,08,000 metric tonnes for 2010-11, which was a 80% increase over the previous decade (Bahree, 2012). Another indicator of the huge potential of India were the estimates of KSA Technopak, a retail consultancy firm. According to this retail consultancy firm, the revenues from café business in India accounted for \$230 million in 2011-12 and was expected to grow 13-14% per year to reach \$410 million within the next 5 years (Bahree, 2012). The firm estimated that there were around 1,950 cafes in India, and the country is expected to add another 1000 cafes in the next 5 years (Bahree, 2012). Starbucks has successfully entered the Indian market and since its one year of operation - from October 2012 to October 2013 - Starbucks was able to open 25 retail stores in joint venture with Tata Global Beverages ("Starbucks celebrates first anniversary in India with the launch of India Estates Blend," 2013).

Developing Market Offer

Starbucks is a global company in terms of its logo and brand name and always brings premium offerings for the

consumers targeting an upscale market. In this way, standardization has been done across the world in terms of its unified strategy of targeting similar market segments worldwide and having a unique brand identity. The market offer from Starbucks is more of marketing of the place rather than the product coffee. Therefore, creating an ambience and experience for the customers along with a food beverage is the complete market offer from Starbucks. This ambience and experience along with food and beverages have been customized by Starbucks for different markets.

A research of Indian consumers also supported the fact that most of the Indian consumers go to a café not to have a beverage, but a cafe is a meeting spot for meeting and conversing with friends & relatives and ,therefore, Starbucks aims at providing the best consumer experience (Bailay & Bhushan, 2013). This is the reason that its Indian stores have been given the traditional Indian look. The Starbucks restaurant at Connaught Place in New Delhi has henna patterns on its floors, ropes and chatai (traditional Indian mats) along with pictures of Indian spices on its walls; its another store in Delhi located in Select City Walk Mall, Saket has wooden paneling that is locally crafted to give it an Indian look; its another store at Pune has localized railings and there is a very strong display of copper and antiques (Bailay & Bhushan, 2013). Each store has been designed by specialist designers who aimed to combine the traditional elements of Indian culture in modern settings (Bailay & Bhushan, 2013). The product mix is a combination of standardized offerings with customization of offerings. The food menu has been modified to include products such as wasabi kotumbwadi, murg kathi wrap, chicken makhani pies, which are offered alongside English muffins (Bailay & Bhushan, 2013). The product mix has been modified by the company to suit the tastes and preferences of the Indian market (Bailay & Bhushan, 2013).

The Product Mix of the Company

Starbucks in the Indian market contains 35 food items (Starbucks, n.d. b) and 28 drinks which include 19 coffee drinks and nine non-coffee beverages (Starbucks, n.d. b) as depicted in the Table 2 (the Menu has been sourced from the official website of Starbucks as on November 17, 2013). The products are offered at a relatively lower price in India as compared to prices worldwide - as when compared to China, where a 12 ounce Cappuccino costs consumers \$ 4.34, the Indian unit of Starbucks offers the same at \$ 2.14 (Allison, 2013). Though it seems that Starbucks offers value to customers in India, but its major competitor, Café Coffee Day offers the same coffee at a price of \$1 (Arora, 2013). The Table 3 shows how price differentials between Indian and U.S. retail stores of Starbucks makes coffee more affordable for Indian consumers.

Competitive Scenario

Starbucks faces a strong competition in India from the market leader - Amalgamated Bean Coffee Trading Company Limited, which has a pan India presence with its Café Coffee Day (CCD) branded outlets across India. In addition to CCD, the other competitors of Starbucks in India include Barista, Costa Coffee, Coffee Bean and Tea Leaf, Mocha, Gloria Jeans, and Dunkin' Donuts (Allison, 2013). Besides these competitors, McDonald's has been planning to launch McCafe in India, which can again give a tough competition to Starbucks ("Starbucks watch out : McCafe is coming for you with cheaper coffee," 2013). While Starbucks launched 25 cafés in India within one year of its launch - from October 2012 to October 2013 (Press Trust of India, 2013: Oct. 21), the coffee giant in India, Café Coffee Day already has more than 1500 cafes, whereas Barista Lavazza and Costa Coffee have more than 100 café stores in India (Malviya, 2013).

Starbucks is now aiming to grow fast with a target of opening 100 new stores in a year as the company has realized the importance of retail store development to sustain in the competition against CCD (Café Coffee Day), the market leader of café business in India. For this purpose, the company increased its authorized share capital from ₹ 70 crore to ₹ 220 crore (Malviya, 2013). CCD has already expanded to 1500 cafes ; whereas, Starbucks has 25 cafes in India ("Starbucks gets off to a spirited start in India," 2013). Data from Facebook revealed that Barista

Table 2. Product Mix of Starbucks in India

Beverages/Drinks		Foods
Coffee		Pastry/Cakes
Espresso Beverages	Frappuccino Blended Beverages	
1. Cappuccino	1. Espresso Frappuccino	1. Chocolate Truffle Gateau
2. Caffé Latté	2. Caramel Frappuccino	2. Chocolate Raspberry Crunch Cake
3. Iced Caffé Latté	3. Mocha Frappuccino	3. Blueberry Delight Cake
4. Caffé Americano	4. Java Chip Frappuccino	4. Coffee Jelly Tiramisu
5. Caffé Americano	5. White Chocolate Mocha Frappuccino	5. Red Velvet Orange Cake (contains egg)
6. Espresso	6. Green Tea Frappuccino	6. Lemon Loaf Cake (contains egg)
7. Caffé Mocha	7. Pumpkin Spice Frappuccino	7. Lemon Jazz Cheesecake (contains egg)
8. Iced Caffé Mocha		Cookies
9. Caramel Macchiato		1. Cornflakes & Black Current
10. Iced Caramel Macchiato		2. Butterscotch and Almond Cookies
11. White Chocolate Mocha		3. Oatmeal & Raisin Cookie (contains egg)
12. Pumpkin Spice Latte		4. Fudgy Chocolate Chip Cookie (contains egg)
Non Coffee Beverages		Muffins
1. English Breakfast Tata Tazo Tea		1. Blueberry Muffin (contains egg)
2. Earl Grey Tata Tazo Tea		2. Double Chocolate Muffin (contains egg)
3. China Green Tips Tata Tazo Tea		Croissants
4. Green Tea Latte		1. French Butter Croissant (contains egg)
5. Chai Tea Latte		2. Pain de Chocolate (contains egg)
6. Starbucks Signature Hot Chocolate		Sandwich/Panini/Savory
7. Tata Tazo Iced Shaken Hibiscus Tea		1. Basil Tomato & Mozzarella Cheese Sandwich
8. Tata Tazo Iced Shaken Green Tea		2. Cheesy Spinach Sandwich
9. Tata Tazo Iced Shaken Black Tea		3. Mediterranean Focaccia with Roast Vegetables
		4. Wild Mushroom Pocket
		5. Tandoori Paneer Roll
		6. Chatpata Paratha Wrap
		7. Char grilled potato pepper sandwich
		8. Mediterranean Cheese Roulade
		9. Barley & Chlorophyll Pinwheel
		10. Garden Vegetable Quiche (contains egg)
		11. Murg Kathi Wrap
		12. Star Club Sandwich
		13. Murg Tandoori Kebab Sandwich
		14. Chicken and Mushroom Pie
		15. Salmon & Cheese Croissant
		16. Chicken & Veg Lattice
		17. Chicken Mozzarella turnover
		18. Chicken & Spinach Quiche
		19. Reshmi Kebab Roll
		20. Egg and cheese on English Muffin (contains egg)

Source: Starbucks (n.d. b) and Starbucks (n.d. c)

Table 3. Price Differentials Between Starbucks's Coffee in U.S and India

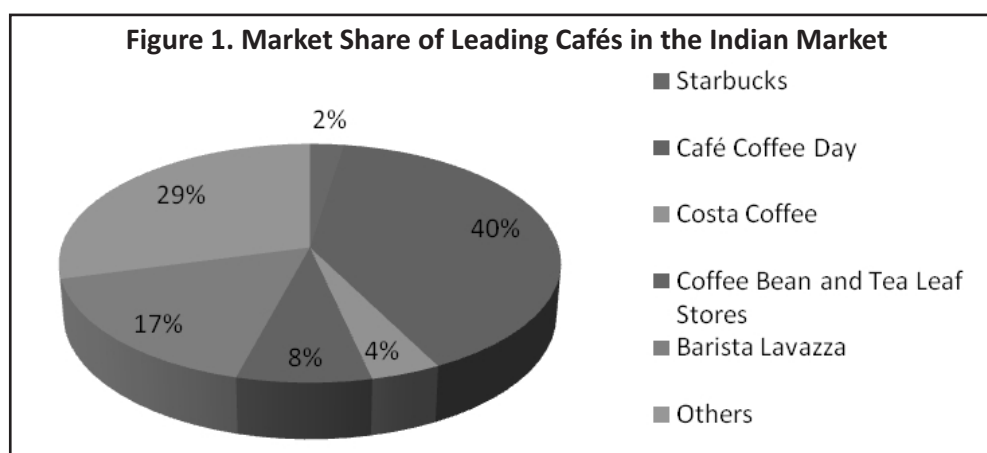
S.No.	Coffee Type	Prices in U.S (in U.S \$)	Prices in India (in U.S \$)
1	Cappuccino	3.35	2.51
2	Brewed Coffee	1.95	1.95
3	Caramel Farppuccino	4.25	3.35

Source : Allison (2013)

Table 4. Retail Stores and Revenues of Major Market Players in the Coffee Retail Industry in India

S.No.	Brand	Number of Retail Stores	Revenue per retail Total store (₹ Crore)	Revenue Estimate (Number of Retail stores * Revenue per retail store)
1	Starbucks	25*	1.5**	₹ 37.5 crore
2	Café Coffee Day	1500**	0.4**	₹ 600 crore
3	Costa Coffee	100**	0.6**	₹ 60 crore
4	Coffee Bean and Tea Leaf Stores	32**	3.5**	₹ 115 crore
5	Barista Lavazza	200***	1.25****	₹ 250 crore

Source : Barista Lavazza (n.d.) ; "Starbucks completes one year in India, now 25 stores strong" (2013) ; "Starbucks gets off to a spirited start in India," (2013)



Lavazza has expanded with 200 retail stores across India (Barista Lavazza, n.d.). An analysis of the competitive figures available for the company for the period from October 2012 to March 2013 and the present situation is depicted in the Table 4.

The Indian café market was estimated to be worth ₹ 1400 crore, and was considered to be growing at 13-14% per year in the year ending March 2013 (Malviya, 2013). With this estimate, within the next 7 months (ending October 2013), the café market would have been worth ₹ 1500 crore. Therefore, by considering these estimates, the market share of Starbucks in the Indian Café market was 2.5% ; whereas, the share of the market leader Café Coffee Day was 40%. The Figure 1 depicts the market share of leading cafes in the Indian market.

Although Starbucks's market share is low in India, the giant coffee retail chain is growing and tapping the Indian market aggressively. The CEO, Mr. Howard Schultz pointed out that Starbucks planned to open thousands of stores in the not too distant future ("Starbucks plans 'thousands of stores' in India soon." 2013). However, this will require strong efforts of the company in developing the retail infrastructure across the country as Café Coffee

Day already has a huge retail store network of more than 1500 stores and plans to add 500 new retail stores and is unperturbed by the entry of Starbucks, which had around 34 retail stores as in January 2014 (Machado, 2014). It is to be noted there is a huge potential in the Indian market as the coffee consumption in India per year is just 82 grams per capita as compared to the U.S., where it is 4 kilograms and Brazil, where the coffee consumption is 4.8 kilograms per capita (Machado, 2014).

Managerial Implications

The case study explains the decisions being undertaken by Starbucks in India and how the company has adapted to the requirements of the Indian market. Although the company has its own ideology and a culture which has drawn learnings from the Italian culture, and the company need not change according to Indian cultural requirements, but still, its product offerings, pricing, and retail store designs have been customized to suit the Indian tastes and sensibilities. This customization has been done based on extensive research in the Indian market. The company has adopted an ethnic understanding of Indian markets through a consumer socialization process, wherein the company has been involved in certain social campaigns such as Community Health Advisory Initiative (CHAI) with the Indian tea manufacturers. This depicts that the management at Starbucks is sensitive to the new Indian market and has been meticulous in designing its strategy for tapping a huge untapped potential in the Indian market. This is reflected in the profitability of the company in its first year of operating its own retail stores in India.

Conclusion

Starbucks is a global coffee brand with leadership in the U.S. market with its different varieties of coffee. The company acquired LaBoulange bakery and Tavana tea, thereby identifying the importance of diversification. Its entry into the Indian market has been a challenge for the company as it struggled to enter this market with a strong potential. The two major challenges were restrictions on FDI in retail and finding the right partner to enter the market.

The strong leadership and vision of Howard Schulz led to the realization of its dream of entering the Indian market. However, besides the above-mentioned two major visible challenges, the other major challenges include developing a market offer adapting to the Indian consumers' tastes and preferences, pricing the products appropriately so that the company is able to not only manage its premium image among the prospective consumers, but is also able to compete with the already existing competitors in the Indian market. The company faces a tough price competition from Café Coffee Day as the latter offers the same coffee at \$1, which is being sold at \$2 to \$4 at a Starbucks outlet, although Starbucks has reduced its prices in India as compared to its offerings in the United States of America.

The competition is not only limited to prices and market offerings, but also to the reach of the retail store network, where Starbucks has only 34 retail outlets across India, which is very low as compared to its competitors, although the company is going for aggressive expansion. The company has also customized the aesthetics of its retail stores to give them a traditional Indian look. The major dilemma for the managers of such a coffee retail chain is whether to enter a market like India where most of the people prefer tea over coffee as a drink and whether to customize the entire retail store strategy, including ambience, design, product offerings, prices, and promotion in accordance to Indian consumers' preferences.

Limitations of the Study and Scope for Future Research

The limitations of the study are as follows :

- (1) This is a case study based on the published sources of secondary data which have been acknowledged and referenced and is not based on any primary evidence or any company statements.
- (2) The situational analysis of the case can be done only for academic purposes and may not be practically applicable.
- (3) The study is based on secondary data collection and the findings could not be generalized from a long term perspective.
- (4) The market share data is an estimation based on revenue data of different companies as no other official figure was accessible to us during the time the case was written.
- (5) The product offerings may change from time to time and there may be change in offerings of the company by the time this case is published.
- (6) Due to time constraints, we developed a case and not a research based case.
- (7) The interpretations based on the facts are inferences made by us and may not actually reflect the company's strategies.

The case explains how the modifications of its offerings and strategies have been undertaken by Starbucks in the Indian market. This case can be further enhanced by conducting primary research on consumers visiting retail outlets of Starbucks across India and identification of factors that lead to a higher consumer engagement in Starbucks's retail stores vis-à-vis Café Coffee Day, its major competitor. Further studies could also explore the impact of price variations in the Indian market by Starbucks and its positioning among Indian consumers' mindspace. Future studies can also explore whether there is a need to customize the servicescape – the physical environment created by Starbucks in the Indian market.

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