

Nikolo Bobadilla, Noe Molina, Gabriela Juarez

Strategic Message Planner: Starbucks Holiday Drink Menu

Advertising Goal:

- To introduce and promote the holiday drink menu to existing and new Starbucks customers through the annual themed drinks served in unique, seasonal Red Cups

Client: Key Facts

- Established 1971 in Seattle, Washington
- Largest coffee house in the world
- Over 16,000 shops in 40 different countries
- Retailed through grocery stores, hotels and movie theaters
- 4 billion cups of coffee sold each year
- Over 10 million reward members
- Starbucks declared that their coffee was ethically sourced
- “Retailer of the Year” by *Visual Merchandising and Store Design* – 2013
- One of the “Most Admired Companies in America” by *Fortune* – 2003-2015

Product: Key Features

- Holiday themed drinks and cups
- The various products include nine holiday themed flavored drinks: Caramel Brulee Latte Light, Chestnut Praline Latte, Christmas Cookie Latte, Eggnog Latte Light, Gingerbread Latte, Honey and Almond Hot Chocolate, Skinny Peppermint Mocha and Toffee Nut Latte
- All of Starbucks coffee comes from Latin America, Africa and Asia
- Everything is grown from the highest of standards and ethical sourcing practices
- Red Cups: designs were taken from customers who decorated their plain cups from last year and helps Starbucks promote customer involvement and creativity

Target Audience: Demographics and Psychographics

- Adults: Ages 29-40
 - Make up 49 percent of the business sales
 - Customers tend to be urbanites with relatively high income, professional careers and a focus on social welfare
 - This target audience grows at a rate of 3 percent annually
- Young Adults: Ages 18-24
 - Makes up 40 percent of the business sales
 - Starbucks appeals to these consumers directly through new technology, focusing on social networking and actively cultivating a “cool” image
 - This target audience grows at a rate of 4.6 percent annually
- Kids & Teens: Ages 13-17
 - Makes up only two percent of the business sales
 - Kids go with their parents; both parent and child leave with a cup in hand
 - Teens meanwhile use Starbucks as a place to hang out with friends or study

- Psychographics:
 - Customers that have more of a disposable income, but still enjoy affordable drinks
 - They are into fast service, but also like the high quality of the establishment
 - Meanwhile, they are acknowledging that Starbucks is going “green” with its products

Product Benefits:

- Offers customers Holiday Reward Companionship Cards: earn two stars for every dollar spent on holiday drinks, order ahead, pay by phone and free in-store refills
- Multiple holiday drinks offer healthy alternatives to food and other high calorie drinks: Gingerbread Latte, Skinny Peppermint Mocha, Caramel Brulee Latte Light and Eggnog Latte Light (all under 200 calories)
- Decorated Red Cups offer unique designs from past customers by welcoming all stories
- Many locations offer quick and convenient drive-thru services for customers to purchase holiday flavored drinks
- Holiday flavored drinks are also packaged for purchase at grocery and convenience stores (easily accessible)

Direct Competitors and Brand Image:

- Dunkin’ Donuts and McDonalds are Starbucks’ biggest competitors
- Dunkin’ Donuts: shifted to a coffee first model over donut first model, internationally sold in 32 countries, offers holiday flavored drink menu, best choice for price-conscious customers and became the-cost-effective premium coffee seller of the world
- McDonalds: unbelievably low prices on iced and hot coffees (\$1), McCafe Lattes are marked \$2 cheaper than Starbucks and turnaround time to customer is faster than that of Starbucks
- Starbucks: largest coffee house in the world, prides itself on its handcrafted goods, offers reward and loyalty programs and has over 87,000 possible drink combinations for customers to choose from

Indirect Competitors and Brand Image:

- Sonic and Yogen Fruz are Starbucks’ biggest indirect competitors
- Sonic: has over 3,500 locations, offers quick and convenient drive-ins, sells milkshakes and slushies and has over 168,000 drink combinations for customers to choose from
- Yogen Fruz: internationally sold in 47 countries, offers revolutionary healthy and nutritious frozen yogurt, an alternative to other high calorie frozen desserts and prides itself on supporting a healthful and active lifestyle
- Starbucks: largest coffee house in the world, prides itself on its handcrafted goods, offers reward and loyalty programs and has over 87,000 possible drink combinations for customers to choose from

Product Brand Image:

- Current/Past Brand Image:
 - Starbucks “Holiday” image started in 1997

- Designs have ranged from “modern, whimsical brushstrokes in bold colors featuring ornaments”
- Starbucks wanted to change the physical image of the cup since coffee sales are higher around the holidays
- Desired Brand Image:
 - Starbucks “Red Cup” image
 - To show custom made designs created by customers over the past year
 - Red Cups show customer involvement and “share the spirit of the holidays”
- Brand Image Challenge:
 - Bad PR in 2015
 - Customers did not take simplicity of the Red Cups well, claiming that the cups were not “holiday enough”
 - Many ordered coffee using the name “Merry Christmas”
 - A story of why the cups are designed differently may need to be shared with the public

Strategic Message: The Promise

- The uniquely designed Red Cups will feature an individual’s story and creativity leaving you with the satisfaction of one of our nine limited time holiday drink flavors

Supporting the Evidence: The Proof

- The stories of all the designers will be accessible online in order for the consumer to verify that each design is unique and creative
- The holiday drink flavors are ranked according to sales and popularity