

AN EVALUATION OF A BUSINESS CHAIN IN AN EMERGING ECONOMY: A CASE STUDY OF STARBUCKS-TURKEY

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Abstract

Principles and global expansion policies of international companies are not just the curiosity of the players in business world but also for the all environmental factors. In this context, it is significant to examine international company which runs business in emerging economies. For the reason of this, we studied Starbucks and its operations in Turkey as an emerging market. The data is presented in a holistic manner by blending the information obtained by the literature with the responses of the brand's employees participating to the interviews. Thus, the activities like, standardized training principles, dedication and sincerity oriented organizational culture, importance given to human life and service quality, active social responsibility works and firm's mastery of modifying activities according to the customer expectations in new markets have been examined from different angles. The findings about the operations of Starbucks Company by different six dimensions were analyzed and supported by the responses of interviewees reached for the scope of this study. In the study, Starbucks' organizational culture and working principles are found to positively affect the employees and could change the personal traits of them. Another substantial finding is about new markets entrance. The entry mode strategy is vital for the internationalization process of Starbucks. The entry mode decision is found to be influenced by a number of factors such as internal or external environment of this multinational company, culture distance, market potential and competition intensity, characteristics of overseas country business environment, resource commitment, speed, management risk attitudes, and global management requirements.

Keywords: Emerging Economy, International Business Strategy, Services, Starbucks, Turkey

INTRODUCTION

Some global brands spreading their names around the world are perceived as the symbols of the quality by consumers. These companies are defining the rules and manipulating the consumers' ideas creating some specific expectations and giving directions to the sectors that they are operating in. Therefore, it is important to understand the underlying principles and strategies of these international companies' success stories. The stories of these companies which is combined by their history, development procedures, mission and vision, their successful actions as well as their business wise mistakes could be also useful for many other companies as lodestars.

The purpose of this study is to analyze the operations of Starbucks Company which is a vital name in coffee business in an emerging economy, Turkey. The literature is surveyed in detail; farther interviews are conducted with different levels of employees working for data gathering. The qualitative data is combined by comparing and diverse points or parallelisms are mentioned. New in this study is the holistic approach used to illustrate the operations of Starbucks which analyze the subject from different angles like managerial principles, strategies in new markets, social responsibility acts of the firm, organizational culture and internal relationships of the employees or criticisms targeting the brand and its operations in Turkey. Although, there are many studies whose subject area is Starbucks, this study could give a comprehensive idea on the brand from such diverse perspectives. Similar studies could be conducted for other developing countries by looking at Starbucks operations in those ones in addition to another emerging market.

The direct responses of the interviewees participated in this study are placed within quotation marks with the related parts along the study. Moreover, the inferences are provided by using the supportive sides of the responses to the surveyed literature.

Background of the Study

Globalized world is witnessing the fact that many international brands expand their business into emerging markets. According to Tanusondjaja et. al. (2015) acquiring new customers for their products from emerging economies where spending power is increasing is the main objective of these firms. Similar to Brazil, Russia, India, China, Mexico or Nigeria, Turkey is an emerging country being attractive for multinational brands and characterized by high level of growth as well as lower susceptibility to global financial crisis.

Another important issue is the changing food and beverage consumption trend of Turkish society with industrialization and urbanization. Yazıcıoğlu and Işın (2013) discussed that increasing participation of family members in business life results in a change of eating habits

as well as consumption patterns. Some sociologists like Finkelstein (2004) also correlate the increase in people's motives and demands for dining out with socially complex meanings. For example, with the help of the sophisticated decoration of restaurants evoking the sense of wealth and luxury, the diners might have a pleasant social interaction. According to TUYED - Association of Tourism writers and Journalists (2015), specifically in Turkey, noting the sectors rapid growth, revenue from eating and drinking out reached 40 billion dollar at the end of 2014.

When the coffee sector is elaborated, Murthy and Naidu (2012) asserts which is extremely important is coffee that becomes the second largest traded commodity after petroleum. Murthy and Naidu (2012) alarmed that as being one of the popular beverages of the world, coffee is cultivated in about 80 countries across the globe and entangles huge business worldwide. Speaking for Turkey, Ataselim (2015) points out that the number of chain brands' coffee stores is found to be doubled in the last two years and reached 400 in Turkey. It is seen that people who socialize outside the home, begin to consume more gourmet coffee types like espresso, latte coffee and filter coffee increasing the coffee beans per capita to 1.5 kilograms in Turkey. This fact converts the country as a large coffee market inspiring all international coffee chains.

To briefly summarize ever said points, emerging markets are attracting the attention of many international brands, Turkey is one of these emerging economies having citizens who started to eat outside of their home and also consuming more gourmet coffee instead of traditional Turkish coffee outside for socialization thus inspiring all international coffee brands. Taking into account all these facts, this work aims to analyze the operations of a well-known coffee brand – Starbucks in an emerging economy – Turkey.

Starbucks

In 1971, first single Starbucks store opened in the historic Pike Place Market – Seattle. Moby Dick inspired the brand name which comes from the old coffee merchants' maritime tradition and their love of the open sea. Today, with more than 21,000 Starbucks stores in 65 countries, the brand is one of the world's leading companies. In addition to previously mentioned industry pioneers, Howard Schultz who is widely known as the architect of Starbucks Company's brand image is another important name for the sector (Schultz, 2007).

Starbucks has achieved many milestones, Gourmet Retailer (2004) underlies that the company is one of the first privately held companies in North America offering special benefits to its employees. Today, Schultz remains chairman of the board and works as a chief global strategist in order to apply his brand-building expertise to Starbucks' global expansion and development of international brand. An implication on his success in global brand awareness

could be explained by Fabricant's (1999) implications; a new category of coffee houses opening in Turkey is mentioned as Starbucks – style coffee houses. Those coffee houses frequented by women and men are seen as replaced the traditional old fashioned men -only Turkish coffee houses.

As in every sector, coffee industry has a unique terminology. It could be also beneficial to define “Barista” as a frequently used word throughout the study. According to Oxford Dictionary, the Italian origin (1980's) of the word is ‘barman’ and it means a person who serves in a coffee bar in today's world. Starbucks Company also calls its servers as barista.

With the help of this summarized theoretical framework, this study attempts to evaluate Starbucks Company from different angles; managerial principles of the company, its strategies in new markets, organizational culture of the company, corporate social responsibility actions, negative reputations of the company and finally its operations in Turkey.

METHODOLOGY

The purpose of the study is to evaluate the operations of Starbucks Company as a well-known brand having branches all over the world. An evaluation is made by considering Turkey as an emerging economy. Starbucks Company and its operations as a chain coffee business is a contemporary phenomenon, and an empirical inquiry is conducted within its real – life context. Therefore, this study is a single case study which is also a descriptive study aiming to provide good grasp of interest and advancing knowledge with the help of related literature, conducted interviews and direct observation. There are available data on this topic which are not quantifiable. Thus, the qualitative research method is used in order to have a good understanding of the situation and to derive a theoretical framework to be used in further research.

The study is related to organizational structure, excellence in organizational performance and functions – strengths and weaknesses of the organization. Data gathered from both direct interviews and related literature. .All the qualitative data that address the same topic are assembled together by integrating different responses gathered by interviews. Interviewees are those working in close contact with the company management. Interviews are conducted with Starbucks employees from Ankara and Istanbul - two main cities of Turkey where most of the international brands firstly choose to open up their stores while entering to Turkey market. Eight different stores located in the central areas of these cities are chosen due to their high daily customer intensity. Therefore, gathered data could be said having high validity and reliability. Similarly, drawn generalizations, suggestions and conclusions carry creative insights of company team members. All the interviewees provide the required time and commitment

answering the predetermined research questions. Moreover, they are given a chance to add any detail or information related to the study subject. As a result, newly encountered answers enriched the study with the help of unbiased relies and real life stories.

Because some of the interviewees composed by one district manager, three store managers, one shift manager and three baristas are unwilling to provide credentials, capital letters are used like 'Interviewee –A' to qualify company employees throughout the study(Figure -1).Most important and striking information gathered from the interviews is enclosed in quotation marks in related parts. These skilled interviews are used to draw generalizable conclusions for the case study.

Table 1: Interviewee Profile

	STORE	POSITION
Interviewee - A	Ankara	Store Manager
Interviewee – B	Ankara	Shift Manager
Interviewee – C	Istanbul	Store Manager
Interviewee – D	Istanbul	Barista
Interviewee - E	Istanbul	Barista
Interviewee - F	Ankara	District Manager
Interviewee - G	Ankara	Barista
Interviewee - H	Ankara	Store Manager

*Ranking is made according to the date of the interview

EMPIRICAL FINDINGS

Managerial Principles of Starbucks

Starbucks Company is a large coffee chain with numerous stores worldwide and is owned by Howard Schultz. David (2011) describes that internally, the company has a great set up and offers many benefits to its employees. Starbucks management wants to ensure that the foundation of the company is linked to all employees with a staff who cares about the outcome of the company, who are well - motivated and providing better quality to customers.

Originally owned by Jerry Baldwin and Gordon Bowker, the company was later bought out by Schultz, who transformed “coffee from a commodity to an experience”. Even though, the brand quickly became popular and expanded, Schultz worried about losing the unique identity of Starbucks and the experience that it has to offer for customers. Schultz’s (2011) own explanations includes the fact that after some food categories and espresso machines are added, Starbucks was found to be losing its romantic aroma and small community atmosphere. Even so, with the help of new transformation agenda, the company turned to what it once was in the past.In order to regain the passion and attachment within the organization Schultz decides

to close all the Starbucks stores in USA at the beginning of 2008. All the green apron baristas in Seattle watched a short film via 7100 DVD players sent to 7100 company stores. Schultz talked with all the employees focusing the quality of the coffee they produce disregarding the monetary apprehensions. By closing company stores, Starbucks lost approximately six million dollar at that day. This real story of the company shows that the Starbucks management keeps the quality superior to monetary profits. Choosing to close company stores in a critical operating process in order to invest to team members taking the risk of losing considerable amount of money is a clear display of this judgment.

While examining Starbucks' managerial performance, Marques (2008) discusses that the company exerts, interconnectedness within the corporation through embracing workers of various backgrounds and capacities. Same is provided between the organization and its customers and suppliers. Authenticity is another point which takes the attention while examining the performance of Starbucks' management. Reciprocity and personal goodwill are ingrained in the corporation's strategies toward providing employees exclusive benefits.

In addition to Starbucks' such operational principles targeting both team members as well as customers and suppliers, the management is found to be having major partnerships which provide company countless advantages. According to David (2011), technologically, the company formed partnerships with AT&T and Apple to provide Wi-Fi to customers in 2007. Other partnerships formed include music companies who put together playlists for Starbucks stores, retail and grocery stores which provide locations for Starbucks stores, ice cream companies who sell coffee flavored ice cream, and many others.

The mission statement of the company could illuminate the subject while commentating the Starbucks' managerial principles. Moore 2006 mentions that the mission statement of Starbucks is actionable unlike many other company's statements. It seems like the collection of statements on how the company measures the appropriateness of the everyday business decisions in its conference rooms and stores. The company makes the mission statement a living document by encouraging all partners. If the mission statements are vital for the success of the businesses standing as the pathways showing the direction, Starbucks management could be said as being advantageous with the help of this clear and guiding mission statement.

If how the company management stands against competition is analyzed, the main competitive forces are listed as McDonalds, Burger King, Dunkin Donuts, and other emerging coffee shops by David (2011). A study done by *Consumer Reports* magazine reported that McDonalds was the best coffee out of many mega chains and Starbucks coffee is "burnt" with the opening of McCafes. Starbucks found to be coming up with such situations by creative ways making itself unique. Moreover, the company forms competitive advantage over other

companies by potential development of substitute products such as the Frappuccino. With the help of innovatively created new products, its well-known name and reputation, caring and eager environment for its customers, the company deals with the potential risks resulting from competing forces.

Placing a SWOT analysis for Starbucks Company might be helpful while understanding the managerial principles for why they illustrate the focus of the management with strengths and give ideas about the weak sides of the management which should be improved by utilizing the opportunities and being aware of the potential threats. Even though these four dimensions developed for SWOT are adopted from data gathered from interviews is not very comprehensive, yet it could give a general understanding from a managerial perspective.

Table 2: SWOT Analyses of Starbucks

<p>Strengths</p> <ul style="list-style-type: none"> - High wages and benefits for employees. - Strong team of innovative experts managing the company. - A unique experience provided to customers with an emotional connection. - High quality coffee which is ethically sourced and roasted. 	<p>Weaknesses</p> <ul style="list-style-type: none"> - The low seat turnover rate resulting from the students using Starbucks as a library staying all day. - Customer confusion about the company concept from being a small community-like cafe into a fast food chain with the addition of food items to the menu.
<p>Opportunities</p> <ul style="list-style-type: none"> - Partnerships with numerous companies from different markets. - Organic products options. - Stable financial position despite economic crisis. - Having a knowledgeable and skilled workforce. - The ability to expand globally. 	<p>Threats</p> <ul style="list-style-type: none"> - Competition of other coffee businesses. - Competition of fast food chains, such as Burger King and Dunkin Donuts. - The global economic crises as well as the economic crisis in U.S.A. - The opening of McCafes in many McDonalds stores.

In addition to the information provided so far, the following sections analyzing the company strategies in new markets, social responsibility activities engaged by the company or the firm's position against the criticism are expected to continue informing on managerial principles of Starbucks.

Strategies of Starbucks in New Markets

Defining the success with new audiences is a challenge for all businesses including Starbucks Company. The solution could be finding a connection point with customers that is true to the product, speaks with quality and allows the brand to stretch to new markets and new

consumers. By this way, sell-in goals could be exceeded, positioning accomplished with rifle – shot accuracy allowing the Starbucks brand to increase sales and intensify share leadership in a fragmenting category (Duffy 2005).

Brand awareness of Starbucks could be seen in itself a marketing strategy that provides an advantage to Starbucks in new markets. Brand awareness is defined by Rosenberg (1993) as the realization by a buyer of the existence and availability of a branded product. Customers in new markets who have previous knowledge about the brand will become a differential advantage for Starbucks facilitating the strategic marketing efforts of the company for new destinations.

According to a news by Arslan (2015) stating the relationship between the customer perceptions and the brand colors, the color green is associated with three well-known brands; notably Starbucks followed by Greenpeace and Spotify. Moreover, the color green as to make sense of growth, organic, nature, freshness and affection. Starbucks is found to be one step closer to freshness between these senses. This positive perception is another easiness for Starbucks while entering new markets and meeting with incoming customers.

While analyzing the company strategies for new markets, it is important to give a place to the statements of Schultz as founder and the head global strategist of the company. He asserts that, he gives the full attention to the worldwide spreading of the brand. First store opened outside North America was in Tokyo in 1996 – the period when Starbucks was getting similar requests from other countries. Special importance was attached to the selection of local companies to operate Starbucks stores in new areas. These international partners were chosen carefully and only those organizations whose leaders share Starbucks values were preferred. The company was paying attention to ensure the intercultural consistency of the brand by explaining the company mission to local representatives (Schultz 2011).

As David 2011 pointed out, Starbucks has had many clever marketing strategies in past, including using magnetic Starbucks cups on taxis and allowing people to win Starbucks cards by communicating with the driver. After Starbucks becomes a well-known brand, it was no more extremely necessary to engage in too many marketing activities or to have a ton of advertising. The company also uses its many partnerships to sell and advertise their products. As for Research and Development, the company is constantly inventing new innovative products. In 1994, Starbucks invented the Frappuccino to attract even non-coffee drinkers. The company has innovative experts working on their team to ensure that more creative products to be invented.

The same is true while the company is entering to emerging markets. Rather than detailed – costly marketing activities such as promotional ads, advertisements or brochures,

Starbucks Company trusts its popularity in the market. This fact is also verified by Interviewee – B who states as follows;

“Starbucks is not seen on TV or Newspaper ads neither in Turkey nor in another country. We do not need such marketing activities besides our brand recognition, our logo and customers’ awareness”.

Even though, the company does not benefit from marketing activities in emerging countries, they are focusing more on research and development for these new markets. Schultz (2011) explains that the preferences of new customers are tried to be analyzed and compared with current ones. Whether product diversification is required or not is determined according to the consumption patterns of these fresh markets. Because the customer satisfaction is the main managerial concern, strategies are also defined in line with customer demands and expectations for new markets. The explanations of Interviewee – E might give an idea supporting this situation;

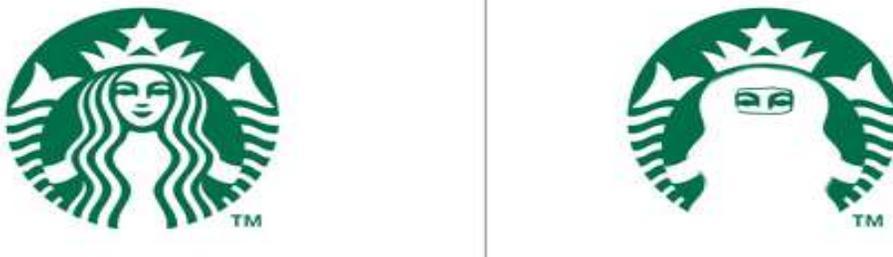
“When I first started to work in Starbucks Company, I remember that the brand was selling just coffee and derivatives same with other European branches. Then, the head office found appropriate to add some items like Lemonade or some cold drinks to menu upon the request of Turkish customers”.

Explanations of Interviewee - F also strengthens this claim;

“Starbucks Company gives importance to religious concerns and for Middle East market, Turkey, Russia or Azerbaijan they work with Alshaya which is a retail franchise operator. Moreover, the company has flexible strategies for new markets. For example they add Turkish coffee for Turkey market or Soup for China market to their existing product range”.

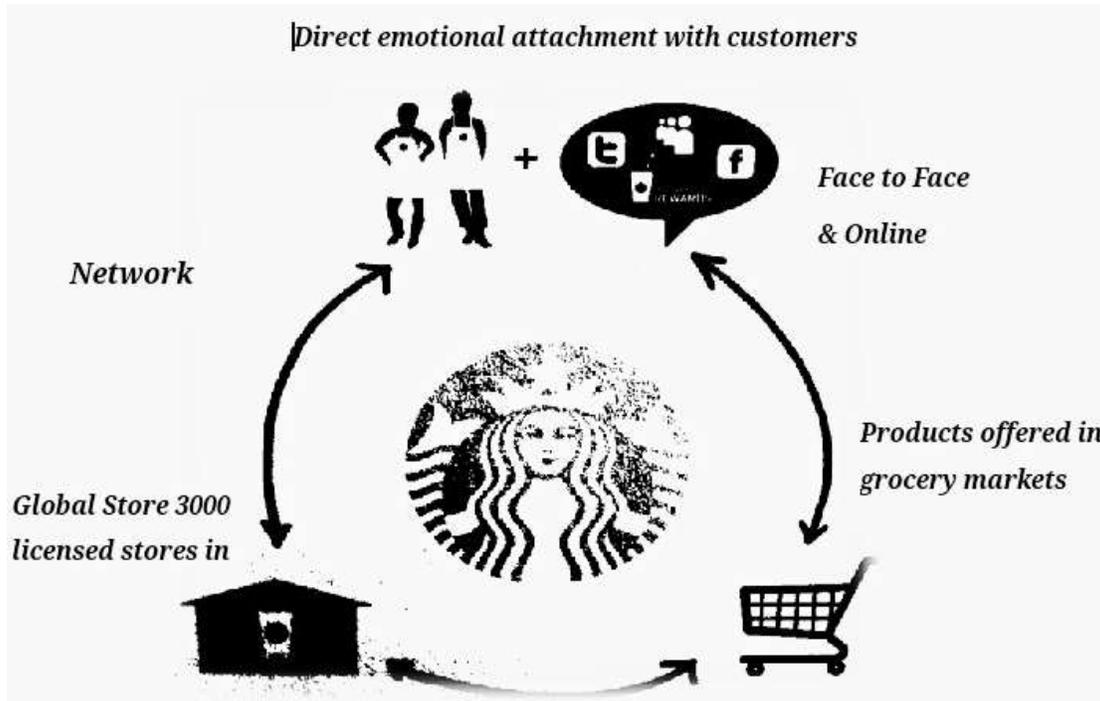
The delicate position of Starbucks towards the religious beliefs or lifestyles of diverse countries could be also understood by looking its logo arrangement for the Arab market. How the mermaid in the logo is modified due to the fact that the logo is found morally inappropriate in Saudi Arabia could be seen comparatively in Figure 1.

Figure 1: Starbucks Logo Evaluations in Different Countries



The logo on the left hand side is 2011 International logo of Starbucks while the one on the left hand side constitutes the Saudi Arabian Logo of the company for the year 2011. The Figure 2 shows the model called as unique growth model of the company illustrating the main components of the marketing strategies for a steady growth.

Figure 2: The Unique Growth Model of Starbucks



Source: Schultz, H., Gordon, J., 2011)

‘The Standardized Education Principles’ might be seen as another strategy of the company in new markets. The company gives a great importance to educate its employees as well as its customers. When an employee is hired, the process of training starts at the first week and it continues throughout his career in Starbucks. All the training documents reach the stores all over the world in order to capture the same production and service quality with well – trained baristas. There are times that the company’s experienced training staff travel to other countries to organize trainings or store managers are invited by the head office to join such corporate educations. It is assumed that Starbucks owes a part of its success in new markets to its staff training principles. In support of this view, Interviewee - H proudly mentions as follows;

“The training opportunities of Starbucks reach all the employees regardless of the country of origin. As an indication of this, I could tell with pleasure that 2015 Starbucks Barista Champion is chosen from our country – İstanbul.”

Starbucks EMEA (Europe, Middle East and Africa) Barista Champion is one of 21 national barista champions from Starbucks who came first after taking part in two – day competition in London. This result showed the company’s ability to attain employees all over the world and unify their success across new markets. The manager of Starbucks Global Coffee and Tea Education, asserts that “the idea behind the championships is to celebrate what our baristas do every day,”

Organizational Culture of Starbucks

Starbucks is a company that quickly became famous through its personal and caring atmosphere, knowledgeable employees, innovative creation, and community-like atmosphere. Therefore, it is worth to examine the organizational culture of the company.

First of all, it could be useful to state the approach of Howard Schultz to its organizational culture. He mentioned that when he think about the company and its people, the only word comes to his mind is “Love”. He asserts that ‘*Humanity*’ lies as the core of everything they try to do. He puts respect and prestige, passion and laughter, clemency, community and responsibility, and originality forth as the source of their pride and the milestones of the company (Schultz, 2011).

These anchorages that the company base its culture on could be seen as having an important role during the development of Starbucks’ organizational culture. The words of Interviewee – C also supports the Schultz’ statements;

“When it comes to organizational culture, what makes Starbucks privileged is the sincerity. The guest is above everything for us. We are like a family together with all the employees and our managers making each store as the third address for our guest after their home and work”.

Duffy (2005) asserts that Starbucks team has a word ‘Starbuckian’ which all the organizational members keep in mind during decision making processes or branding related steps. Starbuckian means what is right for their brand. It should felt true to the brand as a nod to all audiences. It is like a nod to what is happening in the marketplace at that time. An organization who has team players having a unique comprehension about their brand characteristics, what is compatible with their culture and what is discordant could be said as having a strong organizational culture. Even though there is no written instructions, Starbucks members are capable of differentiating what is Starbuckian.

Schultz (2011) stated that titles are written in small letters (ceo – director etc.) since the foundation of the organization. The underlying reason of this decision is to elimination of the hierarchical relationship among all company partners. The ego of Starbucks members including

managerial level employees are found to be relaxed and they act humble according to the explanations of Interviewee –D;

“When I started to work in Starbucks, it was so surprising to me to see our store manager sweeping the floor behind the counter while other baristas taking the orders of customer crowd. The task distribution by rank is not sharp in this company, you can see anyone doing any job if necessary”.

Michelli 2010 justifies that the culture, brand and product excellence of Starbucks still continue to receive accolades bright praises. The company is shown as one of “the most appreciated” firms and best employers of United States by Fortune Magazine. According to Business Week, Starbucks is one of the best brands in the world. Each year, Business Ethics takes Starbucks to the list showing companies with highest social responsibility. As shown, organizational culture of the company is strong enough to be mentioned together with its success.

Corporate Social Responsibility and Starbucks

Today, Starbucks is referred among the most socially responsible companies with its sensitive activities. Many sources in the literature as well as Howard Schultz’ own published works or information obtained from interviews conducted for this study give ample space to company activities on social responsibility. When some historical information is analyzed, it could be stated that social responsibility activities of the company accelerated after some past criticisms. There were many external forces threatening the company’s success. Around 2007, the United States were in a difficult economic and operating environment. The Starbucks Company predicted that the economic situation would have a negative effect on the company’s revenue in 2008. The company increased its products prices after the rise of milk and other supplies in order to keep a stable financial situation. Although, the company revenues increased during this period, the amount of stock purchased and its value decreased in 2007 causing pessimistic thoughts about the future. In such social, cultural, and environmental world, activists demanded Starbucks to change working methods. Firstly, the Organic Consumers Association accused Starbucks of using milk from mistreated cows. In response, the company offered organic milk for extra charge. Secondly, social activists claimed that Starbucks abused farmers by paying low prices for coffee beans. The company responded by encouraging farm groups to pay acceptable wages, avoid child labor, and transfer money to various funds. Later, Starbucks showed that they concern the environment by working with partners and suppliers to devise sustainable methods for coffee production (David, 2011).

The mastery of Starbucks responding to such past criticisms related with social responsibility could be illustrated by giving place to various activities of the firm on this field. For example, Gourmet Retailer (2004) mentions the fact that Schultz created the Starbucks Foundation to raise awareness for literacy causes and give grants to organizations that promote literacy. Unique health benefits for part-timers as well as share ownership in the company in the form of stock options for full-time partners have provided. This statement is also approved by all the interviewees contacted for this study.

They all stated that by being a member of Starbucks Company, they are in an advantageous position in terms of social rights. Moreover, Interviewee - B explained that;

“I worked in some other international brands like McDonalds before I started my job in Starbucks. I can easily say that Starbucks Company provides more social opportunities and health benefits compared to others. Also we receive an extra fee for each hour we work overtime”.

Starbucks' social responsibility commitment does not go unnoticed. Argenti (2004) stated that the company was listed 46th on the list of “100 Best Corporate Citizens” by Business Ethics in 2000. Similarly, Starbucks was also 88th on Fortune's list of the “100 Best Companies to Work For.” in the same year. These facts showed the global awareness of the company's success in terms of social responsibility.

If the company website is analyzed, the importance of corporate social responsibility to Starbucks is also conceivable from the configuration of the website. The company has an up to date “*Global Responsibility Report*” for the year 2014 and previous annual reports since 2001 which could be downloaded in different languages by anyone who visited the company website. Moreover, there is a section named as ‘*Responsibility*’ including subsections like *Community, Ethical Sourcing, farmer Support, Recycling and Reducing Waste, Green Building* which provides customers detailed information on the general information as well as enterprise applications.

Starbucks has worked to build all new company-operated stores globally to LEED standards since 2008. The company opened its 500th LEED-certified store in 2014 across 19 different countries. In the Americas, 98% of company operated new stores were built to LEED standards in 2014. In addition to its care for energy consumption, the company also give importance to sustainable water use. Starbucks set a goal to reduce water use in company-operated stores 25% by 2015. That goal is achieved in 2014 with savings of more than 23% over baseline levels. They continue to make strides in water conservation by implementing water-saving solutions in new stores and water filtration retrofits in existing ones (Starbucks Global Responsibility Report, 2014).

The company also offer ethically sourced coffee online in addition to store selling. According to the data provided by Starbucks' Mission Statement and Corporate Social Responsibility on their website, they give customers an opportunity to sign up online, give orders or be informed on global responsibility acts of the company. They also place the reports from their bottlers Lucerne Foods, Inc. and Nature's Way Pure water Systems, Inc. in order to clarify how they are ensuring the quality of Ethos Water.

Negative Reputations of the Company

Like other world – famous brands, Starbucks Company has been criticized by some industry leaders, activist groups or customers and had some negative reputations until today. This part of the work is divided to such disclaims about the company operations.

The most up to date news coming in July 2015 is the release of "European Food Organization" (EFO) which states that elephant feces samples are found in Starbucks products and European customers should not consume company products. Starbucks had been an intense debate about the products in the European public. After this news, an intense debate about Starbucks products has emerged. The news claimed that Starbucks was forced to make a statement against these claims and reaction. The news asserted the fact that the Starbucks management confessed that they used South African elephant feces that give the acrid taste of their coffee, saying that they would try alternative methods instead of stools with apologies to their customers (DPÜ TV, 2015). However, although the news about this fact emerges frequently on the internet, some of the interviewees stated that this information was not confirmed by the company officials. The format of the news just in written explanations strengthens the possibility of unfounded claims. These claims could be put forward to damage the company image by other industry leaders – competitors.

These unproved claims about the company probably affected Starbucks customers adversely especially those who are sensitive about nutrition. Customers who used to visit Starbucks coffee stores, will probably choose other places to have coffee or they may continue going Starbucks but choose alternative products like Turkish tea, herbal teas, or soft drinks instead of ordering coffee.

Another criticism targets not directly Starbucks but all other international brands such as McDonalds, Marlboro, Coca Cola or Nike which are associated with powerful nation states and multinational corporations. These global brands are said to be perceived as symbols of cultural imperialism, threats to national sovereignty, and even enticements of infidel. A research composed by the data collected over three months of fieldwork in Turkey give place to such statements like these brands promote admiration for Western culture in an insensible way

deliberately preparing the country to be a colony, brainwashing people and even destroying the local culture (Bilgin, 2008).

Parallel to this claim, a protest held at the end of 2011 by the students of Istanbul's Bogazici University which is one of the globally renowned and quality universities in Turkey. National Turk (2015) announced that the students occupied a newly opened Starbucks store at the B.U. Northern campus protesting in a peacefully manner the University administration for opening the university campus area to international brands and thus making it a market rather than using it for educational purposes. They stayed in the store overnight, used the kitchen of Starbucks to cook meals, ate food they bought and sang. Academicians were reported to have showed support to the students. The explanations of Interviewee – G could be given in response to such claims;

“There are many other multinational companies that we consume the products in addition to Starbucks. I believe that it is more logical to consider that these companies are generating employment opportunities for Turkey as well as other emerging markets rather than just politically criticize such brands”.

These last two criticisms are seen to be fed from the same critical perspective. They are the negative insights on the entry of global brands into developing market and criticisms of the sale of foreign brands in local markets. Even though, the disclaimer regarding university campuses as wrong location selections for such businesses might be accepted as reasonable, customer profiles and the demand generated by countries should be evaluated to justify other arguments.

Starbucks brand name has been mentioned many times together with the political boycotts. Simon (2011) claimed that Starbucks has anointed itself as a corporate do-gooder and agent of the political aspirations of its consumers with the help of its self-promoting posters and pamphlets. People who are seeking solutions to political problems, ethical, local, state, national and global issues started to use drinking or not drinking lattes as a way to vote on the company's choices of civic engagement and had their voices heard. Regardless of the industry, it is not pleasant for a company being remembered for such boycotts. Moreover, it might be risky to take a unique side in such debates due to the probability of losing the existing customer base who used to buy Starbucks products but support the opposite views.

Despite this risk, if we analyze how the ceo Schultz address this issue, his approach founds to be very different. McCann and Selsky (2012) mentioned that Schultz advocates the other managerial departments that businesses boycott corporate contributions to federal political campaigns in order to help the progress on serious issues such as U.S. budget deficit. Similarly, there is a view that organizations may become a stakeholder in issues like health care

reform, local education funding or climate change with their power of instigate, advance or retard such public issues. Within this perspective, the company might turn such negative reputations into advantage by being appreciated by the customers who are in agreement with the protests.

Operations of Starbucks in Turkey

Starbucks entered Turkey with a store opened in Icerenkoy –Istanbul in April 2003. Until 2006, the company reached more than 40 stores in 3 years. Interviewee - C states that now, the brand has 267 stores in Turkey. Even though the first European coffee chain entering to Turkey market is Gloria Jeans, now Starbucks has more than 50 stores that reached many diverse locations over Turkey such as Diyarbakır, Adana, Samsun, Trabzon or Isparta. Despite such spread of Starbucks, the company found to be reached % 17 of the total Turkey market.

The operations of the Starbucks Company and some basic principles supporting the activities are fixed regardless of the country where the brand operates. Previously mentioned strategies of Starbucks adopted while entering new markets could be also valid for Turkey case. However, what makes Starbucks different for Turkish customers from other coffee brands and gives the firm a possibility to spread over the country with new branches might be the unique experience sold in coffee stores. To make this inference, it is sufficient to remember the classical design, service styles and product range of coffee stores operating in the country before the entrance of Starbucks in Turkey market.

Customer experiences have become the ultimate element for marketers in recent years. Gurski (2014) states that providing unforgettable experiences in addition to tangible products is the core point for all industries which consumption activities have experiential aspects. Starbucks transforms harvested coffee beans (a commodity) into roasted, grinded and packaged coffee beans (a good) and finally into an experience like an extraordinary way of ordering, creation and consumption of a cup of coffee. Turkish customers meet with such treatments like their names are asked to written on the coffee cups they order, their heat preference for these hot drinks is noticed and they are not disturbed or forced to order anything even though they stay long hours in stores after the entrance of Starbucks into Turkey market. Such coffee stores might be seen here and there in Turkey before Starbucks, yet the possibility of having the same service standards and same comfort in different Starbucks branches for their each visit might be the most important factor taking Turkish customers' attention to Starbucks.

The explanations of Interviewee - A based on his own observations is worth placing;

“Contrary to common belief, Turkish customers do not just drink Turkish coffee, but they mostly order dry filtered coffee or coffee macchiato. I believe, our society is now developing a similar coffee culture to Western society. I have clients who surprised me with their detailed questions about coffee grounds or compatible flavors. Some of these customers are as much knowledgeable as me about coffee”.

From the moral perspectives, as a Muslim country Turkish customers are found to be selective while consuming international brands' products. Interviewee F points out that Turkish consumers feel more confident after learning that Alshaya is the name behind the brand's operations in Turkey. They rarely show their hesitation about consuming pork within Starbucks' food categories.

CONCLUSION

Starbucks having more than 3.000 company owned and licensed stores in thirty seven countries is a certainly global player by 2006. As a company sharing its delight at an international level and increasing the bottom line it spreads stores all over the world. Therefore it founds worth to analyze such a successful company and the literature is very rich considering Starbucks. However, this study provides a holistic approach by combining the findings on different aspects of the company like managerial principles, its strategies for new markets, the social responsibility activities of the company, negative reputations and the standing point of the firm against them and organizational culture of such international brand within the same work.

The consumption patterns of consumers seem to be changing as their lifestyles change. Some prefer their home to address their need of hunger while some others prefer multinational names like McDonalds, Burger King and consider these giant brands as a part of their lifestyles. This trend has helped to Starbucks which offer customers a home like atmosphere and addressing their need of self-identification via internationally known brand. Customers are found to be feeling relaxed with the help of store decorations and the service methods of baristas who do not bother any guest or push them to order something or behave in a certain way.

Teams with well – developed internal relationships with other members perform better, take action more quickly or make sense of situations more effectively. When they are linked closely within its structure their performance could be better because they have pathways into key resources, decision making processes and communications. Strong connections among wellness and purposefulness are important for all individuals and their teams. Within this perspective, the organizational culture of Starbucks could be said as giving the company a chance to perform better facilitated by strong internal relationships, sincere communication and warm working atmosphere. The sense of trust could be read by the responses of all

interviewees. It is observed that all Starbucks employees regardless of their job title a barista, a shift leader, a store manager or a district manager feel like they are the members of a strong and reliable company which will support its family members in a financially and morally effective way.

Starbucks' organizational culture and working principles are also found to positively affect the employees and could change the personal traits of them. Interviewee – H mentions as follows;

“When I started to work at Starbucks nine years ago, I was a very aggressive person. This company, with its universal principles and employee educations has made me a calm and considerate manager by means of time”.

An organization called Business for Social Responsibility determines (1998) that the community, the investors who demand more transparency in company operations, non-governmental organizations increase the companies' sensitivity to their social responsibility. Multinational companies require a strong supply chain in global markets and these firms are able to convince their own social responsibility principles to the other firms by using their supply chains. Taking the information into account, Starbucks is seen to be aware of this fact and turning its social responsibility efforts into advantage for global markets. Customers and other industry players are aware of the activities of Starbucks, moreover they are found to appreciate such efforts of the company. The explanation of Interviewee – A related to social responsibility efforts is necessary;

“Together with other sore employees in Ankara, we engaged in forestation at Ostim – Ankara region. Similarly, Starbucks divides some money and buys books to donate primary schools. Each Starbucks has a sibling – school that is supported with such activities”.

The interviews are conducted in December just before the Christmas Eve. All stores were selling Christmas Blend named coffee placed near to customer bench. Interviewee – C explains the social responsibility of this product as;

“A specific percentage of each packet of Christmas Blend Coffee sold is donated to Autism Association by Starbucks”.

Sometimes brands especially the international ones are associated with hidden worldviews. Some hidden worldviews are stated as consumerism, individualism, nationalism, moral relativism, naturalism, the New Age or postmodern tribalism. These are the life- shaping perspectives in North American culture which could be heard in everywhere like in offices, dormitories, internet chat – rooms or over coffee at Starbucks conversations. Starbucks brand is remembered with some political contests as the sign of capitalism. The situation considered

favorable by some customers or criticized by others did not overshadow the success of the company.

While entering to new markets, the entry mode strategy is vital for the internationalization process of Starbucks. The choice has long-term implications for the company. The entry mode decision is found to be influenced by a number of factors such as internal or external environment of this multinational company, culture distance, market potential and competition intensity, characteristics of overseas country business environment, resource commitment, speed, management risk attitudes, and global management requirements. With respect to these factors, Starbucks could be exemplified as a careful and assiduous company which considers such different dimensions while for each country they plan to spread.

The findings about the operations of Starbucks Company by different six dimensions were analyzed and supported by the responses of interviewees reached for the scope of this study. It is an important factor that any response is inconsistent with the other interviewees'. Similarly, the literature, related news and common media were also found to be consistent with the responses of all employees. Moreover, what was observed by the responses as well as real life stories of these Starbucks members is their loyalty to the brand that they work for. They all found to be pleasant being a part of such organization, mentioning favorably on the success, social responsibility activities that they participate in. Therefore, this study reaches a conclusion that in addition to all other factors such as strong brand reputation, active social responsibility works, good quality offered to customers or effective marketing strategies for new markets what mostly supports the success of the company in emerging markets is the strong organizational culture of the company which makes all employees a Starbucks family member regardless of the country of origin.

A case study asserting that Starbucks plans to focus on the customer experience in stores, add new products to its product range, develop training programs and tools for partner companies. By closing many underperforming stores, the company can focus on store-level economics. They need to reignite the emotional connection between the customer and Starbucks coffee, brand, people, and stores. By recreating the emotional atmosphere, the company can continue being a small community-like cafe. By having a skilled, cooperative and motivated workforce, Starbucks could implement the Starbucks experience while making large profit from international stores. Such assumptions are seen to be still valid considering the findings of this study.

However, some further suggestion could be implementation of some strategies to prevent fake disclaims on the brand not to lose customers or damage its identity. Another recommendation put forward for academicians could be conducting a similar study analyzing

the operations of the company in light with such diverse headings. By this way, a comparison could be made between the study findings; interconnections could be addressed giving a road map for many international companies as well as the small enterprises.

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