Reasons for the success of Starbucks' cross-cultural marketing

Introduction

- Research area: catering industry
- The motivation of research: Discovering the reasons for Starbucks' cross-cultural success is of great help to every business enterprise.
- The reason for research: Want to know that there are so many coffee shops in the world, why is it that only Starbucks can monopolize the leader and keep opening stores?
- How important the results of research could be for particular are of marketing management: Help other businesses understand how to market across cultures.
- Who can use and how or for what purpose the results of the research: Other coffee shops can use this marketing method.

In daily life, coffee is inseparable from us. Coffee has a long history. In the past, traditional coffee shops were a social place for art and intellectuals. Today, coffee shops also have the characteristics that have been preserved before, such as slow-paced meals. Service, elegant surroundings, social access, etc. And due to the modern busy life, there are modern fast-paced coffee services, such as Starbucks. Everywhere in the world, whether we pass by or travel, we can always see Starbucks, and each branch has different characteristics. In Starbucks in Taiwan, we can always see students enjoying coffee and reading books, but in tourist attractions, it can be found that most tourists just use Starbucks as a place to take a break and chat, so each Starbucks will make a different atmosphere for different places.

At Starbucks, we can enjoy exquisite desserts and light meals. Starbucks provides meals that we can enjoy from morning to night. In terms of coffee and desserts, we can often see that Starbucks launches different products according to different periods so that Freshness attracts customers. There are sockets on the seats for customers to use computers or mobile phones, or comfortable sofa chairs. The coffee culture of each country is different. Starbucks will launch different coffees according to different countries. For example, Italy will add olive oil to coffee. It is not common in other countries, but Starbucks in Italy has added olive oil. coffee. Are the above reasons why Starbucks is so successful? There are so many coffee shops in the world, why is it that Starbucks is the only coffee shop that can monopolize the leader and keep opening stores? Does Starbucks have a unique cross-cultural marketing method? If we can find out the reasons for Starbucks' cross-cultural success based on the results of this study, it will be of great help to every business enterprise.

Accordingly, it is proposed to explore the reasons for the success of Starbucks' cross-cultural marketing, so as to apply this marketing method to different enterprises.

Problem statement

Many well-known domestic restaurant chains cannot market globally. Even if the marketing is very successful in their home country, it does not mean that the same marketing strategies can be used in other countries. Hence, they often end up failing because they cannot come up with an effective marketing strategy for the country, but Starbucks has successfully entered the coffee market in various countries. Therefore, this research wants to explore the reasons for its success, and analyze Starbucks' cross-cultural marketing strategy, and provide the research results for chain restaurant operators, marketers, and future relevant researchers for reference. Research Problem:

1. What is Starbucks' overall cross-cultural marketing approach?
2. What effective marketing strategies are proposed for the markets of various countries?
3. How to develop a local marketing strategy?
4. How to solve the problem of ineffective marketing?
5. Similarities and Differences of Starbucks' global marketing ideas.

Objectives

1. Analyze the successful cross-cultural marketing strategies of Starbucks.
2. Discuss the marketing concept of Starbucks which is different from other chain restaurants.
3. Provide for chain restaurant operators, marketers, and future related researchers for reference.

Literature review

1. Cross-cultural Marketing

   Cross-cultural marketing is a type of marketing that involves the process of marketing to customers by identifying current consumer cultural differences and adapting the marketing mix accordingly. The main objectives of cross-cultural marketing are to build brand awareness, establish customer loyalty and expand the customer base. In order to achieve these objectives, companies need to understand the cultural differences between consumers from different geographical regions. As the level of global trade increases, companies around the world are adopting cross-cultural marketing, such as McDonald's in the US and Toyota in Japan. For these companies, a deep understanding of foreign cultures is essential to communicate effectively with global consumers. The subjective standards that characterize a country or culture include the values, attitudes or behaviors shared by its citizens. Of these subjective standards, values have received the most attention in cross-cultural studies. Cultural values are considered to be at the heart of culture, and they determine the perceptions, inclinations and behaviors of members of society. (Markus and Kitayama, 1991) Cultural values are also central to an individual's cognitive structure, they play a key role in determining consumer behavior (Steenkamp, Ter Hofstede and Wedel, 1999) and can shape people's perceptions and behaviors (Ueltschy, Krampf and Yannopoulos, 2004). Thus, cultural values provide a good theoretical basis for understanding perceived risk. This study argues that cross-cultural marketing refers to the adoption of marketing strategies that target the marketing activities of a company's subsidiaries in countries with different ethnicities and cultures in cross-border marketing. This type of marketing activity emphasizes the management of cultural differences between companies and their customers, with the aim of avoiding cultural risks, reducing cultural conflicts and promoting cultural integration, so that marketing programmers can be carried out successfully.

2. Factors Affecting Cross-cultural Marketing

   When people communicate with each other, there are cultural differences under different cultural conditions. Cultural differences produce people's different values, different behavior attitudes, different aesthetics, and different consumption habits. These demands also bring great obstacles to cross-cultural marketing. (Hofstede, 1980) : The following are the marketing factors that affect cross-cultural marketing（劉映威，2014）：

   1. Language differences

Every country has its language, and language is the most important thing in communication between countries, so language behavior has become a key issue in cross-cultural communication. When we want to market in other countries, in terms of communication, we need to consider the vocabulary and syntax of the country's language to prevent misunderstandings and communication barriers.

2. Non-linguistic differences
    In addition to language differences, non-linguistic differences are also an important factor in cultural communication. Every country has different gesture, behaviors, and sign language, so we must also pay attention when communicating. In cross-cultural situations, sometimes we cannot express what we want to express, which leads to misunderstandings in communication.

3. Differences in customs
    Every country has its own history, customs, and festivals, and in daily life, the diet, clothing, entertainment and pastimes of each country are also different, so the consumption habits are also very different. If people pay attention to a certain product, become interested in it, then buy it, through consumption, and then feel satisfied, they may continue to buy it. Repeated consumption behavior strengthens the favorability of a certain consumer product, and frequent favorability and purchase will inevitably make a certain consumption behavior a custom. Once a custom is formed, it has historical inheritance, so it is not easy to disappear. （劉白玉，2005）

4. Differences in values
    In different cultural backgrounds, people's values are often very different, and the understanding and exchange of values is the goal of cultural exchanges. Consumers have different opinions and attitudes on the packaging of goods and promotion methods. Therefore, enterprise marketing must design products and provide services according to the different values of consumers.

3. Obstacles and Countermeasures of Cross-cultural Marketing
    Different countries have different languages and different cultural backgrounds, so they may have different understandings of the same information, and may even draw completely different conclusions, resulting in communication barriers. The specific performance between these barriers and consumers can be analyzed as follows:

1. Communication barriers affect the relationship between enterprises and consumers: Enterprises and consumers often come from two or more cultural environments. If there is no good cultural exchange and communication between them, the negative impact of cultural differences will take effect.
2. Communication barriers affect the company's decision-making, leading to increased decision-making mistakes: Communication barriers make it impossible for enterprises to understand the real situation. In the process of making decisions, they will consciously or unconsciously use the values, experience and knowledge of their own culture as the basis for decision-making, which increases the possibility of decision-making mistakes.
3. Communication barriers lead to loss of market opportunities and inefficiency of organizational structure: Due to cultural differences such as language, habits and values, the business environment is more complicated, which increases the difficulty of market management. However, communication barriers prevent multinational corporations from meeting market challenges with a positive and efficient corporate image and losing market opportunities.

- In order to avoid cultural conflicts caused by cultural differences in the marketing activities of multinational companies, how do companies deal with obstacles?
    1. It can construct a new corporate culture generated by the integration and innovation of multiple cultures and take the corporate values that all members understand and recognize as the core. In a multi-cultural enterprise, the integration of values can be achieved, and fundamental cultural conflicts will be resolved, and the barriers to cross-cultural communication will no longer exist.
    2. The choice of cultural integration mode and the formulation of cultural integration strategy are based on the evaluation and measurement of the organizational culture of both parties, which requires mutual trust, mutual understanding and close cooperation between the two parties. Therefore, the process of cultural integration itself is a process of cross-cultural communication, which is conducive to the establishment of trust and tacit understanding between the two parties and lays a good foundation for further communication and cooperation.
    3. Mutual understanding among multiple cultures helps eliminate information misinterpretation caused by cultural differences,

smoothes channels for information transmission and feedback, and improves the efficiency of cross-cultural communication. （鄭紹成，2005）

- The Manifestation of Cultural Conflict in the International Marketing of Enterprises
    1. A conflict of thinking styles. Different ways of thinking are the products of specific cultures. Different nationalities live in specific natural and geographical environments, forming their own historical backgrounds and cultural environments, and also forming their own thinking modes, which in turn continue to influence and form specific cultures. content and elements. Differences in ways of thinking are one of the important reasons for cultural conflicts.
    2. The conflict of value orientation. The same things and problems have different evaluation standards in different societies and groups, which have an important impact on people's consumption behavior and methods. Enterprises engaged in international marketing are affected by the life attitudes of consumers in the target market, the value orientation of commodities, the response to advertising promotions, the characteristics of purchasing behavior, and the specific consumption patterns. As a part of social life, consumer behavior is deeply imprinted with culture.
    3. The conflict of communication style. The conflict of communication methods is first manifested as the conflict of languages. There are thousands of different languages in the world. Even for the same language, different translation methods will have very different translation methods. Language differences are the primary obstacle for international marketing companies to overcome. A successful international marketer must not only understand and use foreign languages well, but also understand the deep cultural meanings in the use of these languages, meanings that can only be explained in a specific cultural background.
    4. The conflict of educational standards. The level of education in a society is consistent with its level of economic development. The education level of each country shows different aesthetic tendencies, so the selection principles and methods of purchasing goods are also different.
- Enterprises should prepare before entering the target market:

1. Implement cross-cultural training. Provide language training for the personnel of enterprises engaged in international marketing. Before entering the target market country, enterprises should first conduct language training for employees, requiring them to be able to communicate with customers and other relevant personnel in the local language proficiently, and strive to avoid disputes in contracts; at the same time, the tone of expression must be correct and be good at using Non-verbal communication, thereby increasing the probability of marketing success.

2. Carry out sufficient market research on the basis of international market segmentation. When an enterprise conducts international market segmentation, it should conduct in-depth research and evaluation of each market segment, make correct decisions on the basis of sufficient environmental analysis, and ensure the realization of marketing goals.

3. Establish an international marketing website for the enterprise. Due to the popularity of the Internet, more and more international marketing companies have established their own marketing websites to facilitate communication with foreign customers and understand their cultural characteristics; companies can also publish corporate information on the web page, strengthen customer service, answer questions, test the market response of new products, shaping the corporate image, improving corporate visibility and so on. Adapting to local cultures and trying to force standardized information on consumers will only lead to failure. （顧秀君，葛望舒）

4. Starbucks Marketing Strategy and Consumer Experience
Starbucks adopts a glocalization strategy, mainly from two aspects of peripheral products and specialty stores, intending to attract consumers to interact and communicate, and achieve brand promotion and marketing effects through social media. Peripheral products: The products strive to present local cultural characteristics. When there are special festivals in the local market, Starbucks will design a festival series of mugs, and in the cities where they are stationed, they will also launch city-specific mugs, using local cultural elements or the most representative patterns. Specialty store: Loyal to the local culture and history, the specialty store adds brand elements to the original cultural and historical buildings, interacts with the surrounding environment, creates a situation to spread local stories, and conveys brand culture to consumers. Sometimes

specialty stores will also consider the surrounding environment and local needs and create brand new stores to integrate into the local market.（黃士杰，2012）

Consumers' sensory experience at Starbucks is mainly based on the visual part: In the emotional experience, consumption situation is the most important. In the thinking experience, the thinking experience that Starbucks brings to consumers is mainly a stimulating part, that is, creating events that can stimulate discussions among consumers. In the mobile experience, consumers still focus on their overall experience. In the related experience, when consumers go to Starbucks, they think that Starbucks is a place full of humanistic atmosphere. They use Starbucks to improve their taste and distinguish the difference from others. （陳育慧，2002）

Relying on its global competitive advantages, Starbucks has become a symbol of the middle class: comfortable space decoration, upgraded lifestyle, and real taste. Excellent quality and affordable prices have won the support of consumers, and more and more consumers like to consume Starbucks products, strengthening the relationship between them. Starbucks employs a special experience strategy. This strategy is a "consumption upgrade" produced by regional cultural background and collective imagination. （黃曼爵，2006）

Most of the literature focuses on Starbucks' experiential marketing or marketing strategies in a single country and region, while there are fewer studies on Starbucks' cross-cultural marketing strategies. This research strategy can make up for this gap.

Methodology

We use three methodologies: literature research method: case studies, in-depth interviews, and questionnaire.

1. Literature research method: case studies

   Purpose: To understand the current state of Starbucks marketing in each country.

2. In-depth interviews:

   Target audience: Marketing departments in each country.

   Objective: To understand how marketing departments in each country market themselves to the culture of that country.

   Question:

   1. Do you know the local culture of each country beforehand?
   2. Do you design your shops according to the culture of each country?
   3. Do you offer different products based on the local culture?
   4. Do you set different prices for your products according to the local culture?
   5. Do you consult local native speakers in advance of your marketing strategy?
   6. Do you design different advertising content based on the local culture?
   7. Do you successfully blend the spirit of the local culture with the brand style?
   8. Has your marketing strategy for the local culture helped to increase sales?

3. Questionnaire

   Target: Customers from all over the world

   Purpose: To understand why customers love Starbucks, and whether it is related to Starbucks' cross-cultural marketing?

   Questions:

   - Open question
     1. When you want to go to a coffee shop or drink coffee, do you choose to go to Starbucks, and why?
     2. Why do you like Starbucks?
     3. What do you think Starbucks is better than other coffee shops?
     4. Starbucks in each country is different, do you think this is an advantage? Why?
     5. What do you think is the attraction of Starbucks?
   - Closed question
     1. Have you found any differences in the products of Starbucks in different countries?
     2. Have you noticed any differences in the store styles of Starbucks in different countries?

3. Do you think Starbucks products are better than other brands?
4. Have you noticed that Starbucks is trying to integrate with different cultures?
5. Is one of the reasons why you like Starbucks include Starbucks products, etc., which combine the cultures of various countries?
6. Do you think Starbucks' cross-cultural marketing is helpful to increase the number of customers?

Limitations

1. In-Depth Interview Method: Difficult to contact and approach the marketing leaders in each country.
2. Questionnaire survey method: Questionnaires cannot be distributed to all countries, the number of questionnaires varies from country to country, and countries with a small number of questionnaires returned are not representative.

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