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# Starbucks: A CSR Approach

## Introduction

When you think of a retail coffee shop – what comes first to your mind? I would be willing to bet most would say, Starbucks. As most of us know, Starbucks is a global coffee company that focuses in 3 main areas such as community, ethical sourcing and environment. Starbucks is engaged in many different CSR initiatives relating to these passions: philanthropic community-service projects, ethical sourcing programs, environmental concerns (i.e. energy & water conservation), embracement & encouragement of diversity, coffee purchasing & farming support, recycling and ecological construction.

They have grown to become a company that has accomplished their many CSR approaches in very successful ways. This was done by forming alliances with organizations such as Conservation International, Rainforest Alliance, Common Code, Transfair USA and Organic Farming. In addition to their partnerships, Starbucks strives to impact each area in positive ways by investing in the communities they work with and putting the people within their community first. They not only focus on consumers and customers but put a lot of attention into employee morale to keep turnover low and their workers happy.

Each year, Starbucks even publishes a Global Responsibility Report which shares data highlighting the impact they've had over the past year. They use this data to plan strategies so that they are not only coming up with CSR strategies but to measure and evaluate its programs.

A message this company works to get across to the public is that a thoughtful planned CSR program isn't just done for advertisement reasons or to impress investors, Starbucks wants to represent they are proof that these CSR programs can be hugely impactful if implemented well.

## Organization

### Background

Starbucks is (now) an international company that was founded by Jerry Baldwin, Gordon Bowker, and Zev Siegel, within the historic Pike Place Market in Seattle. These three founders built the company on the relatable visions they had which included: their educational background and their love for both coffee and tea. They invested and secured loans and were able to open the first store in 1971.

In 1982, Howard Schultz joined Starbucks as director of retail operations and marketing. After that, Starbucks began providing coffee to fine restaurants and espresso bars. In addition to Schultz joining the team, Alfred Peet, a coffee-roasting entrepreneur, became a major inspiration of Starbucks as well. Peet introduced the idea to import luxurious coffees from various places around the world into the United States. Peet's success with this initiative encouraged the Starbucks founders to base their business model on offering brewed coffee and espresso beverages made from Starbucks coffee beans. The business only grew from there as Starbucks ventured into offering blended beverages, inventing flavor combinations, healthier

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alternatives, food, teas and smoothies.

Fast forward to the 1990's until today, Starbucks began to expand headquarters and accomplish numerous successful milestones. They became the first privately owned U.S. company to offer a stock option program that included part-time employees, opened their first licensed airport store, adds drive thru services, opened first international store (in Japan and Singapore), extends into grocery stores, establishes different partnership and licensing agreements – just to name a few!

## **Timeline of CSR Initiative**

Today Starbucks is known to follow a different set of ethical, social and environmental standards throughout its value-chain. They frame its CSR communication to fit different stakeholders' needs and expectations embraces opportunities of online communication (two-way communication, multimedia features, social medias etc.) and

### 1. Background/timeline of CSR initiative/sequence of events:

Current businesses related in the gourmet coffee industry today are experiencing increased pressure from their surrounding environments to act as good social citizens while still being profitable. Acting social and having ethical responsibility has become an expectation rather than a differentiation strategy to obtain acceptance. I would like to research how the successful global coffee company, Starbucks, communicates its CSR initiatives.

By the early 1980s, Starbucks had opened four stores in Seattle that stood out from the competitors with their top-quality fresh-roasted coffees. In 1980 Siegel decided to pursue other interests and left the two remaining partners, with Baldwin assuming the role of company president.

### 2. Analysis of CSR problem/opportunity: Can Starbucks communicate its CSR initiatives through its corporate website?

Starbucks became an interest to me because it became apparent its cause is a successful global company with a position as a market leader in the coffee field. Starbucks has received a lot of attention and has acted on this increased pressure and is now engaged in several CSR initiatives, expressed through various communication tools on its corporate website. I would like to research how Starbucks has utilized various communication tools to express its efforts to specific stakeholder groups, transparent and persuasive manners.

### 5. Organizational strategy, communication, response:

The organizational environment of Starbucks today is constituted of multifaceted companies and organizations, which are all interdependent on each other and the environments in which they operate. They have developed tightly bounded systems as an approach to organizational structure, which emphasizes that an organization must cope with constant pressure from its ever-changing environment (i.e. companies like Dunkin Donuts, McDonalds, and other independent fast food chains & bakeries. Organizations like these influences each other in terms of expectations about performance and increasingly also about ethical correct behavior

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and responsible actions. This makes me want to consider what kind of service does a customer receive at each of these competitors?

## 6. Summary, recommendations, ongoing challenges:

Trying to explain the relevance of CSR communication within the Starbucks industry (by describing how organizations exist in environments, in which societal expectations are created to pressure companies to act both social and ethical responsible) was the initial purpose of the proceeding to the background section on effective CSR communication to a company's various stakeholders. I then discovered the scope of the problem because it focused on the importance of competitors not only acting as competition but also because it was evident that there are endless aspects to consider like communication and channel. They also must distinguish between target audiences' preferences, expectations and needs, and then framing the messages accordingly. Regardless of the above mentioned and following that Starbucks is communicating its CSR efforts effectively, an analysis based on the scientific approach will reveal if this actually holds true for the receivers of the communication.

Starbucks may be considered an industry leader for CSR in its sector. So, you may seek to build a case around Starbucks competitive advantage (sales, growth data?) over competitors as related to CSR initiatives.

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