**SWOT Analysis: Starbucks Coffee**

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A SWOT analysis is a way to look at a company in many different aspects of it the industry. This method takes into account many different factors. SWOT stands for: Strengths, Weaknesses, Opportunities, and Weaknesses. The SW takes into account all of the internal factors to the company. On the other hand, OT evaluates the external factors for the company.

Starbucks is a coffee company that has been very successful over the past few years. Starbucks is not just only a coffee shop; it has many variations in coffee, energy drinks, pastries, and many other products. They have taken advantage of many of their strengths and opportunities, and have been able to limit their weaknesses and threats. This is what the SWOT analysis hinges on, and shows true competitive advantages and success for Starbucks.

**Strengths**

There are many different things that could be considered strengths for Starbucks. I think the most important of these is branding. Starbucks is the most identifiable brand in the coffee industry and always provides an experience. Along with branding, the customers are willing to pay higher prices for that they perceive to be much higher quality. They have also been able to become innovative with their different variations of coffee drinks available. Starbucks is also very prevalent in many different places which make it very convenient for their customers.

**Weaknesses**

Starbucks has a very loyal customer base; however, they still have very high prices. This makes it easy for a customer to switch to another product at a lower price. Although Starbucks offers many different varieties of coffees, there aren’t many that are “good” for you. Most of their products are high in fat, sugar, and calories.

**Opportunities**

Starbucks is a fast growing company and has been very prevalent in its market which gives it many opportunities for international expansion and even more domestic expansion. With international expansion, they will be able to diversify their products and customize them to the tastes of different consumers. There has also been a move toward more healthy choices. They have been offering more “skinny” variations, teas, juices, and low calorie energy drinks. Starbucks has also just released a new product called the Verisimo. This is much like a Keurig brewing machine that is aimed at providing the Starbucks experience in your home. Starbucks has also been marketing their VIP instant coffee packets.

**Threats**

With the recent growth in this market, there have been many new fierce competitors. McDonalds has introduced McCafe which has shown to be very successful and offers much lower prices. Dunkin Donuts is also a big competitor to Starbucks. They offer many of the same products and also offer quality breakfast food. Starbucks is also affected by its suppliers which determine its prices in the market.

**Strategic Recommendation**

Taking all of these factors into account is very important for the overall progress of the company. I think they are steadily increasing their sales and brand recognition which seems to be very profitable for them. The fact that they have been able to diversify their products and begin to move toward more healthy choices will help them in the long run. It would be in their interests to make sure prices don’t move above what they are now. Overall Starbucks is not going to be hurt anytime soon. They need to keep providing their unique experience and unwavering quality.