



"Starbucks needs to cut the crap from its brand positioning"! **And why non-marketers should also be interested in this.**

Reading time 13 minutes

*I am intensively involved with the social phenomenon that more and more moral positions are being placed at the centre of debates. I am currently reading an inspiring book on this subject by the philosopher Philipp Hübl: *Moralspektakel*. More on this in the next BrainCandy. Analyses of the American presidential election show that, apparently unexpectedly for Kamala Harris and ZDF (German public tv station), moral arguments no longer have such a strong impact. Trump has addressed the actual current problems of broad sections of the population. And despite his, to put it mildly, dubious character, he has found great favour. Bertold Brecht gave this phenomenon a name: *First comes the food, then the morals*. Harris, on the other hand, was unable to motivate enough Biden voters to go to the polls with her more moralistic positions.*

It was in this context that I read an exciting article on Starbucks by former marketing professor Mark Ritson. And his article has inspired me to share his insights with you in the meantime. Ritson is Australian and his trademark is to emphasise clever marketing ideas with sometimes vulgar Aussie slang. But bear with us anyhow. [Original text](#).

Ritson: "The coffee chain is a serial offender at producing esoteric mission statements, so can new CEO Brian Niccol finally uncover the brand's appeal to customers?" In February 2007, Howard Schultz, then chairman of Starbucks, sat at his kitchen table drafting a memo. Troubled by the implications of rapid expansion, Schultz reflected on the growth from 1,000 to 13,000 stores. While the growth boosted sales and profits, it also diluted the Starbucks experience. Flavour-locked coffee beans preserved freshness

but removed the aroma of coffee from stores. Automatic espresso machines expedited service but eliminated personal interaction between baristas and customers.

In his memo entitled "The Commoditisation of the Starbucks Experience", Schultz came to the conclusion that the Starbucks brand had been diluted. He sent the memo to all of the company's executives that very night.

A year later, 10,000 employees gathered in New Orleans. Schultz's memo had been prophetic: Starbucks faced declining sales and profits, and store closures. And Howard Schultz was back as CEO, having returned in 2008 determined to restore the brand's fortunes.

And it was at this New Orleans event that Starbucks unfurled its new mission statement, perhaps the single most nonsensical bit of brand positioning in the history of marketing. Starbucks employees from across the company had spent months on it and finally 'Our Starbucks Mission' was ready.

**To inspire and nurture
the human spirit
- one person, one cup, and
one neighbourhood at a time**

Howard Schultz is a brilliant leader and businessperson. His diagnosis of the commoditisation of his brand and recognition for the need to refocus it were spot on. His heartfelt desire to make a difference and do good things are also not to be ignored.

But all that does not make for good positioning. In fact, a lot of it gets in the way. For starters, there is an abject lack of



customers in the work that went into the Starbucks mission. Of course the employees are important. But they get their coffee for free. And rarely buy it anywhere else.

In Ritson's experience, asking employees to sit down at mood boards during working hours and say what they think about their brand always leads to problems. You get loads of insights. And superb engagement with employees who are delighted to be involved. It's just that the output itself is almost complete balls. Overstated, exaggerated balls. And it misses the central insight of any brand strategy work: that even the most regular Starbucks customer does not really give a shit about Starbucks. *A little too pointed, but that is also my central experience: we in marketing take our brand far too seriously. We dream of being a Lovebrand, at least for our heavy users, but it remains a dream.*

Ritson: If you close all the shops tomorrow, every single customer will have found somewhere else to buy coffee by Friday. That's not a criticism or weakness of the brand it's just a hard marketing truth that employees rarely glimpse. When companies grasp this fact, it always leads to better brand management, as brands work from that grounded truth to build more humble, practical, effective positioning.

But ask Tony and Sophia, who have worked at Starbucks since high school, to spend the afternoon at HQ with a consultant and a whiteboard working out what Starbucks means, and we will fly high, high above any customer reality to a land of well-meaning esoteric bullshit. Every store is a "community". Filled with "humanity". People are all "passionate" and want to "uplift" their customers. It's a Walt-Disney-on-cocaine vision of how Starbucks actually operates.

Talk to employees and nobody worries about salience and distinctiveness either. Salience is baked into their jobs. They think about

Starbucks eight hours a day. But for consumers who don't necessarily wake up thinking "Starbucks", everything is different.

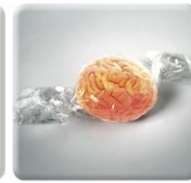
Tony and Sophia never buy coffee anywhere else. They just think about Starbucks. It is their workplace. Their home from home. Forty percent of their waking week. Their healthcare. Their friendship base. Their career path. It's just not a latte that they can get from eight different places within two minutes' walk. Competitors don't exist. Wait times are never too long. The coffee always tastes great! And the music is the perfect volume because they set it that morning just how they like it.

What employees see from across the counter completely differs from what customers see looking back at them. That's a simple but crucial marketing fact.

And it makes employees dangerous people to work on a mission statement. *(Better not let your motivated employees see that).*

And there is Schultz himself. Brilliant. Exceptional. A titan, who by 2008 had accumulated his first billion dollars. That's the kind of money that changes a man. A million dollars makes you upgrade your car and buy a nice watch. But a billion makes you think beyond the basic challenges of mortgages, pensions, school fees and – crucially – coffee. You start looking at your impact. Asking about your purpose on the world stage. Starbucks wasn't an espresso any more to Schultz. It was about making a difference. It was legacy.

And all that well-meaning, entirely misdirected crap went into the crafting of one of the truly terrible brand positioning statements of all time. It was too long. It was totally full of shit. It went beyond anything consumers really wanted from Starbucks. And it left the company rudderless when a clear, more realistic brand articulation would have worked wonders and helped the company grow in the right direction, avoiding many of the missteps that would emerge.

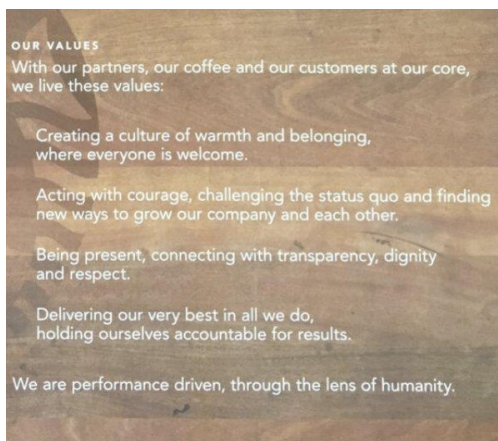


Don't get Ritson wrong. Starbucks is more than coffee. It does have brand appeal. But it's more basic than its highfalutin mission would have you believe. It's a combination of being in the right places to answer the right category needs at the right time, with a small but not unimportant wedge of American quality and efficient delivery. *To put it in my own words:*

The brand must occupy the right context in our memory and be labelled with specific characteristics.

There is plenty of brand equity in Starbucks, it's just apparent that Starbucks never actually worked out what it was. Professor Dolly Parton has the best definition for positioning: find out who you are and do it on purpose. To use her analogy, Starbucks never got to first base never mind second.

Yes, Starbucks grew under Schultz's second tenure. He was an exceptional leader twice over. However, there was a vacuity within the brand that was palpable when you entered its stores. The commoditisation of Starbucks that Schultz spotted so brilliantly continued, offset by other excellent decisions that kept it growing. The brand's nonsensical mission statement did not harm it. It did not lose the company money. But its fundamental stupidity and overreach meant that the potential benefits of a more prosaic, practical, accurate position were missed. A problem deferred.



Starbucks Mission 2014 Source: Starbucks

In 2014, the mission was updated and, if anything, became even more esoteric and overblown. The original statement was retained but overembellished with words like "warmth", "courage", "challenging the status quo", "dignity", all through the "lens of humanity". Perfect words for an Oscar-winning romance, nonsensical hyperbole for a coffee brand.

And then, incredibly, it got worse. With the arrival of Laxman Narasimhan in 2022 there was a general expectation that the ex-McKinsey partner who had previously worked at customer-centric giants like PepsiCo and Reckitt would strip things back and do some proper brand positioning. Instead, Starbucks' addled dream factory doubled down on the nonsense.



Starbucks Mission 2023 Source: Starbucks

The brand was now focused on "nurturing the limitless possibilities of human connection". How did any of the executives in the room that day emerge without laughing? How could they miss the fact that all the basic rules of positioning had been ignored with this latest burst of rubbish? That the three Cs of positioning (*Customer, Company, Competition*) had been completely disregarded? Does any Customer enter Starbucks looking for the limitless possibilities of human connection? No. Does any other Competitor offer these limitless possibilities better than Starbucks? Yes, a very long list starting with Google, Meta, EE. Does Starbucks the Company actually offer the limitless possibilities of human connection? No, it most clearly does not. A total fail.



And sure enough, Starbucks is currently experiencing another crisis similar to that of 2007-08. The brand has lost its way. Employees are overloaded with the “limitless possibilities” of Starbucks’ outsized menu and online ordering. Customers are pissed off about waiting 12 minutes for a coffee while their trainee barista tries to top a pumpkin-flavoured white-chocolate muffin kiss with sprinkles.

Revenues and profits are down, and newly arrived CEO Brian Niccol admits “we need to fundamentally change our strategy to win back customers”. Better positioning would certainly help. In comments at the end of a painful earnings call last week, Niccol repeatedly stressed the need to get back to the brand’s “core identity”. At one point he went further, suggesting this was a “welcoming coffee house where people gather”. This might seem an obvious statement but, after 20 years of brand bullshit from Starbucks, we might be on the verge of some much-needed positioning acuity from the new boss.

Ritson's advice to Niccol is to start with the consumers, not the employees. Go back to the early years and understand what made Starbucks great when it was great. Talk to loyalists who love the brand and visit daily, and ask them what they love about Starbucks. ‘Nurturing’ won’t come up.

Then turn to some proper quant research to look at salience and brand perceptions and what drives preference or the lack of it. Don’t underestimate distinctiveness in the mix either, and make sure the codes of Starbucks and the categories it needs to own are also clearly signalled. Lose all the indulgent cock about courage and possibilities and

transparency. We aren’t saving the world. We are serving it coffee. Remember that brand positioning, whatever you call it, is what we want our customers to think when they think about us. Nothing more.

Ritson is not naive enough to believe that a great positioning statement will make a brand successful. Or that a stupid statement guarantees failure.

But in the battle to maintain brand value and grow a company, a clear, tight positioning is an enormous advantage. He has experienced this difference throughout his career:

It's like shining a light on some things that suddenly seem important and switching it off for other things that are now clearly an irrelevant distraction.

Starbucks has never truly known what its appeal is to consumers. That’s a shame, because if it can cut through the self-inflated bullshit of its silly series of mission statements and get to grips with its actual appeal, the company and its customers could be infinitely better served. Ritson out.

Let me remind you once again of Brecht's quote, slightly adapted: First comes the coffee, then the morals. Of course, we can all wish that more morality would result in a better world, but what is often bought is something else. And the upcoming BrainCandy looks at why more morality will probably not make the world a better place. An ideal Christmas theme.



Book recommendation

By Ralph Ohnemus, Uwe H. Lebok, Florian Klaus:

Context marketing

The key to consumer behaviour to [order](#).



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