



College Students' Perception of Starbucks' "RaceTogether" Campaign

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BACKGROUND RESEARCH

Client Introduction:

Starbucks' goals:

- "To share great coffee with our friends."
- "To help make the world a little better."

Starbucks' mission:

- "To inspire and nurture the human spirit – one person, one cup, and one neighborhood at a time."

Starbucks' core values:

- "Creating a culture of warmth and belonging, where everyone is welcome"
- "Acting with courage, challenging the status quo and finding new ways to grow our company and each other"
- "Being present, connecting with transparency, dignity and respect"

The "RaceTogether" Issue:

- "RaceTogether" was an effort to spark a national dialogue about race within Starbucks stores between the baristas and Starbucks customers.
- Baristas wrote "racetogether" on cups, and engaged in conversation about racial issues with the customers as they handed them their coffee.
- This particular campaign caused 2.5 billion responses on social media in less than 48 hours.

SWOT Analysis:

Strengths

- Good employee/customer relationships
- Strong reputation and good investor/shareholder loyalty
- Easily recognizable logo
- Appeals to a broad range of ages and demographics
- Wi-Fi capability in most shops

Weaknesses

- Higher priced products
- Increasing pricing due to ethical outsourcing
- Questionable coffee quality (burnt taste)
- Lack of privacy (names on cups)
- Jargon barrier (tall, grande, venti)

Opportunities

- Integrating products into bookstores
- Broad potential consumer spectrum of ages and demographics
- Expanding into the growing Keurig market
- Positive image association within mass and social media outlets

Threats

- The growing "go local" mentality
- Keurig- rising use of at home coffee taking away in-store business
- Self-competition: many Starbucks locations near each other
- Increasing number of competitors with growing coffee industry



PRIMARY RESEARCH

Variables:

- Awareness
- Attitude
- Motivational Factors
- Preferred Communication Channels
- Intent to Purchase



Research Questions:

1. What is the current **awareness** of the "Race Together" campaign (a), and the Red Cup issue (b) among JMU students?
2. What is the **attitude** level of the "Race Together" campaign (a), and the Red Cup issue (b) among JMU students?
3. How much **importance** do college students place on Starbucks' CSR initiatives (i.e., environmental issues, ethical outsourcing, community programs, global responsibility, and human rights such as racism)?
4. What are the relationships between JMU students' **perceived importance** of Starbucks' CSR initiatives (i.e., environmental issues, ethical outsourcing, community programs, global responsibility, and human rights such as racism) with their **intent to visit** a Starbucks location?
5. What are the relationships between **awareness** of Starbucks' CSR initiatives and their **intent to visit** a Starbucks location?
6. What is the level of **skepticism** JMU students have with Starbucks' CSR efforts?
7. What are important **motivational factors** that drive individuals to visit Starbucks?
8. What are the most or least preferred **promotional tactics** in general?
9. Which **communication channels** do respondents evaluate as the most preferred?

Hypotheses:

1. A CSR initiative regarding human rights stimulates respondents' of CSR more than other issues.
2. Respondents who are more skeptical about Starbucks' CSR initiatives are less likely to make purchases at Starbucks locations.
3. Environmental CSR has the strongest impact on consumers' intent to purchase, compared to other CSR initiatives.
4. As respondents become aware of Starbucks' CSR initiatives, they are more likely to purchase products from Starbucks.

Methods/Data Analysis:

The data will be collected electronically using an **online questionnaire** through **Qualtrics**. An estimated **150-200 students** are required for an acceptable set of data. Our sample will be James Madison University students. We will be mostly collecting data from college aged male and female students because this is Starbucks' **target demographic**. After we collect our data, we will analyzing the data

IMPLICATIONS

Practical Implications:

There is one clear practical implication we can see based off of this secondary research.

We believe that Starbucks should refrain from attempting PR campaigns dealing with issues that their consumers perceive as having minimal relation to their organization.

For instance, we believe "Race Together" campaign was unsuccessful because Starbucks consumers perceive racial issues as minimally related to coffee consumption.

We believe that Starbucks has opportunities elsewhere for corporate social responsibility. One possible solution could be focusing their efforts on their environmentally friendly and fair coffee outsourcing methods. We believe Starbucks consumers will see a significant relationship between coffee consumption and environmental consciousness and outsourcing methods.

Starbucks takes pride in their methods of producing coffee. We believe that they would be more successful with CSR and PR efforts aimed towards environmental conservation.

This is already a focus of their organization, and we believe it would also make the most sense to consumers.



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