

Starbucks is 10 times more Popular than Coffee on Social Media

Companies have to make use of opportunities and face challenges in Online Marketing to come closer to customers

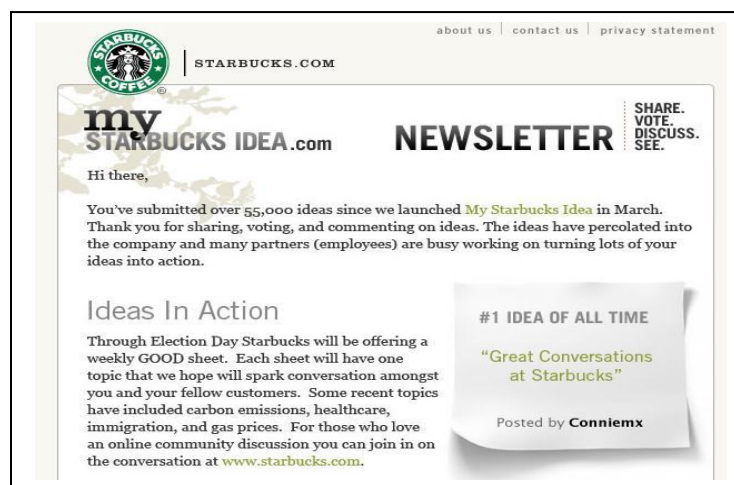
The word 'Starbucks' is mentioned 10 times more than the word 'Coffee' on social media. The brand 'Starbucks' in a true sense has eclipsed its own product. Starbucks is the world's most engaged brand online and surpassed Coca-Cola as the most popular brand on Facebook with more than 5 million followers.

Starbucks doesn't make any money out of social media efforts but reinforces and deepens customer relationships. The average age of social media 'fans' is less than actual buyers who one day become lifelong customers. The company uses Twitter, Facebook and its blogs to listen more than talk to weave one-to-one relationships. Starbucks is elevating the entire experience away from just a cup of coffee. It is leveraging social media to position it as a 'corner bar'.

Opportunities and challenges in online marketing mean the existence of both opportunities and challenges in online media. Online marketing provides a galore of opportunities. It helps even small companies approach customers located in any part of the world and reach maximum number of customers at the minimum cost. Online marketing also throws challenges such as online clutter, marketing costs, low switching costs of customers, etc. Online marketers have to make use of opportunities and face challenges to attract and retain customers on social media.

The efforts of Starbucks on social media are as follows.

- Facebook page to communicate with fans globally
- Twitter feed used as a customer service media
- YouTube, where company posts branded content to short documentaries of charitable work
- MyStarbucksIdea.com, a digital suggestion box to get product ideas from customers



Source: Google Images

MyStarbucksIdea.com has received 80,000 suggestions and 50 of them got implemented such as bringing back the Yukon Blend, iPhone app etc. Twitter has more than 700,000 followers and customer service is actually spreading word of mouth. Starbucks has learnt through experience how to engage with critics because social media also attracts critics. Though Starbucks is increasing marketing budget, it considers engaging and managing online communities as more important resources than financial.

Howard Schultz, CEO, says the environment is still uncertain. Starbucks has to translate online success into offline profits to leverage its buzz on social media.

Topic	Course
Opportunities and Challenges in Online Marketing: Direct and online marketing: Unit 24.12	Marketing Management

Source: Douglas QuenQua, Starbucks' Own Good Idea, <http://qvoss.cox.smu.edu/Starbucks.pdf>