

## Life Via Coffee

DUE Monday, September 4<sup>th</sup> @ 11:59 PM

### Part 1

1. purchase the Starbucks VIA™ Refreshers Instant Coffee at a local Starbucks store or grocery store (where available). An idea it to purchase a box with other classmates to share the cost.
2. “brew” and taste this product.

### Background

Coffee is a commodity. People can buy a cup of coffee almost anywhere in the world or make it themselves. With most commodities, firms cannot charge a premium price. However, Starbucks does charge a higher price for a cup of coffee because it has created and delivered a brand promise to serve only the finest coffee. Further, Starbucks is known for its corporate responsibility, including paying coffee farmers premium prices for their coffee and developing environmental and other programs for the sustainability and success of these farmers. Starbucks ‘Shared Planet™’ is a model of how to do business in the coffee market.

Until 2009, Starbucks only offered fresh brewed regular and decaffeinated coffees (and noncoffee products such as teas, smoothies, etc.) in its stores and retailer partners’ locations. To expand sales, Starbucks began to target the \$22 billion global *instant* coffee market. While popular in the U.S., instant coffee has a larger share of coffee sales in the U.K. (80% share), Japan (53% share), and other countries. As a result, on September 29, 2009, Starbucks introduced its VIA™ Ready Brew Instant Coffee in North America. The instant coffee was launched in other countries in 2010.

Within the first 10 months of its launch, Starbucks VIA™ Ready Brew Instant Coffee reached \$100 million in global sales within the \$300 million single serve coffee category! Starbucks VIA™ Ready Brew Instant Coffee customers consume the drink in the following manner: 55% drink it at home; 25% at work; and 20% ‘on-the-go.’ At this point in its history, Starbucks VIA™ Ready Brew Instant Coffee is now available in 37,000 ‘points of distribution,’ which includes grocery, drug, mass merchandiser (Target, etc.), and Starbuck’s own stores.

### Part 2

1. Write a quick review of your Via experience. How does compare to what you usually drink (coffee or otherwise). Did you experience any cognitive dissonance? If dissatisfied, what was deficient? Will you tell anyone? Will you purchase and drink Via again? Why or why not?
2. Answer one (your choice) of the following questions about the purchase decision process for a cup of coffee:

Q1: What triggers your decision to buy a cup of coffee? Is it a need? A want?

Q2: How do you seek information about the purchase of a cup of coffee, knowing that coffee is a commodity?

Q3: What evaluative criteria do you use when deciding to purchase a particular coffee brand?

Q4: When and where do you buy a cup of coffee?

3. Imagine the perfect cup of coffee. Describe what this is. Include where you would enjoy it, and what type of container is it in. Draw a quick sketch (remember that "Quick Draw Wins").

### **Marketing Takeaway**

Marketers must understand each step in the consumer purchase decision process as it applies to their products or services. By doing so, they can develop better marketing programs with which to target their customers more effectively.

Words: 250 minimum. Post a link to your Blog on G+ and in the assignment area (input box) on Blackboard.