

**CHEERS! STARBUCKS STRATEGY IN ITALY AND THE
GLOBAL MARKET**

by

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A THESIS

Presented to the Lundquist College of Business
and the Robert D. Clark Honors College
in partial fulfillment of the requirements for the degree of
Bachelor of Science

June, 2016

An Abstract of the Thesis of

Michelle Virgin for the degree of Bachelor of Science
in the Lundquist College of Business to be taken June, 2016

Title: Cheers! Starbucks Strategy in Italy and the Global Market

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International marketing strategies are an important aspect of expansion into new markets for any business. A company must take cultural differences into account when trying to expand into a new country so their brand and experience aligns with consumers' expectations and desires. Since its inception in Seattle, WA, USA, Starbucks has expanded into 65 countries. Starbucks has used both standardized and localized strategies to attempt to be successful in different markets. This year, Starbucks has announced plans to expand into the Italian market beginning in Milan in early 2017. In the following report, I will make the argument that Starbucks must use a localized strategy through the adaptation of an aperitivo menu in order to have a possibility of being successful when entering the Italian market. This strategy can then be expanded and adapted into all Starbucks locations for use in the global market.

Acknowledgements

This journey would not have been possible without the support of my family, professors, and friends. I would like to thank Professor Mercurio, Dr. Veltri, and Professor Bishop for helping me expand the way I looked at this subject to find new ideas, which I would not have done without discussion with them. I would also like to thank my family for their support through this process. None of this would be possible without the continuous love and support from my parents and sister, Caitlin, who were always there whenever I needed them.

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Significance

The final findings of my research reveal a unique marketing strategy Starbucks can use to most effectively expand into Italy and adapted for other markets. Markets with high rivalry among firms and high power of buyers can be difficult to enter and find success in, but Starbucks has shown through its expansion into China that it is capable of doing so. The success or failure of the strategy I design will demonstrate if Starbucks is capable of finding success in its most difficult market, Italy. Italy is Starbucks' most difficult market because of the country's strong and prevalent coffee culture with which Starbucks' products and atmosphere do not align. Since Starbucks is a major corporation that has had past success in problematic markets, the failure of expansion in Italy would demonstrate the inability of businesses to be successful in all markets, no matter how excellent their marketing strategies are.

Marketing Background

Products that succeed in one culture can fail in another if marketers fail to understand the differences among consumers. People in other cultures develop their own preferences that can be unlike a brand's domestic consumers' preferences.¹ Therefore, a brand needs to decide if it should use a standardized strategy or a localized strategy to communicate with consumers, the former being

¹ Solomon, Michael R. *Consumer Behavior: Buying, Having, and Being*. 11th ed. Pearson, 2014. Print.

using a single marketing approach internationally and the latter being adapting to better fit a specific market.²

Difficult Markets

For the purpose of this thesis, I define a difficult market as one which has qualities that make it difficult for a new entrant to enter the market. A difficult market can be caused by numerous market characteristics, such as a small market size, low demand for products, and high barriers to entry. The aspects of a difficult market I refer to throughout this paper are high power of buyers and high rivalry among firms in the industry.³ Often, entrants to a market are entering an established industry that has already adapted to what consumers in that market desire from a product and know how to effectively market their products. If a brand is trying to enter a market with a product that does not align with consumers' expectations of the product, demand could be low for the brand's new, different product. eBay attempted to expand into China in 2003 but failed to succeed in the market because competitor TaoBao provided a consumer-to-consumer commerce platform with the characteristics Chinese consumers expected. TaoBao had the capabilities of seeing a seller's online status and being able to instant message them through the site, which eBay failed to incorporate into its services.⁴

² Solomon, Michael R. *Consumer Behavior: Buying, Having, and Being*. 11th ed. Pearson, 2014. Print.

³ Solomon, Michael R. *Consumer Behavior: Buying, Having, and Being*. 11th ed. Pearson, 2014. Print.

⁴ Ou, Carol Xiaojuan, and Robert M. Davison. "Why eBay Lost to TaoBao in China: The Global Advantage." *Communications of the ACM*. Jan. 2009. Web. 9 Mar. 2016.

Standardization:

Standardization is when a company uses a single marketing approach that can be used internationally.⁵ A standardized strategy works across different cultures and countries to promote a brand or product. A standardized marketing strategy also focuses on commonalities across cultures. Standardization can also be cost effective for a company because it is usually cheaper to produce one marketing campaign or advertisement that works across different markets than to create localized marketing campaigns for each market. Coca-Cola primarily uses a standardized marketing strategy to maintain low costs. Coca-Cola uses relatively standard brands, packaging, and distribution in its global markets.⁶ Because a standard marketing strategy works across different countries, Coca-Cola is able to effectively market to consumers while being cost effective. Overall, global standardization relies on the “development and distribution of standardized products world-wide to reap the maximum benefits from low-cost advantages.”⁷

In addition to Coca-Cola’s use standard packaging, distribution, and drink formula in all of its global markets, its marketing campaigns usually focus on values held across numerous cultures, such as love or happiness. Coca-Cola began the “Open Happiness” campaign in 2009, which played off of the commonly held value of happiness in numerous cultures. The campaign ran in the United States, the

⁵ Solomon, Michael R. *Consumer Behavior: Buying, Having, and Being*. 11th ed. Pearson, 2014. Print.

⁶ Samiee, Saeed, and Kendall Roth. "The Influence of Global Marketing Standardization on Performance." *JSTOR. Journal of Marketing*, Apr. 1992. Web. 8 Mar. 2016.

⁷ Peng, Mike W. *Global Business*. Mason: South-Western Cengage Learning, 2009. Print, p. 360-362.

Philippines, Singapore, Canada, New Zealand, France, and numerous other countries. This is only one example of a brand using a commonality from across cultures to create marketing that is effective in numerous countries.

Localization:

Localization is the adaptation of a product, brand, or marketing campaign to better fit a specific market or country.⁸ A localized strategy is adapted for local markets and emphasizes the distinctions between cultures. In these cases, each foreign market is seen as a stand-alone local market worthy of significant attention and adaptation.⁹ However, this strategy can be less cost effective than standardization because of the innate requirement to produce different content for different markets.

A brand that famously localized its strategy is Oreo. Oreo was selling poorly in China until Oreo adjusted both the formula and packaging to make the product smaller and less sweet to adapt to local tastes. Oreo also ran advertisements to teach Chinese consumers the “right” way to eat an Oreo: the twist, lick, and dunk. After adapting its product and advertisements to better fit China’s culture, Oreo found much more success in the market.

⁸ Solomon, Michael R. *Consumer Behavior: Buying, Having, and Being*. 11th ed. Pearson, 2014. Print.

⁹ Peng, Mike W. *Global Business*. Mason: South-Western Cengage Learning, 2009. Print, p. 360-362.

Global Brand Market Segmentation

Global brands are brands that are recognized throughout the world. Global brands often segment the consumer market into the four following groups of different types of consumers:¹⁰

Global citizens: Consumers who see global success as a sign of quality in a brand and are concerned with corporate social responsibility toward the local countries the company is in.

Global dreamers: Consumers who readily buy products from global brands because they see their products as high quality but are less concerned about corporate social responsibility toward local countries.

Antiglobals: Consumers who are skeptical that global companies provide higher quality products than local companies.

Global agnostics: Consumers who do not use a brand's global qualities to make their purchase decisions.

A standardized approach tends to work the most successfully on global citizens. This segment of the market is the most likely to react positively to a brand globalizing, since these consumers see globalization as a sign of high quality products. A global approach (how a brand spreads throughout the world) can also work on global dreamers for the same reasons.

Although there are cost benefits to using a standardized approach, a localized strategy can be more successful in swaying more consumers to buy a product.

¹⁰ Solomon, Michael R. Consumer Behavior: Buying, Having, and Being. 11th ed. Pearson, 2014. Print.

Localization can increase revenue and market share through focusing on the needs of customers in a unique market. Localization also makes a brand more responsive to the needs in a market and allows for faster adaptation. These benefits are what a brand takes into account before deciding if a globalized or localized strategy will be more effective.

Localization can also help reach the two other market segments, antiglobals and global agnostics. As these groups are either skeptical that global companies provide higher quality or are not swayed by the global factor of a company, localization can help demonstrate the quality of the brand locally.

Starbucks Background:

The first Starbucks opened in 1971 in Seattle's Pike Place Market. In 1983, Starbucks chairman and chief executive officer Howard Schultz traveled to Italy and was fascinated by Italian coffee bars.¹¹ He wanted to bring the experience of the traditional Italian coffeehouse to the United States.

The goal of Starbucks has always been to provide a "third place"¹² apart from home and work for consumers to relax, socialize, listen to music, or just be alone. Starbucks is focused on creating an experience around drinking coffee, just like

¹¹ "Company Information." *Starbucks Coffee Company*. Web. 25 Oct. 2015.

¹² Moon, Youngme, and John Quelch. "Starbucks: Delivering Customer Service." Harvard Business School, 10 July 2006. Web. 25 Oct. 2015.

what Schultz experienced in Italy. After this experience grew popular successful in the United States, Starbucks expanded their brand in other countries.

Before choosing a new market to enter, Starbucks evaluates the country through “focus groups, quantitative market assessment, and detailed identification of appropriate business partner.”¹³ Starbucks researches markets to decide if and how to enter new international markets. Starbucks’ earliest international expansions were into Canada in 1988 and Japan in 1995. However, the most interesting Starbucks international marketing strategies have been when the brand expanded into China in 1999 and Australia in 2000.¹⁴ Starbucks used a globalized strategy when entering the Australian market and transplanted coffee shops practically identical to United States Starbucks locations. In contrast, Starbucks used a localized approach when entering China and altered both their products and store to better fit Chinese consumers’ expectations and fulfill consumers’ desires.

Starbucks: China

Many critics thought Starbucks would be unsuccessful in China because of the country’s strong tea culture, but Starbucks proved them wrong by “seemingly creating their own market and their own third place experience.”¹⁵ China was

¹³ Moffett, Michael, and Anant Sundaram. "Planet Starbucks (A)." Thunderbird Case, 2 Apr. 2003. Web. 25 Oct. 2015.

¹⁴ Moffett, Michael, and Anant Sundaram. "Planet Starbucks (A)." Thunderbird Case, 2 Apr. 2003. Web. 25 Oct. 2015.

¹⁵ Moffett, Michael, and Anant Sundaram. "Planet Starbucks (A)." Thunderbird Case, 2 Apr. 2003. Web. 25 Oct. 2015.

originally a difficult market for Starbucks due to the country's tea culture. Because consumers had a preference for tea instead of coffee, there was originally a low demand for Starbucks coffee. Because of this, Starbucks altered stores and products to adapt to local tastes in China. Their locations were larger with more seating because consumers went to coffee shops to linger, unlike U.S. consumers who grab coffee on the go. Starbucks also introduced Chinese teas and foods, such as mooncakes, to align with what consumers desired from their coffee experience. This localized strategy has been successful for Starbucks since it expanded into China. In 2014 alone, Starbucks experienced a sales growth of 9% and store growth of 1,132 company-operated and 3,492 licensed stores in China and Asia Pacific.¹⁶ Today, Chinese consumers frequently socialize or have business meetings in the morning at Starbucks. The expansion of the marketing strategy proposed later in this thesis will create a reason and opportunity for consumers to go to Starbucks later in the day.

Starbucks: Australia

In contrast to Starbucks' success story in China, Starbucks greatly failed at creating a market for their third place experience in Australia. Today, Starbucks has only 25 coffee shops open in Australia.¹⁷ The biggest mistake Starbucks made when entering this market was choosing to not adapt itself to suit Australians. Starbucks imposed themselves into numerous locations at once and charged more than their

¹⁶ Moon, Youngme, and John Quelch. "Starbucks: Delivering Customer Service." Harvard Business School, 10 July 2006. Web. 25 Oct. 2015.

¹⁷ "Starbucks in Australia | Starbucks Coffee Australia." *Starbucks Coffee Australia*. Web. 25 Oct. 2015.

already well-established competitors. Starbucks also did not alter its products for Australian stores, which led to consumers describing their coffee as “bitter, weak coffee augmented by huge quantities of milk and sweet flavoured syrups.”¹⁸ Each of these factors added to the dislike Australian consumers had for Starbucks. If Starbucks had implemented a localized strategy like it did in China, these mistakes could have all been avoided.

Italian Coffee Culture Background:

Italian coffee culture strongly contrasts with the Starbucks brand. Starbucks products are primarily expensive specialty coffee beverages with large quantities of milk, while Italian coffee is stronger and at a fraction of the price. Some Europeans are of the opinions that “the Italian café is a culture that the Americans have repackaged.”¹⁹

Part of my primary research further determined the characteristics of Italian coffee culture and preferences. Through a focus group with participants from Italy, I was able to determine the expectations of cafes and reasons for going to cafes that Italian consumers have. This will be discussed in more depth in the analysis of the focus groups later in this report.

¹⁸ Mescall, John. "Starbucks in Australia: Where Did It Go Wrong?" *ABC News*. 28 Sept. 2010. Web. 24 Oct. 2015.

¹⁹ Askin, Jennifer. "Starbucks Set to Rock Italy's Cafe Culture." *ABC News*. ABC News Network, 30 Apr. 2015. Web. 26 Oct. 2015.

Research Methods:

Secondary Research

The secondary research used in this report pertains to the general factors that affect the ability of Starbucks entering the Italian market. The texts focus on international brands, Starbucks coffee culture, Starbucks' international expansion, and Italian coffee culture. Overall, the secondary research I have found has helped explain how Starbucks and other brands find success in foreign markets and what mistakes have been made.

Primary Research

My primary research was initially focused on running three focus groups and later evolved to include a survey to determine specific aspects of my proposed marketing campaign. The questions asked in the focus groups and survey can be found in Appendices E and I. The cafes Starbucks initially opens in other countries are usually in major cities and therefore tourist destinations, so there are more consumers to consider than Italian consumers alone. The presence of tourists also provides Starbucks with loyal customers who may prefer a coffee company they know over a local coffee shop when traveling. Therefore, I chose to run one focus group with Italian participants, one with participants who had extensively traveled abroad, and one with participants who had not traveled abroad. Because of the above factors of the Italian café market, I directed my focus groups toward topics relating to the likelihood of consumers to go to different coffee shops and consumer product preference. I also had my participants discuss the "experience"

of different coffee shops, including aspects such as atmosphere and product quality.

I decided to use focus groups as qualitative primary research because they provide more opinions than other forms of qualitative research, such as individual interviews. While individual interviews could provide more in-depth information about an individual's opinions, my research was done to find information about entire market segments, in which case more opinions from more participants will be useful.

The survey I ran as quantitative data focused on consumer behaviors relating to my specific campaign, which is why it was run later in my research. Questions pertained to consumers' behaviors relating to happy hour at restaurants, an aspect of my marketing campaign that will be discussed later on.

Using both qualitative and quantitative research fulfilled the need for information relating to traits of consumer behavior while making behaviors measurable. The focus groups easily reflected the behavioral tendencies of consumers but results had to mainly be perceived instead of measured. The survey provided more measurable data and a higher number of respondents.

Analysis and Results:

The analysis of this research determines what type of marketing strategy will be most effective for Starbucks when expanding into Italy. Starbucks' main options are to transplant culturally United States stores as they did in Australia, to create a market for their "weak" coffee, or to change their products to align with Italian expectations.

Analysis of Starbucks' ability to transplant culturally U.S. stores should result in a decision either to create strong marketing to make a Starbucks coffee experience market or to adapt to Italian expectations of coffee culture. I predict that simply transplanting a U.S.-style shop into Italy should prove to be as disastrous as in Australia because current Starbucks products do not align with Italian coffee culture.

The option to create a market for Starbucks-style coffee has the possibility to be either a successful or unsuccessful option. This option could prove unsuccessful due to the expectations of Italian consumers and the strong presence of an Italian coffee culture. However, this option could prove successful if Italians value American products and see American companies as providing high quality products. This option worked in China to create a new consumer desire for the coffee experience because Chinese consumers perceive American companies as high quality. However, if Italy does not perceive American companies in that way, Italy already has a strong coffee culture for Starbucks to compete against. Creating

a second culture in Italy will be at the very least difficult and most likely impossible if Italian consumers do not value American brands and products.

Analysis of the option to change Starbucks products to align with Italian expectation should prove to be the safest successful option of the three options. Starbucks' weak, milky coffee will be unsuccessful with native Italians, who are accustomed to high quality, strong coffee. Maintaining the same products Starbucks has in other countries will only be successful with tourists and cause Starbucks to miss out on a large portion of the market. Results should determine that Starbucks has to adjust in some way to meet Italian expectations.

Research Significance:

The results from my research will highlight if Starbucks is capable of entering and being successful in Italy, its most difficult market. Italy has a well-established coffee culture and preconceived ideas of what coffee products should look like, taste like, and cost. Starbucks will be potentially entering this market with a completely different product than what is expected. This difference between actual and expected product could cause demand for Starbucks products to be very low. If Starbucks is successful in entering this market, it proves the capability of marketing strategies to convince consumers to buy a product and to make a brand adapt to what consumers want. Starbucks could ultimately use such strategies to enter other difficult markets that have strong coffee cultures, such as Cuba, in which Starbucks has yet to open a location in spite of the normalization of U.S.-

Cuba relations. An inability of Starbucks to successfully enter the Italian market will illustrate the brand's inability to convince consumers of the merit of its products and will prove that while marketing strategies can make brands successful in new markets through adaptation, marketing cannot cause consumers to buy what they don't want.

Qualitative Research

I ran three focus groups consisting of a total of 14 participants. The Traveled Abroad focus group was made up of people who had studied or traveled abroad for an extensive amount of time. This focus group had 8 participants who were ages 19 to 21. The Non-Travel focus group had participants who had never or very little gone abroad, and never overseas. The Non-Travel focus group had 4 participants who were ages 21 to 22. The Italian focus group had participants who were from different areas of Italy but were currently at school in Oregon. The Italian focus group had two participants who were ages 25 and 26. All participants were current students at the University of Oregon (See Appendices A-D for focus group demographics). The focus groups all began with general questions about cafes, such as their regular purchases and atmosphere expectations, which were then followed by questions about their experiences at Starbucks (Focus group transcriptions in Appendices E-G).

The Traveled Abroad focus group was then asked questions about their purchasing behavior abroad and their experiences at cafes. The Non-Travel focus group was

asked about their brand loyalty to cafes. The Italian focus group was asked about their experience at cafes in the U.S. and if they would change their behavior when returning to Italy.

Traveled Abroad Focus Group

The participants in this focus group had varying favorite products, ranging from hot chocolate to chai tea to paninis and were willing to spend \$3-4 on a drink. On average, they frequented cafes at least 2-3 times a week and valued convenience of location and speed of service over all other factors. They often went to cafes to study. They were also very willing to try new cafes but would not return if their first experience was negative. Characteristics of cafes that they wanted included jazz music, a relaxing atmosphere, ambient noise, friendly staff, and free Wi-Fi. They disliked long lines and crowds at cafes.

In comparison to their ideal café, they said Starbucks had the reliability and variety of flavors they desired, but had long lines, had a lack of seating, and was too crowded. When studying abroad, they all were quick to change their purchasing behavior to have the “experience” of living abroad by going to local cafes. They only went to Starbucks for the novelty of seeing how it was different in another country.

Non-Travel Focus Group

The participants of this focus group usually purchased products from cafes to-go and only stayed in the café if they had time to relax. They purchased products from

cafes 2-3 times a week and valued quality over price when purchasing a specialty drink. They also preferred small local cafes over large chains, mainly because of the friendly staff. The participants stated friendly staff as one of the most important aspects of a café in addition to a calm atmosphere. All participants demonstrated loyalty to a café in the Eugene area.

The characteristics of Starbucks that they liked included the friendly staff and atmosphere when the café was not busy. They strongly disliked Starbucks's busyness and lack of seating. Their main desire of Starbucks was a calmer atmosphere and smaller crowd so they could enjoy the speed of Starbucks' service while having friendly interactions with the staff.

Italian Focus Group

The participants of this focus group went to cafes every morning for an espresso and, when in Italy, some early evenings for an aperitivo. They considered a café a place to gather with other people and expected a lot of friendliness from cafes' employees and owners.

While in the United States, they found U.S. café drinks very expensive but were still willing to purchase drinks while here. The characteristics they liked about Starbucks in America include that the locations are fast, standard and reliable, and have relaxing and classy music.

When asked about their purchasing behavior if Starbucks opened in Italy, they stated the high price of Starbucks as the biggest factor as to why Italians would continue to go to Italian cafes instead of Starbucks. They also suggested Starbucks “fix” the type of coffee it uses by using Italian espresso. Although they didn’t seem to think Starbucks would be incredibly successful in Italy, they said people would still go 2-3 times a week, compared to how Italian consumers go to an Italian café at least every morning.

Key Findings

Participants in all focus groups were very willing to try a new café at least once. They all also preferred a calm atmosphere and friendly staff. The main problems they had with Starbucks included its long lines and crowds. The main aspects they liked about Starbucks included its reliability and speed. The most frequent words all participants used in relation to Starbucks were crowded, fast, and reliable.

However, American and Italian participants also had some strong differences in behavior. Participants from the United States were willing to pay around \$5 for a drink while Italian participants preferred paying around one euro. Italian participants also went to cafes more frequently and to socialize instead of for a quick stop.

Recommendations

Based off of the focus group findings, I suggest that Starbucks create an aperitivo experience called “Cheers!” in their various global markets starting with a pilot

program, "Saluti!", in Italy. Starbucks will design an aperitivo menu to meet the needs of Italians while providing a novelty to travelers familiar with the brand. Most focus group participants valued price, quality, and socialization at cafes. Since Starbucks cannot gain a strong competitive advantage over Italian cafes in terms of price or quality, Starbucks should focus on socialization through the Cheers! aperitivo experience. In addition to the aperitivo providing the socialization aspect of going to a café, it will emphasize the calm, friendly atmosphere of the café. Starbucks can additionally differentiate from Italian cafes' aperitivo menus by providing food and drinks from around the world. This will allow Italian customers to apply their usual coffee customs to a new café while Starbucks attracts international travelers to a unique experience they can only have in Italian Starbucks locations. This recommendation also has the possibility of expansion into other countries if the pilot program is successful in Italy.

The Aperitivo, Starbucks, and the Cheers! Campaign

The aperitivo in Italy is when people go to cafes in the early evening for drinks and small plates of food. It is typical to drink cocktails and wine and to go to socialize. The aperitivo in Italy is somewhat similar to the concept of a happy hour in the United States. Starbucks has already implemented a Starbucks Evenings at some locations, which is a menu of small plates of food and appetizers alongside local wine and beer. Since Starbucks has past experience of expansion into selling alcoholic products, providing similar products and services in different countries should not be problematic in the implementation of the Cheers! campaign.

Quantitative Research

Methodology

The survey consisted of 12 questions, 8 of which were about happy hour preferences, behaviors, and suggestions and 4 of which were demographic information questions (Appendix H). The survey had 113 respondents with 31 male responses 80 female responses. A majority of respondents were ages 21-30 or 51-60 (Survey respondent demographics in Appendix I).

Key Findings

The most popular foods and drinks for happy hour included chicken wings, pizza, cocktails, beer, and wine. A majority of respondents were willing to pay \$5-6 for food and up to \$7 for drinks (Appendix J). Participants ages 51-60 were willing to spend more than other respondents (Appendix P). Respondents usually go to happy hour between 5 and 7 pm and go less than once a week (Appendices K and L). Most people who go once a week are age 21-30 or 51-60 (Appendix Q).

The most popular recommendations for a Starbucks happy hour were to have cheap prices and have shareable or small appetizers. The distribution of people likely to go to a Starbucks happy hour was spread somewhat evenly with slightly more people somewhat likely to go (Appendix M). Female respondents were much more likely to go than male respondents (Appendix O). Respondents age 21-30 were slightly more likely to go to Starbucks happy hour (Appendix N).

Recommendations

Because a majority of respondents wanted cocktails, beer, and wine at a cheap price, Starbucks should focus on providing a world-wide assortment of beer and wine at a price lower than \$7. It should also provide pizza and chicken wings as two parts of its aperitivo food menu. The aperitivo menu should run daily from 5-7 pm. Based on cross-tabulations between age, willingness to attend, and willingness to spend, Starbucks' main target market should be women ages 51-60 but should also market to women ages 21-30. However, because much of the willingness to spend and frequency of attendance was spread equally across genders and ages, Starbucks' marketing campaign should be attractive to all age groups and genders. These recommendations will successfully attract international travelers in Italy and native customers.

Primary Research Biases and Limitations

Qualitative Research

A major bias in the focus groups was that all participants were between 19 and 26 years old, while the consumers Starbucks would be marketing to in Italy would have a wider range of ages. There was also a limited amount of Italian participants because of the difficulty of finding people from Italy who were currently in Oregon.

Quantitative Research

The main bias of the survey was that the participants were mainly Americans currently living in Oregon, while ideally respondents would be of varying

nationalities and currently living in varying countries to determine its success internationally. There was also a slight bias through having less male respondents than would be desired. The last bias was through the phrasing of a question asking for suggestions for the proposed Starbucks “happy hour” idea. Some respondents misunderstood and thought happy hour was for coffee beverages and did not include alcoholic beverages. This also could have biased their response for their likelihood to attend.

Integrated Marketing Communication Plan

Segmentation

I initially segmented the café market by demographics using age and gender. After dividing the market based on gender, the market was segmented into the following age groups: Under 21 years old, 21-30 years old, 31-50 years old, 51-60 years old, Over 60 years old. These divisions were based on perceived differences in behavior from survey respondents.

I further segmented the market through behavioral segmentation. The café market is segmented into three groups: consumers who go to cafes for a quick pick-up of caffeine or food, those who go for social interactions, and those who go to work or study (Appendix R). These were the main behavioral reasons consumers went to cafes according to the discussions in the focus groups.

Target Market

The proposed target market for Starbucks is women ages 51-60 who go to cafes for social interactions. This target market was attractive because the consumers were more willing than other segments to pay a higher price for café products and was more likely to attend a Starbucks happy hour. Their behavioral needs for socialization also align with the current Starbucks atmosphere of having plenty of seating for groups and friendly staff. The other segments were less attractive because the pick-up consumer segment is unlikely to sit down at a café for an aperitivo and the work/study consumer segment is less likely to want to sit down at a café during the hours an aperitivo would traditionally be served.

Primary Target Market: Women Ages 51-60:



In addition to the target market consumer being a women age 51-60 looking to fulfill socialization needs, the target market consumer primarily goes to happy hours with friends or spouses during the week. The consumer frequently socializes with groups of friends through book clubs, travel, and other day-to-day activities. The consumer also

regularly uses Facebook to communicate and post about activities and find out about new activities from friends.

Secondary Target Market: Women Ages 21-30:



The secondary target market is women age 21-30 looking to fulfill socialization needs because this segment was almost as attractive as the primary target market. The consumer in this target market frequently socializes with friends and significant others in bars, parties, restaurants, outdoor activities, travel, and school. The consumer also uses a wide range of social media, including Twitter, Instagram, and Facebook.

Positioning

A majority of consumers in the café market think friendly staff is an important aspect of their café experience. Starbucks will use emotional benefit positioning through customer intimacy to demonstrate the relationships they build with

regular customers. This also fulfills the expectation Italian consumers have of a relationship with a café's owners or employees.

Another way Starbucks will position itself is through use positioning, when a product is shown in a person's lifestyle. Because the aperitivo menu and experience is part of a consumer's lifestyle choices, marketing will focus on the consumers experience with the products and services of the Starbucks aperitivo menu and hours. These positioning choices line up directly with the target market's expectations of socialization with staff and friends when going to a café.

Integrated Marketing Communication Toolbox

Online

The two main online tools Starbucks should be using for the Cheers! campaign are social media platforms and bloggers. Social media is a continually growing influence on consumer behavior, especially in Italy. Although Facebook and Twitter did not gain popularity as quickly as in the U.S., Italians engagement on Facebook and Twitter have increased exponentially. Additionally, focus groups participants from Italy stated that Starbucks branding on social media was very noticeable and Italians loved posting to social media platforms when they went to Starbucks. This provides a great opportunity for Starbucks to use social media to keep consumers up to date about aperitivo menus, hours, deals, and more in order to gain a larger customer base.

Reaching out to Italian bloggers will also be a successful tool for marketing the Starbucks aperitivo menu. Bloggers are one of the biggest influencers over consumer behavior in Italy. Starbucks should invite popular Italian food bloggers to the first night of its aperitivo menu so they can experience it firsthand before the general public. Starbucks should also give popular food bloggers a few coupons they can use to try free drinks at the new Italian Starbucks locations so they have a financial incentive to try Starbucks products and then tell their blog followers about their experience.

Offline

The main offline marketing tool Starbucks should use in Italy is street marketing through posters and advertisements in and around store locations. Traditional street marketing is still incredibly effective in Italy. Additionally, according to focus group discussions, travelers in the area often glance down a street to decide where to go. In these cases, a poster on a street or in their store windows could attract consumers to Starbucks. As a smaller aspect of offline marketing, Starbucks will need to create the coupons for free drinks to give to popular Italian food bloggers, as stated above.

Cheers! Campaign

The final Cheers! campaign should consist of creating a nightly aperitivo menu from 5-7 pm at Starbucks that offers international wine, beer, and cocktails in addition to smaller meals from around the world, such as sushi, pizza, and chicken

wings (Menu in Appendix S). Starbucks employees should maintain the friendly atmosphere through excellent service and small talk. The Starbucks location itself should have comfortable seating, a lot of tables, dim lighting, and cool or dark colors (such as blues and dark earth tones) to maintain the calm atmosphere of the experience. However, marketing for the experience should use bright colors, including the Starbucks green, to catch potential customers' attention. This will provide the target market and other segments with the ability to socialize with friends and staff in a calm atmosphere. It will also increase Starbucks' revenue by providing a new set of products to consumers at a time that Starbucks experiences a lag in business. It should specifically attract Italians through its incorporation of the aperitivo because it is already a major part of Italian coffee culture. It'll differentiate from Italian cafes through its specialized menu, which will also appeal to Italian customers. These aspects of the campaign should successfully attract both Italian consumers and international travelers while reaching both the target market and other segments.

Implementation

In addition to the initial announcement of the start of an aperitivo, Starbucks will use Facebook and Twitter to regularly update consumers on the products, deals, and hours of the aperitivo. Starbucks will start a Facebook and Twitter specific to Italy to be able to easily reach those consumers all at once instead of through a global Starbucks Twitter or Facebook. Facebook will primarily be used to alert Starbucks' followers about aperitivo deals and products. Twitter will, in addition to

providing updates, interact with consumer about the aperitivo. It will answer questions and concerns about the aperitivo from consumers. The Twitter will also start the hashtag #PrendiamoUnAperitivo to gain attention from consumers and get Starbucks lovers talking about the new aperitivo (Example posts in Appendix T). After the pilot program in Italy, social media will be adapted to fit the consumers of different countries in the expansion of the Cheers! campaign.

Before releasing the aperitivo to the public, Starbucks will have a one-night event for popular Italian food bloggers. It will be two weeks before the initial Italy locations have the aperitivo. 20 popular food bloggers will be sent invitations (Appendix U) a month before the event to come to a Starbucks location and experience the aperitivo for free. At the event, Starbucks will provide bloggers with samples of all their menu items and with three coupons (Appendix V) for future free drinks at Starbucks. This way, bloggers can blog about both the aperitivo specifically and, in future, Starbucks' regular café beverages.

Starbucks' in-store and street posters for the aperitivo will consist of a photo primarily of women ages 51-60 experiencing the aperitivo and interacting with staff in an intimate atmosphere (Appendix W). There will also be posters featuring women ages 21-30 because they were the second most attractive segment according to survey results. Posters will also feature images of the aperitivo menu items. Posters will be produced both in Italian and English to attract natives and tourists. Additionally, posters inside the café or its windows will highlight more of

the specific products and deals included in the aperitivo menu instead of the general concept on the street posters. This will convince consumers that are close enough to consider going to Starbucks to actually try the aperitivo. These in-store and street posters will spread the word about the aperitivo and convince consumers to try it at Starbucks.

Financials

Italy Expenses

Social Media: Salary of Marketing Manager: \$170,000 (Estimate from past salaries of Starbucks Marketing Managers)

Per Location Expenses

Bloggers:

- Drinks and food: \$700
- Employee wages during event: \$180
- Coupons: \$360

Estimated Bloggers Total: \$1,240

Posters: \$1,000

Total expenses per location: \$2,240

Breakeven Analysis

To cover the cost of all marketing tools used for the Cheers! campaign, Starbucks must earn a profit of \$1,240 per location that has the aperitivo to break even in

addition to the cost of the Marketing Manager's salary. The financial plan is well within the budget of the company.

Measurements and Contingencies

Because Starbucks locations will not open in Italy until early 2017, there is not a way to see the exact impact this strategy will have on the Starbucks Italy locations through comparison with past revenue. However, increasing traffic in Starbucks locations from 5-7 pm alone should increase revenue enough to make the campaign worth the expenses, in addition to attracting more Italian and tourist consumers. Starbucks can also compare the revenue from its aperitivo products to the revenue from its other products to measure the campaign's success. Lastly, Starbucks can use credit card tracking to determine which areas customers are from, local or international locations, to determine the campaign's success on local and non-local consumers.

The main risk of this campaign is that Italian consumers may not be swayed to go for an aperitivo at Starbucks instead of smaller Italian cafes due to Italy's strong coffee culture. The other related risk would be if there was not enough tourist attraction to the aperitivo at Starbucks for the menu to remain profitable. The contingency plan for this risk is to initially run the Cheers! aperitivo campaign at one location, specifically a city full of both native Italians and tourists (Milan, where Starbucks has announced its first café will open). This location will provide the best consumer market for the aperitivo to find success. Therefore, if the

Cheers! aperitivo campaign is successful, Starbucks can expand it to other locations. If it fails, Starbucks can shut it down without facing extreme losses.

Expansion

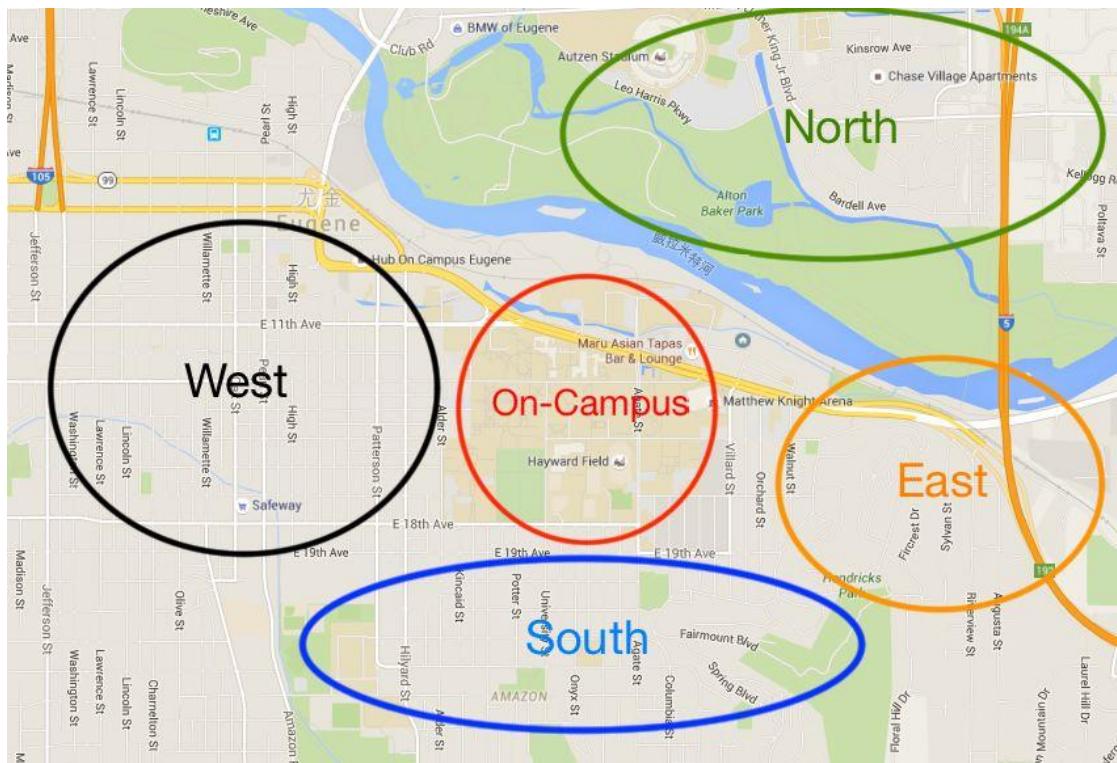
Initially after finding success of the aperitivo in Milan, Starbucks should expand the aperitivo into other major cities of Italy and slowly into smaller cities. Eventually, if the aperitivo continues to be successful, Starbucks should expand it into other countries. Initially, it should be expanded into the United States and China, as these are two countries that Starbucks is popular in. The worldwide menu will also appeal to consumers in other countries because of its novelty compared to other happy hours that consumers may have experienced. After finding success in China and the U.S., Starbucks can slowly expand the aperitivo into all of its locations worldwide and enter into other difficult markets, such as Cuba and Cambodia.

Conclusion

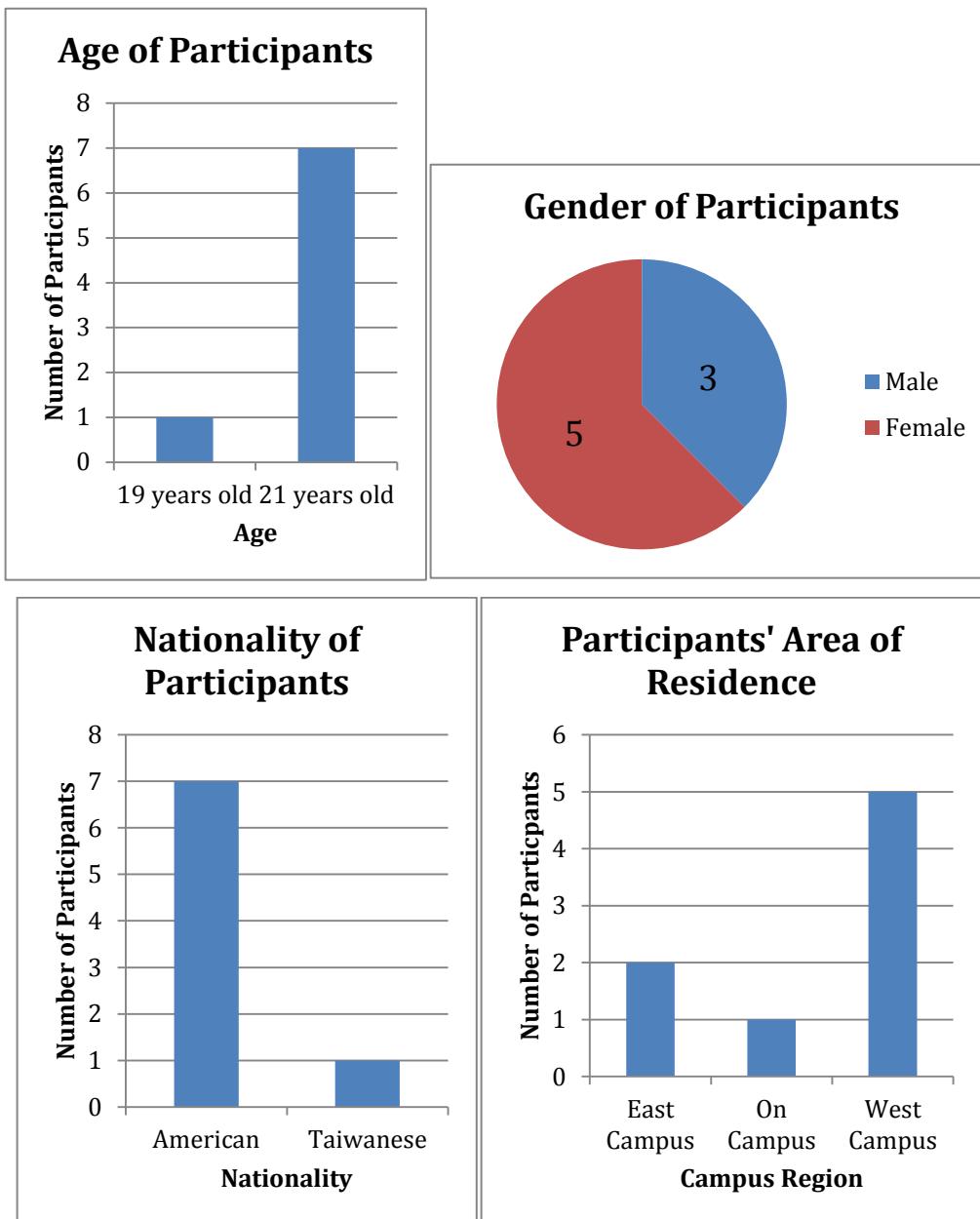
The Cheers! campaign presents a great way for Starbucks to maintain its loyal customers who are visiting Italy while attracting Italian consumers. By using social media, bloggers, and street marketing to market primarily to women 51-60 and 21-30, Starbucks will find the aperitivo becoming very popular in its initial locations. The entire marketing strategy is very compatible with numerous cultures and adaptable for when it is not, which will make the aperitivo successful not only in Italy, but internationally.

Appendices

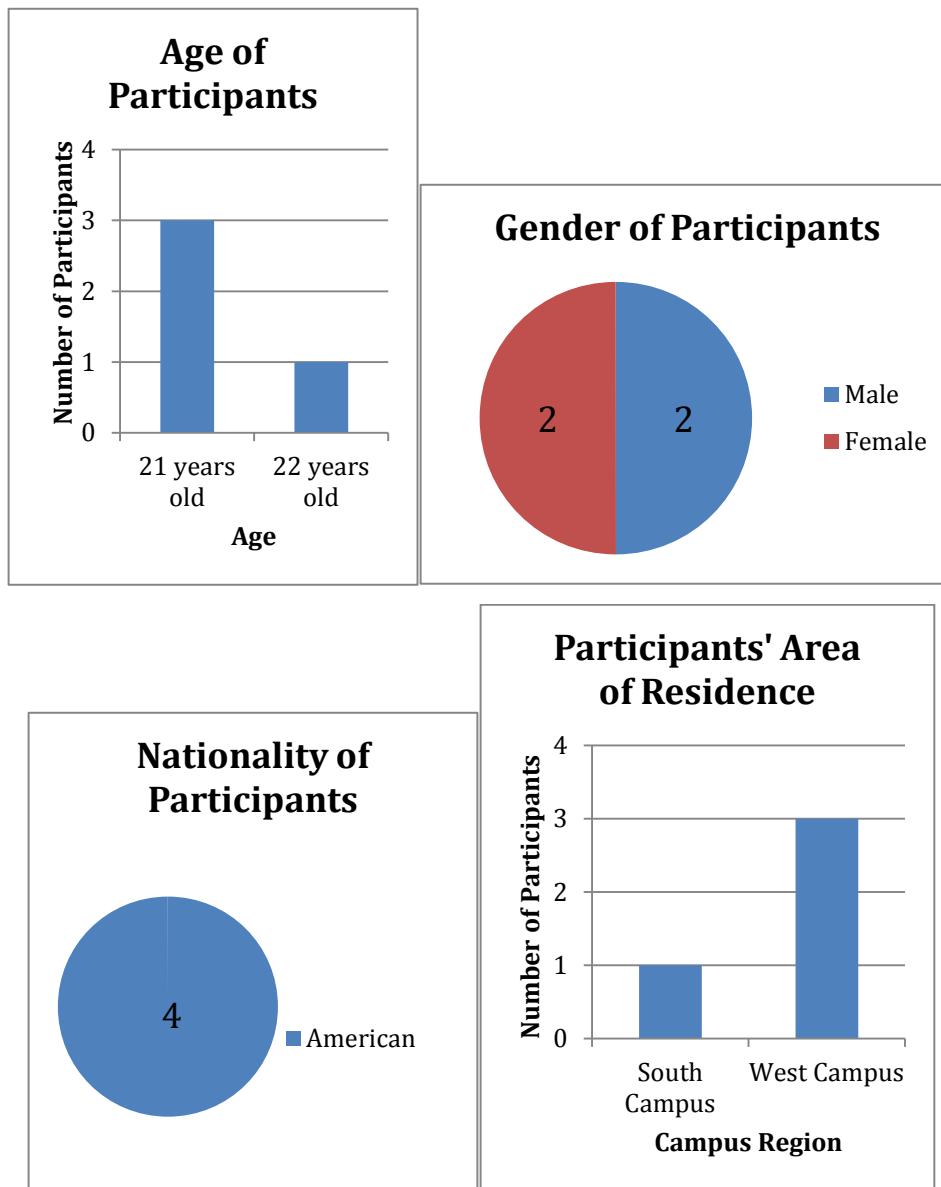
Appendix A: Campus Region Map



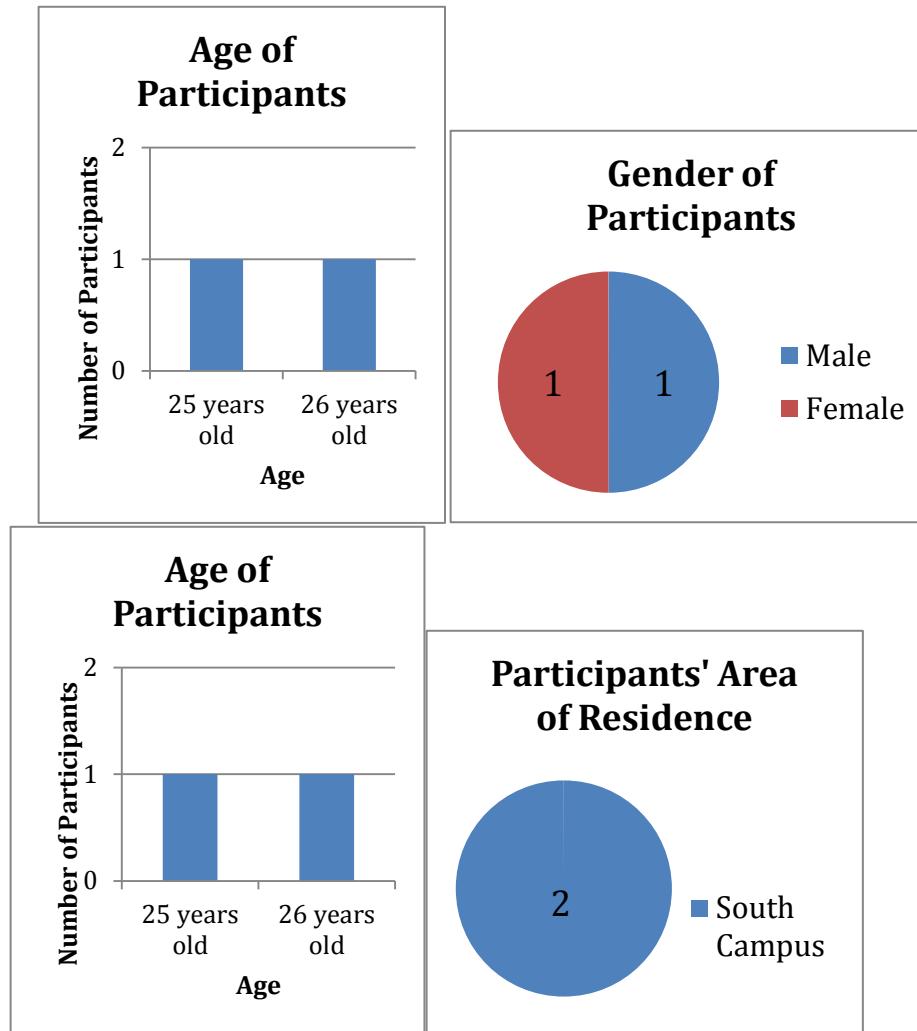
Appendix B: Abroad Focus Group Demographics



Appendix C: Non-Travel Focus Group Demographics



Appendix D: Italian Focus Group Demographics



Appendix E: Focus Group Questions

Good morning and welcome to our session. Thanks for taking the time to join us to talk about cafes. My name is Michelle Virgin.

There are no wrong answers but rather differing points of view. Please feel free to share your point of view even if it differs from what others have said. Keep in mind that we're just as interested in negative comments as positive comments, and at times the negative comments are the most helpful. Please also try not to speak over or interrupt others during the discussion.

We're tape recording so we don't miss any of your comments since we can't write fast enough to get all of your comments down. We will be on a first name basis today but we won't use any names in our report.

Let's begin. We've placed some cards on the table to help us remember each other's names.

All focus groups:

What products do you purchase from cafes? What types of beverages? What types of food?

What cafes do you purchase products from? Why? (Extension of question: loyalty to which cafes, multiple cafes or only one; do they buy certain products from certain cafes)

Do you like easily portable products? For example, boxed lunches, pre-packaged food, etc.

How often do you purchase products from your favorite café?

Do you prefer purchasing from local cafes or chain cafes? Why?

(Based on 1st question) How much did (coffee, latte, espresso, mug, etc.) cost? Is there anything that you wish you could buy or are interested in? What has prevented you from buying it?

Do you care more about quality or price when purchasing café products/beverages?

For what reasons do you usually go to a café? Who do you usually go with? Do you sit down or take things to-go? What time of day do you go? Why?

When I say café – what are the first things that come to mind? (Whiteboard with circle diagram of words; ask after completed which participants associate most and least)

What atmosphere do you expect from a café? Quiet? Lots of seating? Music? Friendly staff? Etc.

What advertisements or promotions have affected your purchase behavior? (Coupons, promotional deals, TV ads, etc.)

What positive/negative experiences have you had at Starbucks?

What are your favorite Starbucks products?

What is your opinion of the Starbucks atmosphere?

Non-Travel Focus Group:

Do you usually go to the same café? Why?

Have you tried other cafes, such as local if you go to a chain or chains if you go to a local?

Are you more willing to go to a new café when someone is going with you?

Which café would you go to and why? (First with logos of Eugene cafes, then with logos of foreign cafes)

Traveled Abroad Focus Group:

While abroad, did you purchase products from familiar companies? (Starbucks, McDonalds, H&M, etc.)

Did you and when did you begin to try new/unfamiliar foreign brands?

When and why did you first go to a local/chain of that country café? Did someone take you there?

Were the processes of ordering, drink names, etc. unfamiliar or daunting at new cafes?

Which café would you go to? (Foreign brand logos)

Italian Focus Group:

Are there products you prefer to purchase from foreign brands? Food, drinks, cars, etc. Why?

Do you prefer to purchase any products from American brands?

How much are you willing to pay for products from a café? Drinks, food, etc.

How long have you been in the United States? Have you begun purchasing from local cafes now instead of brands you recognize from Italy? How long did it take to start to purchase at local cafes?

Before coming to the US, did you prefer US or Italian brand cafes? Did you start going to Starbucks more after coming to the US? Will you continue to go to Starbucks when you go home for an extended period of time? (If they indicate they go to Starbucks now)

Appendix F: Abroad Focus Group Transcript

Michelle/Moderator (M): Good morning. Welcome to our session. Thanks for taking the time to be part of my session. My name's Michelle Virgin and I'll be the moderator today. Just wanted to first go over the fact that we're like doing video and audio recording just since I'm not able to like copy down everything everyone's saying during the session so if you're all good with that, that's great. And then next, just wanted to go over that there's no wrong answers to any of the questions I'm going to ask and a lot of the time negative feedback is more helpful than positive feedback and try not to like interrupt each other, speak over each other, all that stuff. With that said, let's begin. You all were chosen because you have all gone abroad and so before we get into the abroad stuff I just want to go over some general questions about cafes since that's what this topic is about. So, first question is what products do you purchase from cafes and what beverages and types of food?

1: I love mochas.

2: I always get hot chocolate.

3: I always get like chai tea (Participant 4 nods in agreement).

4: Paninis. (Resounding agreement)

5: Um I like hot chocolate.

6: I like iced coffee or hot chocolate.

8: Yeah, I like iced white mochas.

7: I normally get a regular coffee and a bagel or something.

M: Ok cool so a lot of hot chocolate, chai tea. So when you're buying things like this, what cafes do you usually purchase your products from and why?

7: I normally just go to whatever's closest to me.

M: Do you have any usual places you go to?

7: Whatever those places down on 13th are. I think there's... I don't know the names.

4: Café Roma?

7: Probably.

M: Anyone else? All the same, Café Roma? (All state Starbucks at once)

4: Starbucks is usually the closest.

5: And it has the best hot chocolate.

7: I go to the one that's in the uh art museum a lot.

8: Oh the little.... Café Siena.

7: Yeah something like that.

8: I'll go to the Hearth that's in the architecture building cause I'm like always there. It's super close.

2: I go to Vero.

5: Their white hot chocolate with lavender mixed in... you should get some. It's very good.

M: Ok so at the places you go to, do you like really easily portable products, like drinks or boxed lunches, prepackaged food, that kind of thing? Like stuff you can take on the go when you go to cafes.

Everyone: Yeah.

7: I normally like... I'm not a huge coffee person so when I drink coffee I normally sit down cause I'm like going to a café with somebody. So I normally don't really care if its portable but sometimes I'll get it.

8: Sometimes it's nice to just like have the experience to just sit down and be able to drink your coffee or whatever and your pastry and have like an actual cup cause

it just like adds to the... it depends if I'm going for like relaxation or I just need coffee or something cause I'm tired and need to run off to class.

3: A lot of places don't really give you an option, though. They like put it in a to-go cup and send you out.

M: So how often do you purchase products from the cafes that you go to? Weekly? A few times a month? Multiple times a week?

8: Like 2 or 3 times a week. (Resounding agreement from all participants)

5: I think one thing I just forgot to add was that... cause I don't know if it constitutes as a café but Dutch. I go to Dutch a lot but I don't get like hot chocolate or anything like that because hot chocolate's better at Starbucks but um I get the strawberry Rebel blended. I get that a lot and I get that like 4 times a week.
(Laughter)

8: Yeah I feel like people go to Dutch a lot when they're fans of it. I can see that.

M: Next question, do you prefer purchasing from local like smaller businesses... cafes or from chain cafes?

1: I think I will try... when new cafes open, I will go in there and kind of buy one coffee and try it.

8: At the smaller, just try once. (Resounding agreement)

4: I feel like I'm supporting local business.

7: I just feel like the atmosphere inside those are better too. Starbucks is kind of crazy... it's super corporate and Roma or the one... whatever the Art Museum one is... they have sort of a cool feeling to it.

M: Are those places you're more likely to go sit down?

7: Yeah.

M: If you need something to go you go to something like Starbucks?

8: Yeah Starbucks is faster and more reliable. You know your drink is going to be made the same way every time and then like the little cafes... it could take longer like time is a little more variable.

5: Yeah I'm like a very picky eater and slash what I drink, too, and so for Starbucks and Dutch for me it's like very important that everything's the same because I

always go crazy, it's like, not crazy but I'm upset when I get something and it's like not what I expect, you know? And uh cause I'm very picky so that's why I like to stick with like Starbucks and Dutch more so but I'll go to like Vero with my friends. Like oh let's go, and I'm like ok, I know what I like at Vero, but like yeah.

M: Anyone else want to comment on that? Ok, so based on when I asked you like what you usually get at cafes, how much did that purchase cost? If you're getting like a chai tea latte, how much were you willing to pay for that drink when you went and got it? Or for your hot chocolate.

3: 3 something but if I like add stuff like espresso then it's a little bit more but like never over 5. And like smaller cafes, you know they're going to be cheaper but like don't always know what you're getting and it's kind of slow sometimes so Starbucks is just a really easy go-to, I know how much I'm going to pay, scan my card, then I can be done.

M: Anyone else? Around \$4?

7: I only get the regular coffee so it's only like a buck fifty and then I'll get like a bagel which is like a buck fifty again. So I guess usually like \$4 but that's if I get coffee and a bagel.

4: I try not to go over \$3.

1: I try to be between \$3 to \$4.

M: So with price and quality, are you willing to pay more if it's going to be a more high-quality product? Or are you willing to buy something cheap even if you know that it won't be as high-quality?

5: I'm definitely willing to pay more for quality. I'm very big on that.

8: Oh yeah.

7: I guess I don't really notice the difference in quality between coffees very much so I just buy whatever the cheapest is.

1: I think when I buy iced coffee, it doesn't matter, the quality. It's cheap but it's good enough so. Iced coffee's just regular coffee with ice so.

M: So would you be willing, then, to try an iced coffee somewhere that you don't usually go if it was cheaper than usual?

1: Yeah, yeah. Well if it tastes really bad I won't go there anymore so.

M: Alright um so when you're going to cafes, why are you usually going? Like is it with friends? Do you just really need caffeine? Who are you going with? All that stuff. Why are you going? (Laughter)

2: I go to study a lot. (Resounding agreement)

3: Yeah and I feel kind of bad if I'm sitting there studying and haven't like bought anything. So I usually just get something.

7: I normally go to just kill time between classes. I have a lot of like 2 hour breaks. So it's a good way to just go with someone... usually I have someone who's like this class I'm in, that class, and I just go get coffee with them and go to the next class.

4: Yeah, I usually only go if I'm going with a group of people or something... socialize. I don't really go on my own.

M: Ok.

5: I'll go on my own a lot. And then I'll go with friends but we always take it to go, we never really stay there. We just kinda go somewhere else. I think it's usually if I go and I actually sit down, it's more of a "oh we're meeting up and we're having a serious talk so let's have coffee" or something like that. But um not generally if I'm with a friend and we're hanging out. We'll just like go get it and go somewhere else, go to someone's house or something like that.

1: Yeah, I like to go there because of the smell of coffee beans, so yeah, it's very relaxing.

M: So do you like sitting around in cafes then? Because of the smell.

1: Yeah. Smells really good.

M: Well. Anything else? No? Um so um what time of day do you usually go get drinks at?

2: I'd say usually in the afternoon for me.

4: I go around mid-morning.

8: Yeah, mid-morning.

7: I think like 1-o-clock, 2-o-clock.

8: When you start getting tired.

M: So you're the caffeine person. You're like I'm going because I need some caffeine.

8: Yeah. I go if I like fall asleep in class. Then I'm like well... don't want to fall asleep in the next one.

6: I go in the afternoon because it's usually with a group that I'm studying with.

5: I go at like all times of the day. So yeah sometimes like if it's in the morning and stuff and let's say I have to be like at my sorority, like early in the morning for like events, I'll be like "oh, Dutch Bros." first. But then generally, in like afternoon or at night-time, I'll always get Dutch.

M: Great. Um so now we're gonna mess around with this whiteboard thing and I'm just gonna like ask you some questions. So I'm just gonna write "Café" here and I just want you to tell me like words that you associate with cafes and I'll write them up as you're telling me them. So shout 'em out.

Everyone: Coffee.

5: Hot chocolate

M: My handwriting looks so much worse on this. (Laughter)

5: So you can't like put your palm on there or else it like writes too. It's like awkward.

8: Relaxing atmosphere.

M: Ok, so atmosphere, relaxing. Anything else with atmosphere?

1: Smell.

7: I don't know... the etymology of the word, but I always get the sense like French. I think café's a French word. (Laughter) Maybe that's why. But like cafes are always French to me.

1: Music

M: Are there any specific types of music you'd rather hear at cafes?

Everyone: Jazz.

M: Jazz, ok! I'm running out of space already.

3: I think Wi-Fi. (Resounding agreement)

5: I feel like with French, like I get why people say French but I also feel like... I've been to France so I've been to an actual café in France and they're like nothing like the cafes here I feel like. And it just feels more like legit over there while over here it's just like a coffee place to me. The ambiance there is so different.

M: Ok, I guess untraditional here. I don't know what the perfect word is but I know what you mean (Laughter).

3: It's almost like everything here feels like a chain. Even if it is like a small place like just cause... like I've done my traveling and like everything is unique. Everything is different. Whereas here it's like all really the same exact thing no matter where you go.

M: So maybe like abroad is individual, like special.

5: Yeah cause I really don't feel like I'm like in France or anything when I'm in a café here. I haven't come by a café that makes me feel that way.

M: Right, so U.S. kind of more... corporate.

Everyone: Yeah.

5: It's like they try but they fail (Laughter).

M: (Writing on board) Fail (Laughter). Alright, anything else you can think of?

5: Long lines (Resounding agreement)

M: Long lines... I should write smaller than this (Laughter)

8: Yeah time, people are rushing.

5: I feel like with the like corporate chains and stuff like that because they have to get people out in like a timely manner, when there is a long line they go even faster and that's when they make their mistakes. By trying to meet with like lower...quota. Maybe not that word. It gets like sloppier.

M: Any other thing you can think of? Nothing? If not, it's all good and we can move on. Alright so going back to talking about the atmosphere, um do you expect it to be like quiet or loud? Have a lot of seating or like what aspects of the atmosphere do you expect when you go into a cafe?

5: Quiet.

1: Comfortable seats.

2: I kind of like a little bit of noise at cafes. (Resounding agreement)

5: I feel like it should be more like the music than the people talking.

7: Well I feel like they're normally pretty crowded though so there's... I guess there's kind of ambient bumbling of talking like people aren't loud but there's usually people that you kind of get that everybody's talking at the same time feeling.

M: Alright. Do you expect like a certain atmosphere causes by like the staff, like the baristas or like how they act toward you?

4: I usually expect like the local places to be more like friendly and interactive: Chains kind of a little more distant.

8: Like I like when they ask me to spell my name or like write my name correctly on a cup and don't just give me a name that's not mine.

2: Right?! Yeah.

8: And I feel like local ones will actually like take the time and ask whereas like Starbucks sometimes like just... they do weird things. Cause they're in a rush.

5: I like asked them to write daughter, father on a cup once and they like they even screwed that up. It was like weird, like Starbucks. I wanted to take a cute photo with my dad or whatever... but yeah they screwed that up too. And it was just frustrating. But that's cause they're just moving fast. I feel like more local places would've like taken ... at least not screwed that up, you know (Laughter).

M: Write father, daughter right (Laughter). Cool, any other big differences you see with the smaller cafes? Nothing? Ok. So do advertisements or promotions affect you purchasing decisions when you're going to cafes? Like when you have a coupon...or there's a deal going on, are you more likely to go buy something from a café?

3: Not really deals, but like the Starbucks card or like the Dutch Bros. stamp card. It'll always get em to go to one of those two places even though I should probably go somewhere else. They're everywhere, so you can use the Dutch Bros card a million times and that's like an incentive. Same with Starbucks: earn those stars.

7: I'm a huge sucker for the seasonal drinks so like... uh the place... I should just look up the name of this place. The place in the museum have like, every day they

have like apple pie mocha, apple pie latte, and I had all of them (Laughter). And I always go and get... I hate pumpkin spice but I just always get pumpkin spice stuff from uh Starbucks and I hate it every year but I just get it. I can't stop getting the seasonal drinks.

2: I go to Starbucks like three times as much as I usually do in December because of the peppermint hot chocolate.

M: Right and that's kind of one of their deals, because they have the free... [Syrup] cause you could get peppermint hot chocolate whenever you want but it would cost more.

2: Yeah.

M: Any other coupons, deals?

4: Gift cards! It's like the only time I ever go to Starbucks.

M: Like when someone gives you a gift card for a gift?

4: Yeah.

5: It doesn't really matter to me, I guess, cause I'm like a picky person so if there's a special things, I'm like oh, I stick with what I like, so yeah, that's me.

M: Ok. Anything, [Participant 6]? Anything different?

6: Um I mean Dutch does the thing where they have the nine stamps on a card every once in a while so that'll definitely get me to go there on those days. Or like if they have any other like random specials.

M: Great. Do you ever see any advertisements like on TV, on Facebook, wherever, that convince you a little bit to go into a café?

7: I guess for me it's always a uh... I'm going to the café to kill time or something so then the advertisement doesn't really matter. I never like wake up and go "I want to go get Starbucks", I just get it because I'm bored and there's a thing to do for a while.

M: That how most people are?

3: I don't think they advertise a lot.

6: Yeah, I can't recall seeing any advertisements.

7: I see them on Facebook and stuff sometimes.

8: I think I liked Starbucks on Facebook so I get a lot of advertisements from Starbucks but they never like convince me to go. I'll know when they have like pumpkin spice lattes and then I'll know to order them but it doesn't like convince me to go, it doesn't influence my decisions.

M: Does their signage in store influence that? Because when they have seasonal drinks they're more likely to have the big "Pumpkin spice latte" sign...

8: That'll like change my decision of what I order, but I won't go in just to buy that: Because they have different signage.

M: So, now we're gonna get specifically into a little more what my thesis is about, which is Starbucks. So what negative and positive experiences have you guys had at Starbucks?

2: I'm forever Allie, or Hallie, or Hayley, so that is not... I don't enjoy that when I'm going to Starbucks. I've never actually been [Participant 2's name] and it's never spelled correctly.

3: I was gonna say, my name is never spelled right.

5: I'm always Kayla.

8: Like I said, I really like it when they say "How do you spell [Participant 8's name]?", because they always spell it with a K or a Y and its always missing some letter weirdly or I'm Kathy or Katie or Kat and I don't even know where they get those names. (Laughter)

M: Anything else? Any more negative types of experiences you've had at Starbucks?

7: Uh the line is huge most of the time. Like when I go to the small places there's normally like three people and I get my order in in like a minute. At Starbucks sometimes I wait like 20 minutes in line.

4: This is maybe kinda silly but there's kinda a stigma about Starbucks as being like basic. It's like what everyone does: you're just kind of do what everyone does. Just hopped on the corporate train.

6: It also can be pretty crowded like the one on 13th if I want to go study, not being able to find a table's frustrating. Cause everyone's there.

M: You guys have any positive experiences?

4: Consistency.

3: Yeah it's always the same.

8: If they mess up your drink they'll give you like a free drink and a coupon for a free drink so like that's nice.

7: I also think they do like a good set of flavors. I guess I love all of their seasonal flavors but I think they're pretty good at pumping out new drinks that are at least good enough.

M: So you like some variety?

7: Yeah.

3: I have a few friends who work at Starbucks so I like to see them, if they're not super busy, you can like visit a little bit.

5: It would actually be nice, just thinking about it um, if they had more like 2 story places cause then like upstairs could be like the quiet area and then upstairs [downstairs] you could like talk freely and not be concerned. Because a lot of people do like to study at Starbucks or even just like work at Starbucks or do their work at Starbucks and stuff um so then they could go upstairs and do that and then let's say downstairs, if you're meeting with a friend or catching up, you could stay downstairs and talk and like that s fine. I think that would be a cool idea if they could like implement that maybe. Or at least like the places that are near campuses.

M: Right, where a lot of people are going there to do work. Cool, any other comments on positive/negative experiences with Starbucks? Alright, so what are your favorite Starbucks products?

7: Uh the eggnog latte that comes out in the winter, it was like one of the few times I'll go to Starbucks more than once a week. Besides that I like their chai latte (People nod).

M: Lot of chai.

5: The hot chocolate. (Resounding agreement)

1: Peach green tea lemonade

5: Their birthday cake pops. Those are good and then also their bagels with cream cheese.

8: Yeah their paninis are also rally good (People nod)

M: You have a favorite panini that you usually get?

8: It has like chicken and sun-dried tomatoes and peppers and stuff. It's good.

6: I think their Frappuccino in the summer like on a nice hot day.

M: Cool, so what do you guys think of the Starbucks atmosphere? Do you think that it's good? Do you think there are aspects that could be improved? Like you were saying already they could create an upstairs with quieter atmosphere. Is there are other changes you guys would make to that atmosphere at Starbucks?

7: There's a lot of cardboard around, I don't really like it (Laughter). Those little cardboard displays. I guess I'm not a big fan... I don't have anything against cardboard but I don't really like cardboard displays very much. I don't know why: I just don't like them.

3: The way the line works and it's like always long but if I'm just trying to find someone in Starbucks I have to try to like navigate through the people and they always think you're like cutting them. But really I'm just trying to get in the door. It's kind of frustrating to navigate through all the tables they have in there. Everyone has a lot of stuff and they just try to make as much seating as possible. It's really crowded.

2: And when you're getting your drink in the corner, it's like really crowded. It's like a big cluster and people just kinda smush in together and it's not very fun.

5: They don't have a good waiting area and then it's like... it clogs up the bathrooms, where the bathroom is too. So if someone's trying to get into the bathroom it's like sorry, sorry and then there's like an awkward table there so I feel bad for whoever sits at that table (Laughter) they're like here and there's a bunch of people just standing next to them and there like ugh.

3: I think campus Starbucks have problems with this but like my friends that are baristas say that they have to remake drinks a lot because people will just walk in and wait in that area and like whatever is put out there, if someone doesn't grab it right away, they'll grab it and leave with it. So when you come up to get it it's like "I've been waiting for my drink for 10 minutes", it's because somebody else has like grabbed it and left.

4: I don't really know what Starbucks is supposed to do about this but uh it's hard to find seating sometimes cause there's like one person at a six-person table and I have to go sit somewhere else even though I have a group of like 5 people.

M: Yeah I always just sit at the table with them when that happens (Laughter)

7: Starbucks has like too many 6-people style because I usually go to Starbucks in like groups of 2 or 3 but it seems there's just a ton of like 6-peole tables with like 3 people at them. It seems like it'd be better to have multiple smaller tables.

5: Because you can always put the tables together if you need that, you know.

7: When you have one huge table, it's like well I don't want to take that space, or you're there and there's like one person sitting at this table.

8: I don't feel too uncomfortable sharing a table with like 2 people and 3 people and just sharing a 6 person table like I don't feel uncomfortable with that at all, even if it's like a stranger but I know some people do.

3: I got more comfortable after getting back from being abroad honestly. Cause they do a lot of like table-sharing so it's like really casual to sit down and even have meals with people that you don't know. And so it's like, now that I've come back, if there's a single person, like Lillis, happens all the time, I will sit down with that person. I don't care (Laughter).

5: I feel like um I've been to the Starbucks next to Safeway. I feel like they don't have those like 6 people tables there. I think it's like they have those in the ones right here because... to accommodate the students because they know groups come in all the time. And so I think that's why they do it because I feel like I don't see that at other Starbucks. So they're trying to accommodate the students but in a way it's like...

8: It's not working

5: It's not working. They could have the like 4 people tables and then just shove them together and do that, that would be fine too.

M: Ok, cool. Let's see, um now were gonna get into more stuff relating to you guys going abroad. So when you went abroad, were you making purchases from companies you're familiar with that you had bought stuff from before while you were in the States?

5: There's a Starbucks on campus in Ireland and uh we went there. Oddly enough though the cream was like so much better there though than it was here in the united states. It's not like super fluffy: it was a lot more creamy. It was so nice. And I was like totally ok with that little difference but yeah so I went to Starbucks a few times there but I'm not like a coffee person. I don't drink coffee so I don't remember really going to a café really unless I got like a panini or something but other than that like not really. Slash Ireland's really bland so they don't really have

a lot of go-to stuff at cafes there. Cause they have this big push to have everything from Ireland um so they don't have to bring in a lot of stuff.

8: I was in Spain. It's like a big part of the culture there to have coffee every morning so I'd go to like different little cafes with my friends in the mornings and we'd get coffee and you have to like ask them to get it to go instead of the default like here is to just give everybody stuff to go. The default there is to give you a nice little cup and a little saucer underneath and you would just sit down and drink your coffee and it was just like, it was nice. That was like... I don't know, those were some of the few words I actually ended up learning in Spanish

7: I guess in England I didn't really see any Starbucks around so there was like a Costa Coffee right next door so I went there all the time but I'm sure they have a Starbucks because Starbucks. But I just didn't see it anywhere.

8: I saw Starbucks once and I went just for the novelty and like they had different flavors of everything which was kinda fun. Like they had a key lime pie Frappuccino and they were selling like American pancakes as one of the uh pastries. I did not try that cause it looked really gross (Laughter).

4: Yeah I definitely avoided all the American places cause I definitely just wanted the experience and so I went to all the local places and they were just awesome compared to like if I went to the Starbucks there.

1: I went to uh Japan, not many Starbucks around there but you have many kind of different flavors than local flavor like chestnut flavor and mocha chocolate chips. Yeah I think it's really cool. And also they serve, I don't know, what kind of pancake, a Japanese pancake

2: I was in Italy so they don't have... there are no Starbucks in Italy. They don't exist there. I was also in a really tiny town so there was just one coffee shop that was just run by a local woman and then I could walk like 30 minutes to one other local coffee shop that was owned by a local guy and uh I ended up drinking a lot of the little espresso and cappuccino things that they have in Italy all the time. But when I traveled on the weekends, like in Barcelona there was a really cool Starbucks that had like honey almond hot chocolate which is like my new favorite thing. And then when I went to Peru... they had a ton of Starbucks like everywhere in Peru and they had amazing food, like their pastries and their sandwiches. It was... the case was like ten times bigger than the ones here and it was just so good.

3: Yeah I just got used to like all the chains in England. I didn't want to go to like Starbucks. I did all their big chains in London and then they have like smaller cafes or famous cafes so I'd go to those. But Starbucks actually opened while I was there, they opened one near campus so my English friends were like really into that and the only thing that like motivated me to go to that was you didn't have to cross a

really busy roadway so we'd go to Starbucks but other than that, it was exactly the same and I don't know, there wasn't much difference so I preferred all the other chains instead of something I could get here all the time.

6: I went to Vienna and it was with Veltri. I don't know if you guys know him but he's like super specific about his drink order from Starbucks so he was always like oh I need to go to Starbucks and there was one on like every single corner. Same with McCafe which was really weird because you don't really see that here and they were literally like every single block so... I don't know, we went to Starbucks quite a bit.

M: So for those of you who started trying the "foreign" or like the companies that were in the country you were in, then how long did it take you to start trying those companies instead of ones from American like Starbucks?

3: Immediately (Agreement from others). Kinda had done a little research on what was like big over there and what they liked. I asked a lot of people I like lived with and people I went with, I was just like "where do you guys go?" like their big things but... right away.

M: So was that mainly just you wanted to get the full experience?

3: Yeah and I think that's part of the thing like having an experience of *living* somewhere is like you have your favorite places like you like to sit in certain restaurants and stuff like that so that was a big part of it.

5: I wasn't too huge on uh on their cafes, I feel like. I don't know, it wasn't really that big of a deal. If anything, it was like going to the pubs and the beers and the drinking essentially was like the big thing over there for them, that's like drinking coffee and stuff, you know. Unless it was like an Irish coffee and then even that you know has some kick to it (Laughter). For me, it wasn't like going to the cafes wasn't a staple there to go to so I didn't really go to any newer cafes, during my study abroad there. I did like go visit England but I don't like tea. So my friends had tea, I didn't, they said it was good. I've been to Italy and Italy is the same thing, I get hot chocolate but all my Italian friends get like little espresso shots and stuff but hey have the cute little cafes and I love that and I love getting the paninis from there. And in France too.

M: So um [Participant 3] talked a little bit about it but how did you find the first new place you went to? How did you find it, when, why, did someone take you there? All those different aspects of your first time going to like Costa Coffee or wherever.

7: Oh it was like right there (Laughter). There's a coffee place. That sort of how I make my coffee decisions though.

8: Ours was like we just walked down the street and saw a cute little like café and that's where we ended up going almost every morning cause we were too lazy to make breakfast before class so we'd buy something there. And it's like, it was so much cheaper. It was like a dollar for coffee instead of like \$4 and you'd get like a little sandwich and they have little like morning breakfast bundles so you could get like a sandwich and a pasty and a coffee for like 3 euros which was really nice. So it was out of convenience really.

M: Ok, most of you the same? It was there, you saw it, decided to go in? (Nods)

2: Well in mine... I didn't have very much choice in my little town cause there was one but when I went on the weekends other places, I would do like TripAdvisor or something to find like what was considered the best café or the best coffee place just cause I thought that might be a cool experience so when I went out to Austria I found like a cool Beanies coffee house that was rated highly on TripAdvisor and it was really good.

M: When you were going to the new place that you went, was it daunting at all? Like unfamiliar processes or ordering or any of those things. Was there anything you were kind of anxious about when you went to a new place?

3: The money (Laughter). Just looked so stupid trying to figure it out and then I know in England it's like take-away, it's not like to-go, so the first time I said to-go, their face was just like what are you saying? And yeah they hand it to you in a mug and I was like I have to sit here because I thought I was getting this like to go. I'm not going to ask them to pour it in a different cup so it's like oh I have to sit here.

M: Any other anxieties when you were going into a new place?

2: There's always language (Resounding agreement).

1: In Japan you have to read through the Japanese you know. You have to read the whole menu but you don't understand the words so you guess (Laughter). I learned two years in Japanese but I wasn't quite sure how to spell. Sometimes it's spelled like Italian so I don't know. So you're like I want this one (pointing), this one, yeah yeah yeah.

8: I love when they have pictures of stuff. I loved that and I learned my order and I never changed it, I got the same thing cause I knew how to pronounce it and they knew what I meant and then yeah otherwise I'd just point at things or try to explain things. I accidentally spoke French once. They understood though (Laughter).

2: I guess one thing I encountered in the tiny little local Italian coffee shops was if you order anything but like espresso shot or cappuccino they just look at you weirdly and ask are you sure? (Laughter) Like are you really sure? You're sure you don't want a cappuccino? It was interesting. Definitely, they second guessed everything.

M: Ok well last thing that I want to do is I'm going to show you a bunch of like signs slash logos and you guys are just gonna tell me which ones you're um most likely to go to. So the first ones are gonna be pretty familiar to you guys because they're all Eugene places. So Dutch! All these random little logos, there's some Starbucks. So if you saw these signs or logos, where would you go if you just were walking down the street and saw these cafes?

5: Dutch

6: Probably Starbucks (Resounding agreement).

8: Starbucks or Townshend's. I really like there and I love their logo cause it's very like clean but cute.

7: I haven't been there but I think Vero has as solid logo

4: I've actually been to Roma so I would go to Roma but it doesn't have a very good sign. (Laughter, resounding agreement) It looks like it could be the flag of a country.

M: Ok cool, we're gonna move on to some international logos. I'll switch these out. Starbucks can stay, since it's everywhere (Laughter). Here's your fave (to Participant 7 about Costa). Way more options. Any places pop out to you that you'd want to go to?

5: This one [illy]. I've seen it a lot.

3: Pret, that was my favorite (Participant 7 agrees)

4: Pret where I was, they had a location that was in like a building that was like 700 years old or something. They like chose good locations.

5: Pret?

M: This one (points at Pret logo)

5: Oh, I was like reading the outside of it (Laughter).

2: I like doppio. I think their logo's kinda cool.

7: I like Costa. I think they're sorta trying to get on that Starbucks game with the logo (Laughter).

6: This one looks interesting (points at Sciascia Caffe)

8: I think it looks just like it has too much going on. I like really simple logos.

4: I also can't pronounce it (Laughter).

3: The Harris one looks like it's like a financial company (Laughter).

4: Or like a clothing place.

3: It's boring

4: I feel like I'd buy jeans from there

3: Yeah.

M: Ok cool. Well this is the end of the focus group so I'm just gonna tell you a little about these. This one (Sciascia Caffe) is actually a small but very popular café in Florence? I think. Rome? I can't remember. Somewhere in Italy.

2: There's one in Rome

M: Oh ok. But it's really popular so I found it interesting that you (Participant 6) were the only one who pointed it out but um. I was mainly trying to see if you would go for these (Italy cafes) or if you'd stay with the familiar ones (Laughter). Ok well that's everything. Thank you guys for coming and being in my focus group. If you want me to tell you more about my thesis once I throw everything together, then I can. Yeah thanks for coming in and feel free to grab more food as you leave.

Appendix G: Non-Travel Focus Group Transcript

Michelle/Moderator (M): Good afternoon. Welcome to our session. Thanks for taking the time to join me today. My name's Michelle Virgin and I'll be the moderator. So um we're also going to be doing... recording video and audio today just so that I don't miss any of your comments so I can transcribe it later. Um also there's no wrong answers today, give all your negative and positive feedback. Sometimes negative feedback is even more helpful and um try to not talk over each other or interrupt each other when you're saying things. Alright so, you're all here today because you haven't really studies abroad or gone abroad extensively. So

before we get into stuff relating to that, I just want to go over some general questions relating to cafes. So what products do you purchase from cafes and what types of beverages and foods when you go to cafes?

1: So can you give a couple examples of a cafe?

M: Um like Roma, Starbucks, Dutch, whatever.

2: I usually get like a small sandwich and a coffee. Yeah.

3: I get like coffee drinks. Like vanilla lattes, stuff like that.

M: Do you have a usual that you usually get?

3: Um not really. Like I kind of change it around depending on where I am. And there's some places have better things and like I'll either get like a chai latte or vanilla latte or like mocha or something like that.

M: Ok, what about you [Participant 4]?

4: Um I usually get a chai cause I don't know, I don't like caffeine very much. Well like coffee caffeine.

2: I usually go with a coffee and then um any snack that I can take to-go because whenever I'm at a cafe, it's usually in and out. I don't stay so it's always usually like a medium coffee, banana, snack bar, bagel, something tiny I can take with me.

M: Ok. That's actually perfect leading into my next question, which is: Do you like easily portable products? So do you like things like boxed lunches or like easily portable sandwiches or prepackaged food when you go to cafes?

1: That definitely more attractive to me. Like looking at it, like oh I can just grab that.

M: So you're more take things to go than sitting down in a cafe to eat?

1: Sitting down is nice, but like I don't always have the time.

2: Exactly.

4: Agreed

3: I like almost never buy food from cafes.

M: You always go for drinks?

3: Yeah. Especially like if I'm trying to take something to go, I'm a little more likely to just make it at home and take it with me.

M: Ok, cool. Which cafes do you usually purchase products from and why?

2: For me, Cafe Roma. Because I usually go early morning before my 8 am and the line's usually never that long. They have great coffee and it's not like Allen Brothers, which is kind of crappy coffee. But um yeah Roma's quick. It's kind of like a family business so I want to give back to that. And I just really enjoy their products honestly. The vibe in there is cool.

1: Espresso Roma for me too. Yeah, it's really good. I think their coffee is really good.

2: It's the best coffee.

1: It's really good coffee. And also the croissants sandwiches, which is what I get. The spinach one and the ham one, they just give it to you in a little thing. It's really nice to go with. Yeah, I don't go to Starbucks that much. If I do, it's usually to meet with a person.

2: I agree.

3: Me, too.

M: Do you usually go to Roma?

3: Yeah. Especially if I'm by campus, I'll go to Roma. If I'm more like from my house or in my car, then I'll go to Dutch Bros.

4: I mean um usually Roma doesn't have as long lines as Starbucks and then it's a lot easier to kind of pop in real quick and pop out but if I'm planning on going somewhere in a car then I get Dutch Bros just because its more convenient to not really have to get out of your car.

1: Absolutely.

2: I agree. I don't have a car, but when I'm in a car with someone.

1: He tried to go to Dutch Bros this morning and they were repairing their sign so one of the little lanes was closed.

3: Plus Dutch Bros is pretty cheap. So that a plus

4: And their people are always really friendly. So like I like when someone's super friendly and like they're trying to talk to you instead of just let me get you your drink so you can get out of my way, kind of thing.

1: Yeah, I think Espresso Roma has like a balance between that. Like they're nice to you when you're at the counter, then they hustle and you're done. (Unanimous agreement)

M: So how often do you guys usually purchase products from cafes? How often are you going to Roma or Dutch?

3: Once or twice a week. (Unanimous agreement)

2: Twice a week. It really depends on my class schedule. Cause I like need a coffee for anything before 10 am. Um so yeah probably like Monday and Wednesday, which is like my 8 am.

4: Probably like 3 times a week. Just depending like this week was pretty rough, energy level wise, so I definitely stopped a couple more times than I usually would. So I think it also just depends on the time because it's like midterms week and finals week, like I'll probably go way more than week 1. (Unanimous agreement)

M: Ok. So based on where you usually go and what drinks you usually get, how much do you usually spend when you're at a cafe? Like how much are you willing to pay when you're at Dutch Bros or at Roma?

1: For two things, no more than \$7.

M: For like if you're getting a sandwich and a coffee?

1: Yeah. That's usually where it is. I usually only get a sandwich like once a week or not every time at all. It's always the like I get a vanilla coffee every time.

3: I'd say like if I'm getting a drink then I pay between like 3 and 5 dollars for it. If I'm getting something to eat with it, like \$7 with the food and the drink.

1: Yeah, same with me for the drink price. Between 3 and 5.

M: What about you guys?

4: I mean I spend between 3 and 5. So like I feel like I'm comfortable... if it's more than \$5 for like a drink, I'm kind of like oh well I don't know if you're that worth it.

M: Like you've adjusted to spending that much.

4: Yeah well I mean I know like Dutch Bros... At least your Rebel is like \$4.50 for the medium size. So it's like, I mean I drink it a lot. I like the flavor so I guess that works but if it was more, if it was like \$5.50, I'd be like ok, well it's not life or death. I could find something else.

2: Uh I usually just get plain coffee whenever I go to those places so no more than \$3. And then same with [Participant 1], if I'm getting something else with it, no more than 7.

M: So when you're making these purchases at cafes, do you care more about the quality of the product or the price? Like will you buy something if it's cheaper even though it might not be as high-quality as another product you could buy?

3: I would if it's like, I need coffee and that available.

M: If there's like two... if they're both as easily available and one of them is a little more expensive but is better quality, and one's a little cheaper but is not as good, which would you go for?

3: I'd probably go for the more expensive one unless it was like... probably like a dollar difference would be my max. Like if I was gonna pay more than \$5 for it then I would just buy the cheaper one because I don't know like spending more than \$5 for a drink just seems kind of silly to me. But if it was like \$4.50 or something like that then I would buy the better one.

1: If it's still within the price range of \$7, I would get it. Um but also it depends on what I envision myself doing the rest of the day. Um if I'm just getting something really quick just cause or if I'm like treating myself. Treating myself, I'm gonna get something quality. If I'm just really quick, really hungry, need to go, I'm just gonna get the cheaper thing. But I'd kind of be willing to spend up to a dollar, a dollar fifty more.

2: I agree with that. I would spend more but in terms of coffee, which is what I usually do get from cafes, it has the same function for me. So did get the cheaper. And then I always put cream and sugar in it anyways so it's gonna taste the same as an end result. So might as well get the cheaper one.

4: It depends, like what I want. If I want like just a chai, you can't really mess that up that badly. but if I want like a different kind of drink that you have to have a little more skill or there's a particular way that I like it and its more expensive then I'll go to that one instead of the one I'm not really sure what they're doing but it tastes different.

M: So when you go out to cafes, why are you usually going? Is it just to get caffeine or are you going with friend to like get a drink? Sitting down, having conversation.

2: For me, it's mainly caffeine. cause it's usually quick, on the go, I can just drop in there but I'll also go with like groups for group projects just for a change of environment, a change of space. Um kind of somewhere we can think a little differently but that about it.

1: For me, it's the drink. and even if I'm going with a group of friends, it's because we want to get a coffee then we can meet the group.

M: Do you ever like do you always take things to go when you meet up with friends there or do you ever end up sitting down with people?

1: If we need to get work done, then were gonna sit down. but if were just on a walk with a buddy, we just stop there and leave. Get it to go.

3: Yeah, pretty much the same for me as you're saying. like if I'm with... sometimes I'll go to Roma for like group projects and stuff like that. or if I'm like really want to get some homework done and Lillis is too crowded. Then I'll go there. but normally I'm just taking it to go.

4: I usually just take it to go. Like Starbucks is always packed with people doing homework so like if you have a group, unless you get there at the perfect time when one of those bigger tables is empty, or you're there early enough, you usually can't get enough chairs around the table so it's usually I just take it and go somewhere else.

M: Alright so that like seating is a big deal for if you want to sit down at a place? Like if you have big tables available.

4: Yeah cause the only times I really like go to study is if I'm meeting a group there. And so um yeah their bigger tables aren't available or there aren't any tables that will comfortably hold everyone, then I'll just go somewhere else.

M: So now were gonna play around with the whiteboard thing. And I'm just gonna have you guys like shout out to me some words; my handwriting's going to look horrible on this by the way. Um but shout out some words that you associate with cafes and I'll just add them to this web.

1: Coffee.

3: Caffeine.

2: Atmosphere.

1: Display.

2: At Roma, I'd say the smells of it. (Unanimous agreement)

M: I'll write slower so it looks nicer (Laughter).

4: Long line. Like waiting a long time to get your drinks.

2: Laptop.

3: Mornings.

1: Sandwich.

2: Yeah. Pastries.

1: Not many people write their A's like that.

M: Yeah, I know.

2: I do.

1: You do?

M: It's the typewriter A.

2: I want to say like noise but it's not like annoying noise, it's like a... what's the word... it's like an ambient noise I guess. Just the natural sound of a room and just conversation I guess.

3: Like white noise.

2: Yeah white noise. Just kind of like something soothing. It's not like awkwardly quiet.

M: Anything else? No. Ok. We'll move on then. Um so back to kind of atmosphere, what do you expect at a good cafe as part of their atmosphere, like what the noise or customer service and all those other things.

3: I expect like a calm atmosphere. Like I want to walk in and the white noise. like kind of a nice, relaxed ambiance.

2: Yeah that's why I feel like Roma for me, I hate to keep going back to Cafe Roma, I'm trying to be more general but Roma to me is more appealing because Starbucks just seems like hectic half the time (Unanimous agreement). There's like a line out the door practically. There's so many people that are just crowded. Like Roma, the

lines never longer than 5 people typically. There's open tables. There's people sitting, not like standing in between the tables. it's just calm. Its spacious.

4: And to go off that, like how Roma's has like, it's kind of separated like you order and it's like kind of the craziness is right there but then you have like the two side rooms where it's a lot calmer. People are doing their homework and it's not as like rush, and hectic.

2: I completely agree.

M: Ok so calm environment. A little bit of noise. Anything else that you guys would like in an atmosphere at a cafe?

3: Like friendly workers. it really like off-putting if I am like, for instance, I have walked into Starbucks definitely and that place will just be... seem like they just want you to get in and out as fast as possible.

1: If there's a line, that's fine but at least a fast-moving line. Otherwise, you start to get irritated and want to leave

M: Ok so have any advertisements or promotions enticed you to buy something from a cafe?

3: I go to Dutch Bros when they put out the student survival kit things for like the \$2 drinks. That's cool. but I would probably go there anyway.

1: Nothing for me. Unless I like get a gift card from a friend or something. I do like Espresso Roma's signage. It's a lot more cozier, more relaxed.

2: I agree. Gift card, I'd probably go to Starbucks. But advertisements really don't influence me because it's all about convenience.

M: Have you guys used any like punch card type things?

1: I use the Dutch Bros card. I don't think Roma has one yet. They should.

4: I use the Dutch Bros coupon. I think I have like five that are halfway through right now.

1: I can take one of those off your hands. (Laughter).

2: That's smart. just fill 'em up.

4: Yeah. I mean it's more of the fact that when I go, if I'm in my friend's car, I won't have the one that I usually use so then I'll just be like oh can I have another one? And they're like yeah sure. and they're super friendly. like sometimes I'll get one drink and they'll give me like 3 stamps and I'm like awesome.

3: Yeah I like saving them up for when I'm buying like a large with like extra shots.

1: Yeah. Make it count.

M: So now, just want to get a little more specifically into what my thesis is about, which is Starbucks. And so first off, I just want you guys to tell me what positive and negative experiences you've had with Starbucks.

4: I don't know if it's just the Starbucks here but I was standing in line once and this homeless man ran in and I think he had to like throw up in the bathroom or something. but it was kind of off-putting cause he hit me and then, well not like punched me but like he ran into me and I'm not a very big person. so I kind of took a couple steps back. But then the lady who was working at the barista place just kind of blew it off like it was nothing. Like ok, no big deal.

1: Yeah she could've been like I'm so sorry that happened; your drink is on us today.

4: Yeah she just... she definitely saw it because she looked up and made eye contact and she was surprised but it would've been nice, not even to have to get a free drink but if she was like "Oh I'm so sorry, like that won't happen again." I mean I know she can't really control it but like some acknowledgment would have been a little nice.

2: I feel like their employees are kind of... I don't want to say pretentious, but just jerks honestly. I don't like Starbucks employees at all. Like the whole I can write your name wrong because I can. Like oh that's a cool joke, marketing, advertising. But it bugs me. They're just kind of smart-alecky. Um a lot of Starbucks I go to are... they're really just squeezed together like claustrophobic, at least the Starbucks I've been to. Um its expensive. The only thing I really like is like the whole third place. Like the last Starbucks I went to, they had like phone chargers and stuff. Just made it really convenient but everything else about it, I just don't enjoy.

1: I've never actually had a bad customer service experience at Starbucks. Just the other week I had a really good one. Like the guy was super talkative and instead of saying my name out loud when the drink came, he just saw I was looking over there and looked at me and was like it's over here. I kind of like that. In terms of bad experiences, it's always just so many people in there. You don't always want to see someone you know and you're probably going to if you go to Starbucks. Um

that fine because were on a college campus but like a lot of the times if all the tables are full, it's like wow, I don't even want to be here. All these people.

3: Yeah it just feels really crowded. Like the only time I really go to Starbucks if I'm like... if I have a gift card or if I'm somewhere that there's not another coffee shop like nearby that has like the seating and stuff.

1: Do you guys think their coffee taste kind of burnt?

2: Uh huh. I hate their coffee.

1: Yeah, I don't like their coffee...

3: Like for a price that I would pay more than at Roma or Dutch Bros or something, I feel like it just doesn't taste as good to me.

M: Ok. Well any positive things you like about Starbucks?

4: They're nice to go to in the summer because no one's here so. It's really empty and there's like no line. and I think there's like this one lady who's super friendly. I don't know her name but she... I'd see her every morning. because it was really hot in the summer so I'd go and get a cold drink and she like oh how are your classes today? Well I don't feel like dying today so they're good.

1: For me, their positive is their customer service. Yeah. And how fast the transaction is.

M: Yeah it seems like it's a big employee relations thing for most of you. It's like how their employees interact with you. At Starbucks, if you like Starbucks at all, what are your favorite products there?

2: Fraps. That's the only things I get from Starbucks.

1: Vanilla latte. I will get their panini sandwich. But I kind of stopped doing that lately because it felt like the price went up or maybe it didn't and I just realized that is like almost \$5 for those little things. It almost makes me mad.

3: Um I got a caramel macchiato last time I was there. it was pretty good. Um I've tried things like the vanilla latte and like things I'll normally get at other places and I don't really like them as much. so I normally just pick something off the menu that I don't normally get. I like their cold drinks. like if I'm really thirsty I'll get one of the teas or something like that.

4: On a cold day, I like a chai. but then on a hot day, I like their black mango tea.

M: Sounds good. So you guys have kind of covered it a little bit but what do you think of the Starbucks atmosphere? Since you did say it's a little crowded and people run into you. But there's things like music they play, ambient noise, all that. What do you think of how Starbucks is?

1: I like their music. Um I always feel... they have a good cozy like brown wood atmosphere, I like that a lot actually.

2: I've like been to Starbucks aside from this one where it's not that crowded and when I do go to one when it's not crowded it's awesome. I really enjoy it. Like the music, they actually make it so you can like see the playlist and download it. Like I think that's really cool. Um yeah and everything else is just... the atmosphere is really cool. I like how you can't really go to a Starbucks that the same as another one. Like the layouts kind of switch a little bit but for the most part.

1: I like how easy it is to connect to their Wi-Fi.

2: I just feel like they're really innovative in terms of like cafe atmosphere. So they were probably one of the first ones to do Wi-Fi. Free Wi-Fi. Um and really made it their space. I like what they're doing there.

3: Yeah I like the Wi-Fi, that's nice. Definitely like other Starbucks besides the one on campus. The one on campus is just too crowded and hectic and not what I want before I've had coffee. But like I've gone to the one down like Willamette and its ok. There's like people, it's very relaxed. I feel like it could be brighter in them. I feel like Starbucks are sometimes a little dark, yeah. Especially if you're trying to read a book or study or something.

4: Kind of like how he was saying, each Starbucks is kind of different to the area that it's in like this one has the bleachers on it but there's like key factors that remain the same. like the big brown chairs like here, I have them at home as well. and so it's just like, I think it's like the furniture I guess. The furniture stays the same so it's kind of like the thing that connects them all but the decorations and how they do it really matches well with the location that its put in. So it's like Eugene is a huge college town obviously so I think it looks really good that they have those bleachers there. But that like my preference.

M: So do you guys usually go to the same cafe every time that you go or do you sometimes switch it up and try a new place?

1: I'll switch it up. But usually I'm on foot so there's not much I can do.

M: What'll make you decide to like try a new place over your usual?

1: Um if I'm in a hurry I'll probably go to the usual just cause I know it. If I have time and I'm more in like a reward mindset, like I want to relax, that's probably when I'll try a new place.

3: Yeah like if I just wake up in the morning and I'm like I want to go get a coffee today, then I'll either go to Dutch Bros or Roma. but if I'm more out, if I'm shopping or doing something or running errands then I'll just go to like one of the other places that I know of. Or I'll go to wherever I see.

4: I think I usually just go to the same place unless I'm like not in a hurry and if I'm with someone who's really like "Oh you have to try this place" then I'll be like ok, let's go. But for the most part I just stick to what I know because they can't go wrong. Well fingers crossed they can't go wrong.

2: Yeah I stick with what I know because they're reliable. I've been there enough to know what gonna happen. There's not gonna be an unforeseeable occurrence that will delay what I have to do. But usually when I do try a new place it's like group meetings or other people so I know there's place around the corner right by Sy's; I've never been there. Um what's it called?

Everyone: Barry's.

2: Yeah I've never been there before and then a group just wanted to meet there and I was like ok, that fine by me, I'm down to try something new. And that typically when I do try something new and that's how I found out about Roma.

M: Since a lot of you like to go to Roma, do you ever like consider trying chains more frequently or do you really like going to specifically local companies for certain reasons.

2: Mom and pops for sure.

1: Yeah local, smaller. Just cause like I can go to Starbucks anytime wherever I am. I just know that. Same with Dutch. But if I've never seen it before and like coffee is coffee so go try it out.

M: So you guys really like supporting the smaller businesses then?

2: Yeah that and I feel like they just take a little more care in their product. And the ingredients. It's not like a spreadsheet of here we go, we have like a warehouse that stores it. They go out to maybe like a farmers market or something where they pick up their own ingredients. So there's just more care put into it.

3: They just seem a little friendlier at a smaller like mom and pop coffee store. Like it's probably the owners or people who actually care about the wellbeing of the business that are helping you so they're just like, I don't know, it seems like they....

1: Kind of feel like a robot if I'm drinking Starbucks. The system.

4: I feel like I just started going to Roma because their coffee always good and then the fact that it's like local mom and pop shop. Ok it's good that I'm like helping them but that didn't really play a part in me trying to pick where I wanted to go to get my coffee.

M: Mainly quality and not necessarily supporting specifically a small business.

4: Yeah. I mean, that sounds awful now that you say it out loud but like yeah (Laughter).

M: So are you more willing to go to a new cafe when someone brings you? Like when a group is going there. Or are you just as willing to go to a new place if you're alone?

3: I don't think it's like willing, necessarily. I'm more likely to go to a new place with a group just because...

M: People are more likely to bring you to a new place than you go.

3: Yeah like if someone suggests somewhere then I don't care. Like its fine with me. But if I'm just, I want to go get coffee then I'm more likely to just go with somewhere that I know.

1: Yeah I'm more likely to find out about a new place because of a group situation. Um so I guess I guess it's similar, it's not like I'd rather go by myself or rather go with a group. In fact I'd probably rather try something new like that by myself. Um just cause it's more of an individual experience you know getting your coffee and leaving.

2: Yeah I guess by myself I'd rather do it. Yeah if I'm in a hurry I'll go to the place I know of but kind of like you were saying, if I have a minute to go and experience it, I will. And also if I'm new to an area I won't just sell out and say oh I'll go to Starbucks, I'll go to like a coffee shop and try something new. Like I lived in Portland this summer for the first time and there's a Starbucks close but I looked up coffee shops and there are a bunch of other ones. Might as well pick up some culture over here. The coffee shops in Portland are actually cool. So yeah that when I try something new but if I'm in a hurry, I'll go to where I usually go.

4: Um I think in a group, that when I'm more likely to venture out I guess. Because if I'm by myself I know what I want to do and I know what I like. Um but I think it's like if the group is like oh lets meet at this place, I'm like yeah sure and I'm not gonna be that person who like goes to buy a coffee somewhere else just to walk in where they're selling coffee. I think that's when I venture out the most. But if I'm by myself I'll just go where I want to go to.

M: So um now I just want to show you a bunch of logos slash signs and see where you're most willing to go. I'm gonna start with some nice familiar logos that you've seen in Eugene. So if you guys just like saw all of these signs when you're going to try to find somewhere to eat or drink or whatever, where do you think you would go?

3: Like if we didn't know them already?

M: Either. Both.

3: Ok.

4: I think it depends. Um if I'm driving my car and I see that Dutch Bros is like a drive-through I don't really want to actually stop then I go there. Um but I think if I'm visiting a town, an area, as much as I would say oh those other places look good, I'd probably just go with Starbucks because at every location, they're the same. But like if I've been there for a while and I've venture out then obviously I'd pick Roma.

1: I'd probably go Dutch the fastest because coffee is most obviously. I know Roma, it says cafe right there, but I'm thinking coffee and if I saw coffee, I'd go there. Uh I like Vero's, I just like the logo. I like the name a lot. I don't like Full City. I've never been there but I don't like that logo at all.

3: They don't even have Wi-Fi. I went there one time, paid like \$5 for a drink and I had like an application that I needed to turn in like on a deadline at noon. It was like 11:30, sat down and they did not have Wi-Fi. And I was very upset. and they told me to try to connect to like their neighbor's' Wi-Fi.

1: The Townshend's tea company, the fact that it says tea company; I wouldn't go there (Unanimous agreement)

M: Ok now let me show you some random foreign brands, but Starbucks is going to stay out here because they're everywhere. So lots of options. probably unfamiliar with a lot of them. Where do you think you would go?

4: Probably illy because I've heard of them before. and like even though I don't think I've actually seen their coffee house but their coffee is sold at other places so that like how I've seen them before. So just probably cause I know them the beset.

1: I'd probably go to Costa Coffee first for the same reason as last. just I want coffee; I want to see the word coffee. Uh just looking at the logo, Harris & Hoole that looks like a law firm. Obviously if I saw it on a storefront, it wouldn't be the same but if I'm like looking down the street, I wouldn't even think about that. Same with this one [doppio].

2: I'm on the same page. I agree with the imagery and the actual text, coffee, you see a coffee bean, that just instantly strikes a chord, like coffee, ok I'm gonna go there. but Harris & Hoole, it actually has a modern look to it and I feel like that would be a cool place to go in terms of like consumer friendliness. If I do notice and like look in the window and see it's a coffee shop, I'm gonna give it a shot because they probably are trendy. Kind of on the same page as Starbucks but it's different. um yeah I like simple, though, like this whole Pascucci thing is, they're trying to do too much. Um I like something that's straight-forward, to the point.

3: Yeah I like that one [illy]. Like I know I've seen it before so it seems a little familiar. I don't know if I'd place if it was coffee or anything but I might. And then I like these two just cause they're very clear and simple and like I would easily get that's a coffee shop.

M: Alright. Well that was my last question so thank you guys for coming in today. Got lots of good info about what atmosphere and drinks and everything you guys want from a cafe.

Appendix H: Italian Focus Group Transcript

Michelle/Moderator (M): So good morning and welcome to the session. Thanks for taking the time to join me today. My name's Michelle. I'll be moderating. So there are just a couple things I want to make sure you guys understand before we get started that there's no wrong answers to any of the questions I'm going to ask you and there's a lot of good insights that I can get from negative info that you have. So like feel free to say whatever you want. Um also try not to speak over each other, interrupt each other, when you're talking. And that's it, so let's get started. Um my first question for you guys is just what products do you purchase from cafes? What kinds of beverages or foods?

1: In my opinion, most of the Italians, in the morning, they go to bars and buy espresso or they have like orange juice or bier juice and they also have like a croissant or other kind of like pastries. This is the morning.

M: Do you go um other times and get different things?

1: Um sometimes like during the afternoon I get some snacks like uh sandwiches or otherwise I'm going for an aperitivo around 6 pm and we have like some wine and some other snacks.

M: Ok great. How about you [Participant 2]? Similar? Different?

2: Are you asking about my routine here or in Italy? Just to specify.

M: Uh either. Both.

2: Because it's completely different here from Italy.

M: I'd love to hear what both of them were.

2: Ok. So for example, every day when I wake up here I have uh an espresso because I buy just like Lavazza. I don't like the American... American coffee. It's completely different than... sometimes it's stronger. and uh then for example when I was in Italy, in the afternoon, I had another espresso. But here since I am here on campus and I don't like the espresso they make here... so I don't have it anymore. I have like tea and then in Italy I also sometimes have aperitivo at 6, 7. But here it's completely different; You have dinner at that time so it's like completely different.

M: Ok great, thank you. Uh so which cafes around here do you guys go to? If you go at all.

1: Well I have like very strict routine. I go every morning to Starbucks and they have my chocolate croissant and my Grande latte. That's it. but most of the time I during the day also have a lot of Americanos. I don't drink espresso here at all.

M: Ok, do you ever try any smaller cafes in the area or is it always Starbucks?

1: Um it depends. Like every kind of Americano, any kind. But for the latte, Starbucks.

M: Ok. And you don't really [Participant 2]?

2: I been to Marche here and sometimes I go to Starbucks over there at the EMU. But it's not a routine. It's just sometimes when I hang out with my friends so we are like meeting and are like ok let's meet there. It's not a routine.

M: Ok, great. Um so do you guys like very easily portable products, like sandwiches you can take to go or prepackaged food? Those types of things. Or do you not really care about those types of products?

2: So do you mean like if we go like to Starbucks and buy their like prepackaged stuff?

M: Right, exactly.

2: Ok.

1: I don't, no.

2: No.

M: Ok. So how frequently do you buys usually buy things from cafes? Are you... like every day you go to Starbucks?

1: Yeah, every morning. I wake up and I go to Starbucks. Chocolate croissant and yeah. Every morning.

M: And you're pretty infrequent?

2: Yeah.

M: Ok, great. Getting through the questions quickly. Uh so do you prefer purchasing things from local cafes or chain cafes? Both when in America and in Italy. Are chains less frequently gone to when you were in Italy?

1: In Italy, there aren't chain cafes.

M: No?

1: Not at all. most of them, like the cafes are owned by families or stuff so. And in here I prefer chain cafes because they're more reliable. and you know which kind of products you're going to get. That's why. But in Italy most of the cafes are really good.

2: Uh I don't know. I been here like since September and so I go there really... I don't go there frequently and it's just to hang out with friends so it's... I don't mind. We can go to Starbucks or we can go to Marche or we can go to Vero or Cafe Roma. I don't mind. Yeah. I am here to discover other places.

M: Sounds good. So how much are you two usually willing to spend on the things you purchase at cafes? Like when you get your drink in the morning. Or if you're going with your friends. How much money are you willing to spend?

1: Well every morning I spend 6.40. So I guess that's the price. But for me the cafes here are very expensive.

2: Yeah. It's completely different. You go out in Italy and you have an espresso for... I don't know, where I come from, it's also the maximum is uh 1 euro point 20 maximum. But you can get it also for 80 cent. Here it's completely different so the first thing, it's like, oh my gosh, \$4 for a cafe. No.

M: Is that something that caused you to not go as frequently to cafes here? In addition to just not exactly liking American coffee.

2: Yes and no. I mean I never like I mean, I don't like it so much so for me it's not, ok it's really expensive, I think about it, I think about not going there because it's really expensive. Since I don't like it, for me it's not a big problem not to go there.

M: Do you care more about quality or price when you're making these purchases? Are you more willing to spend more if you know it's going to be a better coffee or are you willing to spend less even though you know it might not be as good?

1: Well I look for quality so I'm willing to spend more for a better product, yeah.

2: I don't really know a lot of American brands so I don't know which are best, the best. and so I don't know, for me, it's kind of like a lottery. I can go there and then I can like it or not so I don't know what to answer exactly.

M: Ok, yeah no problem (Laughter). So you were saying you usually go to cafes because you're with your friends. For what other reasons do you guys usually go to cafes? Like you get your morning coffee but are there any other reasons you usually go to cafes?

1: Well I don't study in cafes. I study at the library or otherwise at my place. And uh yeah in here I don't... just for coffees. But when I am in Italy, we use cafes as like a place to gather, as she does. I'm not doing that here.

M: Ok, and same in Italy? [to Participant 2]

2: I mean you can go there and I get coffee in morning or after lunch or you can have an aperitivo. Here it's completely different so I just go there to hang out with friends.

M: So now I'm just gonna use this little whiteboard thing, but I just want you guys to shout out some words that you think of when I say cafe. So like the first things that pop into your head. And my handwriting's going to look horrible on this little computer thing but...

1: Well they have the mug, with the espresso.

M: Alright, mug, espresso.

2: For me, it's breakfast. I can't do anything if I don't have an espresso. Like its breakfast.

M: The morning, yeah. Any other things, maybe like relating to the atmosphere you expect?

2: Oh the smell.

1: Chairs and tables

M: Ok, seating.

2: Here, if I think of a cafe here, it's like hanging out with friends.

M: Ok, U.S., friends. Anything else? If not, all good. Cool, awesome. So back to kind of the atmosphere, what kind of atmosphere do you expect from a café? Do you expect it to be quiet or a little noisy, maybe some music? Different little things like that.

1: Well if I have to open a cafe here I will open a kind of different kind of cafe. Not something like Starbucks, but something that because cafe can be a little bit like Taylor's in Italy. So I can like differentiate between the types so I don't know but yeah it should be like really, for me, like really modern like Starbucks. It's... they're completely different.

M: So in Italy, what kind of atmosphere would you want or expect in a cafe?

1: Well the owner most of the time is very friendly so he will approach you and if you go there like every day, you get to know him very well. And so it's very friendly, and especially when I am in Tuscany. But yeah of course some music and modern things or like Irish pubs or like that.

M: Ok great. Anything to add to that?

2: Over here, if I think about a cafe like I don't know, for example, Starbucks, they could be really crowded with a lot of people like talking and so I don't know if people can go there to study.

M: Right, would you prefer a place that wasn't as crowded and busy as Starbucks?

2: I know that there is a place like downtown or also Vero is like quiet, more quiet. Yeah, I don't know, if I think about cafe and I think... so sometimes for us it's like a routine or a moment in the day when you can relax if you are not uh in a hurry, so you have to just get an espresso and go to work or do whatever you have to do. So if I think about something to relax, I would like a more quiet atmosphere.

M: Great. Do any kind of advertisements or promotions, like punch cards or coupons or anything, influence where you purchase things or if you purchase things from cafes? Maybe you haven't noticed (Laughter).

1: Well not in Italy. But in here, yes, of course.

M: What kind of things have influenced your decision?

1: Well for example, you see a lot of people with the Starbucks cup so you get influenced by it.

M: Seeing it everywhere.

1: Yeah. And uh also the cafe have like Starbucks coffee... coffee from Starbucks that they use so. Yeah that's it.

M: Ok great. This is kind of just more general question of any types of products instead of just cafe products but are there products you prefer to purchase from foreign brands, like non-Italian? Whether its food or drinks or cars or anything. Products that you used to prefer buying from foreign brands when you lived in Italy.

2: When we are here or in Italy?

M: In Italy.

1: Well we are kind of strict with our diet. When we are in Italy. In cafes?

M: Just in general. Like any... in your life. Like maybe you prefer buying... I don't know, a TV from a foreign company or...

1: Ah this is very general.

M: Anything, yeah

1: Um yeah. Yeah, of course. foreign countries. For food in cafes, Italian brand for sure.

2: Do you want the name of the brand for example or just generally speaking.

M: Generally like how open you are to using um...

2: So for example, I before coming here, I did [study abroad] in Germany, it's an exchange program. And there is a company that also does supermarkets also in Italy so sometimes I go there and it comes from Germany and then some products come in from Spain. And then for technology, well, everything comes from China, Japan. I don't know, sometimes they say they are made in U.S. but they are not made in U.S.

M: Do you prefer any products that are made by American companies? Or have you not really noticed any American products you purchased when you were in Italy?

2: On with generally speaking?

M: Yeah.

2: So for example, the phones or computers can be, yeah.

1: Yeah maybe cars like Ford or Jeep.

M: Ok. Um and now a little bit specifically about Starbucks, since that's actually what I'm going to be focusing on for my entire project but um. What kind of positive or negative experiences have you had at Starbucks?

1: Well, for me, all positive because I go there like every day. Um they're very fast. And uh the product is like very standard everywhere. If you go here, have an Americano here, have an Americano in New York, it still like tastes the same. I don't know which kind of chemical they put, because if you go in Italy, and you get like a coffee at like 3 pm the same bar, and then you have it at like 4 pm, they taste different. Here I think they put interesting stuff inside coffee. But yeah, negative things, the price is expensive. Besides that the croissants are like very tasty and also the yogurt, I love the yogurt. Also the paninis. Yeah. Overall, very positive.

M: Ok, great. Have you [Participant 2] really gone to Starbucks very much?

2: Yeah, sometimes yeah. and so there is really crowded so sometimes you cannot find a place to sit. Um then I don't know, for me probably it's something personal, but the Americano is sometimes, it sometimes is stronger than the espresso. I

didn't expect it to be like that. And so the first time I had an Americano here, it was like oh my god, I'm going to die. And so this was like my first negative experience and since that I have always tea at Starbucks and I feel better and relaxed. And then yeah, the price.

M: The price, yeah. Ok um and you guys already talked a little bit about your products that you like there. Um what do you think of the atmosphere at Starbucks? Like you were saying it's pretty crowded, but other than that, does the staff seem friendly for the most part, do you like the amount of seating, all those different aspects?

1: Yeah well, I really like the music at Starbucks because it's very relaxing. Sometimes they play jazz or sometimes they play blues so its very kind of classy and I like it a lot.

2: So for example as he was saying before, in Italy, you can get to know the people who work there quite a bit. Here, it's just like you are in a chain. Always there, you have to be really quick to order. You can say, ok, how it's going, but it's nothing like in Italy.

M: Um only a couple more questions. How long have each of you been in the U.S. and have you been using a lot of more American companies for cafes and coffee products instead of Italian. I know you were saying you...

2: (Laughter) No, I buy Lavazza.

M: So, usually stick to Italian coffee still?

2: So I can have my espresso and also my mug and yeah.

M: Have you stuck to Italian coffee a little bit?

1: At the beginning I still um I liked mocha which like a coffee machine, very old coffee machine, and when I was here, I used to buy illy coffee, so like an Italian product. But I quit doing that because like it's expensive and it's kind of time-consuming and I love to work so I just go to the bar and come back again to my place and study. Yeah.

M: Ok, great. So how long did it take you, do you think, to switch from buying illy into going to Starbucks and doing all those different... to changing your behavior? Like how long after you came here?

1: Um as soon as I came here, I mean I did like a mix of the both. So sometimes I have coffee at my place and make my own coffee. Sometimes I go to Starbucks in

the afternoon because I didn't want to have to make coffee. and so... I can adopt very quickly. It's not a problem.

M: Um last question: After being in the U.S. for a little bit and having more experience with American cafes, when you go back to Italy would you consider still going to American cafes or would you switch immediately back to Italian cafes?

1: Well in Italy we don't have American cafes. So we have just one option.

2: But they are opening a Starbucks. They are starting in Rome.

M: So once that Starbucks opens would you consider... I mean if you lived in Rome, but if you lived in Rome and Starbucks was there, would you consider going there over the Italian smaller cafes that have been there?

1: I don't think so because the Italian products are really good and they're cheaper. Much cheaper. so for example, one croissant is like one euro. One cafe, one espresso is one euro. Here its two times, three.

M: So what would Starbucks have to do, do you think, to make people go there over....

1: I think if they will like built some Starbucks in Italy, the Starbucks like the Italian Starbucks chain will be like pretty successful because Starbucks is very famous in Italy. And a lot of like Italians when they go to France or to London, they go to Starbucks, they take a picture with the cup and they post it on Facebook. And I think Starbucks will be successful in Italy. But they shouldn't be a lot. Because they're very expensive. I mean, let's see. Let's see. But I prefer the Italian cafes.

M: Are there any changes you would suggest Starbucks would make to better fit into Italian coffee culture?

2: First of all using espresso espresso because here you can get a kind of espresso But it's not an espresso espresso, you know. And so first of all, if you are in Italy, use espresso, real espresso. Um and then I don't know, probably like if you are in a more touristy place, you can have like a broader influence over that place and I think yeah, that probably it's right. I mean, people going abroad and post photos on Facebook with the Starbucks or something like that but I don't think that it will be a part of our routine as going to one, an Italian coffee shop. So it will be like, you can go there just to hanging out with people like once or twice in a week but not as a routine as it is in coffee shops.

M: Ok, great. Well that was my last question. So thank you both so much for coming in and talking to me today.

Appendix I: Survey Questions

Introduction: You are invited to participate in a research study conducted by a student in the Lundquist College of Business. Your participation in this study is voluntary. There is no penalty to anyone who decides not to participate nor will anyone be penalized if he or she decides to stop participation at any time during the research project. Your responses will be completely anonymous. You need not be concerned about the “correctness” of your answers; there are no right or wrong answers. We need only your genuine personal responses to the questions. The goal of this study is to learn more about happy hour preferences. It will take you less than 10 minutes to complete. At the end of the questionnaire, there is a section on background information. This information will be only be used to facilitate the analysis of the data.

Q1: Which foods would you purchase at happy hour? (click all that apply)

- Chicken wings (1)
- Noodles (2)
- Fried rice (3)
- Pizza (4)
- Ice cream (5)
- Nuts (6)
- Prosciutto (7)
- Olives (8)
- Other (9) _____

Q2: How much would you pay for food at happy hour?

- Less than \$5 (1)
- \$5-6 (2)
- \$6-7 (3)
- \$7-8 (4)
- \$8-9 (5)
- \$9-10 (6)
- More than \$10 (7)

Q3: Which drinks would you purchase at happy hour? (click all that apply)

- Soda (1)
- Tea (2)
- Coffee (3)
- Wine (4)
- Beer (5)
- Spritz (6)
- Cocktails (7)
- Other (8) _____

Q4: How much would you pay for a drink at happy hour?

- Less than \$6 (1)
- \$6-7 (2)
- \$7-8 (3)
- \$8-9 (4)
- \$9-10 (5)
- More than \$10 (6)

Q5: What time do you go to happy hour?

- Before 5 pm (1)
- Between 5 and 6 pm (2)
- Between 6 and 7 pm (3)
- Between 7 and 8 pm (4)
- After 8 pm (5)

Q6: How often do you go to happy hour?

- Less than once a week (1)
- Once a week (2)
- 1-2 times a week (3)
- 3-4 times a week (4)
- 5-6 times a week (5)
- 7 times a week (6)

Q7: If Starbucks had a happy hour offering foods and drinks from around the world, how likely would you be to go?

- Extremely likely (1)
- Somewhat likely (2)
- Neither likely nor unlikely (3)
- Somewhat unlikely (4)
- Extremely unlikely (5)

Q8: What suggestions do you have for a Starbucks happy hour?

Q9: How old are you?

- Under 21 years old (1)
- 21-30 years old (2)
- 31-40 years old (3)
- 41-50 years old (4)
- 51-60 years old (5)
- 61-70 years old (6)
- Over 70 years old (7)

Q10: What is your gender?

- Male (1)
- Female (2)
- Prefer not to respond (3)

Q11: What is your occupation? (check all that apply)

- Student (1)
- Self-employed (2)
- Employed: (3) _____

Q12: What is your nationality? (e.g. American)

Appendix J: Survey Demographics

#	Answer	Response	%
1	Under 21 years old	13	12%
2	21-30 years old	35	31%
3	31-40 years old	2	2%
4	41-50 years old	11	10%
5	51-60 years old	33	29%
6	61-70 years old	18	16%
7	Over 70 years old	1	1%
Total		113	100%

#	Answer	Response	%
1	Male	31	28%
2	Female	80	72%
3	Prefer not to respond	0	0%
Total		111	100%

Appendix K: Univariate Survey Results: Willingness to Pay at Happy Hours

Price for Food Purchases:

#	Answer	Response	%
1	<u>Less than \$6</u>	76	67%
2	<u>\$6-7</u>	21	19%
3	<u>\$7-8</u>	9	8%
4	<u>\$8-9</u>	2	2%
5	<u>\$9-10</u>	4	4%
6	<u>More than \$10</u>	1	1%
	Total	113	100%

Price for Drink Purchases

#	Answer	Response	%
1	<u>Less than \$5</u>	18	16%
2	<u>\$5-6</u>	42	38%
3	<u>\$6-7</u>	16	14%
4	<u>\$7-8</u>	13	12%
5	<u>\$8-9</u>	9	8%
6	<u>\$9-10</u>	6	5%
7	<u>More than \$10</u>	8	7%
	Total	112	100%

Appendix L: Univariate Survey Results: Frequency of Happy Hour Attendance

#	Answer	Response	%
1	<u>Less than once a week</u>	73	65%
2	<u>Once a week</u>	27	24%
3	<u>1-2 times a week</u>	12	11%
4	<u>3-4 times a week</u>	0	0%
5	<u>5-6 times a week</u>	0	0%
6	<u>7 times a week</u>	0	0%
	Total	112	100%

Appendix M: Univariate Survey Results: Preferred Hours to Attend Happy Hour

#	Answer	Response	%
1	Before 5 pm	16	14%
2	Between 5 and 6 pm	63	56%
3	Between 6 and 7 pm	25	22%
4	Between 7 and 8 pm	2	2%
5	After 8 pm	6	5%
Total		112	100%

Appendix N: Univariate Survey Results: Likelihood to Attend Starbucks Happy Hour

#	Answer	Response	%
1	Extremely likely	17	15%
2	Somewhat likely	34	30%
3	Neither likely nor unlikely	23	20%
4	Somewhat unlikely	16	14%
5	Extremely unlikely	23	20%
Total		113	100%

Appendix O: Cross-Tabulation: Age and Likelihood of Starbucks Happy Hour Attendance

		How old are you?							Total	
		Under 21 years old	21-30 years old	31-40 years old	41-50 years old	51-60 years old	61-70 years old	Over 70 years old		
If Starbucks had a happy hour offering foods and drinks from around the world, how likely would y...		Extremely likely	4	8	1	0	2	2	0	17
		Somewhat likely	6	13	0	2	7	6	0	34
		Neither likely nor unlikely	0	7	0	5	7	4	0	23
		Somewhat unlikely	1	5	0	2	6	1	1	16
		Extremely unlikely	2	2	1	2	11	5	0	23
		Total	13	35	2	11	33	18	1	113

Appendix P: Cross-Tabulation: Gender and Likelihood of Starbucks Happy Hour Attendance

		What is your gender?			Total	
		Male	Female	Prefer not to respond		
If Starbucks had a happy hour offering foods and drinks from around the world, how likely would you...		Extremely likely	0	16	0	16
		Somewhat likely	8	26	0	34
		Neither likely nor unlikely	10	13	0	23
		Somewhat unlikely	5	10	0	15
		Extremely unlikely	8	15	0	23
		Total	31	80	0	111

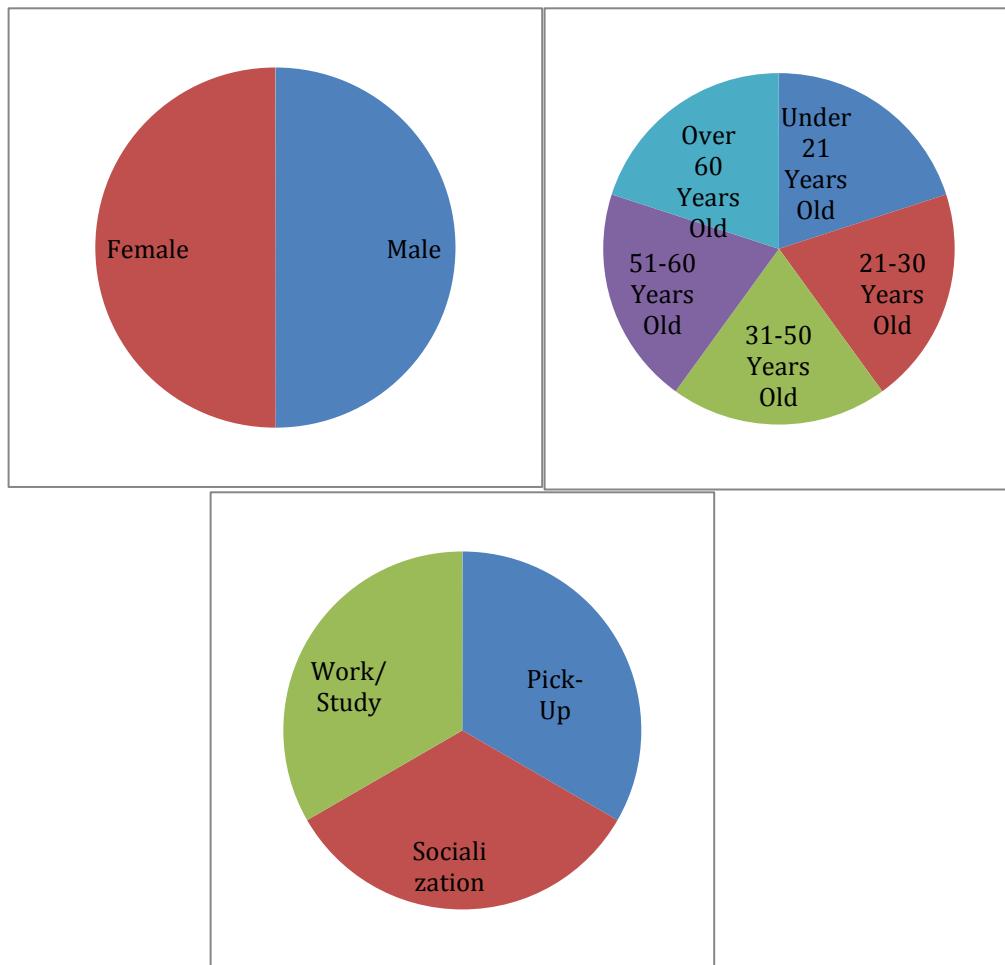
Appendix Q: Cross-Tabulation: Age and Willingness to Pay at Happy Hour

		How old are you?							Total	
		Under 21 years old	21-30 years old	31-40 years old	41-50 years old	51-60 years old	61-70 years old	Over 70 years old		
How much would you pay for food at happy hour?		Less than \$5	2	6	0	1	5	4	0	18
		\$5-6	9	16	1	1	9	6	0	42
		\$6-7	0	6	0	2	4	4	0	16
		\$7-8	1	2	0	5	4	1	0	13
		\$8-9	1	2	1	2	1	2	0	9
		\$9-10	0	1	0	0	4	1	0	6
		More than \$10	0	2	0	0	6	0	0	8
		Total	13	35	2	11	33	18	0	112
How much would you pay for a drink at happy hour?		Less than \$8	10	28	1	5	17	15	0	76
		\$8-9	2	6	1	3	8	1	0	21
		\$9-10	0	0	0	3	4	2	0	9
		More than \$10	1	1	0	0	0	0	0	2
		Total	13	35	2	11	33	18	1	113

Appendix R: Cross-Tabulation: Age and Frequency of Happy Hour Attendance

		How old are you?							Total	
		Under 21 years old	21-30 years old	31-40 years old	41-50 years old	51-60 years old	61-70 years old	Over 70 years old		
How often do you go to happy hour?		Less than once a week	11	21	1	6	21	13	0	73
		Once a week	1	12	1	2	8	3	0	27
		1-2 times a week	1	2	0	3	4	2	0	12
		3-4 times a week	0	0	0	0	0	0	0	0
		5-6 times a week	0	0	0	0	0	0	0	0
		7 times a week	0	0	0	0	0	0	0	0
		Total	13	35	2	11	33	18	0	112

Appendix S: Segmentation



Appendix T: Aperitivo Menu*



STARBUCKS APERITIVO
MILAN
ITALY

SMALL PLATES

- Caesar Salad
- Rosemary Fries
- Chicken Wings
- Artichoke & Goat Cheese Flatbread
- Chicken Skewers
- Nachos
- Italian Olives
- Shrimp Tempura Roll

WINE

- Prosecco
- Pinot Gris
- Savignon Blanc
- Chardonnay
- Moscato
- Pinot Noir
- Malbec
- Cabernet Savignon

BEER

- Pilsner
- IPA
- Bitters
- Stout
- Porter
- Amber Ale

COCKTAILS

- Spritz
- Martini
- Lemon Drop
- Cosmopolitan
- Margarita
- Mojito
- Old Fashioned

NON-ALCOHOLIC BEVERAGES

- Soda
- Iced Tea
- Lemonade

*Designed in English for ease of menu adjustment

Appendix U: Social Media Posts on Twitter and Facebook



English Translation: Join us at our Milan cafe for an aperitivo tonight! Try food and drinks from around the world from 5-7. #LetsGetAnAperitivo



14:08 - 10 Mar 16 · Embed this Tweet

English Translation: Tonight from 5-7, new wine from Spain and beer from Belgium on our aperitivo menu! #LetsGetAnAperitivo

Appendix V: Blogger Invitation

Front:



Back:



English Translation:

Front: Let's get an aperitivo at Starbucks

Back: You are invited to the debut of Starbucks' new aperitivo menu in Milan. The exclusive event is from 5-7 on January 18th, 2017 and will have food and drinks from around the world. See you there!

Your acceptance is greatly appreciated. Kindly reply no later than the 4th of January, 2017.

For more information, contact italia@starbucks.com

Appendix W: Blogger Coupon



English Translation: One free drink; Any size, any drink, anywhere

Appendix X: Posters





**COCKTAIL, BIRRA,
VINO E CIBO DA
TUTTO IL MONDO**

**PRENDIAMO UN
APERITIVO**



**17-19 OGNI GIORNO
A STARBUCKS**

Annotated Bibliography:

Askin, Jennifer. "Starbucks Set to Rock Italy's Cafe Culture." *ABC News*. ABC News Network, 30 Apr. 2015. Web. 26 Oct. 2015.

This news story provided updated information on Starbucks' plans and announcement of entering the Italian market. It also highlighted a lot of the potential problems Starbucks will face when entering the market. Although it was a slightly biased piece of writing, it did provide my research with more obstacles to take into account when analyzing the most effective way for Starbucks to enter Italy.

Austin, James E., and Cate Reavis. "Starbucks and Conservation International." Harvard Business School, 1 May 2004. Web. 26 Oct. 2015.

This article provided information on how Starbucks is holding itself accountable to maintain a company that is both profitable and a good place to work. In addition to providing information on internal management of the company and its employees, the article also provided information on how Starbucks is fulfilling its corporate social responsibility. This strengthened the argument that Starbucks is more of an experience than a product and attempts to maintain happy employees and consumers alike.

Beer, Haley. "Beanz Versus Starbucks: Personality in a Cup!" Richard Ivey School of Business, 14 May 2012. Web. 25 Oct. 2015.

The text analyzed a specific case of competition between Starbucks and a domestic brand, Beanz, in Canada. By analyzing Beanz, the text detailed the aspects of local companies that consumers value. It also detailed what traits Starbucks locations had that Beanz did not, which demonstrated the competitive advantages Starbucks has in foreign markets. This text gave more insight for my research to what competitive advantages local companies have in markets in which Starbucks is foreign.

Buchanan, Lauranne, and Carolyn J. Simmons. "Trouble Brews at Starbucks." Richard Ivey School of Business, 22 Jan. 2009. Web. 26 Oct. 2015.

This article detailed both the vision Schultz had for the company and how Starbucks ran into problems in its own domestic market. Sales growth was stagnant for numerous business quarters, partly due to Starbucks' high prices. This text illustrated how companies can face problems even in domestic markets if not adapting to consumers' needs.

"Company Information." *Starbucks Coffee Company*. Web. 25 Oct. 2015.

This website provided basic information on Starbucks as a company and its founding. It was one of the main sources for my background information of Starbucks and its inception. It is also very accurate and informational about the brand because it is information from the company's public website.

Herriman, Michael, Motohiro Wanikawa, Ryoko Ichinose, Shobhana Darak, and Yumana Chaivan. "A Crack in the Mug: Can Starbucks Mend It?" Richard Ivey School of Business, 23 Oct. 2008. Web. 26 Oct. 2015.

This article gave detailed explanations of Starbucks' background and history in addition to the problems Starbucks has faced in recent times. It also provided a SWOT analysis of the company, which successfully highlights the problems and successes of the company. This text helped my research through analysis of the problems Starbucks has within its company and in competition with other companies.

Lutz, Ashley. "Starbucks Has Failed In Australia." *Business Insider*. Business Insider, Inc., 28 May 2014. Web. 24 Oct. 2015.

This article provided a concise explanation of why and how Starbucks failed in Australia. It also provided information on the amount of locations Starbucks has worldwide and outside of the United States. Overall, it provided my research with some insights on how companies can fail in new markets when attempting to use a globalized marketing strategy.

Mescall, John. "Starbucks in Australia: Where Did It Go Wrong?" *ABC News*. 28 Sept. 2010. Web. 24 Oct. 2015.

This article was a strongly biased piece in explaining why Starbucks was such a failure in Australia. It highlighted every mistake Starbucks made in the market as a stupid mistake that other brands avoided. Although the bias throughout the text slightly diminished the strength of the argument, the article did provide insights to the power of the consumers of a market. The explanation of the power of Australian consumers to "kill a bad brand" supports my argument of the importance of adapting to consumer expectations.

Moffett, Michael, and Anant Sundaram. "Planet Starbucks (A)." *Thunderbird Case*, 2 Apr. 2003. Web. 25 Oct. 2015.

This text provided details about how Starbucks found success in difficult markets. It examined how Starbucks found success in places like Tokyo through creation of their own market. It also highlighted how Starbucks

evaluates countries it is considering for entry. These different analyses helped strengthen my arguments about Starbucks' success in difficult markets and provided information on the strategies the brand used.

Moon, Youngme, and John Quelch. "Starbucks: Delivering Customer Service." Harvard Business School, 10 July 2006. Web. 25 Oct. 2015.

This case analysis provided information on Starbucks as a company and the strategies the brand uses to find success in new markets. It highlighted who Starbucks' main competitors are and how Starbucks' communicates its competitive advantage. This text provided my research with a lot of information on how Starbucks has found success in the past, and therefore has helped provide some ideas of how to find success in Italy.

Moon, Youngme, and John Quelch. "Starbucks: Delivering Customer Service Case Flash Forward." Harvard Business School, December 2014. Web. 25 Oct. 2015.

This case flash forward provided information similar to the previous case study. However, this text provided more quantitative data to illustrate Starbucks' sales and store growth. It strengthened a lot of my research about Starbucks' success in China through data demonstrating that Starbucks had a higher growth rate in China than in the United States.

Ou, Carol Xiaojuan, and Robert M. Davison. "Why eBay Lost to TaoBao in China: The Global Advantage." *Communications of the ACM*. Jan. 2009. Web. 9 Mar. 2016.

This article discussed the numerous reasons eBay failed in its first attempt to enter the Chinese market and how TaoBao was able to effectively push them out of the market. It depicted how a successful company can fail during globalization if it doesn't execute the necessary adaptations to enter a market. This text helped clearly illustrate ideas in the marketing background section.

Peng, Mike W. *Global Business*. Mason: South-Western Cengage Learning, 2009. Print.

Mike W. Peng's *Global Business* provided definitions of terminology to be used both in this prospectus and in the final thesis. He clearly defines useful terms in relation to global business and global marketing. Peng also provides numerous types of strategies that can be used for international business while maintaining an unbiased perspective of each strategy. This text will help support the definitions of terminology of my research while also providing unbiased strengths and weaknesses of potential marketing strategies for global marketing.

Samiee, Saeed, and Kendall Roth. "The Influence of Global Marketing Standardization on Performance." *JSTOR*. Journal of Marketing, Apr. 1992. Web. 8 Mar. 2016.

In this article, the authors discuss the suitability of global standardization. They compare the differences between firms that emphasize global standardization and those use a more localized strategy within global context. The text provided some examples of companies' globalization strategies which supported the marketing background section of this thesis.

Solomon, Michael R. *Consumer Behavior: Buying, Having, and Being*. 11th ed. Pearson, 2014. Print.

This text contains information on consumer behavior, global marketing, standardization, and localization. The text was primarily used in this thesis for definition of terminology used. It also provided the circumstances under which a company would choose either a standardized or localized marketing strategy.

"Starbucks in Australia | Starbucks Coffee Australia." *Starbucks Coffee Australia*. Web. 25 Oct. 2015.

This is an additional Starbucks website that provided further information about what Starbucks is currently like in the country. It also provided data about how many current locations are in Australia and when Australian Starbucks locations were established. This supported the information in my research about the failure of Starbucks in Australia through data depicting the amount of locations the brand had to close.