

Starbucks Ethnography Report

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Author Note

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### Abstract

In order for a company to effectively grow, they must first understand the wants and needs of their customers. While some companies choose to get to know their customers through surveys and other impersonal tactics, some choose a more hands on approach to get the most out of their research. One way they do this is by utilizing a form of anthropology that involves studying through observation, which is commonly known as ethnography. This paper will cover an ethnography study done on the Starbucks location on Winthrop University's campus. Although this study was fairly brief, the information gathered allows further understanding of the actions of consumers on the campus, their purchasing habits, and internal situations in the location itself.

### Starbucks Ethnography Report

It is no secret that college kids love coffee; whether they have to pull an all-nighter or they have a lecture that they know they will fall asleep in unless they have caffeine in them. Thanks to the millennial aged consumer, such as the typical college student, the Starbucks brand has been able to flourish in a wide variety of locations. Although it has never really been uncommon to see a random Starbucks, the idea of placing them on an actual college campus is fairly new. This unique idea has provided for the typical college student's view on dining options such as these to revolutionize and boost Starbucks' sales since these newer ideas first originated.

There is no doubt that the Starbucks company put a great deal of thought and planning into the new location of their stores. One technique that they most likely used to find out if it was a profitable idea was the study of ethnography. Ethnography is a branch of anthropology that allows the researchers to immerse themselves in the lives of the everyday user through observation, which can often lead to a great deal of information and unspoken consumer opinions that cannot be obtained through a simple survey. By using ethnography, our team was able to pinpoint certain things about our chosen Starbucks location that are useful and could possibly be used to re-evaluate the layout of the store, employee interaction with customers, and possibly even parts of their business model.

### **Description of Study**

In order to get a better idea of how a Starbucks business functions, our team observed the location on the Winthrop University campus during various times of day. Due to the difference in times, we were able to witness differences in customer behavior, interaction with customers, and the overall atmosphere of the store. Observation collected were to be documented in great

detail in each team member's field notes, that were later shared with the entire group for discussion. Some major areas that were discussed about the customers included a customer's waiting time, whether or not customers remained in the dining area, and activities that customers partook in while dining in. Topics involving the internal functions of the store were also discussed, such as the store's atmosphere and the tactics already in place for product placement and menu locations.

### **Observations from an Ethnographic Standpoint**

Depending on the location, most people know what to expect when they walk into a Starbucks store. The stereotype that Starbucks' brand loyal consumers consists of "preppy" girls was found to be partly true, however, their target market consisted of much more than that. People who were in business attire and seemed to be rushing were also drawn to this location due to its convenience and relatively short line. Other than businessmen and women, much of this speedy group consisted of students and faculty on the campus. Although the typical times of rush hour resulted in a busier store, the line never seemed to be so astronomically long that customers would avoid waiting to make their purchase. Whether this was due to their brand loyalty, or the sheer convenience of the store itself, the fact that this store was able to maintain a steady line of business is a notable quality in representing the brand's image.

Despite the fact that the store maintained such a steady flow of customers, very few of them actually paid attention to extra retail items throughout the store. Most items seemed to be placed near the direction of the line and in front of the register, but this did not seem to boost their sales at all. Upon entering the store most customers already seemed to have an understanding of the menu items and what they wanted, so they simply overlooked the coffee

grounds and reusable mugs being sold; it was almost like the retail items were serving more of a decorative function in the eyes of the consumers. Although this does not seem to be an uncommon issue in locations such as this one, reversing this mindset could greatly increase the store's income.

The overall appeal of the store was quite obvious throughout the course of observation; the convenience of the location and relaxing environment meant that consumers felt welcomed and wanted in the location. However, since most customers already seemed to have an understanding for the flow of transaction in the store, there did not seem to be many customers standing around and waiting on their purchase. Once a customer got their beverage or food item, they often promptly left; the few customers that remained in the dining area appeared to all be completing some type of work. Despite the lack of dine-in customers, the store's open environment greatly contributed to the high number of sales, and is most likely linked to a majority of the location's repeat customers.

The atmosphere of the Starbucks store was usually very peaceful and welcoming, especially during evening hours. During the day, natural light served as the primary source of lighting, which created a casual environment for customers to enjoy themselves and their beverages. Overhead lights were used during the evening hours instead to make up for the lack of natural lighting in the store. The relaxed mood during the daytime seemed more suitable for customers at this location, which could possibly be a reason why this particular Starbucks was busier during that time period.

### **Strategies and Recommendations for Improvement**

Overall, the Starbucks that we observed is very practical and convenient. The physical location of the store is ideal, but during rush hours it gets crowded because of how small and narrow the store actually is. When a line forms, it leads outside of the establishment. A customer's main goal is to walk in, receive their product and walk out. However, if a customer notices that the line is long, then they will more than likely not bother to stop by, especially if they are in a hurry. One solution for this would be to expand the size of the store. If the line does not extend outside of the building, then it would not appear as long or busy and would ultimately attract more customers.

Another improvement Starbucks could make in order to increase brand loyalty and improve customer relations is to increase the frequency of calling names on the orders rather than the name of the actual drink. Cashiers typically get a customer's name so the baristas will call their name instead of their drink, but it was easy to notice how often the baristas called a drink name instead. Not only does this cause confusion for customers who ordered the same drink, but it could also make them feel less appreciated by the business. They ultimately begin to feel more like a number or just someone who is spending their money for a brand who does not recognize them. Since the location of this Starbucks is on a college campus with a variety of repeat customers, it is important that those customers feel valued. Cashiers and baristas should begin to ensure they write the customer's name in order to help improve customer relations.

In order to further ameliorate the attention customers pay to the extra products around the store, it is recommended that the products be placed elsewhere. The retail items could be placed where it is visible to the eye. Instead of having the products on a wall behind the customers, or below the eye level, the items should be placed on a higher shelf where the customers can see

them clearer. Perhaps placing the items such as mugs, coffee grounds, and tumblers near the dining area would boost sales and also give customers who have time to dine-in the chance to consider the extra products Starbucks sell and help boost their overall sales.

### **Record of Permission**

Upon the first group entering the store, our team drafted a request for permission sheet. When asking for permission to complete our ethnographic study in our desired location, an upper level employee willingly granted us permission by electronically signing her name on the document shown below.

November 7, 2016

By signing below, I agree with the following statement:

I spoke to the students and agree to the terms of this assignment, with the understanding that they will be observing consumers in Starbucks at Winthrop University for ethnography purposes.

A handwritten signature in black ink, appearing to be a cursive name, possibly "Amanda". The signature is written on a white background.