Starbucks Enters India: The Indomitable Competitor or Underdog?

Karen A. Berger, Pace University
Laura J. Blake, Assumption College

Synopsis
By 2011 analysts and journalists were buzzing about why Starbucks had been so timid with its entry into India. After all, Starbucks had over 17,000 stores worldwide in 55 countries. As the creator of the “café market” also called the “retail coffee market”, Starbucks had a reputation for decisive growth and expansion. India was a country with 1.21 billion people with local and international brands having entered the Indian café market gaining market share steadily for more than a decade. As late as 2011, the US category creator indicated that Starbucks was still reviewing all options and evaluating how they could or should proceed. Finally, in late 2012, they opened two stores. This case provides data about the market in India so that students can analyze the market and provide strategic recommendations about how Starbucks should move ahead.

Learning Outcomes
In completing this assignment, students should be able to:

1. Identify the strengths, weaknesses, opportunities and threats associated with a market opportunity and use these to draw conclusions about competitive position in the marketplace.
2. Develop a positioning for a brand based on the SWOT analysis and other data in the case.
3. Analyze the level of competition of a market using a management tool.
4. Perform an analysis of category development data and tonnage data.
5. Develop a list of primary strategic issues and actions for the company/brand based on a variety of data and analyses.

Application
This case is intended for use in an upper level undergraduate or graduate business strategy or marketing strategy course.

Key words
India, Business Strategy, Marketing strategy, Economic Development, Management

Contact
Karen A. Berger, Ph.D., Professor of Marketing, Pace University, 861 Bedford Rd., Pleasantville, NY 10570, kberger@pace.edu, phone 914-773-3716.