

World Citizen Essay:

Innovations in a Cup of Coffee

If you visit any major city throughout the world, one sight you will almost always see is a Starbucks Coffee[®]. These small stores are part of a massive corporation which spans the world, with locations in over 55 countries. From humble roots in the Puget Sound, Starbucks has become one of the largest companies worldwide. What Starbucks has done is create a mainstream culture, an easy, popular hangout where anyone can go to relax.

In 1971, Starbucks was founded by three partners. Their goal was to sell quality coffee beans and equipment, not to serve beverages as they do now. In 1987, the partners sold Starbucks to Howard Shultz. After being acquired by Shultz, Starbucks began to expand rapidly. Nine years later, in 1996, Starbucks went public and began to offer stock for public trade. At that point there were 165 Starbucks locations. That same year, the first Starbucks location outside North America opened in Tokyo, Japan. As of February 2010 there are over 16,000 Starbucks locations worldwide. About two-thirds of these locations are in the United States.

In the United States, Starbucks is more than just a coffee house. Starbucks locations have become local hangouts. People meet there to discuss everything. Job interviews, life, etc. In recent years, as free wifi has been offered, people can work and study there too. This creates a warm, inviting atmosphere filled with the aroma of roasted coffee beans. While this atmosphere does exist in smaller chains or independent coffee houses, Starbucks definitely has the largest share of the coffee market, largely because of its locational majority. Outside of coffee houses places like bars and pubs provide a similar hangout, but with a much harsher atmosphere. For people who do not enjoy that type of atmosphere, Starbucks provides a much milder opportunity for the same thing.

Starbucks locations also have an economic boost in the area they are located, especially in Seattle, where the company has its headquarters. Many millions of dollars are brought into the local economy from Starbucks, and it is a major boon to the economy.

Starbucks has almost 5,000 locations outside of North America and that number is growing. According to suite101.com, approximately 20% of Starbucks 2006 revenues come from outside America. In many countries, Starbucks is beginning to gain popularity, especially with younger people. Like in the United States, international Starbucks locations provide an easy to get to, welcoming location for people to hang out. In China, Starbucks is positioning itself to become a popular place for the emerging middle class. The main problem Starbucks faces in the international market however, is initial acceptance. Some people see Starbucks locations as foreign invaders intending to muscle their way in. This is especially true in France, where an established café community makes it difficult for new Starbucks locations to get started.

Now ranked as the third biggest worldwide food services company by Fortune 500, Starbucks has grown immensely from its humble 1971 roots. It has become the most popular United States coffee house and is gaining popularity worldwide. Starbucks can be compared with other innovative Puget Sound companies like Boeing and Microsoft for its impact on our society. The next time you drive by a Starbucks, think back and ponder how far the company has come.