

The Starbucks Momentum

According to the Associated Press, Starbucks Corporation has seen its stock price plummet fifty percent in 2006. Citing the decline in home values and the increase in fuel prices with stiffer competition from unlikely rivals, Dunkin' Donuts and McDonald's Corporation, Starbucks will scale back on domestic store openings while pumping up their international market.

Another profit concern they have is the rise of copycats. When you have a winner, everyone wants to copy you. Really. Even 7-11 has gotten into the picture by fine-grinding their beans (making them darker and stronger) and replacing their cups and lids that rivals Starbucks' in appearance.

Has Starbucks suffered?

You could never tell in my area. There's a Starbucks drive-thru that seems to average five cars per minute. Then there's the Starbucks kiosk inside a Von's Supermarket only two hundred feet away from a Starbucks coffeehouse. The mom-and-pop donut house in the same center has not recovered since Starbucks arrived.

Starbucks is definitely the Big Dog on the block. Because of that, competitors want to model their success. (Or take a shot at them.) And even consumers want their identity tied to that of a bonafide winner.

I'm downtown one business morning. There are coffee lovers parading their Starbucks boldly and proudly. They don't drink them because you don't drink a status symbol.

I call this getting a Double Buzz. One from showing off their status symbol. And the other from downing the potent brew.

Get this: an inside source from 7-11 says she has witnessed people coming into the store to buy the house coffee using Starbucks tumblers. How's that for ingenuity? These misguided few want the world to perceive them as winners so badly they are willing to cheat. Just to get a buzz.

Everyone wants to identify with a winner...

Think of all the knockoff clothing and accessories consumers are wearing that has a logo or design from high-end fashion designers. The golf ball with Tiger Woods' signature will outsell the same balls with the Nike logo. My laptop with the Prancing Horse logo and Ferrari Red paint cost me six hundred dollars more than the equivalent one with the company brand name.

It never fails. We want to identify with winners. It must be written in our DNA.

Specialty products increase profits...

Starbucks developed a product line of grinders, mugs, and even an espresso machine. It's brilliant. Instead of buying your coffee maker from outside sources, they're keeping you grounded to their brand name. They're prospering from this new pipeline because they

know brand identity is so strong, you wouldn't be caught dead making coffee from a Black and Decker when you have friends over. It's social suicide.

So what does this specialty coffee's success mean for you and me?

If you want to increase your success, consumers must perceive you as a winner. Or believe that you possess the winning drive to go all the way. That's whom people want to identify with. That's whom consumers want to buy from.

Brand identity. Associating with a winner. People will buy more, and more often with you if they know you're a winner.

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