

# Starbucks to change style as UK chief admits mistakes have led to a 'boring' image

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Errors: Starbucks chief Darcy Willson-Rymer admits that his company has made mistakes in the past by ignoring its customers

It's an admission which will come as no surprise to those who loathe the muted beige and greens, uniform furniture and signage.

The head of Starbucks has admitted the decor of its High Street stores could be viewed as a 'mistake' and, with profits plunging, the company has taken the bold step of abandoning its rigid policy of identikit stores in a desperate bid to lure customers.

Britain's biggest coffee-shop chain plans to go back to its roots creating more 'grungy and individual' stores to hide its corporate image.

The bland colours will be banished to make way for bold colours, second hand furniture, community boards and work by local artists.

Market analysts believe Starbucks has been left behind by a fast-paced market and is seeking to shed an old, stale image.

Leading coffee sector analyst Jeffrey Young, managing editor of consultancy Allegra Strategies, said Starbucks has been the worst hit coffee chain during the downturn with like-for-like sales down by five to seven per cent.

He said: 'Starbucks appeals to a very broad audience which tends to be less affluent than other brands such as Costa, Pret and Cafe Nero. Their customers are tightening their belts.'

'The company has not stayed in tune with the local market place. Last month its global marketing message was "summer is back" promoting smoothies.'



Revamp: Starbucks is ditching its 'office' type image to try to lure customers back into its coffee shops amid sluggish sales

'Meanwhile its main rival Costa has been on the ball with credit crunch offers like a lunch, and a drink, for £4.95.

'The Starbucks brand has become stale and boring because it's everywhere. People think it has sold out. Its rebranding is an attempt to go back to its grungy roots.'

Darcy Willson-Rymer, Starbucks' UK and Ireland managing director admitted the chain had made mistakes in the past by ignoring the wishes of its customers.

He said: 'I think we tried to put too much process into the stores. As we evolve our store design we have to do it in a way that resonates with customers.

'We have made mistakes in the past, but the fundamentals are fantastic.

'We're working through what we need to do specifically for the UK market, but it's this notion that there isn't a single palette. In every store, there will be something that is locally relevant.'

Four non-branded Starbucks outlets are being trialed in Seattle. The first, called the 15th Avenue Coffee and Tea, recently opened with a 'beatnik vibe'.

Starbucks serves 2million cups of coffee in the UK each day and 50million worldwide, trading in 49 countries with 16,120 cafes and a workforce of 172,000.

It opened in the UK in 1998 and today has more than 700 stores in Britain and Ireland.

Laura Chesters, news editor of Property Week, said Starbucks was suffering a 'Tesco backlash' because it was so successful.

She said: 'Starbucks is suffering a backlash like the Tesco backlash. It has become so successful that people resent it. When they see the brand everywhere they go, it loses its appeal.

'The rebranded [U.S.] stores are likely to be called community coffee shops and won't show the Starbucks branding.'

She added that Starbucks is actively trying to reduce its rent or off-load about 50 stores spread across the country to mobile phone stores and other retailers, except direct competitors.

A spokesman said: 'At Starbucks we are committed to providing our customers with a great experience and the perfect beverage, using the highest quality coffee, every time they visit us.'

'We're currently reviewing our approach to the design of our stores, with an amplified focus on local relevance and environmental responsibility however, these will still clearly be branded as Starbucks coffeehouses.'

'This follows on from the Starbucks announcement in June of this year which set out our new global store design strategy, which set the stage for a reinvigorated customer experience.'

'Starbucks stores in the UK will retain the same name and will be easily recognisable as your usual place to get a great cup of coffee, however, the new designs will aim to reflect the character of each store's surrounding neighbourhood and help to reduce environmental impacts.'